

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

YONG HONG TANG, Individually and on  
Behalf of All Others Similarly Situated,

Plaintiff,

v.

FUTU HOLDINGS LIMITED, LEAF HUA  
LI, and ARTHUR YU CHEN,

Defendants.

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Case No.

**CLASS ACTION COMPLAINT FOR  
VIOLATIONS OF THE FEDERAL  
SECURITIES LAWS**

**DEMAND FOR JURY TRIAL**

Plaintiff Yong Hong Tang (“Plaintiff”), individually and on behalf of all others similarly situated, by and through his attorneys, alleges the following upon information and belief, except as to those allegations concerning Plaintiff, which are alleged upon personal knowledge. Plaintiff’s information and belief is based upon, among other things, his counsel’s investigation, which includes without limitation: (a) review and analysis of regulatory filings made by Futu Holdings Limited (“Futu” or the “Company”) with the United States (“U.S.”) Securities and Exchange Commission (“SEC”); (b) review and analysis of press releases and media reports issued by and disseminated by Futu; and (c) review of other publicly available information concerning Futu.

### **NATURE OF THE ACTION AND OVERVIEW**

1. This is a class action on behalf of persons and entities that purchased or otherwise acquired Futu securities between May 24, 2023 and May 27, 2026, inclusive (the “Class Period”). Plaintiff pursues claims against the Defendants under the Securities Exchange Act of 1934 (the “Exchange Act”).

2. Futu engages in the provision of digitalized securities brokerage and wealth management product distribution service in Hong Kong and internationally.

3. On December 30, 2022, China Securities Regulatory Commission (“CSRC”) issued a statement that Futu has conducted cross-border securities businesses with domestic investors in mainland China without regulatory consent. As a result, Futu was banned from opening new accounts from mainland Chinese investors and soliciting new business from mainland investors.

4. On May 22, 2026, before the market opened, Reuters published an article reporting that the CSRC, along with seven other government agencies including the central bank, had launched a crackdown aimed at *“brokers it accused of illegally moving money to foreign*

*markets*” including “overseas firms and their local partners operating without approval.”<sup>1</sup> The article reported “online brokers Tiger, *Futu* and Longbridge *would be penalised for soliciting business in China without an onshore licence, the securities regulator said.*”

5. On the same date, pre-market, Futu issued a press release disclosing that it had received a Notification Letter from the CSRC. The Company reported the letter states “*certain Futu entities in mainland China and Hong Kong ... without obtaining the requisite licenses or approval, conducted securities business, public fund sales business and futures business in mainland China.*” The letter further states the CSRC “proposes to order the Related Companies to rectify or cease such activities, *confiscate illegal gains, and impose fines, with the total proposed penalty amounting to approximately RMB1.85 billion (approximately USD271 million).*” Further, the regulatory authority “proposes to impose a personal fine of RMB1.25 million (approximately USD 183,575) on Mr. LI Hua, the founder and CEO of the Company.”

6. On this news, Futu’s stock price fell \$34.10, or 27.5%, to close at \$89.76 per share on May 22, 2026, on unusually heavy trading volume.

7. On May 28, 2026, before the market opened, Futu issued a press release reporting financial results for the first quarter 2026, including net income of HK\$831.0 million (US\$106.0 million) after giving effect to the proposed penalties comprised of: “*(i) confiscation of illegal gains of approximately RMB470 million [approximately \$69.21 million USD], and (ii) imposition of fines of approximately RMB1.38 billion, [approximately \$20 billion USD]* in an aggregate amount of approximately RMB1.85 billion.” The press release reported this adjustment

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<sup>1</sup> Unless otherwise stated, all emphasis in bold and italics hereinafter is added, and all footnotes are omitted.

under the Company's financial statements as "Others, net" in its statements of comprehensive income for the applicable period.

8. On this news, Futu's stock price fell \$5.31, or 4.8%, to close at \$104.91 on May 28, 2026, on unusually heavy trading volume.

9. Throughout the Class Period, Defendants made materially false and/or misleading statements, as well as failed to disclose material adverse facts about the Company's business, operations, and prospects. Specifically, Defendants failed to disclose to investors that: (1) Futu was not in compliance with the requirements of the CSRC, including because the Company continued to conduct securities business, public fund sales business and futures business in mainland China without obtaining the requisite licenses or approval; (2) as a result, Futu was reasonably likely to face regulatory penalties, including the disgorgement of ill-gotten gains and other penalties; (3) as a result of the foregoing, Futu's financial results were overstated; and (4) as a result of the foregoing, Defendants' positive statements about the Company's business, operations, and prospects were materially misleading and/or lacked a reasonable basis.

10. As a result of Defendants' wrongful acts and omissions, and the precipitous decline in the market value of the Company's securities, Plaintiff and other Class members have suffered significant losses and damages.

### **JURISDICTION AND VENUE**

11. The claims asserted herein arise under Sections 10(b) and 20(a) of the Exchange Act (15 U.S.C. §§ 78j(b) and 78t(a)) and Rule 10b-5 promulgated thereunder by the SEC (17 C.F.R. § 240.10b-5).

12. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. § 1331 and Section 27 of the Exchange Act (15 U.S.C. § 78aa).

13. Venue is proper in this Judicial District pursuant to 28 U.S.C. § 1391(b) and Section 27 of the Exchange Act (15 U.S.C. § 78aa(c)). Substantial acts in furtherance of the alleged fraud or the effects of the fraud have occurred in this Judicial District. Many of the acts charged herein, including the dissemination of materially false and/or misleading information, occurred in substantial part in this Judicial District.

14. In connection with the acts, transactions, and conduct alleged herein, Defendants directly and indirectly used the means and instrumentalities of interstate commerce, including the United States mail, interstate telephone communications, and the facilities of a national securities exchange.

### **PARTIES**

15. Plaintiff Yong Hong Tang, as set forth in the accompanying certification, incorporated by reference herein, purchased Futu securities during the Class Period, and suffered damages as a result of the federal securities law violations and false and/or misleading statements and/or material omissions alleged herein.

16. Defendant Futu is incorporated under the laws of the Cayman Islands with its principal executive offices located in Hong Kong S.A.R., People's Republic of China. Futu's American Depositary Shares ("ADSs") trade on the NASDAQ exchange under the symbol "FUTU."

17. Defendant Leaf Hua Li ("Li") was the Company's Chief Executive Officer ("CEO") at all relevant times.

18. Defendant Arthur Yu Chen ("Chen") was the Company's Chief Financial Officer ("CFO") at all relevant times.

19. Defendants Li and Chen (together, the "Individual Defendants"), because of their positions with the Company, possessed the power and authority to control the contents of the

Company's reports to the SEC, press releases and presentations to securities analysts, money and portfolio managers and institutional investors, i.e., the market. The Individual Defendants were provided with copies of the Company's reports and press releases alleged herein to be misleading prior to, or shortly after, their issuance and had the ability and opportunity to prevent their issuance or cause them to be corrected. Because of their positions and access to material non-public information available to them, the Individual Defendants knew that the adverse facts specified herein had not been disclosed to, and were being concealed from, the public, and that the positive representations which were being made were then materially false and/or misleading. The Individual Defendants are liable for the false statements pleaded herein.

### **SUBSTANTIVE ALLEGATIONS**

#### **Background**

20. Futu Holdings Limited engages in the provision of digitalized securities brokerage and wealth management product distribution service in Hong Kong and internationally.

21. On December 30, 2022, China Securities Regulatory Commission ("CSRC") issued a statement that Futu has conducted cross-border securities businesses with domestic investors in mainland China without regulatory consent. As a result, Futu was banned from opening new accounts from mainland Chinese investors and soliciting new business from mainland investors.

22. On May 16, 2023, media reported that the Futu app would be removed from app stores in China. Reuters reported that the removal "would bar a large number of potential retail investors in mainland China from trading securities easily in markets such as the U.S. and Hong Kong."

## Materially False and Misleading

### Statements Issued During the Class Period

23. On May 24, 2023, Futu issued a press release announcing results for the first quarter of 2023. The press release touted the Company's financial results, including the total number of funded accounts, the total number of brokerage accounts, and the Company's daily average client assets. Specifically, the press release stated as follows, in relevant part:

#### **First Quarter 2023 Operational Highlights**

- **Total number of paying clients** increased 15.2% year-over-year to 1,528,103 as of March 31, 2023.
- **Total number of registered clients** increased 13.5% year-over-year to 3,304,758 as of March 31, 2023.
- **Total number of users**<sup>3</sup> increased 10.5% year-over-year to 20.0 million as of March 31, 2023.
- **Total client assets** increased 20.6% year-over-year to HK\$465.5 billion as of March 31, 2023.
- **Daily average client assets** were HK\$453.0 billion in the first quarter of 2023, an increase of 16.7% from the same period in 2022.
- **Total trading volume in the first quarter of 2023** declined 7.8% year-over-year to HK\$1.2 trillion, in which trading volume for U.S. stocks was HK\$827.6 billion, trading volume for Hong Kong stocks was HK\$372.2 billion, and trading volume for stocks under the Stock Connect was HK\$20.0 billion.
- **Daily average revenue trades (DARTs) in the first quarter of 2023** declined 13.7% year-over-year to 514,105.
- **Margin financing and securities lending balance** increased 35.3% year-over-year to HK\$34.5 billion as of March 31, 2023.

#### **First Quarter 2023 Financial Highlights**

- **Total revenues** increased 52.3% year-over-year to HK\$2,499.9 million (US\$318.5 million).
- **Total gross profit** increased 56.3% year-over-year to HK\$2,209.0 million (US\$281.4 million).
- **Net income** increased 108.4% year-over-year to HK\$1,191.8 million (US\$151.8 million).
- **Non-GAAP adjusted net income** increased 103.8% year-over-year to HK\$1,268.0million (US\$161.5 million).

24. On August 24, 2023, Futu issued a press release announcing results for the second quarter of 2023. The press release touted the Company's financial results, including the total number of funded accounts, the total number of brokerage accounts, and the Company's daily average client assets. Specifically, the press release stated as follows, in relevant part:

**Second Quarter 2023 Operational Highlights**

- **Total number of paying clients** increased 14.3% year-over-year to 1,586,001 as of June 30, 2023.
- **Total number of registered clients** increased 12.4% year-over-year to 3,395,654 as of June 30, 2023.
- **Total number of users** increased 10.1% year-over-year to 20.5 million as of June 30, 2023.
- **Total client assets** increased 7.5% year-over-year to HK\$466.2 billion as of June 30, 2023.
- **Daily average client assets** were HK\$450.1 billion in the second quarter of 2023, an increase of 18.3% from the same period in 2022.
- **Total trading volume in the second quarter of 2023** declined 28.7% year-over-year to HK\$1.0 trillion, in which trading volume for U.S. stocks was HK\$675.9 billion, trading volume for Hong Kong stocks was HK\$258.5 billion, and trading volume for stocks under the Stock Connect was HK\$22.3 billion.
- **Daily average revenue trades (DARTs) in the second quarter of 2023** declined 32.1% year-over-year to 389,748.
- **Margin financing and securities lending balance** increased 17.6% year-over-year to HK\$34.0 billion as of June 30, 2023.

**Second Quarter 2023 Financial Highlights**

- **Total revenues** increased 42.3% year-over-year to HK\$ 2,484.9 million (US\$317.1 million).
- **Total gross profit** increased 37.1% year-over-year to HK\$2,110.4 million (US\$269.3 million).
- **Net income** increased 74.5% year-over-year to HK\$1,119.6 million (US\$142.9 million).
- **Non-GAAP adjusted net income** increased 73.3% year-over-year to HK\$1,193.4 million (US\$152.3 million).

25. On November 23, 2023, Futu issued a press release announcing results for the third quarter of 2023. The press release touted the Company's financial results, including the total

number of funded accounts, the total number of brokerage accounts, and the Company's daily average client assets. Specifically, the press release stated as follows, in relevant part:

### **Third Quarter 2023 Operational Highlights**

- **Total number of paying clients** increased 14.2% year-over-year to 1,650,843 as of September 30, 2023.
- **Total number of registered clients** increased 11.4% year-over-year to 3,490,292 as of September 30, 2023.
- **Total number of users** increased 10.1% year-over-year to 21.1 million as of September 30, 2023.
- **Total client assets** increased 26.6% year-over-year to HK\$468.1 billion as of September 30, 2023.
- **Daily average client assets** were HK\$480.6 billion in the third quarter of 2023, an increase of 15.4% from the same period in 2022.
- **Total trading volume in the third quarter of 2023** increased by 0.5% year-over-year to HK\$1.1 trillion, in which trading volume for U.S. stocks was HK\$804.4 billion, trading volume for Hong Kong stocks was HK\$272.5 billion, and trading volume for stocks under the Stock Connect was HK\$9.5 billion.
- **Daily average revenue trades (DARTs) in the third quarter of 2023** declined 7.2% year-over-year to 416,005.
- **Margin financing and securities lending balance** increased 9.4% year-over-year to HK\$32.4 billion as of September 30, 2023.

### **Third quarter 2023 Financial Highlights**

- **Total revenues** increased 36.2% year-over-year to HK\$2,650.4 million (US\$338.5 million).
- **Total gross profit** increased 28.1% year-over-year to HK\$2,213.0 million (US\$282.6 million).
- **Net income** increased 44.6% year-over-year to HK\$1,091.2 million (US\$139.3 million).
- **Non-GAAP adjusted net income** increased 43.7% year-over-year to HK\$1,158.0 million (US\$147.9 million).

26. On March 14, 2024, Futu issued a press release announcing results for the fourth quarter and full year 2023. The press release touted the Company's financial results, including the total number of funded accounts, the total number of brokerage accounts, and the Company's daily average client assets. Specifically, the press release stated as follows, in relevant part:

### **Fourth Quarter and Full Year 2023 Operational Highlights**

- **Total number of paying clients** increased 15.0% year-over-year to 1,710,106 as of December 31, 2023.
- **Total number of registered clients** increased 10.2% year-over-year to 3,561,966 as of December 31, 2023.
- **Total number of users** increased 10.5% year-over-year to 21.6 million as of December 31, 2023.
- **Total client assets** increased 16.3% year-over-year to HK\$485.6 billion as of December 31, 2023.
- **Daily average client assets** were HK\$470.3 billion in the fourth quarter of 2023, an increase of 22.8% from the same period in 2022.
- **Total trading volume in the fourth quarter of 2023** decreased by 12.5% year-over-year to HK\$956.6 billion, in which trading volume for U.S. stocks was HK\$704.6 billion, trading volume for Hong Kong stocks was HK\$237.7 billion, and trading volume for stocks under the Stock Connect was HK\$10.7 billion. Total trading volume in 2023 declined 12.8% year-over-year to HK\$4.2 trillion.
- **Daily average revenue trades (DARTs) in the fourth quarter of 2023** declined 22.2% year-over-year to 369,729. DARTs in 2023 declined 27.2% year-over-year to 428,745.
- **Margin financing and securities lending balance** increased 24.2% year-over-year to HK\$33.1 billion as of December 31, 2023.

#### **Fourth Quarter 2023 Financial Highlights**

- **Total revenues** increased 4.1% year-over-year to HK\$2,373.3 million (US\$303.8 million).
- **Total gross profit** increased 0.1% year-over-year to HK\$1,939.8 million (US\$248.3 million).
- **Net income** decreased 8.6% year-over-year to HK\$876.4 million (US\$112.2 million).
- **Non-GAAP adjusted net income** decreased 6.3% year-over-year to HK\$950.5 million (US\$121.7 million).

#### **Full Year 2023 Financial Highlights**

- **Total revenues** increased 31.4% year-over-year to HK\$10,008.4 million (US\$1,281.3 million).
- **Total gross profit** increased 28.0% year-over-year to HK\$8,472.2 million (US\$1,084.7 million).
- **Net income** increased 46.2% year-over-year to HK\$4,278.9 million (US\$547.8 million).
- **Non-GAAP adjusted net income** increased 45.9% year-over-year to HK\$4,569.8 million (US\$585.1 million).

27. On April 24, 2024, the Company submitted its annual report for the fiscal year ended December 31, 2023 on a Form 20-F filed with the SEC (the “FY23 20-F”). The FY23 20-F

affirmed the previously reported financial results. The FY23 20-F purported to describe the Company's attempts to comply with its ongoing regulatory compliance obligations, including as follows, in relevant part:

As announced by the CSRC on December 30, 2022, the CSRC has initiated inquiries on us regarding our cross-border operations in Mainland China, including the provision of cross-border securities business services for domestic, China-based investors. ***We have taken and may continue to take rectification measures on our business based on the requirements from the CSRC. In response to the CSRC rectification requirements, we have removed our Futubull app from app stores in Mainland China since May 19, 2023.*** However, there can be no assurance that our rectification measures would fully meet the requirements from the CSRC. As of the date of this annual report, we have limited information to accurately predict if any disciplinary action or punishment will be taken against us and/or our officers after the conclusion of such inquiries, and if so, the nature and extent of any such action. If the CSRC pursues further regulatory actions or imposes penalties on us, including but not limited to fines, suspension of parts or all of our operations or activities in Mainland China, they may, individually or taken as a whole, have a material and adverse impact on our operations and financial results. See “Item 3. Key Information—D. Risk Factors—Risks Related to Our Business and Industry—We do not hold any license or permit for providing securities brokerage services in Mainland China. As announced by the CSRC on December 30, 2022, the CSRC has initiated inquiries on us regarding our cross-border operations in Mainland China, including the provision of cross-border securities services for domestic, China-based investors. ***We have taken and may continue to take rectification measures based on our communication with or the requirements from the CSRC.*** If the CSRC is not satisfied with our rectification measures or imposes other further regulatory actions or penalties on us, our business and results of operations may be materially and adversely affected.

28. The FY23 20-F further purported to warn of risks which “*could*” or “*may*” harm the Company, including as follows, in relevant part:

***We do not hold any license or permit for providing securities brokerage services in Mainland China. As announced by the CSRC on December 30, 2022, the CSRC has initiated inquiries on us regarding our cross-border operations in Mainland China, including the provision of cross-border securities services for domestic, China-based investors. We have taken and may continue to take rectification measures based on our communication with or the requirements from the CSRC. If the CSRC is not satisfied with our rectification measures or imposes other further regulatory actions or penalties on us, our business and results of operations may be materially and adversely affected.***

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As announced by the CSRC on December 30, 2022, the CSRC has initiated inquiries on us regarding our cross-border operations in Mainland China, including the provision of cross-border securities business services for domestic, China-based investors. *We have taken and may continue to take rectification measures on our business based on the requirements from the CSRC. In response to the CSRC rectification requirements, we have removed our Futubull app from app stores in Mainland China since May 19, 2023.* However, there can be no assurance that our rectification measures would fully meet the requirements from the CSRC. As of the date of this annual report, we have limited information to accurately predict if any disciplinary action or punishment will be taken against us and/or our officers after the conclusion of such inquiries, and if so, the nature and extent of any such action. If the CSRC pursues further regulatory actions or imposes penalties on us, including but not limited to fines, suspension of parts or all of our operations or activities in Mainland China, they may, individually or taken as a whole, have a material and adverse impact on our operations and financial results.

\* \* \*

*The approval of and/or the filing with the CSRC or other PRC governmental authorities may be required under PRC law in connection with our future offshore offering or listing of securities on a different market and if required, we cannot predict whether or how soon we will be able to obtain such approval or complete such filing.*

\* \* \*

Although we are an Existing Issuer and accordingly are not required to complete filing with the CSRC immediately, we may be subject to the CSRC filing procedures in the future in connection with our refinancing or other activities and, if required, we cannot predict whether we will be able to complete such filing procedures in time or at all.

29. On May 28, 2024, Futu issued a press release announcing results for the first quarter of 2024. The press release touted the Company's financial results, including the total number of funded accounts, the total number of brokerage accounts, and the Company's daily average client assets. Specifically, the press release stated as follows, in relevant part:

**First Quarter 2024 Operational Highlights**

- **Total number of paying clients** increased 23.5% year-over-year to 1,887,270 as of March 31, 2024.
- **Total number of registered clients** increased 15.4% year-over-year to 3,812,326 as of March 31, 2024.

- **Total number of users** increased 12.3% year-over-year to 22.5 million as of March 31, 2024.
- **Total client assets** increased 11.2% year-over-year to HK\$517.9 billion as of March 31, 2024.
- **Daily average client assets** were HK\$480.0 billion in the first quarter of 2024, an increase of 6.0% from the same period in 2023.
- **Total trading volume in the first quarter of 2024** increased by 9.5% year-over-year to HK\$1.3 trillion, in which trading volume for U.S. stocks was HK\$1.0 trillion, trading volume for Hong Kong stocks was HK\$280.4 billion, and trading volume for stocks under the Stock Connect was HK\$9.5 billion.
- **Daily average revenue trades (DARTs) in the first quarter of 2024** increased 7.0% year-over-year to 549,854.
- **Margin financing and securities lending balance** increased 8.9% year-over-year to HK\$37.6 billion as of March 31, 2024.

#### **First Quarter 2024 Financial Highlights**

- **Total revenues** increased 3.7% year-over-year to HK\$2,592.5 million (US\$331.3 million).
- **Total gross profit** decreased 3.9% year-over-year to HK\$2,122.2 million (US\$271.2 million).
- **Net income** decreased 13.1% year-over-year to HK\$1,035.1 million (US\$132.3 million).
- **Non-GAAP adjusted net income** decreased 11.6% year-over-year to HK\$1,121.1 million (US\$143.3 million).

30. On August 20, 2024, Futu issued a press release announcing results for the second quarter of 2024. The press release touted the Company's financial results, including the total number of funded accounts, the total number of brokerage accounts, and the Company's daily average client assets. Specifically, the press release stated as follows, in relevant part:

#### **Second Quarter 2024 Operational Highlights**

- **Total number of paying clients** increased 28.8% year-over-year to 2,042,313 as of June 30, 2024.
- **Total number of registered clients** increased 19.1% year-over-year to 4,045,703 as of June 30, 2024.
- **Total number of users** increased 13.3% year-over-year to 23.3 million as of June 30, 2024.
- **Total client assets** increased 24.3% year-over-year to HK\$579.3 billion as of June 30, 2024.
- **Daily average client assets** were HK\$560.0 billion in the second quarter of 2024, an increase of 24.4% from the same period in 2023.

- **Total trading volume in the second quarter of 2024** increased by 69.0% year-over-year to HK\$1.62 trillion, in which trading volume for U.S. stocks was HK\$1.24 trillion, and trading volume for Hong Kong stocks was HK\$357.6 billion.
- **Daily average revenue trades (DARTs) in the second quarter of 2024** increased 67.4% year-over-year to 652,286.
- **Margin financing and securities lending balance** increased 28.8% year-over-year to HK\$43.8 billion as of June 30, 2024.

### Second Quarter 2024 Financial Highlights

- **Total revenues** increased 25.9% year-over-year to HK\$3,129.0 million (US\$400.7 million).
- **Total gross profit** increased 21.1% year-over-year to HK\$2,554.7 million (US\$327.2 million).
- **Net income** increased 8.0% year-over-year to HK\$1,209.3 million (US\$154.9 million).
- **Non-GAAP adjusted net income** increased 8.6% year-over-year to HK\$1,296.2 million (US\$166.0 million).

31. On November 19, 2024, Futu issued a press release announcing results for the third quarter of 2024. The press release touted the Company's financial results, including the total number of funded accounts, the total number of brokerage accounts, and the Company's daily average client assets. Specifically, the press release stated as follows, in relevant part:

### Third Quarter 2024 Operational Highlights

- **Total number of paying clients** increased 33.1% year-over-year to 2,196,647 as of September 30, 2024.
- **Total number of registered clients** increased 22.8% year-over-year to 4,284,786 as of September 30, 2024.
- **Total number of users** increased 14.4% year-over-year to 24.1 million as of September 30, 2024.
- **Total client assets** increased 48.1% year-over-year to HK\$693.4 billion as of September 30, 2024.
- **Daily average client assets** were HK\$593.2 billion in the third quarter of 2024, an increase of 23.4% from the same period in 2023.
- **Total trading volume in the third quarter of 2024** increased by 74.7% year-over-year to HK\$1.90 trillion, in which trading volume for U.S. stocks was HK\$1.53 trillion, and trading volume for Hong Kong stocks was HK\$347.7 billion.
- **Daily average revenue trades (DARTs) in the third quarter of 2024** increased 68.0% year-over-year to 698,811.

- **Margin financing and securities lending balance** increased 25.5% year-over-year to HK\$40.6 billion as of September 30, 2024.

### Third Quarter 2024 Financial Highlights

- **Total revenues** increased 29.6% year-over-year to HK\$3,436.1 million (US\$442.3 million).
- **Total gross profit** increased 27.0% year-over-year to HK\$2,811.3 million (US\$361.8 million).
- **Net income** increased 20.9% year-over-year to HK\$1,319.2 million (US\$169.8 million).
- **Non-GAAP adjusted net income** increased 20.8% year-over-year to HK\$1,398.4 million (US\$180.0 million).

32. On March 13, 2025, Futu issued a press release announcing results for the fourth quarter and full year 2024. The press release touted the Company's financial results, including the total number of funded accounts, the total number of brokerage accounts, and the Company's daily average client assets. Specifically, the press release stated as follows, in relevant part:

### Fourth Quarter and Full Year 2024 Operational Highlights

- **Total number of paying clients** increased 41.0% year-over-year to 2,411,324 as of December 31, 2024.
- **Total number of registered clients** increased 28.7% year-over-year to 4,583,453 as of December 31, 2024.
- **Total number of users** increased 16.2% year-over-year to 25.1 million as of December 31, 2024.
- **Total client assets** increased 53.1% year-over-year to HK\$743.3 billion as of December 31, 2024.
- **Daily average client assets** were HK\$722.3 billion in the fourth quarter of 2024, an increase of 53.6% from the same period in 2023.
- **Total trading volume in the fourth quarter of 2024** increased by 201.7% year-over-year to HK\$2.89 trillion, in which trading volume for U.S. stocks was HK\$2.08 trillion, and trading volume for Hong Kong stocks was HK\$754.5 billion. Total trading volume in 2024 increased 83.3% year-over-year to HK\$7.75 trillion.
- **Margin financing and securities lending balance** increased 53.7% year-over-year to HK\$50.9 billion as of December 31, 2024.

### Fourth Quarter 2024 Financial Highlights

- **Total revenues** increased 86.8% year-over-year to HK\$4,432.5 million (US\$570.6 million).

- **Total gross profit** increased 88.5% year-over-year to HK\$3,656.5 million (US\$470.7 million).
- **Net income** increased 113.3% year-over-year to HK\$1,869.5 million (US\$240.7 million).
- **Non-GAAP adjusted net income** increased 105.4% year-over-year to HK\$1,952.3 million (US\$251.3 million).

#### Full Year 2024 Financial Highlights

- **Total revenues** increased 35.8% year-over-year to HK\$13,590.1 million (US\$1,749.6 million).
- **Total gross profit** increased 31.5% year-over-year to HK\$11,144.7 million (US\$1,434.7 million).
- **Net income** increased 27.0% year-over-year to HK\$5,433.1 million (US\$699.4 million).
- **Non-GAAP adjusted net income** increased 26.2% year-over-year to HK\$5,768.0 million (US\$742.6 million).

33. On April 14, 2025, the Company submitted its annual report for the fiscal year ended December 31, 2024 on a Form 20-F filed with the SEC (the “FY24 20-F”). The FY24 20-F affirmed the previously reported financial results. The FY24 20-F purported to describe the Company’s attempts to comply with its ongoing regulatory compliance obligations, including as follows, in relevant part:

As announced by the CSRC on December 30, 2022, the CSRC has initiated inquiries on us regarding our cross-border operations in Mainland China, including the provision of cross-border securities business services for domestic, China-based investors. *We have taken and may continue to take rectification measures on our business based on the requirements from the CSRC. In response to the CSRC rectification requirements, we have removed our Futubull app from app stores in Mainland China since May 19, 2023.* However, there can be no assurance that our rectification measures would fully meet the requirements from the CSRC. As of the date of this annual report, we have limited information to accurately predict if any disciplinary action or punishment will be taken against us and/or our officers by the CSRC, and if so, the nature and extent of any such action. If the CSRC pursues further regulatory actions or imposes penalties on us, including but not limited to fines, suspension of parts or all of our operations or activities in Mainland China, they may, individually or taken as a whole, have a material and adverse impact on our operations and financial results. See “Item 3. Key Information—D. Risk Factors—Risks Related to Our Business and Industry—We do not hold any license or permit for providing securities brokerage services in Mainland China. As announced by the CSRC on December 30, 2022, the CSRC has initiated inquiries on us regarding our cross-border operations in Mainland China, including the

provision of cross-border securities services for domestic, China-based investors. ***We have taken and may continue to take rectification measures based on our communication with or the requirements from the CSRC.*** If the CSRC is not satisfied with our rectification measures or imposes other further regulatory actions or penalties on us, our business and results of operations may be materially and adversely affected.

34. The FY23 20-F further purported to warn of risks which “*could*” or “*may*” harm the Company, including as follows, in relevant part:

***We do not hold any license or permit for providing securities brokerage services in Mainland China. As announced by the CSRC on December 30, 2022, the CSRC has initiated inquiries on us regarding our cross-border operations in Mainland China, including the provision of cross-border securities services for domestic, China-based investors. We have taken and may continue to take rectification measures based on our communication with or the requirements from the CSRC. If the CSRC is not satisfied with our rectification measures or imposes other further regulatory actions or penalties on us, our business and results of operations may be materially and adversely affected.***

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As announced by the CSRC on December 30, 2022, the CSRC has initiated inquiries on us regarding our cross-border operations in Mainland China, including the provision of cross-border securities business services for domestic, China-based investors. ***We have taken and may continue to take rectification measures on our business based on the requirements from the CSRC. In response to the CSRC rectification requirements, we have removed our Futubull app from app stores in Mainland China since May 19, 2023. However, there can be no assurance that our rectification measures would fully meet the requirements from the CSRC.*** As of the date of this annual report, we have limited information to accurately predict if any disciplinary action or punishment will be taken against us and/or our officers by the CSRC, and if so, the nature and extent of any such action. If the CSRC pursues further regulatory actions or imposes penalties on us, including but not limited to fines, suspension of parts or all of our operations or activities in Mainland China, they may, individually or taken as a whole, have a material and adverse impact on our operations and financial results.

In addition, while we have internal policies in place regulating relevant activities of our employees and their dealings with our business partners, ***if our employees or business partners engage in certain activities for which permits or licenses are required in the view of the relevant authorities, we may be subject to additional regulatory inquiries or penalties and negative publicity.***

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*The approval of and/or the filing with the CSRC or other PRC governmental authorities may be required under PRC law in connection with our future offshore offering or listing of securities on a different market and if required, we cannot predict whether or how soon we will be able to obtain such approval or complete such filing.*

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Although we are an Existing Issuer and accordingly are not required to complete filing with the CSRC immediately, we may be subject to the CSRC filing procedures in the future in connection with our refinancing or other activities and, if required, we cannot predict whether we will be able to complete such filing procedures in time or at all.

35. On May 29, 2025, Futu issued a press release announcing results for the first quarter of fiscal year 2025. The press release touted the Company's financial results, including the total number of funded accounts, the total number of brokerage accounts, and the Company's daily average client assets. Specifically, the press release stated as follows, in relevant part:

#### **First Quarter 2025 Operational Highlights**

- **Total number of funded accounts** increased 41.6% year-over-year to 2,673,119 as of March 31, 2025.
- **Total number of brokerage accounts** increased 30.0% year-over-year to 4,955,319 as of March 31, 2025.
- **Total number of users** increased 16.8% year-over-year to 26.3 million as of March 31, 2025.
- **Total client assets** increased 60.2% year-over-year to HK\$829.8 billion as of March 31, 2025.
- **Daily average client assets** were HK\$790.4 billion in the first quarter of 2025, an increase of 64.7% from the same period in 2024.
- **Total trading volume in the first quarter of 2025** increased by 140.1% year-over-year to HK\$3.22 trillion, in which trading volume for U.S. stocks was HK\$2.25 trillion, and trading volume for Hong Kong stocks was HK\$916.0 billion.
- **Margin financing and securities lending balance** increased 33.7% year-over-year to HK\$50.3 billion as of March 31, 2025.

#### **First Quarter 2025 Financial Highlights**

- **Total revenues** increased 81.1% year-over-year to HK\$4,694.6 million (US\$603.4 million).
- **Total gross profit** increased 85.9% year-over-year to HK\$3,945.7 million (US\$507.2 million).

- **Net income** increased 107.0% year-over-year to HK\$2,142.7 million (US\$275.4 million).
- **Non-GAAP adjusted net income** increased 97.7% year-over-year to HK\$2,216.9 million (US\$285.0 million).

36. On August 20, 2025, Futu issued a press release announcing results for the second quarter of fiscal year 2025. The press release touted the Company's financial results, including the total number of funded accounts, the total number of brokerage accounts, and the Company's daily average client assets. Specifically, the press release stated as follows, in relevant part:

#### **Second Quarter 2025 Operational Highlights**

- **Total number of funded accounts** increased 40.9% year-over-year to 2,877,126 as of June 30, 2025.
- **Total number of brokerage accounts** increased 29.6% year-over-year to 5,243,591 as of June 30, 2025.
- **Total number of users** increased 16.6% year-over-year to 27.1 million as of June 30, 2025.
- **Total client assets** increased 68.1% year-over-year to HK\$973.9 billion as of June 30, 2025.
- **Daily average client assets** were HK\$895.6 billion in the second quarter of 2025, an increase of 59.9% from the same period in 2024.
- **Total trading volume in the second quarter of 2025** increased by 121.2% year-over-year to HK\$3.59 trillion, in which trading volume for U.S. stocks was HK\$2.70 trillion, and trading volume for Hong Kong stocks was HK\$833.5 billion.
- **Margin financing and securities lending balance** increased 17.2% year-over-year to HK\$51.4 billion as of June 30, 2025.

#### **Second Quarter 2025 Financial Highlights**

- **Total revenues** increased 69.7% year-over-year to HK\$5,310.9 million (US\$676.6 million).
- **Total gross profit** increased 81.6% year-over-year to HK\$4,639.9 million (US\$591.1 million).
- **Net income** increased 112.7% year-over-year to HK\$2,572.6 million (US\$327.7 million).
- **Non-GAAP adjusted net income** increased 105.2% year-over-year to HK\$2,659.8 million (US\$338.8 million).

37. On November 18, 2025, Futu issued a press release announcing results for the third quarter of fiscal year 2025. The press release touted the Company's financial results, including the

total number of funded accounts, the total number of brokerage accounts, and the Company's daily average client assets. Specifically, the press release stated as follows, in relevant part:

### **Third Quarter 2025 Operational Highlights**

- **Total number of funded accounts** increased 42.6% year-over-year to 3,131,450 as of September 30, 2025.
- **Total number of brokerage accounts** increased 30.8% year-over-year to 5,605,138 as of September 30, 2025.
- **Total number of users** increased 16.8% year-over-year to 28.2 million as of September 30, 2025.
- **Total client assets** increased 78.9% year-over-year to HK\$1.24 trillion as of September 30, 2025.
- **Daily average client assets** were HK\$1.10 trillion in the third quarter of 2025, an increase of 85.3% from the same period in 2024.
- **Total trading volume in the third quarter of 2025** increased by 104.8% year-over-year to HK\$3.90 trillion, in which trading volume for U.S. stocks was HK\$2.60 trillion, and trading volume for Hong Kong stocks was HK\$1.19 trillion.
- **Margin financing and securities lending balance** increased 55.2% year-over-year to HK\$63.1 billion as of September 30, 2025.

### **Third Quarter 2025 Financial Highlights**

- **Total revenues** increased 86.3% year-over-year to HK\$6,402.9 million (US\$822.9 million).
- **Total gross profit** increased 99.5% year-over-year to HK\$5,609.2 million (US\$720.9 million).
- **Net income** increased 143.9% year-over-year to HK\$3,217.2 million (US\$413.5 million).
- **Non-GAAP adjusted net income** increased 136.9% year-over-year to HK\$3,312.5 million (US\$425.7 million).

38. On March 12, 2026, Futu issued a press release announcing results for the fourth quarter and full year ended December 31, 2025. The press release touted the Company's financial results, including the total number of funded accounts, the total number of brokerage accounts, and the Company's daily average client assets. Specifically, the press release stated as follows, in relevant part:

### **Fourth Quarter and Full Year 2025 Operational Highlights**

- **Total number of funded accounts** increased 39.6% year-over-year to 3,365,414 as of December 31, 2025.
- **Total number of brokerage accounts** increased 29.8% year-over-year to 5,948,093 as of December 31, 2025.
- **Total number of users** increased 16.0% year-over-year to 29.2 million as of December 31, 2025.
- **Total client assets** increased 65.9% year-over-year to HK\$1.23 trillion as of December 31, 2025.
- **Daily average client assets** were HK\$1.24 trillion in the fourth quarter of 2025, an increase of 71.0% from the same period in 2024.
- **Total trading volume in the fourth quarter of 2025** increased by 37.8% year-over-year to HK\$3.98 trillion, in which trading volume for U.S. stocks was HK\$3.04 trillion, and trading volume for Hong Kong stocks was HK\$821.1 billion. Total trading volume in 2025 increased 89.4% year-over-year to HK\$14.68 trillion.
- **Margin financing and securities lending balance** increased 33.1% year-over-year to HK\$67.7 billion as of December 31, 2025.

#### **Fourth Quarter 2025 Financial Highlights**

- **Total revenues** increased 45.3% year-over-year to HK\$6,438.5 million (US\$827.2 million).
- **Total gross profit** increased 56.2% year-over-year to HK\$5,709.7 million (US\$733.6 million).
- **Net income** increased 80.2% year-over-year to HK\$3,369.4 million (US\$432.9 million).
- **Non-GAAP adjusted net income** increased 77.0% year-over-year to HK\$3,455.7 million (US\$444.0 million).

#### **Full Year 2025 Financial Highlights**

- **Total revenues** increased 68.1% year-over-year to HK\$22,846.9 million (US\$2,935.4 million).
  - **Total gross profit** increased 78.6% year-over-year to HK\$19,904.5 million (US\$2,557.3 million).
  - **Net income** increased 108.0% year-over-year to HK\$11,301.9 million (US\$1,452.1 million).
- Non-GAAP adjusted net income** increased 101.9% year-over-year to HK\$11,644.9 million (US\$1,496.1 million).

39. On April 15, 2026, the Company submitted its annual report for the fiscal year ended December 31, 2024 on a Form 20-F filed with the SEC (the “FY24 20-F”). The FY24 20-F affirmed the previously reported financial results. The FY24 20-F purported to describe the

Company's attempts to comply with its ongoing regulatory compliance obligations, including as follows, in relevant part:

As announced by the CSRC on December 30, 2022, the CSRC has initiated inquiries on us regarding our cross-border operations in Mainland China, including the provision of cross-border securities business services for domestic, China-based investors. ***We have taken and may continue to take rectification measures on our business based on the requirements from the CSRC. In response to the CSRC rectification requirements, we have removed our Futubull app from app stores in Mainland China since May 19, 2023.*** However, there can be no assurance that our rectification measures would fully meet the requirements from the CSRC. As of the date of this annual report, we don't have sufficient information to accurately predict if any disciplinary action or punishment will be taken against us and/or our officers by the CSRC. Furthermore, should any such action be taken, we cannot foresee its nature, scope, or timing. If the CSRC, independently or jointly with other authorities, pursues further regulatory actions, it could also lead to additional investigations or enforcement measures, including but not limited to fines, suspension of parts or all of our operations or activities in Mainland China. They may, individually or taken as a whole, have a material and adverse impact on our operations and financial results. See "Item 3. Key Information—D. Risk Factors—Risks Related to Our Business and Industry—We do not hold any license or permit for providing securities brokerage services in Mainland China. As announced by the CSRC on December 30, 2022, the CSRC has initiated inquiries on us regarding our cross-border operations in Mainland China, including the provision of cross-border securities services for domestic, China-based investors. We have taken and may continue to take rectification measures based on our communication with or the requirements from the CSRC. If the CSRC is not satisfied with our rectification measures or imposes other further regulatory actions or penalties on us, our business and results of operations may be materially and adversely affected."

40. The FY24 20-F further purported to warn of risks which "***could***" or "***may***" harm the Company, including as follows, in relevant part:

***We do not hold any license or permit for providing securities brokerage services in Mainland China. As announced by the CSRC on December 30, 2022, the CSRC has initiated inquiries on us regarding our cross-border operations in Mainland China, including the provision of cross-border securities services for domestic, China-based investors. We have taken and may continue to take rectification measures based on our communication with or the requirements from the CSRC. If the CSRC is not satisfied with our rectification measures or imposes other further regulatory actions or penalties on us, our business and results of operations may be materially and adversely affected.***

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As announced by the CSRC on December 30, 2022, the CSRC has initiated inquiries on us regarding our cross-border operations in Mainland China, including the provision of cross-border securities business services for domestic, China-based investors. ***We have taken and may continue to take rectification measures on our business based on the requirements from the CSRC. In response to the CSRC rectification requirements, we have removed our Futubull app from app stores in Mainland China since May 19, 2023.*** However, there can be no assurance that our rectification measures would fully meet the requirements from the CSRC. As of the date of this annual report, we don't have sufficient information to accurately predict if any disciplinary action or punishment will be taken against us and/or our officers by the CSRC. Furthermore, should any such action be taken, we cannot foresee its nature, scope, or timing. If the CSRC, independently or jointly with other authorities, pursues further regulatory actions, it could also lead to additional investigations or enforcement measures, including but not limited to fines, suspension of parts or all of our operations or activities in Mainland China. They may, individually or taken as a whole, have a material and adverse impact on our operations and financial results.

In addition, while ***we have internal policies in place regulating relevant activities of our employees and their dealings with our business partners, if our employees or business partners engage in certain activities for which permits or licenses are required in the view of the relevant authorities, we may be subject to additional regulatory inquiries*** or penalties and negative publicity.

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***The approval of and/or the filing with the CSRC or other PRC governmental authorities may be required under PRC law in connection with our future offshore offering or listing of securities on a different market and if required, we cannot predict whether or how soon we will be able to obtain such approval or complete such filing.***

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Although we are an Existing Issuer and accordingly are not required to complete filing with the CSRC immediately, we may be subject to the CSRC filing procedures in the future in connection with our refinancing or other activities and, if required, we cannot predict whether we will be able to complete such filing procedures in time or at all.

41. The above statements identified in ¶¶23-40 were materially false and/or misleading, and failed to disclose material adverse facts about the Company's business, operations, and prospects. Specifically, Defendants failed to disclose to investors: (1) Futu was not in compliance with the requirements of the CSRC, including because the Company continued to conduct

securities business, public fund sales business and futures business in mainland China without obtaining the requisite licenses or approval; (2) as a result, Futu was reasonably likely to face regulatory penalties, including the disgorgement of ill-gotten gains and other penalties; (3) as a result of the foregoing, Futu's financial results were overstated; and (4) that, as a result of the foregoing, Defendants' positive statements about the Company's business, operations, and prospects were materially misleading and/or lacked a reasonable basis.

**Disclosures at the End of the Class Period**

42. On May 22, 2026, before the market opened, Reuters published an article entitled "*China to crack down on 'illegal' cross-border securities,*" reporting that the China Securities Regulatory Commission, along with seven other government agencies including the central bank, had launched a crackdown aimed at "*brokers it accused of illegally moving money to foreign markets*" including "overseas firms and their local partners operating without approval." The article reported "online brokers Tiger, *Futu* and Longbridge *would be penalised for soliciting business in China without an onshore licence, the securities regulator said.*" Specifically, the Reuters report stated as follows, in relevant part:

China announced a major crackdown on cross-border investment on Friday and said it would *punish brokers it accused of illegally moving money to foreign markets*, sending their shares plunging.

Online brokers Tiger, *Futu* and Longbridge *would be penalised for soliciting business in China without an onshore licence, the securities regulator said.* Shares in Futu and Tiger parent UP Fintech Holding fell more than 30% in U.S. premarket trade.

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The China Securities Regulatory Commission, which launched the crackdown with seven other government agencies including the central bank, said in a statement it was targeting overseas firms and their local partners operating without approval.

It said *illegal gains would be forfeited.*

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***In Hong Kong, where most of the accounts in question are located, the financial hub's Securities and Futures Commission also said Friday it discovered "significant deficiencies" after conducting a review of 12 brokers.***

Hong Kong's SFC said it will require brokers to close accounts opened with questionable or forged documents and make stricter checks for new accounts and their funding sources.

43. On the same date, pre-market, Futu issued a press release disclosing that it had received a Notification Letter from the China Securities Regulatory Commission. The Company reported the letter states ***"certain Futu entities in mainland China and Hong Kong ... without obtaining the requisite licenses or approval, conducted securities business, public fund sales business and futures business in mainland China."*** The letter further states the China Securities Regulatory Commission "proposes to order the Related Companies to rectify or cease such activities, ***confiscate illegal gains, and impose fines, with the total proposed penalty amounting to approximately RMB1.85 billion (approximately USD271 million).***" Further, the regulatory authority "proposes to impose a personal fine of RMB1.25 million (approximately USD 183,575) on Mr. LI Hua, the founder and CEO of the Company." The press release also noted that ***"[a]s of the end of the first quarter of 2026, funded accounts from mainland China accounted for approximately 13% of the Company's total funded accounts."*** Specifically, on that date, the Company issued a press release which stated as follows, in relevant part:

HONG KONG, May 22, 2026 (GLOBE NEWSWIRE) -- Futu Holdings Limited ("Futu" or the "Company") (Nasdaq: Futu), today announced that the Company received a Notice of Investigation and an Administrative Penalty Pre-Notification Letter from the China Securities Regulatory Commission and its Shenzhen bureau (collectively the "CSRC") in connection with the Company's operations in mainland China.

***The CSRC states that certain Futu entities in mainland China and Hong Kong (the "Related Companies"), without obtaining the requisite licenses or approval, conducted securities business, public fund sales business and futures business in mainland China, in violation of the Securities Law, the Securities Investment***

***Fund Law, and the Futures and Derivatives Law of the People's Republic of China.*** The CSRC proposes to order the Related Companies to rectify or cease such activities, ***confiscate illegal gains, and impose fines, with the total proposed penalty amounting to approximately RMB1.85 billion (approximately USD271 million).*** In addition, the CSRC proposes to impose a personal fine of RMB1.25 million (approximately USD 183,575) on Mr. LI Hua, the founder and CEO of the Company.

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***As of the end of the first quarter of 2026, funded accounts from mainland China accounted for approximately 13% of the Company's total funded accounts.*** Meanwhile, as the Company continues to scale across international markets, the number of overseas funded accounts has continued to grow steadily. Business operations in all regions outside of mainland China remain normal.

44. On this news, Futu's stock price fell \$34.10, or 27.5%, to close at \$89.76 per share on May 22, 2026, on unusually heavy trading volume.

45. On May 28, 2026, before the market opened, Futu issued a press release reporting financial results for the first quarter 2026, including results accounting for the penalties imposed upon the Company, comprised of: ***“(i) confiscation of illegal gains of approximately RMB470 million [approximately \$69.21 million USD], and (ii) imposition of fines of approximately RMB1.38 billion, [approximately \$20 billion USD]*** in an aggregate amount of approximately RMB1.85 billion.” The press release reported this adjustment under the Company's financial statements as “Others, net” in its statements of comprehensive income for the applicable period. Specifically, the press release stated as follows, in relevant part:

### **Recent Development**

As previously announced, on May 22, 2026, the Company received a Notice of Investigation and an Administrative Penalty Pre-Notification Letter (the “Pre-Notification Letter”) from the China Securities Regulatory Commission and its Shenzhen Bureau (collectively, the “CSRC”). ***The Pre-Notification Letter proposed penalties on the relevant Futu entities in mainland China and Hong Kong for conducting certain regulated business activities without the requisite licenses or approvals. The proposed penalties comprise (i) confiscation of illegal gains of approximately RMB470 million, and (ii) imposition of fines of approximately RMB1.38 billion, in an aggregate amount of approximately***

**RMB1.85 billion.** The unaudited financial statements for the three months ended March 31, 2026 included in this earnings release have reflected the impact of this subsequent event. These amounts were included in “Others, net” of the unaudited condensed consolidated statements of comprehensive income for the three months ended March 31, 2026.

|                                                                                                 |                                   |                           |                           |
|-------------------------------------------------------------------------------------------------|-----------------------------------|---------------------------|---------------------------|
|                                                                                                 | *                                 | *                         | *                         |
|                                                                                                 | <b>For the Three Months Ended</b> |                           |                           |
|                                                                                                 | <b>March 31,<br/>2025</b>         | <b>March 31,<br/>2026</b> | <b>March 31,<br/>2026</b> |
|                                                                                                 | <b>HK\$</b>                       | <b>HK\$</b>               | <b>US\$</b>               |
| <b>Revenues</b>                                                                                 |                                   |                           |                           |
| Brokerage commission and handling charge income                                                 | 2,310,220                         | 2,641,434                 | 336,918                   |
| Interest income                                                                                 | 2,070,469                         | 2,650,234                 | 338,040                   |
| Other income                                                                                    | 313,948                           | 564,322                   | 71,980                    |
| <b>Total revenues</b>                                                                           | <b>4,694,637</b>                  | <b>5,855,990</b>          | <b>746,938</b>            |
| <b>Costs</b>                                                                                    |                                   |                           |                           |
| Brokerage commission and handling charge expenses                                               | (143,505)                         | (164,474)                 | (20,979)                  |
| Interest expenses                                                                               | (469,333)                         | (414,687)                 | (52,894)                  |
| Processing and servicing costs                                                                  | (136,115)                         | (170,120)                 | (21,699)                  |
| <b>Total costs</b>                                                                              | <b>(748,953)</b>                  | <b>(749,281)</b>          | <b>(95,572)</b>           |
| <b>Total gross profit</b>                                                                       | <b>3,945,684</b>                  | <b>5,106,709</b>          | <b>651,366</b>            |
| <b>Operating expenses</b>                                                                       |                                   |                           |                           |
| Research and development expenses                                                               | (385,979)                         | (478,880)                 | (61,082)                  |
| Selling and marketing expenses                                                                  | (459,202)                         | (556,751)                 | (71,014)                  |
| General and administrative expenses                                                             | (415,245)                         | (540,917)                 | (68,995)                  |
| <b>Total operating expenses</b>                                                                 | <b>(1,260,426)</b>                | <b>(1,576,548)</b>        | <b>(201,091)</b>          |
| <b>Income from Operations</b>                                                                   | <b>2,685,258</b>                  | <b>3,530,161</b>          | <b>450,275</b>            |
| Others, net                                                                                     | (20,598)                          | (2,133,424)               | (272,120)                 |
| <b>Income before income tax expense and share of (loss)/gain from equity method investments</b> | <b>2,664,660</b>                  | <b>1,396,737</b>          | <b>178,155</b>            |
| Income tax expense                                                                              | (490,959)                         | (606,984)                 | (77,421)                  |
| Share of (loss)/gain from equity method investments                                             | (30,997)                          | 41,232                    | 5,259                     |
| <b>Net income</b>                                                                               | <b>2,142,704</b>                  | <b>830,985</b>            | <b>105,993</b>            |

46. On this news, Futu’s stock price fell \$5.31 or 4.8%, to close at \$104.91 on May 28, 2026, on unusually heavy trading volume.

47. On June 4, 2026, *Business Times* reported that Futu would “halt services for opening or adding to positions and transferring funds into accounts for Chinese mainland investors from June 12.” The move was to comply with the CSRC’s directive to wind down illegal activities within a two-year period.

### **CLASS ACTION ALLEGATIONS**

48. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a class, consisting of all persons and entities that purchased or otherwise acquired Futu securities between May 24, 2023 and May 27, 2026, inclusive, and

who were damaged thereby (the “Class”). Excluded from the Class are Defendants, the officers and directors of the Company, at all relevant times, members of their immediate families and their legal representatives, heirs, successors, or assigns, and any entity in which Defendants have or had a controlling interest.

49. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, Futu’s shares actively traded on the NASDAQ. While the exact number of Class members is unknown to Plaintiff at this time and can only be ascertained through appropriate discovery, Plaintiff believes that there are at least hundreds or thousands of members in the proposed Class. Millions of Futu shares were traded publicly during the Class Period on the NASDAQ. Record owners and other members of the Class may be identified from records maintained by Futu or its transfer agent and may be notified of the pendency of this action by mail, using the form of notice similar to that customarily used in securities class actions.

50. Plaintiff’s claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by Defendants’ wrongful conduct in violation of federal law that is complained of herein.

51. Plaintiff will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class and securities litigation.

52. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class are:

(a) whether the federal securities laws were violated by Defendants’ acts as alleged herein;

(b) whether statements made by Defendants to the investing public during the Class Period omitted and/or misrepresented material facts about the business, operations, and prospects of Futu; and

(c) to what extent the members of the Class have sustained damages and the proper measure of damages.

53. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation makes it impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of this action as a class action.

#### **UNDISCLOSED ADVERSE FACTS**

54. The market for Futu's securities was open, well-developed and efficient at all relevant times. As a result of these materially false and/or misleading statements, and/or failures to disclose, Futu's securities traded at artificially inflated prices during the Class Period. Plaintiff and other members of the Class purchased or otherwise acquired Futu's securities relying upon the integrity of the market price of the Company's securities and market information relating to Futu, and have been damaged thereby.

55. During the Class Period, Defendants materially misled the investing public, thereby inflating the price of Futu's securities, by publicly issuing false and/or misleading statements and/or omitting to disclose material facts necessary to make Defendants' statements, as set forth herein, not false and/or misleading. The statements and omissions were materially false and/or misleading because they failed to disclose material adverse information and/or misrepresented the truth about Futu's business, operations, and prospects as alleged herein.

56. At all relevant times, the material misrepresentations and omissions particularized in this Complaint directly or proximately caused or were a substantial contributing cause of the damages sustained by Plaintiff and other members of the Class. As described herein, during the Class Period, Defendants made or caused to be made a series of materially false and/or misleading statements about Futu's financial well-being and prospects. These material misstatements and/or omissions had the cause and effect of creating in the market an unrealistically positive assessment of the Company and its financial well-being and prospects, thus causing the Company's securities to be overvalued and artificially inflated at all relevant times. Defendants' materially false and/or misleading statements during the Class Period resulted in Plaintiff and other members of the Class purchasing the Company's securities at artificially inflated prices, thus causing the damages complained of herein when the truth was revealed.

#### **LOSS CAUSATION**

57. Defendants' wrongful conduct, as alleged herein, directly and proximately caused the economic loss suffered by Plaintiff and the Class.

58. During the Class Period, Plaintiff and the Class purchased Futu's securities at artificially inflated prices and were damaged thereby. The price of the Company's securities significantly declined when the misrepresentations made to the market, and/or the information alleged herein to have been concealed from the market, and/or the effects thereof, were revealed, causing investors' losses.

#### **SCIENTER ALLEGATIONS**

59. As alleged herein, Defendants acted with scienter since Defendants knew that the public documents and statements issued or disseminated in the name of the Company were materially false and/or misleading; knew that such statements or documents would be issued or disseminated to the investing public; and knowingly and substantially participated or acquiesced

in the issuance or dissemination of such statements or documents as primary violations of the federal securities laws. As set forth elsewhere herein in detail, the Individual Defendants, by virtue of their receipt of information reflecting the true facts regarding Futu, their control over, and/or receipt and/or modification of Futu's allegedly materially misleading misstatements and/or their associations with the Company which made them privy to confidential proprietary information concerning Futu, participated in the fraudulent scheme alleged herein.

### **APPLICABILITY OF PRESUMPTION OF RELIANCE**

#### **(FRAUD-ON-THE-MARKET DOCTRINE)**

60. The market for Futu's securities was open, well-developed and efficient at all relevant times. As a result of the materially false and/or misleading statements and/or failures to disclose, Futu's securities traded at artificially inflated prices during the Class Period. On October 31, 2025, the Company's share price closed at a Class Period high of \$199.04 per share. Plaintiff and other members of the Class purchased or otherwise acquired the Company's securities relying upon the integrity of the market price of Futu's securities and market information relating to Futu, and have been damaged thereby.

61. During the Class Period, the artificial inflation of Futu's shares was caused by the material misrepresentations and/or omissions particularized in this Complaint causing the damages sustained by Plaintiff and other members of the Class. As described herein, during the Class Period, Defendants made or caused to be made a series of materially false and/or misleading statements about Futu's business, prospects, and operations. These material misstatements and/or omissions created an unrealistically positive assessment of Futu and its business, operations, and prospects, thus causing the price of the Company's securities to be artificially inflated at all relevant times, and when disclosed, negatively affected the value of the Company shares. Defendants' materially false and/or misleading statements during the Class Period resulted in

Plaintiff and other members of the Class purchasing the Company's securities at such artificially inflated prices, and each of them has been damaged as a result.

62. At all relevant times, the market for Futu's securities was an efficient market for the following reasons, among others:

(a) Futu shares met the requirements for listing, and was listed and actively traded on the NASDAQ, a highly efficient and automated market;

(b) As a regulated issuer, Futu filed periodic public reports with the SEC and/or the NASDAQ;

(c) Futu regularly communicated with public investors via established market communication mechanisms, including through regular dissemination of press releases on the national circuits of major newswire services and through other wide-ranging public disclosures, such as communications with the financial press and other similar reporting services; and/or

(d) Futu was followed by securities analysts employed by brokerage firms who wrote reports about the Company, and these reports were distributed to the sales force and certain customers of their respective brokerage firms. Each of these reports was publicly available and entered the public marketplace.

63. As a result of the foregoing, the market for Futu's securities promptly digested current information regarding Futu from all publicly available sources and reflected such information in Futu's share price. Under these circumstances, all purchasers of Futu's securities during the Class Period suffered similar injury through their purchase of Futu's securities at artificially inflated prices and a presumption of reliance applies.

64. A Class-wide presumption of reliance is also appropriate in this action under the Supreme Court's holding in *Affiliated Ute Citizens of Utah v. United States*, 406 U.S. 128 (1972),

because the Class's claims are, in large part, grounded on Defendants' material misstatements and/or omissions. Because this action involves Defendants' failure to disclose material adverse information regarding the Company's business operations and financial prospects—information that Defendants were obligated to disclose—positive proof of reliance is not a prerequisite to recovery. All that is necessary is that the facts withheld be material in the sense that a reasonable investor might have considered them important in making investment decisions. Given the importance of the Class Period material misstatements and omissions set forth above, that requirement is satisfied here.

### **NO SAFE HARBOR**

65. The statutory safe harbor provided for forward-looking statements under certain circumstances does not apply to any of the allegedly false statements pleaded in this Complaint. The statements alleged to be false and misleading herein all relate to then-existing facts and conditions. In addition, to the extent certain of the statements alleged to be false may be characterized as forward looking, they were not identified as “forward-looking statements” when made and there were no meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those in the purportedly forward-looking statements. In the alternative, to the extent that the statutory safe harbor is determined to apply to any forward-looking statements pleaded herein, Defendants are liable for those false forward-looking statements because at the time each of those forward-looking statements was made, the speaker had actual knowledge that the forward-looking statement was materially false or misleading, and/or the forward-looking statement was authorized or approved by an executive officer of Futu who knew that the statement was false when made.

**FIRST CLAIM**

**Violation of Section 10(b) of The Exchange Act and**

**Rule 10b-5 Promulgated Thereunder**

**Against All Defendants**

66. Plaintiff repeats and re-alleges each and every allegation contained above as if fully set forth herein.

67. During the Class Period, Defendants carried out a plan, scheme and course of conduct which was intended to and, throughout the Class Period, did: (i) deceive the investing public, including Plaintiff and other Class members, as alleged herein; and (ii) cause Plaintiff and other members of the Class to purchase Futu's securities at artificially inflated prices. In furtherance of this unlawful scheme, plan and course of conduct, Defendants, and each defendant, took the actions set forth herein.

68. Defendants (i) employed devices, schemes, and artifices to defraud; (ii) made untrue statements of material fact and/or omitted to state material facts necessary to make the statements not misleading; and (iii) engaged in acts, practices, and a course of business which operated as a fraud and deceit upon the purchasers of the Company's securities in an effort to maintain artificially high market prices for Futu's securities in violation of Section 10(b) of the Exchange Act and Rule 10b-5. All Defendants are sued either as primary participants in the wrongful and illegal conduct charged herein or as controlling persons as alleged below.

69. Defendants, individually and in concert, directly and indirectly, by the use, means or instrumentalities of interstate commerce and/or of the mails, engaged and participated in a continuous course of conduct to conceal adverse material information about Futu's financial well-being and prospects, as specified herein.

70. Defendants employed devices, schemes and artifices to defraud, while in possession of material adverse non-public information and engaged in acts, practices, and a course of conduct as alleged herein in an effort to assure investors of Futu's value and performance and continued substantial growth, which included the making of, or the participation in the making of, untrue statements of material facts and/or omitting to state material facts necessary in order to make the statements made about Futu and its business operations and future prospects in light of the circumstances under which they were made, not misleading, as set forth more particularly herein, and engaged in transactions, practices and a course of business which operated as a fraud and deceit upon the purchasers of the Company's securities during the Class Period.

71. Each of the Individual Defendants' primary liability and controlling person liability arises from the following facts: (i) the Individual Defendants were high-level executives and/or directors at the Company during the Class Period and members of the Company's management team or had control thereof; (ii) each of these defendants, by virtue of their responsibilities and activities as a senior officer and/or director of the Company, was privy to and participated in the creation, development and reporting of the Company's internal budgets, plans, projections and/or reports; (iii) each of these defendants enjoyed significant personal contact and familiarity with the other defendants and was advised of, and had access to, other members of the Company's management team, internal reports and other data and information about the Company's finances, operations, and sales at all relevant times; and (iv) each of these defendants was aware of the Company's dissemination of information to the investing public which they knew and/or recklessly disregarded was materially false and misleading.

72. Defendants had actual knowledge of the misrepresentations and/or omissions of material facts set forth herein, or acted with reckless disregard for the truth in that they failed to

ascertain and to disclose such facts, even though such facts were available to them. Such defendants' material misrepresentations and/or omissions were done knowingly or recklessly and for the purpose and effect of concealing Futu's financial well-being and prospects from the investing public and supporting the artificially inflated price of its securities. As demonstrated by Defendants' overstatements and/or misstatements of the Company's business, operations, financial well-being, and prospects throughout the Class Period, Defendants, if they did not have actual knowledge of the misrepresentations and/or omissions alleged, were reckless in failing to obtain such knowledge by deliberately refraining from taking those steps necessary to discover whether those statements were false or misleading.

73. As a result of the dissemination of the materially false and/or misleading information and/or failure to disclose material facts, as set forth above, the market price of Futu's securities was artificially inflated during the Class Period. In ignorance of the fact that market prices of the Company's securities were artificially inflated, and relying directly or indirectly on the false and misleading statements made by Defendants, or upon the integrity of the market in which the securities trades, and/or in the absence of material adverse information that was known to or recklessly disregarded by Defendants, but not disclosed in public statements by Defendants during the Class Period, Plaintiff and the other members of the Class acquired Futu's securities during the Class Period at artificially high prices and were damaged thereby.

74. At the time of said misrepresentations and/or omissions, Plaintiff and other members of the Class were ignorant of their falsity, and believed them to be true. Had Plaintiff and the other members of the Class and the marketplace known the truth regarding the problems that Futu was experiencing, which were not disclosed by Defendants, Plaintiff and other members of the Class would not have purchased or otherwise acquired their Futu securities, or, if they had

acquired such securities during the Class Period, they would not have done so at the artificially inflated prices which they paid.

75. By virtue of the foregoing, Defendants violated Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder.

76. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and the other members of the Class suffered damages in connection with their respective purchases and sales of the Company's securities during the Class Period.

## **SECOND CLAIM**

### **Violation of Section 20(a) of The Exchange Act**

#### **Against the Individual Defendants**

77. Plaintiff repeats and re-alleges each and every allegation contained above as if fully set forth herein.

78. Individual Defendants acted as controlling persons of Futu within the meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of their high-level positions and their ownership and contractual rights, participation in, and/or awareness of the Company's operations and intimate knowledge of the false financial statements filed by the Company with the SEC and disseminated to the investing public, Individual Defendants had the power to influence and control and did influence and control, directly or indirectly, the decision-making of the Company, including the content and dissemination of the various statements which Plaintiff contends are false and misleading. Individual Defendants were provided with or had unlimited access to copies of the Company's reports, press releases, public filings, and other statements alleged by Plaintiff to be misleading prior to and/or shortly after these statements were issued and had the ability to prevent the issuance of the statements or cause the statements to be corrected.

79. In particular, Individual Defendants had direct and supervisory involvement in the day-to-day operations of the Company and, therefore, had the power to control or influence the particular transactions giving rise to the securities violations as alleged herein, and exercised the same.

80. As set forth above, Futu and Individual Defendants each violated Section 10(b) and Rule 10b-5 by their acts and omissions as alleged in this Complaint. By virtue of their position as controlling persons, Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and other members of the Class suffered damages in connection with their purchases of the Company's securities during the Class Period.

#### **PRAYER FOR RELIEF**

WHEREFORE, Plaintiff prays for relief and judgment, as follows:

- (a) Determining that this action is a proper class action under Rule 23 of the Federal Rules of Civil Procedure;
- (b) Awarding compensatory damages in favor of Plaintiff and the other Class members against all defendants, jointly and severally, for all damages sustained as a result of Defendants' wrongdoing, in an amount to be proven at trial, including interest thereon;
- (c) Awarding Plaintiff and the Class their reasonable costs and expenses incurred in this action, including counsel fees and expert fees; and
- (d) Such other and further relief as the Court may deem just and proper.

#### **JURY TRIAL DEMANDED**

Plaintiff hereby demands a trial by jury.