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**申萬宏源集團股份有限公司**  
**SHENWAN HONGYUAN GROUP CO., LTD.**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 6806)**

## **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2024**

The board of directors (the “**Board**”) of Shenwan Hongyuan Group Co., Ltd. (the “**Company**”) hereby announces the unaudited interim results of the Company and its subsidiaries for the six months ended June 30, 2024. This interim results announcement, containing the full text of the 2024 interim report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in relation to the information to accompany preliminary announcement of interim results.

The Audit Committee of the Board has reviewed the interim results of the Company for the six months ended June 30, 2024.

This interim results announcement has been published on the HKEXnews website of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.swhygh.com](http://www.swhygh.com)) respectively.

The 2024 interim report of the Company will be published on the HKEXnews website of Hong Kong Exchanges and Clearing Limited and the website of the Company respectively in due course, and will be dispatched to the H shareholders of the Company by means of receipt of corporate communications elected by the H shareholders of the Company.

By order of the Board  
**Shenwan Hongyuan Group Co., Ltd.**  
**Liu Jian**  
*Chairman*

Beijing, PRC  
August 30, 2024

*As at the date of this announcement, the Board comprises Mr. Liu Jian and Mr. Huang Hao as executive directors; Mr. Ren Xiaotao, Mr. Zhang Yigang, Mr. Zhu Zhilong, Ms. Zhang Ying and Mr. Shao Yalou as non-executive directors; Ms. Yeung Siuman Shirley, Mr. Wu Changqi, Mr. Chen Hanwen and Mr. Zhao Lei as independent non-executive directors.*



1. The Board of Directors, the Board of Supervisors and the directors, supervisors and senior management of the Company warrant the truthfulness, accuracy and completeness of the content contained in this interim report, and that there are no misstatements, misleading representations or material omission in the contents contained herein, and severally and jointly bear full legal responsibilities thereof.
  2. This interim report was considered and approved at the 29th meeting of the fifth session of the Board. 11 directors shall participate in the poll of the meeting and the actual number of directors participated was 11. No directors, supervisors or senior management declares the inability to warrant or disagreement with the truthfulness, accuracy and completeness of the content herein.
  3. Mr. Huang Hao, the legal representative, an executive director, vice chairman and the general manager of the Company, Ms. Ren Quansheng, the chief financial officer of the Company, and Mr. Liu Zhixiang, the person in charge of the planning and finance department of the Company, have declared that they warrant the truthfulness, accuracy and completeness of the financial statements in this interim report.
  4. The interim condensed consolidated financial statements for 2024 prepared by the Group in accordance with the International Financial Reporting Standards are unaudited; KPMG has reviewed the interim financial information and issued the report on review in accordance with International Standard on Review Engagements 2410.
  5. The forward-looking statements in this interim report, including future plans and development strategies do not constitute substantive commitments of the Company to investors. Investors should be aware of the investment risks.
  6. The Company has described details of the possibly existing risks including market risk, credit risk, liquidity risk, operational risk, policy risk, legal and compliance risk, risk of innovative businesses, reputational risk and exchange rate risk in this interim report. Investors are advised to read the "Management Discussion and Analysis" as set out in section III of this interim report carefully and pay special attention to the above-mentioned risk factors.
  7. The interim profit distribution plan or the plan for conversion of capital reserve into share capital as considered by the Board of Directors during the Reporting Period
    1. Based on the total share capital of 25,039,944,560 A Shares and H Shares of the Company as of June 30, 2024, a cash dividend of RMB0.17 (tax inclusive) for every 10 shares was distributed to all A shareholders and H shareholders whose names appear on the register of members of the Company on the record date, with a total amount of cash dividend of RMB425,679,057.52.
    2. Cash dividend is denominated and declared in RMB and paid to A shareholders in RMB and to H shareholders in HKD. The actual distribution amount in HKD was calculated at the average benchmark exchange rate of RMB against HKD published by the People's Bank of China five business days prior to the annual general meeting of the Company.
- The Company will take into account the amount of this interim profit distribution that has been paid out when determine the profit distribution plan for 2024. If there is any change in the total share capital of the Company during the period from the date of disclosure of the profit distribution proposal to the record date for the implementation of the equity distribution, the Company intends to maintain the total distribution amount unchanged and adjust the distribution ratio per share accordingly.
- This proposal is subject to the approval at the general meeting of the Company.
8. This interim report of the Company is prepared in both Chinese and English. In the event of any discrepancy, the Chinese version should prevail.
  9. The Company did not have any preferred shares during the Reporting Period.

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# Section I Important Notice, Contents and Definitions

## DOCUMENTS AVAILABLE FOR INSPECTION

1. The Report on Review of Interim Financial Information (H-share).
2. Originals of all the Company's documents and announcements publicly disclosed during the Reporting Period.
3. Interim reports published in other securities markets.

## DEFINITIONS

In this interim report, unless the context otherwise requires, the following terms shall have the following meanings:

<b>Term</b>	<b>Definition</b>
“Company” or “Shenwan Hongyuan Group”	Shenwan Hongyuan Group Co., Ltd. (申萬宏源集團股份有限公司)
“Group”	the Company and its subsidiaries
“Articles of Association”	the articles of association of the Company (as amended from time to time)
“general meeting”	the general meeting of the Company
“Board” or “Board of Directors”	the board of directors of the Company
“Board of Supervisors”	the board of supervisors of the Company
“controlling shareholder” or “JIC”	China Jianyin Investment Ltd. (中國建銀投資有限責任公司)
“actual controller” or “Central Huijin”	Central Huijin Investment Ltd. (中央匯金投資有限責任公司)
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Shenzhen Stock Exchange”	Shenzhen Stock Exchange
“Shanghai Stock Exchange”	Shanghai Stock Exchange
“Beijing Stock Exchange”	Beijing Stock Exchange
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“CFFEX”	China Financial Futures Exchange (中國金融期貨交易所)
“Shenwan Hongyuan Securities”	Shenwan Hongyuan Securities Co., Ltd. (申萬宏源證券有限公司)
“Hongyuan Huifu”	Hongyuan Huifu Capital Co., Ltd. (宏源匯富創業投資有限公司)
“Hongyuan Huizhi”	Hongyuan Huizhi Investment Co., Ltd. (宏源匯智投資有限公司)
“Hongyuan Futures”	Hongyuan Futures Co., Ltd. (宏源期貨有限公司)
“Shenwan Hongyuan Financing Services”	Shenwan Hongyuan Financing Services Co., Ltd. (申萬宏源證券承銷保薦有限責任公司)



<b>Term</b>	<b>Definition</b>
“Shenyin & Wanguo Alternative Investment”	Shenyin & Wanguo Alternative Investment Co., Ltd. (申銀萬國創新證券投資有限公司)
“Shenwan Futures”	Shenwan Futures Co., Ltd. (申銀萬國期貨有限公司)
“Shenyin & Wanguo Investment”	Shenyin & Wanguo Investment Co., Ltd. (申銀萬國投資有限公司)
“Shenwan Hongyuan Asset Management”	Shenwan Hongyuan Securities Asset Management Co., Ltd. (申萬宏源證券資產管理有限公司)
“SWS Research”	SWS Research Co., Ltd. (上海申銀萬國證券研究所有限公司)
“SWS MU”	SWS MU Fund Management Co., Ltd. (申萬菱信基金管理有限公司)
“Fullgoal Fund”	Fullgoal Fund Management Co., Ltd. (富國基金管理有限公司)
“SWHY International”	Shenwan Hongyuan (International) Holdings Limited (申萬宏源(國際)集團有限公司)
“A Share(s)”	domestic ordinary shares of the Company with nominal value of RMB1.00 each, which are listed on the Shenzhen Stock Exchange and traded in RMB
“H Share(s)”	overseas listed foreign ordinary shares of the Company with nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange and traded in HK dollars
“ETF”	exchange-traded fund(s)
“FICC”	fixed income, currencies and commodities
“CMBS”	commercial mortgage-backed securities
“IPO”	initial public offering
“ABS”	asset-backed securities
“PE”	private equity investment
“FOF”	a fund which specially invests in other securities investment funds
“ESG”	environmental, social and corporate governance

<b>Term</b>	<b>Definition</b>
“AIGC”	artificial intelligence generated content
“FRB”	the Board of Governors of the Federal Reserve System
“margin financing and securities lending”	provision of collateral by investors to securities firms who are qualified for conducting margin financing and securities lending business to borrow funds for securities purchases (margin financing) or to borrow and sell securities (securities lending)
“NEEQ”	National Equities Exchange and Quotations (全國中小企業股份轉讓系統)
“ChiNext Board”	the growth enterprise board launched by the Shenzhen Stock Exchange
“Net Capital”	equals net assets minus risk-adjusted financial assets minus other risk-adjusted assets and risk-adjusted contingent liabilities plus or minus capital from other adjustments recognized or approved by the CSRC
“STAR Market”	the Sci-Tech Innovation Board launched by the Shanghai Stock Exchange
“stock-backed lending”	a transaction in which a securities firm provides financing to qualified clients who pledge their stocks as collateral
“structured notes”	marketable securities issued by securities firms with the payment of principal and return linked to specific underlying assets
“VaR”	value at risk
“PB System”	prime brokerage system
“EBITDA”	earnings before interest, taxes, depreciation and amortization
“WIND”	Wind Information Co., Ltd. (萬得信息技術股份有限公司), a service provider of financial data, information and software in Mainland China
“CHOICE”	Eastmoney Choice Financial Terminal, a data platform which provides professional financial data service to financial institutions



<b>Term</b>	<b>Definition</b>
“Company Law”	the Company Law of the People’s Republic of China (中華人民共和國公司法)
“Securities Law”	the Securities Law of the People’s Republic of China (中華人民共和國證券法)
“Securities and Futures Ordinance”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“CG Code”	Corporate Governance Code as set out in Appendix C1 to the Hong Kong Listing Rules
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Hong Kong Listing Rules
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“HK\$”, “HKD” or “HK dollars”	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“US dollar” or “USD”	United States dollars, the lawful currency of the United States
“%”	percent
“Reporting Period”	the six months from January 1, 2024 to June 30, 2024

In the 2024 interim report, any discrepancies between the last digit of total shown and the last digit of the sum of the amounts listed are due to rounding.



## Section II Company Profile and Key Financial Indicators

### I. COMPANY PROFILE

<b>Stock name</b>	SWHY	<b>Stock code</b>	000166 (Shenzhen Stock Exchange); 6806 (Hong Kong Stock Exchange)
<b>Stock exchanges on which the shares are listed</b>	Shenzhen Stock Exchange, Hong Kong Stock Exchange		
<b>Chinese name of the Company</b>	申萬宏源集團股份有限公司		
<b>Abbreviation of Chinese name of the Company</b>	申萬宏源		
<b>English name of the Company</b>	Shenwan Hongyuan Group Co., Ltd.		
<b>Abbreviation of English name of the Company</b>	Shenwan Hongyuan		
<b>Legal representative of the Company</b>	Mr. Huang Hao		
<b>Authorized representatives</b>	Mr. Liu Jian, Mr. Xu Liang		
<b>Joint company secretaries</b>	Mr. Xu Liang, Mr. Wong Wai Chiu		

### II. CONTACT PERSONS AND CONTACT METHODS

	<b>Secretary to the Board</b>	<b>Securities affairs representative</b>
Name	Mr. Xu Liang	Mr. Xu Liang
Address	20/F, Dacheng International Building, 358 South Beijing Road, Urumqi High-tech Zone, Xinjiang, the PRC	20/F, Dacheng International Building, 358 South Beijing Road, Urumqi High-tech Zone, Xinjiang, the PRC
Telephone	0991-2301870, 010-88085333	0991-2301870, 010-88085333
Facsimile	0991-2301779	0991-2301779
Email address	swwhy@swwhy.com	swwhy@swwhy.com

### III. OTHER INFORMATION

#### (I) Contact Method of the Company

<b>Registered office of the Company</b>	Room 2001, 20/F, Dacheng International Building, 358 South Beijing Road, Urumqi High-tech Zone, Xinjiang, the PRC
<b>Postal code of the registered office of the Company</b>	830011
<b>Office address of the Company</b>	20/F, Dacheng International Building, 358 South Beijing Road, Urumqi High-tech Zone, Xinjiang, the PRC; No. 19, Taipingqiao Street, Xicheng District, Beijing, the PRC
<b>Postal code of the office address of the Company</b>	830011; 100033
<b>Principal place of business in Hong Kong</b>	40/F, Dah Sing Financial Centre, 248 Queen's Road East, Wanchai, Hong Kong
<b>Company website</b>	<a href="http://www.swhygh.com">www.swhygh.com</a>
<b>Email address of the Company</b>	<a href="mailto:swhy@swhysc.com">swhy@swhysc.com</a>

#### (II) Information Disclosure and Location for Inspection of Documents

<b>Newspapers designated for disclosure of the Company's A Share information</b>	China Securities Journal, Securities Times, Shanghai Securities News
<b>Website of stock exchange for disclosure of the A Share interim report of the Company</b>	Shenzhen Stock Exchange: <a href="http://www.szse.cn">www.szse.cn</a>
<b>Name and website of media for disclosure of the A Share interim report of the Company</b>	Cninfo website: <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a>
<b>Website of stock exchange for disclosure of the H Share interim report of the Company</b>	HKExnews: <a href="http://www.hkexnews.hk">www.hkexnews.hk</a>
<b>Location for inspection of interim report of the Company</b>	the office of the Board of the Company, 20/F, Dacheng International Building, 358 South Beijing Road, Urumqi High-tech Zone, Xinjiang, the PRC

**(III) Other Relevant Information**

**Share Registrars**

A Share: China Securities Depository and Clearing Corporation Limited, Shenzhen Branch  
22-28/F, Shenzhen Stock Exchange Building, 2012 Shennan Blvd., Futian District, Shenzhen, Guangdong, the PRC

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

**Legal Advisors**

Alliance J&S Law Firm (domestic legal advisor)  
Room 1910, Tower 2, Guanghua Chang'an Building, No. 7 Jianguomen Inner Street, Dong Cheng District, Beijing, the PRC

Clifford Chance (Hong Kong legal advisor)  
27/F, Jardine House, One Connaught Place, Central, Hong Kong

**IV. KEY ACCOUNTING DATA AND FINANCIAL INDICATORS**

Accounting data and financial indicators set out in this report have been prepared in accordance with the International Financial Reporting Standards.

Unit: Thousand Yuan Currency: RMB

Item	January to June 2024	January to June 2023	Increase/ decrease as compared with the corresponding period of last year (%)
Total revenue and other income	15,899,662	17,450,595	-8.89
Profit before income tax	3,359,549	4,974,027	-32.46
Profit for the period attributable to shareholders of the Company	2,128,072	3,747,734	-43.22
Net cash (used in)/generated from operating activities	-9,417,732	52,339,095	-117.99
Basic earnings per share (in RMB per share)	0.08	0.15	-46.67
Weighted average return on equity (%)	2.09	3.85	Decreased by 1.76 percentage points

Item	June 30, 2024	December 31, 2023	Increase/ decrease as compared with the end of last year (%)
Total assets	<b>607,386,031</b>	635,437,418	-4.41
Total liabilities	<b>477,203,828</b>	506,643,284	-5.81
Total equity attributable to shareholders of the Company	<b>101,850,883</b>	100,145,041	1.70
Share capital	<b>25,039,945</b>	25,039,945	-
Equity per share attributable to shareholders of the Company (in RMB per share)	<b>4.07</b>	4.00	1.75
Gearing ratio (%) <sup>Note</sup>	<b>74.91</b>	76.09	Decreased by 1.18 percentage points

Note: Gearing ratio = (Total liabilities – Accounts payable to brokerage clients – Proceeds from underwriting securities received on behalf of customers)/(Total assets – Accounts payable to brokerage clients – Proceeds from underwriting securities received on behalf of customers) \*100%

## V. DIFFERENCES IN ACCOUNTING DATA UNDER DOMESTIC AND INTERNATIONAL ACCOUNTING STANDARDS

In terms of profit for the period and profit for the period attributable to the shareholders of the Company for January to June 2024 and January to June 2023, and total equity and total equity attributable to shareholders of the Company as of June 30, 2024 and December 31, 2023, there's no difference between the data set out in the financial statements disclosed by the Company prepared in accordance with International Financial Reporting Standards and that prepared in accordance with China Accounting Standards for Business Enterprises.

## VI. NET CAPITAL AND THE RELEVANT RISK CONTROL INDICATORS (CALCULATED BASED ON THE DATA OF THE PARENT COMPANY OF SHENWAN HONGYUAN SECURITIES)

Unit: Thousand Yuan Currency: RMB

Item	As of the end of the Reporting Period	As of the end of last year	Increase/decrease as compared with the end of last year
Core Net Capital	<b>62,422,639</b>	61,478,184	1.54%
Supplementary Net Capital	<b>26,700,000</b>	30,020,000	-11.06%
Net Capital	<b>89,122,639</b>	91,498,184	-2.60%
Net assets	<b>120,404,618</b>	119,545,005	0.72%
Total risk capital reserves	<b>28,098,437</b>	30,420,937	-7.63%
Total on-balance sheet & off-balance sheet assets	<b>521,555,326</b>	558,552,456	-6.62%
Risk coverage ratio	<b>317.18%</b>	300.77%	Increased by 16.41 percentage points
Capital leverage ratio	<b>12.26%</b>	11.28%	Increased by 0.98 percentage points
Liquidity coverage ratio	<b>200.10%</b>	169.61%	Increased by 30.49 percentage points
Net stable funding ratio	<b>140.19%</b>	130.47%	Increased by 9.72 percentage points
Net Capital/net assets	<b>74.02%</b>	76.54%	Decreased by 2.52 percentage points
Net Capital/liabilities	<b>27.44%</b>	26.44%	Increased by 1.00 percentage points
Net assets/liabilities	<b>37.07%</b>	34.55%	Increased by 2.52 percentage points
Equity securities and derivatives held/Net Capital	<b>41.56%</b>	32.60%	Increased by 8.96 percentage points
Non-equity securities and derivatives held/Net Capital	<b>316.05%</b>	321.59%	Decreased by 5.54 percentage points

Note: The data at the end of June 2024 is unaudited.

## VII. REVIEW BY THE AUDIT COMMITTEE

The audit committee of the Board has reviewed and confirmed the Company's Report on Review of Interim Financial Statements disclosed in accordance with International Financial Reporting Standards for the six months ended June 30, 2024, and has no objection against matters including the accounting policies and practice adopted by the Company.

# Section III Management Discussion and Analysis

## I. INDUSTRY OF THE COMPANY DURING THE REPORTING PERIOD

### (I) Basic Information of the Industry of the Company during the Reporting Period

In the first half of 2024, China's economy continued to rebound and improve, and the production demand rose steadily. The growth of new industries, new models and new driving forces was accelerated, high-quality development was solidly promoted, and endogenous driving forces for development continued to accumulate. In order to further promote the high-quality development of the capital market, the CSRC and other relevant departments have issued a number of important initiatives, adhering to the main line of strengthening supervision, preventing risks and promoting high-quality development, and focusing on breaking down the obstacles and blockages that restrict the high-quality development of the capital market, so as to continuously improve the quality and efficiency of capital market in serving the real economy. With the release of the combined effects of policies and the integrated effects of reforms, the securities industry demonstrated strong resilience and development potential in the first half of 2024. During the Reporting Period, China's securities industry mainly showed three major development characteristics:

#### 1. Accelerating comprehensive deepening reform of the capital market, and further consolidating the basic system of the capital market

During the Reporting Period, the capital market fully implemented the spirit of the Central Financial Work Conference, emphasized on the regulatory keynote of strengthening foundation and strict supervision, continuously enhanced the hub function of the capital market, and strengthened the inherent stability of the capital market. On April 12, 2024, the State Council issued the Certain Opinions on Promoting High-quality Development of the Capital Market by Strengthening Supervision and Preventing Risks (the New "National Nine Guidelines (國九條)"), which focuses on promoting the resolution of deep-seated contradictions accumulated in the capital market over the long term, and accelerating the construction of a capital market that is safe, regulated, transparent, open, dynamic and resilient. The New "National Nine Guidelines (國九條)" fully reflects the political and people-oriented nature of the capital market, takes strong supervision, risk prevention and high-quality development as the main lines, adheres to the goal-oriented and problem-oriented approaches, and proposes a clear timetable and roadmap for high-quality development of the capital market. The CSRC and stock exchanges amended supporting rules on issuance supervision, continuous supervision of listed companies, delisting supervision, securities company supervision, transaction supervision, mergers and acquisitions, restructuring, information disclosure and other aspects, and accelerated the implementation of the "1+N" policy system for the capital market.

**2. Prioritizing functionality and accelerating the construction of a first-class modern investment bank**

In order to better promote the construction of a strong financial nation and guide securities companies to return to their roots and focus on their main responsibilities and businesses, the New “National Nine Guidelines (國九條)” issued by the State Council during the Reporting Period clearly proposes to guide industry institutions to establish correct operation philosophy, handle the relationship between functionality and profitability, and promote high-quality development of securities institutions. In the Opinions on Strengthening the Supervision of Securities Companies and Mutual Funds and Accelerating the Promotion of Construction of First-class Investment Banks and Investment Institutions (Trial), the CSRC also clearly states that the securities industry shall prioritize functionality and build a strong financial institution system by constructing first-class modern investment banks, and provides a clear roadmap for building first-class investment banks and investment institutions. As important intermediaries in the capital market and even the financial system, securities companies shall not only handle the relationship between functionality and profitability, but also implement functionality and profitability in their business itself. Through the transformation and development of specific businesses, securities companies shall balance functionality and profitability, and better play the role of the securities industry as a direct financing “service provider”, a “gatekeeper” of the capital market and a “manager” of social wealth.

**3. Competition in the securities industry became increasingly fierce, and the industry concentration continued to increase**

Benefiting from the significant opportunities brought about by the rapid development of China’s multi-level capital market, the securities industry in China has enjoyed significant growth and has exhibited such development characteristics as increased industry concentration and a combination of asset-heavy and asset-light businesses. With the backdrop of the comprehensive deepening reform of the capital market and the speeding up of the high level of opening up, the competition in the securities industry has become increasingly fierce, with large securities firms growing stronger relying on their strong capital strength, comprehensive business structure, leading innovation capability and comprehensive risk control, while small- and medium-sized securities firms refining their businesses relying on shareholders’ backgrounds, professional expertise and regional competence. From the perspective of business development, revolutions in the issuance system, transformation of wealth management and the “Matthew Effect” in derivatives business have accelerated the increase in industry concentration. From the perspective of industry regulation, under the guidance of the policies such as accelerating the cultivation of first-class investment banks and institutions, appropriately expanding the capital space of high-quality institutions, supporting leading securities companies to become better and stronger through mergers and acquisitions, and organizational innovation, the industry concentration continued to increase. In the future, it is expected to form a diversified pattern of differentiated development among large securities companies, small- and medium-sized boutique securities companies and regional securities companies, which will jointly serve different participants in the multi-level capital market.

**(II) Industry Position of the Company**

The Company has witnessed the development of the securities industry of the PRC, experienced multiple market cycles and established a longstanding, comprehensive and high-quality leading position in the securities industry of China. The Company fully exerts the dual structure advantages of “investment holding group + securities subsidiaries”, upholds steady operation and strict risk control, and with the focus on the needs of customers of corporate finance, personal finance, institutional services and trading as well as investment management, etc., the Company constantly enriches the securities business fields, optimizes the asset allocation structure, accelerates the business coordination, continues to improve the sustainable investment model, and strives to create a closed loop of comprehensive financial services. During the Reporting Period, the Company fully implemented the spirit of the 20th National Congress of the Communist Party of China, the Central Financial Work Conference and the Central Economic Work Conference, firmly grasped the general principle of seeking progress while maintaining stability, adhered to the development orientation of returning to its roots and focusing on the main businesses, coordinated development and security, deeply promoted business development and reform and transformation, and continuously improved the quality and efficiency of serving national strategies. Key performance indicators continued to maintain a leading position, and high-quality development was steadily promoted.

**II. PRINCIPAL BUSINESS ENGAGED BY THE COMPANY**

**(I) Principal Business Engaged by the Company during the Reporting Period**

As an investment holding group, the Company is committed to providing diversified financial products and services to clients by relying on the capital market and focusing on securities businesses. Utilizing the dual structure of “investment holding group + securities subsidiaries”, the Company has established a business development model with differentiated competitive advantages. The Company’s business mainly focuses on four segments, including enterprise finance, personal finance, institutional services and trading, as well as investment management. The specific business structure is as follows:

Enterprise Finance		Personal Finance		Institutional Services and Trading	Investment Management
Investment Banking	Principal Investment				
<ul style="list-style-type: none"> <li>Equity financing</li> <li>Debt financing</li> <li>Financial advisory</li> </ul>	<ul style="list-style-type: none"> <li>Equity investment</li> <li>Debt investment</li> <li>Other investment</li> </ul>	<ul style="list-style-type: none"> <li>Securities and futures brokerage</li> <li>Margin financing and securities lending</li> <li>Stock-backed lending</li> <li>Sales of financial products</li> </ul>	<ul style="list-style-type: none"> <li>Prime brokerage</li> <li>Research and consultation</li> <li>Proprietary trading</li> </ul>	<ul style="list-style-type: none"> <li>Asset management</li> <li>Mutual fund management</li> <li>Private equity fund management</li> </ul>	



**1. Enterprise finance**

The Company's enterprise finance business consists of investment banking business and principal investment business. Investment banking business provides equity underwriting and sponsorship, debt underwriting and financial advisory services for corporate clients; and principal investment business mainly comprises equity investment and debt investment of non-listed companies.

**2. Personal finance**

The Company's personal finance business serves the comprehensive financial needs of individuals and non-professional institutional investors. It provides services such as securities and futures brokerage, margin financing and securities lending, stock-backed lending, sales of financial products and investment advisory through the combination of online and offline channels.

**3. Institutional services and trading**

The Company's institutional services include prime brokerage and research and consultation services for professional institutional clients; in the meantime, the Company is also engaged in the trading of FICC, equity and equity-linked securities, based on which the Company offers sales, trading, hedging and OTC derivatives services to institutional clients.

**4. Investment management**

The Company's investment management business consists of asset management, mutual fund management and private equity fund management services.

There were no material changes to the principal business and business model of the Company during the Reporting Period.

(II) **Major Awards and Honors Granted during the Reporting Period**

<b>Award winner</b>	<b>Issuing authority</b>	<b>Award</b>	
Shenwan Hongyuan Group	China Association for Public Companies	“Outstanding” Practice Case for Cultural Construction of Listed Companies Best Practice Case for Investor Relations Management of Listed Companies	
	Directors & Boards magazine	The 19th “Gold Round Table Award” for Board of Directors of China Listed Companies – Outstanding Board of Directors The 19th “Gold Round Table Award” for Board of Directors of China Listed Companies – The Most Innovative Board Secretary	
	RoadShow China	The 7th China Excellent IR – Best Innovative Practice Award The 7th China Excellent IR – Best Capital Market Communication Award The 7th China Excellent IR – Best Leader Award	
	Shenwan Hongyuan Securities	Shanghai Stock Exchange	2023 Specialized Award of “I am a Shareholder” Activity 2023 SSE Outstanding Option Market Maker 2023 New Option Variety Contribution Award Outstanding Bond Market Maker Bond Market Comprehensive Service Award Outstanding Local Government Bond Underwriter Outstanding Corporate Bond Underwriter
		Shenzhen Stock Exchange	Outstanding Underwriter in Serving National Strategy Outstanding Bond Market Maker Outstanding ETF Liquidity Service Provider Outstanding ETF Marketing Institution 2023 Best Organization Award for “Striving for a New Journey and Starting Again with Investment Services (踔厲奮發新徵程、投教服務再出發)” Investor Education Activity 2023 Outstanding Case Award for Promoting the Inclusion of Investor Education in National Education Outstanding Intermediary for Fixed Income Products 2023 Outstanding Bond Investment Trading Agency (Brokers Proprietary) 2023 Outstanding Bond Market Maker 2023 Outstanding Participating Institution in Bond Trading Business Innovation – Credit Protection Instrument
		National Interbank Funding Center	Market Impact Institution of the Year Market Innovation Institution
		ChinaBond Financial Pricing Center Limited Company	Innovation Leading Pioneer Award
		Shanghai Clearing House	Outstanding Credit Default Swap Business Participating Institution (Quotation Business)

Award winner	Issuing authority	Award
	China Financial Futures Exchange	Silver Award for Outstanding Stock Index and Options Market Maker Bronze Award for Outstanding Market Maker of Treasury Bonds Futures Outstanding Trading Team Award of Treasury Bonds Futures (Proprietary) 2023 Silver Award for Outstanding Stock Index and Options Market Maker 2023 Outstanding Contribution Award of Treasury Bonds Futures Market Maker for New Futures Listing
	Shanghai Futures Exchange	2023 Gold Award for Market Making Business
	Shanghai Gold Exchange	2023 Special Outstanding Member
	Dalian Commodity Exchange	2023 Advanced Market Maker of Liquefied Petroleum Gas Options
	Guangzhou Futures Exchange	2023 Platinum Award for Market Maker of Industrial Silicon Options 2023 Silver Award for Market Maker of Lithium Carbonate Options
	CSRC	Outstanding Award for Assessment of National Securities and Futures Investor Education Base
	Shanghai Lingang Group, Shanghai Exchange Group, Shanghai Securities News and Shanghai Financial Leasing Industry Association	2023 Best Asset Management Institution Award in the Financial Leasing Industry
	Shanghai Federation of Trade Unions	2023 "Shanghai Worker Pioneer"
	China Securities Investor Services Center	2023 Outstanding Investor Contact Point
	Financial Committee Office of the Shanghai Municipal Committee of the Communist Party of China	Second Prize in Video Group of Outstanding Propaganda Works for Preventing and Combating Illegal Financial Activities in Shanghai in 2024 Second Prize in Graphic Group of Outstanding Propaganda Works for Preventing and Combating Illegal Financial Activities in Shanghai in 2024
	Financial Times	2023 Outstanding Case of Financial Support for Rural Revitalization
	New Fortune	Best Local Investment Bank Best Practicing ESG Investment Bank Best Equity Underwriting Investment Bank Best Debt Underwriting Investment Bank Best Corporate Bond Investment Bank Best IPO Investment Bank Best Investment Bank in Serving Overseas Markets Best Investment Bank for Technology and Intelligent Manufacturing Industry

Award winner	Issuing authority	Award
	www.cls.cn	Best Investor Education Award Best Investor Education Award of the “Wealth Management Huazun Award”
	WIND	Best Bond Underwriter Best Credit Bond Underwriter Best Green Bond Underwriter Best Industrial Bond Underwriter Best Financial Bond Underwriter Best Corporate Bond Underwriter
Hongyuan Futures	China Women’s Development Fund China Social Welfare Foundation Zhengzhou Commodity Exchange	Contribution Unit on Women’s Public Welfare in 2023 Most Social Responsibility Award in 2023 2023 Outstanding Member, Investor Education Award, 2023 “Insurance + Futures” Best Compensation Award, Outstanding Project Award and Best Publicity Award
	China Financial Futures Exchange	Outstanding Member Gold Award, Marketing Publicity Award
	Office of the Capital Spiritual Civilization Construction Committee	Title of “Capital Civilized Unit” for 2021-2023
	Shanghai Futures Exchange	Third Prize of 2023 Natural Rubber “Insurance + Futures” Project, Second Prize in “Improving the Operation Quality of Option Market” Activity
	Dalian Commodity Exchange	Premier Member, Outstanding Member, Energy and Chemical Industry Service Award; Hongyuan Hengli (a subsidiary) won the “Diamond Award for Market Making Business”
Shenyin & Wanguo Investment	Chinese Venture	2023 Best Private Equity Subsidiary of Brokers in China Firms by Chinese Venture 2023 Top 100 Private Equity Investment Institutions in China by Chinese Venture 2023-2024 Excellent Investment Institution in the New Materials Field in China
SWS MU	Sina Finance www.cls.cn	Best Fund Investment Advisory Institution 2024 Best Fund Investment Advisory Award – Wealth Management “Huazun Award”
SWS Research	Huangpu District Government of Shanghai Municipality Securities Association of China Chinese Society of Ideological and Political Work	2022-2023 Outstanding Contribution Group of Investment Promotion in Huangpu District 2023 Outstanding Key Topic Report of Securities Association of China 2023 Outstanding Award for Research on Ideological and Political Work and Cultural Construction in the National Financial System

Award winner	Issuing authority	Award
Shenwan Futures	Shanghai International Energy Exchange	Outstanding Member Award
	Guangzhou Futures Exchange	Outstanding Member Award Outstanding Member Institutional Service Outstanding Member Option Market Service Award
	Zhengzhou Commodity Exchange	Customer Management Award Textile Industry Service Award Energy and Chemical Industry Service Award Outstanding Industry Service Sales Department
	China Financial Futures Exchange	Outstanding Member Platinum Award Risk Management Service Award (Stock Index Futures) Treasury Bond Futures Market Maker Outstanding Service Member Award Stock Index Options Market Maker Outstanding Service Member Award
	Dalian Commodity Exchange	Premier Member Institutional Service Outstanding Member
	Shanghai Futures Exchange	Second Prize in the “Strengthening the Source and Helping Enterprises (強源助企)” (Functional Category) – “Improving the Operation Quality of the Options Market” Activity of Shanghai Futures Exchange in 2023 Special Prize of Natural Rubber “Insurance + Futures” Project in 2023 Excellent Award of Natural Rubber “Option Stabilizing Production Action” Project in 2023 Outstanding Member Gold Award Nonferrous Industry Service Award Energy and Chemical Industry Service Award Option Market Service Award Shipping Industry Service Award Shanghai Futures Exchange “Strengthening the Source and Helping Enterprises (強源助企)” Contribution Award Technology Escort Pioneer Award

Award winner	Issuing authority	Award	
Shenwan Hongyuan Financing Services	WIND	2023 WIND Best Investment Bank – Best A Share IPO Underwriter	
		2023 WIND Best Investment Bank – Best Beijing Stock Exchange Equity Underwriter	
		2023 WIND Best Investment Bank – Best NEEQ Chief Securities Firm	
		2023 WIND Best Investment Bank – Best China M&A and Restructuring Financial Advisor	
		New Fortune (16th)	Best Local Investment Bank (7th) (Consolidated with securities companies)
			Best Practicing ESG Investment Bank (4th) (Consolidated with securities companies)
			Best Equity Underwriting Investment Bank (10th)
			Best IPO Investment Bank (9th)
			Best Investment Bank in Serving Overseas Markets (5th) (Consolidated with securities companies)
		Shanghai Stock Exchange	Best Investment Bank for Technology and Intelligent Manufacturing Industry (9th) (Consolidated with securities companies)
2023 Outstanding Unit of Comprehensive Service Consulting and Support for Central Enterprises (Securities Company)			
2024 “Jincui Award” Annual Outstanding Contribution Institution			
Shenwan Hongyuan Asset Management	The 8th China Real Estate Securitization and REITs Summit Forum		
	Chamber of Commerce of CIC Directly Managed Enterprises in Serving the National Strategy		
	The First Conference on High Quality Development of Asset Securitization for Finance Leasing CLSF		
SWHY International	WST Pro/SereSbond	The 7th (2023) Annual Selection of Outstanding Institutions and Best Transactions of Chinese-funded Offshore Bonds: Best Underwriter of Dim Sum Bonds	
	Macao Central Securities Depository and Clearing Limited (MCSD)	2023 Outstanding Underwriter (Non-local)	

### III. ANALYSIS ON CORE COMPETITIVENESS

In accordance with strategic requirements, the Company fully utilizes its established advantages to promote the coordinated development of each business segment coordinately, and actively builds an investment holding group with securities business as its core, thus forming its own core competitiveness, which is mainly reflected in the following aspects:

**(I) Leading Comprehensive Strength**

Due to the strong advantages in respect of shareholders, abundant capital strength and extensive brand influence, as well as rich customer resources and comprehensive outlet distribution, the Company has achieved good operating results and its comprehensive competitiveness ranked at the forefront of the securities industry. Adhering to the customer-centric development concept, the Company comprehensively promotes the development, transformation and innovation of the securities business and proactively expands the investment business centering on the securities business, which continuously consolidates and enhances its comprehensive financial service capabilities.

**(II) Comprehensive Business Layout**

The Company has improved the whole industry chain service system based on the capital market and continuously consummated the product lines and service lines under securities business. With full licenses and leading business capabilities, the Company has achieved good development momentum and its position in the industry improves steadily. The Company proactively expands its investment layout of the capital market and securities business, to promote the efficient and coordinated development of securities business and investment business.

**(III) Favorable Regional Advantage**

Closely following the national development strategy, the Company promotes the establishment of a regional development pattern featuring linkage and resource synergy between the eastern and western regions of China. While establishing an extensive layout in traditional advantageous areas including Shanghai and Xinjiang, the Company deeply taps the development opportunities arising from the construction of “Two Centers” and free trade zone in Shanghai, proactively cooperates with the development of the western region and the “Belt and Road Initiative”, and continues to deepen the prospective layout in the areas including Guangdong-Hong Kong-Macao Greater Bay Area, Beijing-Tianjin-Hebei Region and Great Southwest Region, to further establish important regional growth drivers.

**(IV) Effective Risk Management**

The Company attaches great importance to legal and compliance operation and internal control construction. It has established a comprehensive risk management system at group level covering all aspects and all staff throughout its entire business process, continuously improved risk policy, optimized risk identification and response, and effectively controlled operation risks, with risk control indicators of Shenwan Hongyuan Securities in compliance with the regulatory requirements. Moreover, its business maintains sustainable development momentum, providing a guarantee for the further improvement of the Company’s comprehensive strength.

**(V) Well-established Talent Mechanism**

The Company adheres to the people-oriented principle, upholds the concept of employing those with integrity, competence and merit and giving full scope to the talents, and creates an open, equal, competitive, merit-based and applicable employment environment. The Company continuously improves the human resources development system with market-oriented mechanism as the core, and promotes the interests sharing between the Company, shareholders and employees to provide strong and enduring career security for employee’s long-term development and self-value realization.

**IV. PRINCIPAL BUSINESS ANALYSIS**

In the first half of 2024, the Company insisted on the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, thoroughly implemented the spirit of the 20th National Congress of the Communist Party of China, the Central Economic Work Conference and the Central Financial Work Conference. Based on the development orientation of state-owned financial enterprises, the Group adhered to returning to its roots and focused on being a good “service provider” of direct financing, a “gatekeeper” of the capital market and a “manager” of social wealth. The Group solidly completed the “Five Priorities” of finance, actively embraced the development of new productive forces, took practical actions to help improve the capital market functions that coordinate investment and financing, and firmly followed the path of financial development with Chinese characteristics. In the first half of 2024, with the development goal of “building a first-class investment bank and investment institution” in mind, the Company actively responded to the challenges of IPO phased tightening, commission rate reform and other trends, accelerated the construction of a customer-centric comprehensive financial service model, continuously deepened business transformation, enhanced the competitiveness of light capital business, and strengthened the quality and efficiency of heavy capital business development. Focusing on the theme of high-quality development, the Company continued to deepen institutional and mechanism reforms, built a high-quality financial talent team, firmly guarded the bottom line of financial risks, and carried out all operation and management work in an orderly manner, and achieved overall stable operating performance.

**(I) General Condition**

In the first half of 2024, the Company realized total revenue and other income of RMB15,900 million, representing a year-on-year decrease of 8.89%; profit before income tax of RMB3,360 million, representing a year-on-year decrease of 32.46%; profit for the period attributable to shareholders of the Company of RMB2,128 million, representing a year-on-year decrease of 43.22%; basic earnings per share of RMB0.08, representing a year-on-year decrease of 46.67%; and a weighted average return on equity of 2.09%, representing a year-on-year decrease of 1.76 percentage points. As at June 30, 2024, the total assets of the Company amounted to RMB607,386 million, representing an decrease of 4.41% as compared to the beginning of the year, and the total equity attributable to shareholders of the Company amounted to RMB101,851 million, representing an increase of 1.70% as compared to the beginning of the year.



**(II) Principal Business Analysis**

Shenwan Hongyuan Group is comprised of subsidiaries in the fields of securities, investment, fund and futures, and has four major business segments including enterprise finance, personal finance, institutional services and trading, and investment management. The Company continues to build the whole industry chain of investment and financial services relying on the capital market to provide diversified financial products and services to customers.

Information on each business segment of the principal business is as follows:

Unit: Thousand Yuan Currency: RMB

Segment	Total income Note 1	Total expenses	Profit margin before income tax (%) Note 2	Change in total income as compared to the corresponding period of last year (%)	Change in total expenses as compared to the corresponding period of last year (%)	Change in profit margin before income tax
						as compared to the corresponding period of last year (percentage point)
Enterprise finance	1,546,904	1,271,852	17.78	-45.85	-24.68	-23.11
Including: Investment banking	747,623	640,093	14.38	-34.11	-22.90	-12.45
Principal investment	799,281	631,759	20.96	-53.58	-26.39	-29.19
Personal finance	5,030,655	4,039,560	19.70	-10.57	2.65	-10.34
Institutional services and trading	8,922,621	7,040,856	21.09	4.54	8.44	-2.84
Investment management	734,486	522,849	28.81	-2.14	-22.69	18.92
<b>Total</b>	<b>16,234,666</b>	<b>12,875,117</b>	<b>20.69</b>	<b>-8.63</b>	<b>0.64</b>	<b>-7.31</b>

Notes: 1. Total income = Total revenue and other income + Shares of profit of associates and joint ventures

2. Profit margin before income tax = Profit before income tax/(Total revenue and other income + Shares of profit of associates and joint ventures) \*100%

## 1. Enterprise finance business

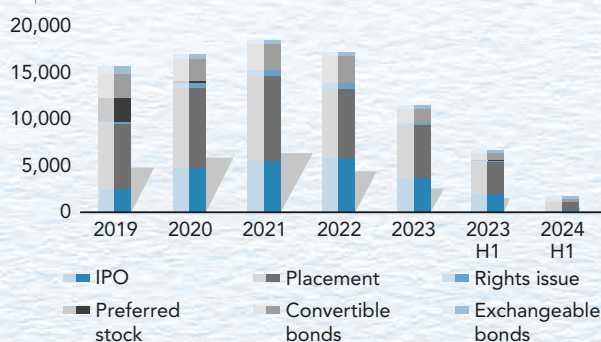
Targeting enterprise clients, our enterprise finance business consists of investment banking business and principal investment business. The investment banking business includes equity financing, debt financing and financial advisory, while the principal investment business includes equity investment, debt investment and other investment. During the Reporting Period, the enterprise finance business of the Company recorded total income of RMB1,547 million, representing a year-on-year decrease of 45.85%, among which: the investment banking business segment recorded total income of RMB748 million, and the principal investment business segment recorded total income of RMB799 million.

### (1) Investment banking business

#### Market environment:

#### Statistics of Domestic Share Issuance

Unit: RMB'00 million

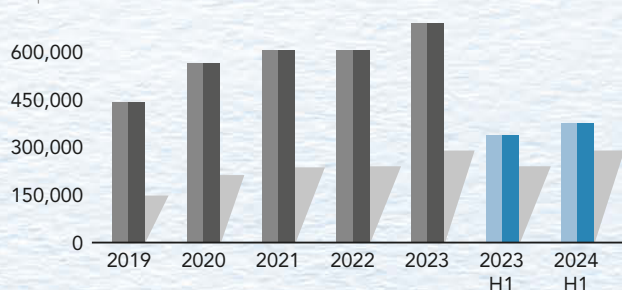


Notes:

- Source: WIND;
- Based on the data on the listing date

#### Statistics of Domestic Bond Issuance

Unit: RMB'00 million



Notes:

- Source: WIND;
- Based on the data on the issuance date

#### a. Equity financing

In the domestic market, in the first half of 2024, the comprehensive deepening reform was continuously and deeply promoted in the domestic capital market, the market ecology was continuously purified under the strong supervision, the review pace was obviously slowed down, the equity business was notably contracted and the number and amount of financing projects significantly decreased. During the Reporting Period, a total of 44 A-share IPOs were listed, representing a year-on-year decrease of 74.57%, and the amount of initial public offering was RMB32.493 billion, decreased by 84.50% year-on-year. In the first half of 2024, the number of A-share refinancing projects was 115, representing a year-on-year decrease of 50.85%, and the proceeds amounted to RMB140.480 billion, representing a year-on-year decrease of 68.99%. In particular, the scale of private placement reached RMB97.794 billion, representing a year-on-year decrease of 72.21%; the total issuance scale of convertible bonds was RMB21.397 billion, representing a year-on-year decrease of 70.63%. (WIND, based on the data on listing date, 2024)

In the overseas market, affected by the market environment, in the first half of 2024, the amount of equity financing in the Hong Kong market was HKD65.213 billion, representing a year-on-year decrease of 13.0%. In particular, the total amount of IPO financing was HKD13.178 billion, representing a year-on-year decrease of 26.2%. (Hong Kong Stock Exchange, 2024)

b. Debt financing

In the domestic market, in the first half of 2024, the size of credit bond issuance was RMB9.73 trillion, representing a year-on-year increase of 3.93%. In particular, the issuance size of financial bonds, non-financial enterprise debt financing instruments recorded a significant increment, and the issuance size of corporate bonds (including enterprise bonds), asset-backed securities recorded a relatively larger decrease.

In the overseas market, there was a sharp adjustment in the Chinese-funded offshore bonds market due to the Fed's record rate hike cycle. The issuance number of Chinese-funded offshore bonds in the first half of 2024 was 500, with a total issue size of USD53.10 billion, representing a year-on-year decrease of approximately 14.7%. (Bloomberg, 2024)

c. Financial advisory

In the first half of 2024, affected by the complex domestic and overseas economic situation, the overall activity of mergers and acquisitions transactions by domestic enterprises did not increase significantly. Due to factors such as stricter restructuring approval and the decrease in the valuation of listed companies, there were only two merger and restructuring projects which were completed and reviewed by the CSRC/ Stock Exchange in the market, and there were a total of 73 financial advisory projects (for initial disclosure) during the Reporting Period. (WIND, 2024)

**Operating measures and results:**

The Company carries out investment banking business principally through subsidiaries including Shenwan Hongyuan Securities.

The Company adhered to the development direction of returning to its roots and focusing on its main business, and effectively identified its responsibilities and missions; effectively brought its professional advantages into play. The Company also expanded and deployed strategic national projects and special business varieties; supported the development of “enterprises that use special and sophisticated technologies to produce novel and unique products”, strategic emerging industries and frontier technology enterprises; assisted in the transformation and upgrading of enterprises in the key links and core points in the advanced manufacturing industries and industry chains, optimised its cross-border financial services to support the construction of the “Belt and Road Initiative”, practiced the concept of inclusive finance, and continued to expand the service coverage. The Company actively played its role as a bridge between the capital market and the real economy, and continued to cultivate a business ecology that follows national strategies. The specific measures are as follows.

**Serving national strategies**

**Specific measures**

**Serving science and technology finance**

**Implemented national technological self-reliance and self-improvement and supported science and technology finance**

**Equity financing:** during the Reporting Period, the Company actively participated in the construction of financial-backed innovation system, fully exerted the advantages of comprehensive financial services of “investment banking + investment + research”, and strengthened the financial support for enterprises with key core technologies, “enterprises that use special and sophisticated technologies to produce novel and unique products”, strategic emerging industries and future industries. The Company assisted Guoguang Electric, a high-tech enterprise, in issuance of shares to specific participants and listing on the Shenzhen Stock Exchange with fund raising of RMB1.384 billion. In addition, the Company, by virtue of the advantage of the overseas capital market service, helped technological innovation finance, helped technological innovation and serviced the new quality productive forces. The Company, as a joint global coordinator, assisted the “AIGC First Share” Mobvoi Inc in successful listing on the Stock Exchange.

Serving national strategies	Specific measures
	<p><b>Debt financing:</b> during the Reporting Period, the Company issued 26 bonds for supporting technological innovation and the construction of the modern industrial system, with actual underwriting size of RMB8.806 billion, representing a year-on-year increase of 103.1%.</p>
Serving green finance	<p><b>Implemented the national carbon peak and carbon neutrality strategy and supported green finance</b></p> <p><b>Debt financing:</b> during the Reporting Period, the Company successively issued a total of 8 bonds including green bonds, carbon neutrality bonds and sustainable linked bonds, with actual underwriting size of RMB4.320 billion, and a total issuance size of RMB22.7 billion. Meanwhile, the Company actively served the green development strategy, and completed overseas related bond project financing of approximately RMB14.959 billion.</p>
Serving the construction of the “Belt and Road Initiative”	<p><b>Implemented the national “Belt and Road Initiative” work deployment and explored new model of financial support for the “Belt and Road Initiative”</b></p> <p><b>Debt financing:</b> during the Reporting Period, the Company domestically issued a total of 31 bonds related to the “Belt and Road Initiative”, the underwriting size was RMB15.176 billion and the total issuance size was RMB66.760 billion. In addition, the Company implemented the national “Belt and Road Initiative” work deployment, served the dual loops at home and abroad, and supported relevant enterprises for overseas equity financing totaled approximately RMB25.578 billion.</p>

## Serving national strategies

### Serving the inclusive finance

## Specific measures

### Actively implemented inclusive finance, and provided comprehensive services to small, medium and micro-sized enterprises

**Equity financing:** the Company strengthened the financial services to small, medium and micro-sized enterprises and private enterprises. Since the opening of the Beijing Stock Exchange, the Company has accumulatively completed 21 issuance and listing projects on the Beijing Stock Exchange (including the selected board transfer) with fund raising of RMB4.0 billion, and the number completed and the amount of funds raised both maintaining the second place in the industry. In terms of the NEEQ business, during the Reporting Period, the Company completed the recommendation of 15 projects for listing and private placement, ranking the third in the industry; the Company accumulatively recommended 850 enterprises for listing, and provided 931 private placements for listed companies, and conducted equity financing for listed companies totaled RMB37.752 billion, all ranking the first in the industry.

**Debt financing:** during the Reporting Period, the Company completed the issuance of 9 inclusive financial bonds of China Zheshang Bank, etc., with actual underwriting size of RMB3.734 billion and a total issuance size of RMB47.7 billion.

### Supporting major regional strategies

### Implemented the regional development strategy of China to promote regional coordinated development

**Equity financing:** the Company provided equity financing service to enterprises, supported major regional development strategies of China, implemented the plans on the “Beijing-Tianjin-Hebei Coordinated Development” and the “Yangtze River Delta Integration” during the Reporting Period. The Company raised RMB916 million through equity financing for key regions.

**Debt financing:** during the Reporting Period, the Company completed the issuance of 323 bonds related to supporting major regional development strategies, with actual underwriting size of RMB152.762 billion and a total issuance size of RMB958.346 billion.

Serving national strategies	Specific measures
Serving rural revitalization	<p data-bbox="759 444 1447 508"><b>Implemented the national rural revitalization strategy to support rural development</b></p> <p data-bbox="759 556 1447 771"><b>Debt financing:</b> during the Reporting Period, the Company issued 5 bonds to serve rural revitalization, with the underwriting size of RMB580 million and a total issuance size of RMB8.5 billion, and strengthened the mission and original intention of the Company as the state-owned financial enterprise with “faith and responsibility”.</p>

- a. Equity financing
- In terms of domestic equity financing, the equity business of the market shrank obviously, the number and amount of financing both significantly decreased. During the Reporting Period, the Company actively responded to the impact of the tightening of the pace of IPO and refinancing issuance in the industry, with a total underwriting scale of RMB916 million for 3 enterprises. (WIND, based on the data on listing date, 2024). In the first half of 2024, the Company completed a total of 15 NEEQ listings and private placements, ranking the third in the market, and conducted equity financing of RMB367 million for listed companies. As of the end of the Reporting Period, the Company provided continuous supervision for 560 NEEQ-listed enterprises, ranking the second in the market, including 223 enterprises at the innovative level, ranking the second in the market; the Company accumulatively recommended 850 enterprises for listing, provided 931 private placements for listed companies, and conducted equity financing in a total amount of RMB37.752 billion for listed companies, all ranking the first in the industry (CHOICE, based on the data on the listing date, 2024). The Company accumulatively served as the underwriter for 21 enterprises listed on the Beijing Stock Exchange, and raised proceeds in a total amount of RMB4.0 billion, both ranking the second in the industry. (WIND, based on the data on the listing date, 2024).

NEEQ	Continuous supervision for 560 NEEQ-listed enterprises		Continuous supervision for 223 enterprises at the innovative level		Ranking the second
	Number of enterprises accumulatively recommended for listing	Times of provision of private placements for listed enterprises	Total amount of equity financing for listed enterprises		Ranking the first

Beijing Stock Exchange	Cumulative underwriting of 21 enterprises	Accumulatively raised proceeds of RMB4.0 billion
	Industry ranking: second	Industry ranking: second

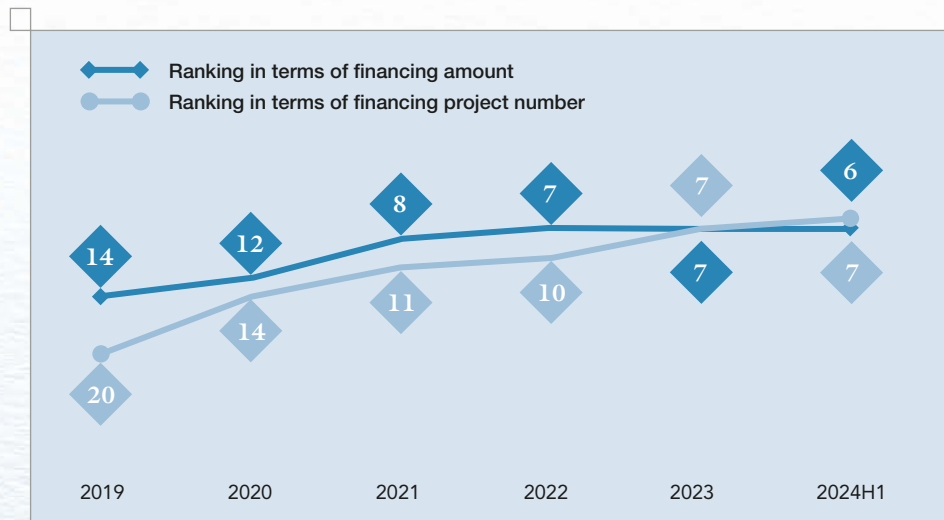
In terms of overseas equity financing business, the Company proactively exerted domestic and overseas linkage advantages, steadily promoted its cross-border business and overseas presence, the sponsored and underwritten project reserve has been gradually increased and the project turnover was gradually sped up. During the Reporting Period, the Company participated in 5 IPO projects as an underwriter. In particular, the Company, as a joint global coordinator, assisted the “AIGC First Share” Mobvoi Inc in successful listing on the Stock Exchange, supported for technological innovation and served the new quality productive forces.

b. Debt financing

In terms of domestic bond financing business, during the Reporting Period, the debt financing business of the Company maintained stable development momentum, the size and number of projects underwritten by the Company as a lead underwriter recorded a new historical high, the Company’s ranking in the industry and market influence were gradually stabilized. During the Reporting Period, the lead bonds underwriting size of the Company (corporate bonds + financial bonds + enterprise bonds + debt financing instruments of non-financial enterprises) was RMB150.661 billion, representing a year-on-year increase of 25.02%, ranked the sixth in the industry in terms of the underwriting size, the lead underwritten number was 320, representing an year-on-year increase of 15.52%, ranked the seventh in terms of the number of bonds underwritten, basically in line with the end of 2023. (WIND, 2024)



Ranking of the Company's Debt Financing Since 2019



Note: Based on the data of corporate bonds, financial bonds, enterprise bonds and debt financing instruments of non-financial enterprises

In terms of overseas debt financing business, the Company continued to intensify its project development and cross-border business synergy, targetedly empowered the real economy, green bonds, blue bonds and other overseas debt projects of quality enterprises leveraging on finance. The Company completed 137 overseas bond projects during the Reporting Period. In particular, the Company assisted Chongqing Fuling Industrial Development Group in issuance of Dim Sum Bonds in an amount of RMB1.26 billion, which was the largest in scale of credit directly issued Dim Sum Bonds in Chongqing District; and assisted Maoming Port Group Co., Ltd. in successful issuance of the first “blue + green” overseas bonds in China to support the port construction.

c. Financial advisory

In terms of domestic financial advisory business, during the Reporting Period, the Company had 4 financial advisory projects (for initial disclosure) in total, with total amount of RMB2.340 billion and ranking the third in the industry in terms of number of projects.

In terms of overseas financial advisory business, during the Reporting Period, the Company actively participated in financial advisory projects related to mergers and acquisitions, with 7 additional financial advisory projects.

□	Company Profile and Key Financial Indicators
□	<b>Management Discussion and Analysis</b>
□	Corporate Governance
□	Environmental and Social Responsibility
□	Significant Events
□	Changes in Shares and Shareholders
□	Profile of Bonds
□	Financial Statements
□	

**Outlook for the second half of 2024:**

In the second half of 2024, both opportunities and challenges will exist in the investment banking business. In the short term, the IPO and refinancing rhythm will be tightened in phases, and the revenue of investment banking will be under pressure. In the long term, the direction of economic recovery and the capital market reform policy are expected to welcome positive changes, and the investment banking business will enter a stage of high-quality development. The Company will accelerate the transformation of the traditional project-centered investment banking business model to a client-centered one, uphold the business philosophy of “simple finance, achieving dreams”, and insist on financial services to the real economy as its fundamental purpose. With rich experience in the capital market, we will continue to build up our resource integration capability, enhance the effectiveness of the synergistic model of “industry research + production research + investment banking”, and strengthen our comprehensive capabilities in capital, pricing, sales, synergy, risk control and technology in order to satisfy the needs of customers for comprehensive financial services throughout their life cycle. We will continue to seize the opportunities brought about by the interconnection of the domestic and overseas markets, promote the strategy of internationalization and domestic and overseas integration, build a large investment banking ecosystem across the entire industry chain, actively serve the national strategy, help the development of the real economy, and give full play to the role of a state-owned financial enterprise.

(2) *Principal investment business*

**Market environment:**

During the Reporting Period, the equity investment market continued to shift and adjust. In April 2024, the State Council issued the New “National Nine Guidelines (國九條)” of the capital market, the “1+N” policy system continued to be built, and the A-share IPOs entered the period of regulatory rhythm adjustment. The field of equity investment has entered a new stage of high-quality development. In May 2024, the Regulations for the Administration of Alternative Investment Subsidiaries of Securities Companies (《證券公司另類投資子公司管理規範》) was issued, which put forward higher requirements for the principal investment business of securities companies to enhance the quality of service to the real economy, further stimulate the vitality of the market, and guard against financial risks. The principal investment business will further return to its roots and develop in a standardized manner.

**Operating measures and results:**

The Company and certain of its subsidiaries including Shenwan Hongyuan Securities conduct the principal investment business.

During the Reporting Period, the Company's principal investment business actively served the national strategy and fully supported the high-quality transformation and development of the real economy, giving full play to its comprehensive financial advantages and strategic synergies.

Hongyuan Huizhi insisted on serving national strategies, further optimized asset allocation, vigorously strengthened synergistic services, actively explored business transformation, and deeply explored potential business opportunities with the investment and investment banking business as a link. In the first half of the year, it focused on the investment layout of urban renewal, technology parks, consumer infrastructure, new energy and other fields, and completed the investment and landing of several key projects, including the completion of the establishment of two core funds for technology parks as a fund manager, which has broadened the industry chain of public REITs.

Shenyin & Wanguo Alternative Investment continued to deepen its investment and research drive, focused on strategic emerging industries with science and innovation attributes, with a focus on semiconductors, new materials, high-end manufacturing, new energy and other areas. In terms of post-investment management, in the face of changes in the market environment, Shenyin & Wanguo Alternative Investment has facilitated the speeding up of project turnaround through various channels, completed the exit of three projects, and promoted the listing of three projects of "Investment + Investment Banking" on the NEEQ, the Beijing Stock Exchange and HKEX, among other markets.

**Outlook for the second half of 2024:**

In the second half of 2024, the Company will continue to deepen its comprehensive financial service system featuring "Research + Investment + Investment Banking", proactively meet the needs of national strategies, focus on serving new quality productive forces, focus on key technologies, enhance the independence and security of the industrial chain and supply chain as well as the application of technological innovation, and strengthen the investment research capability and investment research transformation capability of the forward-looking segment. In addition to strengthening our professional investment management capability, the Company will prudently promote equity investment and follow-on investment in the STAR Market, and further enhance our post-investment exit management and post-investment empowerment work, so as to continuously improve the certainty and stability of our investment business.

## 2. Personal Finance Business

The personal finance business of the Company mainly covers securities brokerage, futures brokerage, margin financing and securities lending, stock-backed lending and sales of financial products. During the Reporting Period, the personal finance business segment of the Company recorded total income of RMB5,031 million, representing a year-on-year decrease of 10.57%.

### (1) Securities brokerage business

#### Market environment:

In the first half of 2024, the total turnover of equity and fund transactions in the entire market amounted to RMB115.20 trillion, representing a year-on-year decrease of 7.62%, of which the turnover of equity transactions amounted to RMB100.35 trillion, representing a year-on-year decrease of 9.97%, and the turnover of fund transactions amounted to RMB14.85 trillion, representing a year-on-year increase of 12.21%. In the face of the change from incremental market to existing market competition, securities companies continued to optimize the customer acquisition channel and improved customer services in terms of underlying customers and underlying assets according to their own resource talents. The securities industry has accelerated the strategic deployment of financial technology overall, and the level of digitization and intelligence of brokerage business has continued to rise. The securities firms continued to strive to build a “customer-centric”, digital client service operation model, and relied on their own professional strengths to deeply cultivate their existing client assets, further upgraded and improved their client classification, service model and fee model, and focused on shaping their own brand effect and influence.

#### Operating measures and results:

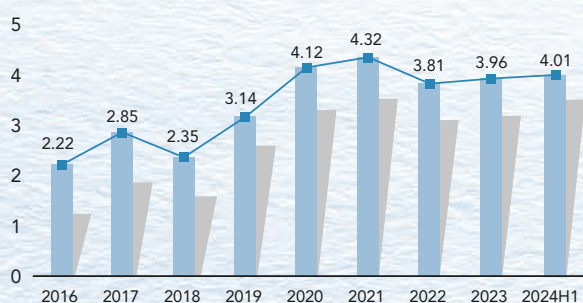
The Company carries out securities brokerage business principally through its subsidiaries including Shenwan Hongyuan Securities.

During the Reporting Period, the Company’s securities brokerage business focused on customers, actively strengthened the customer acquisition and investment introduction, enhanced its customer service capability, increased its investment in the construction of “channel power, service power, product power and digital power”, and continued to transform and upgrade to a refined operation mode to continuously expand the depth of channel cooperation, enhance client conversion capabilities, and continue to promote the transformation of our wealth management business, so as to realize the high-quality development of our brokerage business. During the Reporting Period, net revenue from agency trading business amounted to RMB1,393 million, with 0.4414 million new customers and the effective account rate of new customers increased by 18% over the corresponding period of the previous year. As at the end of the Reporting Period, assets under custody of securities customers amounted to RMB4.01 trillion, representing an increase of 1.25% from the end of the previous year, with the total number of customers exceeding 10 million, and the customer and asset base further solidified.

Besides, the securities brokerage business of the Company further increased its efforts in financial technology empowerment, further promoted the construction of system platforms, and formally released its self-researched one-stop digital wealth management platform, Shencai Youdao APP, which, by integrating the Company's high-quality comprehensive financial service resources, realized the transformation of customer-side trading software into a comprehensive wealth management platform in terms of investment variety coverage, real-time comprehensiveness in asset display, professional investment diagnosis, and high efficiency in messaging service, and providing the investors with a full range of investment products, real-time panoramic asset display, six-dimensional investment capability analysis, investment calendar and other special services, thus forming a differentiated service advantage.

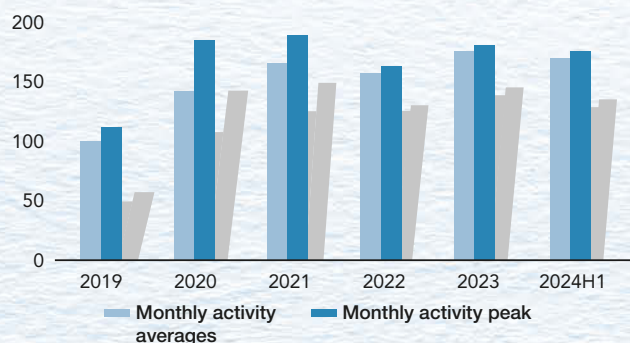
### Market value of client's securities under the custody

Unit: RMB trillion



### Average monthly activity of customers on mobile trading client side

Unit: '0,000



Note: Users who have activated once or more during the month are considered as active users for the month

#### Outlook for the second half of 2024:

In the second half of 2024, the Company will further focus on customers and strengthen the construction of “channel power, service power, product power and digital power” as the core, and continue to steadily promote the transformation of its wealth management model with asset allocation and value-added services, investment and consulting services, and financial technology as the mainstays, so as to build up its core competitiveness in high-quality customer services and build a balanced and sustainable wealth management business model. The Company will continue to strengthen channel construction, enhance service efficiency, and comprehensively utilize digital intelligence to launch full-channel and full-scene customer service operations to enhance customers' overall financial service experience; enhance the asset allocation capability and service quality of the investment advisors, to shift from seller-seller to buyer-advisor mode with asset allocation as the core and win-win situation for all parties; and take multiple measures to promote the transformation of the Company's wealth management and build a distinctive brand of wealth management of Shenwan Hongyuan.

(2) *Futures brokerage business*

**Market environment:**

In April 2024, the State Council issued the New “National Nine Guidelines (國九條)”, which pointed out the need to develop the futures and derivatives markets in a prudent and orderly manner, fully reflecting the main lines of strengthening supervision, preventing risks and promoting high-quality development. The pace of innovation of varieties in major futures exchanges was accelerated, with the product system becoming increasingly rich and the quality of operation continuing to improve. During the Reporting Period, the cumulative turnover of the domestic futures market amounted to 3.460 billion lots, representing a year-on-year decrease of 12.43%, and the cumulative turnover amounted to RMB281.51 trillion, representing a year-on-year increase of 7.40%. (China Futures Association, 2024)

**Operating measures and results:**

The Company carries out futures brokerage business principally through subsidiaries Shenwan Futures and Hongyuan Futures.

In the first half of 2024, Shenwan Futures consolidated its customer base, deeply promoted the development of the “one main business and two wings” business system, which emphasizes the brokerage business as the foundation and the risk management business and wealth management business as the two wings, further optimized the profit structure of the Company, and accelerated the enhancement of the key indicators and the implementation of key tasks, resulting in a continuous growth in operating revenue and net profit. The Company flexibly utilized financial derivatives such as futures and options to serve national strategies, and improve the pricing mechanism of commodities and the functioning of the futures market. During the Reporting Period, Shenwan Futures commenced over-the-counter derivatives business with industrial and financial institutional customers, helping enterprises to rationally utilize over-the-counter derivatives to reduce costs and increase efficiency, and helping to serve the real economy; it continued to deepen the “insurance + futures” service model benefiting the “agriculture, rural areas and farmers”; and focused on targeted assistance, continuously demonstrating the function of over-the-counter options business in serving the real enterprises. During the Reporting Period, a total of 25 “insurance + futures” projects were launched, with business scale, number of projects and compensation amount increased by 733.33%, 233.25% and 283.28% respectively compared with the same period of last year, which contributed to the income protection of insured farmers and the revitalization of the local agricultural products industry, and has won more than 50 awards from government departments, exchanges, associations and media.

Hongyuan Futures continued to consolidate the fundamentals of its brokerage business, played the role of the main force and ballast of the brokerage business, realized an average daily customer equity of RMB12.291 billion, with the average daily customer equity maintaining the trend of steady growth month by month, and the overall operating performance continued to improve; comprehensively utilized the means of hedging, over-the-counter options, basis trade and warehouse services to assist the real enterprises in risk management and empower the development of the real economy, with a cumulative increase of 16.95% year-on-year in serving industrial customers. During the Reporting Period, Hongyuan Futures actively participated in serving national strategies such as alleviating the difficulties of real enterprises and helping rural revitalization, and continuously strengthened the appropriateness and radiance of serving national strategies by launching 11 “insurance + futures” projects, including projects on hogs, feedstuffs, apples and sugar beets, with a total notional principal amount of RMB239 million, and over 4,000 farm households were provided with insurance services, with an accumulated compensation amount of RMB9.1853 million. It has actively explored innovative service modes, and participated in the exchange’s “bank futures insurance” project, adopted the mode of “leading enterprise + bank + insurance + futures” to extend the effectiveness of the protection.

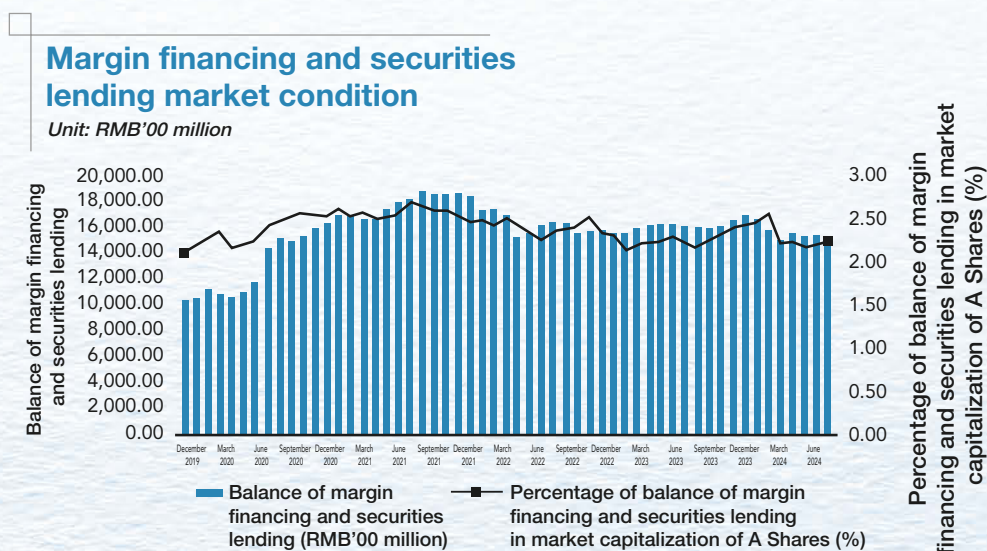
#### **Outlook for the second half of 2024:**

In the second half of 2024, the Company’s futures brokerage business will insist on focusing on its main responsibility and main business, continue to consolidate the cornerstone of brokerage business development, give full play to the functions of the “one main business and two wings” business system with the risk management business and wealth management business as the two wings, consolidate the fundamentals of the agency business, promote the transformation of the innovative business, build up a diversified derivatives service system, and comprehensively enhance the Company’s ability to serve the national strategy and core competitiveness and strive to build a first-class integrated futures and derivatives service provider.

(3) Margin financing and securities lending business

**Market environment:**

In the first half of 2024, A-share market activity gradually picked up and then oscillated downward, and the scale of margin financing and securities lending fluctuated with the market, and was generally on a downward trend as compared with the end of last year. As at the end of June 2024, the balance of margin financing and securities lending was RMB1,480.899 billion, representing a decrease of 10.30% from the end of the previous year. (WIND, 2024)





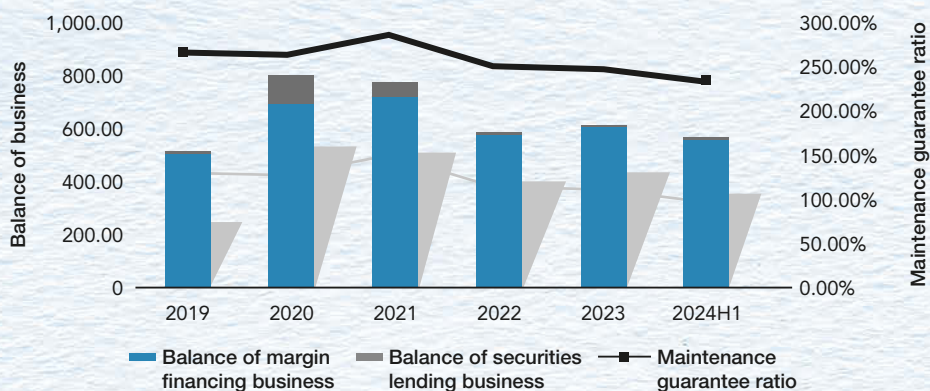
**Operating measures and results:**

The Company carries out margin financing and securities lending business principally through its subsidiaries including Shenwan Hongyuan Securities.

During the Reporting Period, the Company focused on customers' needs and fully promoted digital transformation to effectively enhance customers' experience by empowering services through information-based, digital and intelligent platforms. With high-quality development as the main line, the Company strengthened professional capacity building and improved its multi-level customer service system. As of the end of the Reporting Period, the balance of the Company's margin financing and securities lending business was RMB56.284 billion, among which the balance of margin financing business was RMB56.126 billion, and the balance of securities lending business was RMB158 million (based on the data of securities company' regulatory reporting). The average maintenance guarantee ratio of the Company's margin financing and securities lending business was 232.48%.

**Implementation of margin financing and securities lending business of the Company during the Reporting Period**

Unit: RMB'00 million



**Outlook for the second half of 2024:**

In the second half of 2024, the Company will continue to focus on the digitalization and institutionalization of its margin financing and securities lending business, strengthen the construction of its system platform, and leverage the technology empowerment to continuously improve service quality and customer experience. The Company will steadily promote the development of our business, enrich our business scenarios and enhance our professional and comprehensive service capabilities. Taking into account the current market conditions and a series of new regulatory regulations, the Company will effectively implement the counter-cyclical management of its credit business, strengthen the penetrating verification of its margin financing and securities lending business, prevent illegal transactions, protect the legitimate rights and interests of investors, and promote the high-quality development of the Company’s margin financing and securities lending business.

(4) *Stock-backed lending business*

**Market environment:**

Since 2024, due to the impact of the A-share market, the overall market size of the stock-backed business has declined steadily, while the number of pledged shares in the market has risen. The market value of shares pledged by controlling shareholders and major shareholders of listed companies further decreased. During the Reporting Period, market participants continued to strengthen risk prevention in the stock-backed business, generally adopting the strategy of “risk prevention and structural adjustment”.

**Operating measures and results:**

The Company carries out stock-backed lending business principally through its subsidiaries including Shenwan Hongyuan Securities.

During the Reporting Period, the Company’s stock-backed lending business followed the business philosophy of steady and high-quality development and further strengthened project risk management. The Company’s stock-backed lending business adhered to the positioning of serving the real economy and fulfilling the “five priorities” of finance. The Company provided green channels for national strategic financing projects and small, medium and micro financing projects that meet the standards. Meanwhile, the Company further prevented financial risks and accelerated the clearing of stock pledge risk projects. As at the end of the Reporting Period, the balance of the Company’s stock-backed lending business financed by its own funds amounted to RMB1,492 million, representing a decrease of approximately 1.64% as compared with that of the beginning of the year.

**Outlook for the second half of 2024:**

In the second half of 2024, the development of credit business will be coordinated under the broad framework of the Company’s development strategy. On the basis of effective risk prevention, the Company will continue to promote the development of its stock-backed lending business in a steady and high-quality manner and treat it as an important tool to serve the efficient development of the real economy. The Company is committed to providing customers with a full range of integrated financial services, and will continue to practise, refine and better perform the “five priorities” of finance.

(5) *Sales of financial products business*

**Market environment:**

In the first half of 2024, the deepening reform of the capital market continued to be pushed forward vertically, the construction of the multi-level capital market was further improved, and various types of financial policies were launched intensively, continued to strengthen the capacity of inclusive financial services, and practically enhanced the quality and effectiveness of the work of financial consumer protection. At present, the differentiation of the securities industry is still aggravating, and the competitive advantage of the top securities firms has been further strengthened. Under the general trend of transformation of the wealth management market to “buy-side investment advisory”, securities firms actively embrace the changes, reshape the wealth management business model from a buy-side perspective, dedicate to strengthen the core competitiveness of buy-side investment advisory, steadily enhance the asset allocation capability, strengthen the refined empowerment of the investment advisory, optimize the service system, and provide customers with one-stop, all-asset, full-cycle integrated wealth management services.

**Operating measures and results:**

The Company carries out the sales of financial products business principally through its subsidiaries including Shenwan Hongyuan Securities.

The sales of financial products of the Company include sales of financial products developed by ourselves and third parties, including mutual securities investment funds, private securities investment funds, trust plans, asset management schemes, structured notes, pledged quotation repurchase, and other financial products, etc.

In the first half of 2024, the Company focused on the “five priorities”, continued to implement the concept of comprehensive wealth management, and strived to enhance the construction of “product power”. The Company formed a product selection mechanism that involves research, introduction, audit and sales departments to enhance the quality of our product system with a customer-centered approach. The Company strengthened the business layout of low volatility, stable, fixed investment and indexed products, and enhanced product business empowerment and compliance risk prevention. In response to the needs of residents’ wealth allocation, the Company continued to provide customers with specialized, multi-level products and asset allocation services through a comprehensive and scientific product research and evaluation and customer grading service system.

During the Reporting Period, the Company sold a total of RMB251.676 billion of financial products, representing a year-on-year increase of 2.56%, of which RMB237.446 billion were self-developed financial products and RMB14.230 billion were agency sales of third-party financial products.

□	Company Profile and Key Financial Indicators
□	<b>Management Discussion and Analysis</b>
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□	Changes in Shares and Shareholders
□	Profile of Bonds
□	Financial Statements
□	

**Outlook for the second half of 2024:**

In the second half of 2024, the Company will continue to focus on customers, focus on strengthening the productization of its advantageous business resources, and enhance the competitiveness of its product business; improve the construction of its product research capability, and steadily make progress in strengthening the introduction of high-quality managers and products; continue to increase the distribution of low volatility, fixed-income-like, fixed-investment and indexed products, and comprehensively increase the scale of product retention; strengthen the construction of its asset allocation capability, and accelerate the landing of the premium customized business to enhance the output capability of integrated wealth management solutions; take fixed investment and wealth allocation as means to provide long-term elderly investment companionship, and comprehensively optimize the product service experience of customers, and promote the high-quality development of wealth management business.

**3. Institutional Services and Trading Business**

The institutional services and trading business include prime brokerage services, research and consultation, FICC sales and trading, equity sales and trading business as well as derivatives business. During the Reporting Period, the Company’s institutional services and trading business segment recorded total income of RMB8,923 million, representing a year-on-year increase of 4.54%.

*(1) Prime brokerage business*

**Market environment:**

With the reform of registration-based IPO rules across all markets, issuance, trading mechanism and other basic functions of the capital market continues to improve, the full implementation of new asset management rules and enriching of on-the-exchange and OTC derivatives provide professional institutional investors with more trading strategies and risk hedging means, the institutionalization and productization trend is increasingly strengthened, and the institutional trading capital intermediary business driven by securities companies and customer needs increased significantly. The adjustment to trading commissions for mutual funds has brought certain challenges to the short-term development of institutional business, and also created more incremental business opportunities for large high-quality securities companies that focus on the research of original services.

### **Operating measures and results:**

The Company carries out the prime brokerage business, which include trading units leasing, PB System, listed company services and fund administration services, principally through its subsidiaries including Shenwan Hongyuan Securities.

In the first half of 2024, regarding the institutional business, the Company actively responded to the challenges brought by the adjustment to trading commissions for mutual funds, coordinated and integrated internal and external resources of the Company, further consolidated the basic foundation of trading unit commission business, gradually developed the second yield curve of transformation income, to boost the development of institutional business of the Company.

During the Reporting Period, the Company recorded revenue of RMB222 million from trading units leasing, and the trading proportion of the Shanghai and Shenzhen Stock Exchange trading units is 3.06%.

As for the PB System, the Company continued to strengthen personalized services for key institutional customers such as bank wealth management subsidiaries. As of the end of the Reporting Period, there were 1,581 customers with asset scale of approximately RMB645.727 billion, representing an increase of 86.32% as compared with the end of last year. The “SWHYMatrix” high-speed trading platform continued to improve its functions and optimize its performance, and can provide institutional customers with rich functions and algorithms of trading terminal system. As of the end of the Reporting Period, the product scale of the “SWHYMatrix” high-speed trading platform of the Company reached RMB19.517 billion.

As for the listed company services, during the Reporting Period, the Company focused on the “six accounts and four scenarios” of listed companies and their shareholders, provided comprehensive one-stop wealth management services for the entire process, and constructed the share repurchase, equity incentive, shareholding increase or decrease and other service systems with a coverage of the full chain of “plan design, compliance information disclosure, account management, financial and tax consulting, investment advisory and consulting, system management and transaction execution”. In particular, the Company provided share repurchase services to a total of over 90 listed companies, provided employee equity incentive service for a total of over 50 listed companies with over 10,000 participants.

In terms of fund administration services, the Company focused on three aspects: marketing service, financial technology and operational support, and provided full-cycle product custody and operation services to manager. During the Reporting Period, as for custody business line, the Company relied on the high-efficient and professional fund comprehensive management platform, further improved the manager service system, professionally empowered the manager compliance operation, formed a three-way synergy of internal coordination, independent marketing and operational optimization, and proactively responded to the challenges in the industry. As of the end of the Reporting Period, the balance of custody and operation service scale was RMB186.693 billion, representing an increase of 7.7% as compared with the beginning of the year.

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**Outlook for the second half of 2024:**

In the second half of 2024, the Company will follow the trend of market reform, implement business transformation and development, focus on its platform-driven role, take advantage of its full license, and increase its layout and investment, conduct in-depth research on customer needs, improve the professional and intelligent service level of the institutional business, further develop new customer markets, expand customer coverage, promote efficient and high-quality development of institutional business, and strive to build a more competitive institutional ecosystem.

(2) *Research and consultant business*

**Operating measures and results:**

The Company carries out the research and consultant business principally through SWS Research.

During the Reporting Period, SWS Research insisted on the general keytone of “seeking progress while maintaining stability, high-quality development”, and deeply created the three-in-one research system of “investment research, political research and industry research”. Firstly, it proactively promoted the implementation of serving the national strategies, and coordinated and promoted the implementation of “five priorities”. It published the “White Paper on Specialization and Newness (《專精特新白皮書》)”, the “White Paper on New Materials (《新材料白皮書》)”, the “White Paper on ESG Evaluation System of Central Enterprises (《央企ESG評價體系白皮書》)”, etc., and provided the market with high-quality and original research results in the fields of high-quality development of the real economy, self-reliance and self-improvement in science and technology, specialization and newness (專精特新). Secondly, the core competitiveness has been steadily improved, and it continued to grasp market hot spots in a forward-looking manner. It seized market conditions such as the “scientific and technological-featured valuation”, and published a number of in-depth reports and views to help investors keep up with the pulse of the market. It published a series of new productivity research including the “New Quality Productive Forces of Financial Services”, and the reading volume of many articles exceeded one million. The brand marketing efforts have reached a higher level. It seized the opportunity of early spring resumption of work to carry out an exchange meeting with listed companies, and more than 500 listed companies and more than 1,000 institutional investors were attracted to attend the meeting with the theme of “Enterprises Venturing into Overseas Markets”. It has planned the “Spring Festival News” for six consecutive years, with a cumulative topic reading volume of over 100 million times. Thirdly, it gave full play to the advantages of research brands, actively fulfilled social responsibilities, and newly set up an official account of “Shenwan Hongyuan Wealth Research (申萬宏源財富研究)” to expand the brand’s awareness and influence among the mass market and wealth customers, optimize and upgrade wealth line services, and fulfill the social responsibility of investors’ education.

**Outlook for the second half of 2024:**

In the second half of 2024, the Company will focus on its main responsibilities and primary businesses, adhere to practice and assume responsibilities, proactively invest in serving national strategies and industry development, fulfill the “five priorities” of finance, and further strengthen the research system of “investment research + political research + industry research”, build core competitiveness with professional capabilities and differentiated services, actively coordinate and support the development of the Company’s various business lines internally, and continue to enhance decision-making influence and industry influence externally.

(3) *Proprietary trading*

① FICC sales and trading business

**Market environment:**

In the first half of 2024, the yield of the domestic bond market declined rapidly, and the yield of the 10-year treasury bond decreased by approximately 35bp. The long-term and ultra-long-term yields of treasury bonds have repeatedly hit record lows. Since the second quarter, the Central Bank has repeatedly warned of the duration risks of long-term bonds, and the fluctuation of long-term bond yields has increased. The stimulus policies of the real estate industry were intensively introduced, together with the continuous advancement of local government bonds, in the first half of the year, the tail risk of the credit bond market reduced, but the institutional allocation demand was strong. The spreads on coupon assets continued to compress.

**Operating measures and results:**

The Company carries out the FICC sales and trading business principally through its subsidiaries including Shenwan Hongyuan Securities.

The FICC sales and trading business of the Company adheres to the dual drive forces of “principal investment” and “cross trade”, continuously enriches profit models, and creates a competitive FICC business chain in the industry. During the Reporting Period, the Company implemented the general principle of seeking progress while maintaining stability, and promoting stability while making progress, steadily carried out investment business, accelerated the development of cross trade business, and achieved positive results in various businesses. In terms of trading strategies, the Company fully utilized investment and research strengths, accurately grasped the market situation, continued to optimize the structure, strengthened the regional management, concentrated its investments towards assets with high ratings and high liquidity. In terms of cross trade business, the Company fully utilized our strengths in resources, continued to innovate and improve the supply of financial products, and enhanced the core competitiveness of business. In terms of investment consulting business, the Company adhered to practice the concept of “one Shenwan Hongyuan”, empowered and promoted the steady growth of characteristic light-capital business scale by virtue of investment research advantages, and ranked in the top three in the industry in terms of business scale. Furthermore, the Company actively participated in market-making investment trading, continued to expand the business scale and supported to stimulate the market vitality. The Company continued to develop quantitative investment trading strategies, and optimized and perfected the layout to multi-asset and multi-strategic businesses.

The Company regards financial product innovation as an important mean to serve customer needs, and constantly improves the core competitiveness of its business. During the period, the Company entered into the first batch of range-based cumulative interest rate option transactions linked to the yield of treasury bonds in the inter-bank market, innovated the portfolio option transaction structure, and helped improve the infrastructure construction of the interest rate derivative market. As one of the first tranche of institutions to obtain application authorization of the China treasury bond futures yield index, the Company completed the first OTC option transaction linked to the China treasury bond futures yield index and issued relevant floating structured notes. The Company introduced the first bond reverse income swap of the Company, and launched the transaction link construction of northbound cross-border commodity income swap. The Company introduced the first swap transaction linked to the “CFETS Carbon Emission Reduction Instruments-Supported Field Selected Credit Bond Index”, and the first binary structured notes linked to green financial bonds, thereby enhancing the activity and diversification of the carbon financial derivatives market.



During the Reporting Period, the Company insisted on taking financial services for the real economy as the fundamental purpose of work, based on in-depth investment research on bonds, focused on the “five priorities” of finance, studied and clarified the list of relevant physical customers in key industries, important industries and key links, proactively participated in special bond investments such as science and technology innovation bonds, green bonds, digital transformation bonds, and small and micro-sized bank bonds, and steadily increased the scale of related investments. Furthermore, the Company actively collaborated internally to help enterprises in the industry chain effectively manage commodity price risks through financial derivatives such as OTC options, and served a total of 558 real enterprises through derivatives.

In terms of sales and trading business, the Company fully exerts its customer resources and professional advantages in bond sales, thoroughly implements the important guiding ideology of “five priorities” of finance, practices the concept of serving the country through finance, and serving the development of the real economy, and focuses on serving real enterprises that are in line with the central policy guidance and involve the national economy and people’s livelihood, so as to provide customers with high-quality sales and trading services. In the first half of 2024, the sales of bonds related to national strategies exceeded RMB100 billion, providing a stable source of funds for the real economy and continuing to help the stable operation of the capital market. During the Reporting Period, the sales business scale of inter-bank non-financial corporate debt financing instruments and the sales scale of local government bonds of the Company ranked among the top in the market.

**Outlook for the second half of 2024:**

The light-weight and digital transformation of domestic securities firms has unveiled, and it is the general trend to realize the absolute return on the principal investment of proprietary business and the diversified expansion of cross trade. In the second half of 2024, the Company’s FICC business will continue to implement the strategic idea of “three profit curves”: Firstly, the Company will consolidate the first profit curve based on multi-strategy bonds, consolidate the investment research in fixed income, and continue to improve the profitability of fixed-income proprietary business. Secondly, the Company will accelerate the layout of the second profit curve including cross trade and investment consulting businesses, actively grasped business opportunities, strengthened business cooperation with branches, jointly developed various customers’ wealth management needs through superior investment consulting products, and continued to expand comprehensive financial services. Thirdly, the Company will persist in exploring the third profit curve of multi-assets and multi-strategies, improve the allocation of multi-assets portfolios, and strive to achieve excellent investment and operation performance.

② Equity sales and trading business

**Market environment:**

In the first half of 2024, due to the adverse impact of overseas inflation and geopolitical risks, the equity market showed a trend of shock adjustment in general, and showed structural opportunities and the differentiation of industries and sectors. The introduction of the new “National Nine Guidelines (國九條)” policy has had an important impact on the market ecology, especially strengthening ST sector and delisting supervision, prompting the establishment of a healthy market order and promoting long-term and stable development of the market.

**Operating measures and results:**

The Company carries out the equity sales and trading business principally through its subsidiaries including Shenwan Hongyuan Securities.

In the first half of 2024, the equity sales and trading business of the Company continued to deepen the “non-directional” reform focusing on the goal orientation of “controllable risks, scientific allocation, clear expectations and stable returns”. The Company intensified the risk management and control of equity quantitative neutrality strategies, to effectively control fluctuations and reduce scale. The Company focused on the portfolio risk management, drawn down fluctuation control and other capacity building, and promoted the portfolio quality and efficiency improvement. According to changes in the market environment, the Company continuously optimized and iterated each core allocation strategy model, adjusted and transformed the strategy portfolio and effectively prevented risks.

**Outlook for the second half of 2024:**

In the second half of 2024, the equity proprietary investment trading business of the Company will continue to be guided by the “trading investment banking” strategy, and on the basis of continuously sorting out the portfolio asset structure and allocation efficiency, adjust the allocation ratio of risky assets, improve the sustainable development capabilities of the business, and adhere to the “digital” transformation and development as the guidance, continuously improve the financial risk management and control capabilities.

③ Derivatives business

**Market environment:**

In the first half of 2024, the global economic and financial environment was complex, with the expectation of interest rate cuts by major overseas economies continuing to move backward and domestic macroeconomic policies continuing to be rolled out, resulting in sharp volatility in the equity market in the first quarter, followed by range-bound oscillations in major equity indices in the second quarter, which were relatively stable. During the Reporting Period, the regulatory authorities issued a number of complementary rules and regulations, forming a “1+N” policy system. The continuous improvement of the institutional construction of the capital market will continue to enhance the intrinsic stability of the market. Under a stable and healthy capital market environment, the derivatives market will enjoy long-term healthy development.

**Operating measures and results:**

The Company carries out the derivatives business principally through Shenwan Hongyuan Securities and other subsidiaries.

In the first half of 2024, the derivatives business of the Company maintained its competitive advantages, responded to market changes, proactively adjusted its strategies, overcame multiple challenges, and achieved steady business development, with its business ranking at the forefront of the industry. In terms of the OTC options business, through investment research and financial technology, the Company has strengthened its market research and optimised its hedging strategies, enhanced its hedging efficiency, responded smoothly to severe market fluctuations, adopted a refined division of functions to respond quickly to clients’ needs, and continued to provide clients with differentiated product offerings to maintain its competitive edge in the business. The cross-border business of the Company actively implemented the national plan to promote the opening up of the capital markets at a high level, effectively met the needs of clients for cross-border transactions and continuously enhanced the Company’s internationalisation. In terms of on-the-exchange market-making businesses, the Company further enriched the variety of market making transactions and continued to optimise its market making system and strategies for iterative calculations, which resulted in the Company ranking among the top in terms of market influence and achieving steady growth in revenue. In terms of strategic index, relying on its strong strategic research and development capabilities, the Company made enhancements in different directions, such as investment framework, product design, trading structure, customer service. The Company continued to maintain its repeated calculations of broad asset allocation indices, and formed a strategic index product line that covers a wide range of different assets, adapts to a wide range of different customer needs, and matches the different structures of its products.

Based on its professional advantages in derivatives pricing and trading, the Company has been actively fulfilling its role in serving national strategies and realising high-quality development of its business. Focusing on scientific and technological innovation and the reform and development of centralised state-owned enterprises, the Company continued to develop equity thematic strategic index that serve national strategies, including special valuation and new mass production, to guide long-term capital to pay attention to and invest in the development of related industrial chains. The Company has developed industrial silicon and lithium carbonate option market-making business to provide protection for risk hedging in the green industry; the Company has used over-the-counter derivatives tools to assist listed companies in buybacks, reduced the risks and costs in the buyback process, enhanced the convenience of buyback transactions, and effectively reduced the risk of sharp fluctuations in the share price through hedging transactions; in terms of the hog farming sector, the Company has successfully landed business with insurance companies through the “insurance + over-the-counter options” model. In the field of hog farming, the Company and the insurance company successfully landed business through the “insurance + OTC options” model, which not only provided farmers with agricultural insurance products to defend against risks, but also assisted the insurance company to carry out over-the-counter hedging, which effectively met the needs of the insurance company for risk transfer.

The business qualifications obtained by the Company for derivatives business during the Reporting Period are set out below:

Type	Exchange	Market-making	
		product	Time of acquisition
Commodity	Zhengzhou Commodity Exchange	Alkaline options	Obtained qualification of main market maker in April 2024
		Glass options	Obtained qualification of main market maker in June 2024

**Outlook for the second half of 2024:**

In the second half of 2024, the Company will continue to give full play to the function of risk management of derivatives, continuously enhance its services to the real economy and national strategies, and maintain the high quality development of its derivatives business, so as to contribute to the development of the economy and the construction of the capital market. The Company will fully integrate its judgement on the international and domestic market situation, and will further optimise and enrich its product structure to meet different risk preferences and investment needs; at the hedging transaction level, the Company will refine its parameter management and continue to iterate its model to further enhance its hedging efficiency; and at the cross-border business level, the Company will satisfy the diversified needs of clients for cross-border transactions, and further contribute to the opening up of the capital market to a high standard. The on-the-exchange businesses will continue to optimise the performance of the entire chain of the market-making system and further develop diversified trading strategies, with a view to obtaining market-making status for a wider range of products. The strategic index business will continue to enrich the broad asset class strategic index system to create branding effect.

**4. Investment Management Business**

The investment management business of the Company consists of asset management, mutual fund management and private equity fund management. During the Reporting Period, the Company's investment management business segment recorded total income of RMB734 million, representing a year-on-year decrease of 2.14%.

*(1) Asset management business*

**Market environment:**

Since 2024, the development of the asset management industry has faced a number of challenges due to the complex and severe external environment. The promulgation of the new "National Nine Guidelines (國九條)" and the Opinions on Strengthening the Supervision of Securities Firms and Public Funds and Accelerating the Promotion of the Construction of First-Class Investment Banks and Investment Institutions (Trial) (《關於加強證券公司和公募基金監管加快推進建設一流投資銀行和投資機構的意見(試行)》) have put forward higher requirements for the high-quality development of the capital management industry. The capital management industry has shown a development trend of public offering, activation and standardisation, and brokerage capital management has actively applied for the establishment of subsidiaries, forming a differentiated development path. The division of labour within and outside the industry continued to deepen, and competition in the large-scale capital management industry continued to intensify, bringing the capital management industry a brand-new development pattern.

**Operating measures and results:**

The Company carries out the asset management business principally through Shenwan Hongyuan Asset Management, SWS MU, Shenwan Futures and Hongyuan Futures.

In the first half of 2024, the Company’s asset management business took the establishment of subsidiaries as its starting point, and based on the central tasks of “active management capability transformation” and “professionalisation reform”, adhered to the priority of clients’ interests, took the initiative to promote transformation, adjusted the structure, and consolidated the margins, FOF and “fixed income + derivatives” product business advantages, focused on the deployment of system construction, investment and research interactions, and business synergies in the construction of three major systems. As at the end of the Reporting Period, the Company’s asset management scale was RMB195.660 billion, of which the active management asset scale was RMB177.507 billion (including special asset management business), accounting for 90.72%, and the proportion of the active management scale has steadily increased. The Company has been actively expanding the scale of inclusive financial products such as large pool participatory products, with the total scale of large pool participatory products amounting to RMB19.643 billion, representing an increase of 10.61% as compared with the end of last year. Short-term debt strategy products such as the Jinli series were well received by the market. The Company continued to work hard on channel expansion and increased product penetration rate, with full coverage of major state-owned joint-stock banks, wealth management sub-branches and core internet channels. The ABS business was guided by actively fulfilling the national strategy, giving full play to the professional advantages of asset securitisation, and innovatively launched various types of green asset securitisation businesses, which helped small, medium and micro enterprises to efficiently raise funds.

#### Typical ABS cases

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**Green Finance** On March 1, 2024, “Jinmao Shenwan – Shanghai Jinmao Building Phase 3 Green Asset Backed Special Project (Carbon Neutral)”, the final product under China’s largest carbon neutral reserve CMBS, was successfully set up on the Shanghai Stock Exchange, with Shenwan Hongyuan Asset Management acting as the project manager and the lead sales agent.

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**Inclusive Finance** The “Shenwan Hongyuan – Guojun – Pukai Huizhi Apartment Asset Backed Special Project”, the first affordable housing CMBS of the Company, was successfully set up on April 3, 2024, which helps enterprises revitalise their stock of assets and improve the efficiency of capital use through securitisation, and guides social capital to participate in the construction of the housing rental market.

On June 28, 2024, the “CCCC Supply Chain Finance No. 2 Phase 1 Asset Backed Special Project” was successfully set up on the Shanghai Stock Exchange, with Shenwan Hongyuan Asset Management acting as the project manager and sales agent. The original equity holders of the special project are 103 small, medium and micro enterprises. The special project supports upstream small and medium-sized suppliers of core enterprises to revitalise the accounts receivable assets, broaden the financing channels, reduce financing costs and shorten the accounts receivable period.

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#### Outlook for the second half of 2024:

In the second half of 2024, the capital management business of the Company will insist on returning to business fundamentals, create the pattern of “one body, two wings and three supports”, and focus on enhancing core competitiveness. We will strengthen the construction of a “platform-type, team-based, integrated and multi-strategy” investment research system, enrich the asset management product system, adapt to meet customers’ wealth management needs, stabilise our product performance and enhance investors’ sense of gain; we will deepen the construction of financial technology, firmly guard the bottom line of risk, and enhance our ability to realise high-quality development.

(2) *Mutual fund management business*

**Market environment:**

In recent years, with the rapid growth of social net wealth, the domestic public fund industry has developed rapidly and become a very important institutional investor in the capital market. It has played an active role in increasing the proportion of direct financing, promoting the reform and development of the capital market, serving residents' demand for wealth management, and serving the real economy and major national strategies. In the first half of 2024, the total scale of the public fund industry exceeded the important milestone of RMB31 trillion for the first time, taking a firm step towards high-quality development. Besides, the regulatory authorities issued a number of new rules to comprehensively strengthen supervision, effective prevention and resolution of risks, and steadily reduce the comprehensive fee rate of the public fund industry, reduce the transaction cost of the fund investors, and optimise the fund securities trading commission system, so as to guide the fund and securities companies to improve the quality of service and professional competence, promote the fund industry to form a good ecosystem, improve the investors' sense of satisfaction and promote the high-quality development of the public fund industry.

**Operating measures and results:**

The Company carries out the mutual fund management business principally through Shenwan Hongyuan Securities, SWS MU and Fullgoal Fund.

During the Reporting Period, the Company's wealth management focused on the "five priorities", and continued to implement the concept of large wealth management, reshape the wealth management business model from a buyer's perspective, and endeavour to strengthen the construction of the core competitiveness of buyer's investment advisory. The Company's fund advisory business has continued to achieve balanced development on both the investment and service sides to comprehensively enhance customer experience. The investment side of the Company focuses on meeting the needs of clients to satisfy their investment needs in different scenarios, while the service side of the Company focuses on constructing and perfecting the fund investment consultancy service system and establishing multi-dimensional customer companion services. As of the end of the Reporting Period, the Company's public fund investment advisors have signed contracts with over 70,000 clients, with a cumulative repeat investment rate of over 90%, and the average time spent by clients on investment advisory services exceeding 1,160 days.



SWS MU continued to develop its professional strengths and digitised, systematised, systematised and platformised its research, investment management and risk control to enhance the long-term sustainability of the asset management organisation. It further optimised the intelligent investment experience for the benefit of investors, and developed our core competitiveness and differentiated features in “building institutional rationality and deepening trust in financial management”. Through the effective implementation of the “balanced focus” strategy, we achieved a net increase of nearly RMB9.213 billion in the scale of public non-monetary management, reaching RMB80.375 billion at the end of the Reporting Period.

In line with the spirit of the New “National Nine Guidelines (國九條)”, Fullgoal Fund insisted on high-quality development of its business, focused on the promotion of business development in the areas of inclusive finance and pension finance. As of the end of the first half of the year, the total management scale was approximately RMB1.5 trillion. Among them, the size of public equity funds exceeded RMB990.0 billion, with significant growth in fixed income products; the business of various types of pension funds was promoted in an orderly manner and maintained steady growth, with the number of portfolios under management and the size of the managed funds hitting record highs.

### **Outlook for the second half of 2024:**

In the second half of 2024, the Company will continue to focus on the origins and main responsibilities of securities companies, enhance its awareness of “customer-centric” wealth management transformation, proactively deploy public fund investment and advisory business, and continue to enhance its professional service capabilities by taking asset allocation, investment advisory services and financial technology as the main tools, so to build a more comprehensive and sophisticated client service system so that more investors can have a more comprehensive, intelligent and diversified wealth management service experience. We are committed to realising the concept of “growing together with our clients’ assets”. SWS MU will adopt a “balanced and focused” development strategy, continue to do a good job in the balanced development and layout of active equity, fixed income and quantitative indexes, with a focus on meeting the needs of the leisure money management and stable wealth management market, focusing on shaping the core competitiveness of the investment and research system, and closely follow the policy direction of the New “National Nine Guidelines (國九條)” to actively develop dividend investment and empower the construction of new quality productive forces. Fullgoal Fund will adhere to its diversified business layout and continue to enhance its professional capabilities, in an effort to increase client satisfaction and gainfulness.

(3) *Private equity fund management business*

**Market environment:**

The emergence of the private equity industry has been driven by the rapid development of emerging industries, which, coupled with continued policy support for the steady development of the private equity industry, has accelerated the formation of a benign “fundraising, investment, management and exit” ecosystem. During the Reporting Period, fundraising, investment and exit were affected by the complex international situation and market volatility.

**Operating measures and results:**

The Company carries out the private equity fund management business principally through Hongyuan Huifu and Shenyin & Wanguo Investment.

In the first half of 2024, Hongyuan Huifu fulfilled the mission and commitment of a state-owned investment institution to serve the national strategy; actively responded to the changes in the market and promoted the exit of the stock of projects through multiple channels to lock in the investment returns; and made in-depth deployment of high-quality equity assets to steadily increase the scale of private equity fund management and continuously enhance its profitability. During the Reporting Period, Hongyuan Huifu launched 5 new private equity funds with a new fund management scale of RMB3.4 billion. As at the end of the Reporting Period, Hongyuan Huifu managed 35 private equity funds with a cumulative total management size of RMB20.0 billion.

By fully exerting the role of the private fund management platform of the company, Shenyin & Wanguo Investment focused on a number of strategic emerging industries, including biomanufacturing, commercial aerospace and low-altitude economy, and established a full range of equity investment funds including PE investment funds, industrial investment funds, FOFs, local government funds, M&A funds, private placement funds and mezzanine funds. Through “PE +” business models such as PE + industrial group and PE + government investment platform, it empowered the industrial group and government investment platform to expand the scale, build ecology and layout emerging industries, and improved integration capability of the industry to obtain better financial returns for customers. As of the end of the Reporting Period, the total cumulative management scale exceeded RMB17.5 billion, more than 60 enterprises were invested, and the average annualized yield of projects withdrawn was approximately 11%.

**Outlook for the second half of 2024:**

In the second half of 2024, the Company will continue to actively respond to national strategies, focus on key regions and high-quality assets that are in line with the strategic direction of national development, continue to promote the establishment of “specialization and newness (專精特新)” funds, and actively set up regional funds to enrich the fund product line. The Company will also continue to strengthen its investment capacity building, further sort out the core logic of regional and industry investment, and do a good job in fund raising and operation and maintenance, fund investment, as well as post-investment and exit management with high quality.

## V. ANALYSIS OF FINANCIAL STATEMENTS

### (I) Analysis of Consolidated Statements of Profit or Loss

#### 1. Composition of revenue

Unit: Thousand Yuan Currency: RMB

Item	January to June of 2024	January to June of 2023	Change in amount	Change in percentage (%)
Fee and commission income	3,622,034	4,413,419	-791,385	-17.93
Interest income	4,511,930	4,800,579	-288,649	-6.01
Net investment gains	4,858,802	6,012,431	-1,153,629	-19.19
Other income and gains	2,906,896	2,224,166	682,730	30.70
<b>Total revenue and other income</b>	<b>15,899,662</b>	<b>17,450,595</b>	<b>-1,550,933</b>	<b>-8.89</b>

From January to June of 2024, the Group achieved total revenue and other income of RMB15,900 million, representing a year-on-year decrease of RMB1,551 million or 8.89%, which included:

- (1) Fee and commission income of RMB3,622 million, representing a year-on-year decrease of RMB791 million or 17.93%, mainly due to the year-on-year decrease in income from securities brokerage business, income from underwriting and sponsorship business, and asset management business;
- (2) Interest income of RMB4,512 million, representing a year-on-year decrease of RMB289 million or 6.01%, mainly due to the year-on-year decrease in interest income from margin financing and securities lending, interest income from financial institutions, and interest income from financial instruments at fair value through other comprehensive income;
- (3) Net investment gains of RMB4,859 million, representing a year-on-year decrease of RMB1,154 million or 19.19%, mainly due to the year-on-year decrease in net realized gains from disposal of financial instruments at fair value through profit or loss and unrealised fair value changes of financial instruments at fair value through profit or loss, as well as the year-on-year increase in net realised losses of derivative financial instruments and unrealised gains from fair value changes of derivative financial instruments;
- (4) Other income and gains of RMB2,907 million, representing a year-on-year increase of RMB683 million or 30.70%, mainly due to a year-on-year increase in income from commodity trading business.

## 2. Composition of expenses

Unit: Thousand Yuan Currency: RMB

Item	January to June of 2024	January to June of 2023	Change in amount	Change in percentage (%)
Fee and commission expenses	<b>780,090</b>	605,895	174,195	28.75
Interest expenses	<b>4,567,031</b>	4,892,020	-324,989	-6.64
Staff costs	<b>3,262,762</b>	3,867,711	-604,949	-15.64
Depreciation and amortization expenses	<b>453,965</b>	412,722	41,243	9.99
Tax and surcharges	<b>54,005</b>	72,199	-18,194	-25.20
Other operating expenses	<b>3,675,164</b>	2,863,397	811,767	28.35
Credit impairment losses	<b>78,604</b>	25,649	52,955	206.46
Provision for impairment against other assets	<b>3,496</b>	53,714	-50,218	-93.49
<b>Total expenses</b>	<b>12,875,117</b>	<b>12,793,307</b>	<b>81,810</b>	<b>0.64</b>

From January to June of 2024, the Group had total expenses of RMB12,875 million, representing a year-on-year increase of RMB82 million or 0.64%, mainly attributable to the impact of other operating expenses, staff costs and interest expenses, which included:

- (1) Other operating expenses of RMB3,675 million, representing a year-on-year increase of RMB812 million or 28.35%, mainly due to the year-on-year increase in the cost of commodity trading business;
- (2) Staff costs of RMB3,263 million, representing a year-on-year decrease of RMB605 million or 15.64%, mainly due to the year-on-year decrease in the salaries, bonuses and allowances;
- (3) Interest expenses of RMB4,567 million, representing a year-on-year decrease of RMB325 million or 6.64%, mainly due to the year-on-year decrease in the interest expenses for long-term bonds;
- (4) Other expenses mainly included fee and commission expenses, depreciation and amortization expenses, tax and surcharges, credit impairment losses and provision for impairment against other assets.

**(II) Analysis of Consolidated Statements of Cash Flows**

As of June 30, 2024, the Group's cash and cash equivalents amounted to RMB47,621 million, representing a decrease of RMB9,016 million as compared with RMB56,637 million as at June 30, 2023. The change in cash and cash equivalents from January to June 2024 amounted to a net cash inflow of RMB849 million, representing an increase of RMB2,445 million in cash inflow as compared with a net cash outflow of RMB1,596 million for the same period of 2023. Among them, net cash outflow from operating activities from January to June 2024 amounted to RMB9,418 million, representing an increase in outflow of RMB61,757 million as compared with the net cash inflow of RMB52,339 million for the same period of 2023, mainly due to the increase in cash outflow from financial assets sold under repurchase agreements, the decrease in cash inflow from disposal of financial instruments at fair value through profit or loss and the increase in cash outflow from accounts payable to brokerage clients; net cash inflow for investing activities from January to June 2024 amounted to RMB18,807 million, representing an increase in inflow of RMB66,123 million as compared with the net cash outflow of RMB47,316 million for the same period of 2023, mainly due to the increase in cash inflow from disposal of financial assets at fair value through other comprehensive income; net cash outflow for financing activities from January to June 2024 amounted to RMB8,541 million, representing an increase in outflow of RMB1,922 million as compared with net cash outflow of RMB6,619 million for the same period of 2023, mainly due to the increase in proceeds from the issuance of short-term debt instruments, the decrease in proceeds from the issuance of long-term bonds and the increase in short-term debt instruments repaid.

**(III) Analysis of Consolidated Statements of Overall Financial Position**

Unit: Thousand Yuan Currency: RMB

Item	June 30, 2024		December 31, 2023		Increase/Decrease	
	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)
<b>Non-current assets</b>						
Property and equipment	1,383,029	0.23	1,429,979	0.23	-46,950	-3.28
Right-of-use assets	906,381	0.15	994,630	0.16	-88,249	-8.87
Investment properties	41,252	0.01	43,494	0.01	-2,242	-5.15
Other intangible assets	358,521	0.06	311,593	0.05	46,928	15.06
Interest in associates and joint ventures	3,980,857	0.66	4,076,755	0.64	-95,898	-2.35
Financial assets measured at amortized cost	2,268,387	0.37	1,370,362	0.22	898,025	65.53
Financial assets at fair value through other comprehensive income	72,387,487	11.92	73,173,338	11.52	-785,851	-1.07
Financial assets held under resale agreements	486,100	0.08	513,511	0.08	-27,411	-5.34
Financial assets at fair value through profit or loss	7,046,236	1.16	13,080,312	2.06	-6,034,076	-46.13
Refundable deposits	22,350,090	3.68	22,812,202	3.59	-462,112	-2.03
Deferred income tax assets	2,112,659	0.35	2,739,571	0.43	-626,912	-22.88
Other non-current assets	412,414	0.06	433,524	0.05	-21,110	-4.87
<b>Total non-current assets</b>	<b>113,733,413</b>	<b>18.73</b>	<b>120,979,271</b>	<b>19.04</b>	<b>-7,245,858</b>	<b>-5.99</b>

Item	June 30, 2024		December 31, 2023		Increase/Decrease	
	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)
<b>Current assets</b>						
Accounts receivable	7,654,306	1.26	6,167,987	0.97	1,486,319	24.10
Other receivables and prepayments	2,264,785	0.38	1,779,777	0.28	485,008	27.25
Margin accounts receivable	59,163,169	9.74	64,428,205	10.14	-5,265,036	-8.17
Financial assets measured at amortized cost	1,480,518	0.24	2,146,897	0.34	-666,379	-31.04
Financial assets at fair value through other comprehensive income	56,661,083	9.33	70,819,304	11.14	-14,158,221	-19.99
Financial assets held under resale agreements	11,230,838	1.85	4,101,053	0.65	7,129,785	173.85
Financial assets at fair value through profit or loss	225,745,800	37.17	223,407,852	35.16	2,337,948	1.05
Derivative financial assets	14,666,556	2.41	10,207,378	1.61	4,459,178	43.69
Clearing settlement funds	9,796,129	1.61	12,335,678	1.94	-2,539,549	-20.59
Cash held on behalf of brokerage clients	76,981,729	12.67	85,610,760	13.47	-8,629,031	-10.08
Cash and bank balances	28,007,705	4.61	33,453,256	5.26	-5,445,551	-16.28
<b>Total current assets</b>	<b>493,652,618</b>	<b>81.27</b>	<b>514,458,147</b>	<b>80.96</b>	<b>-20,805,529</b>	<b>-4.04</b>
<b>Total assets</b>	<b>607,386,031</b>	<b>100.00</b>	<b>635,437,418</b>	<b>100.00</b>	<b>-28,051,387</b>	<b>-4.41</b>

## Section III Management Discussion and Analysis (continued)

Item	June 30, 2024		December 31, 2023		Increase/Decrease	
	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)
<b>Current liabilities</b>						
Loans and borrowings	616,000	0.13	835,592	0.16	-219,592	-26.28
Short-term debt instruments issued	33,313,532	6.98	28,055,961	5.54	5,257,571	18.74
Placements from other financial institutions	2,974,984	0.62	2,440,854	0.48	534,130	21.88
Accounts payable to brokerage clients	88,472,400	18.54	96,870,504	19.12	-8,398,104	-8.67
Employee benefits payable	1,567,212	0.33	2,110,487	0.42	-543,275	-25.74
Other payables and accruals	63,974,591	13.39	58,461,588	11.55	5,513,003	9.43
Contract liabilities	79,293	0.02	48,115	0.01	31,178	64.80
Current tax liabilities	68,746	0.01	71,891	0.01	-3,145	-4.37
Financial assets sold under repurchase agreements	138,899,296	29.11	163,215,333	32.22	-24,316,037	-14.90
Lease liabilities	359,012	0.08	369,687	0.07	-10,675	-2.89
Financial liabilities at fair value through profit or loss	9,666,919	2.03	5,694,306	1.12	3,972,613	69.76
Derivative financial liabilities	6,391,507	1.34	6,185,560	1.22	205,947	3.33
Long-term bonds due within one year	54,857,035	11.50	34,371,888	6.78	20,485,147	59.60
<b>Total current liabilities</b>	<b>401,240,527</b>	<b>84.08</b>	<b>398,731,766</b>	<b>78.70</b>	<b>2,508,761</b>	<b>0.63</b>
<b>Non-current liabilities</b>						
Long-term bonds	71,694,850	15.02	102,857,017	20.30	-31,162,167	-30.30
Non-current employee benefits payable	3,331,218	0.70	3,648,945	0.72	-317,727	-8.71
Deferred income tax liabilities	71,663	0.02	30,527	0.01	41,136	134.75
Lease liabilities	575,638	0.12	645,826	0.13	-70,188	-10.87
Other non-current liabilities	289,932	0.06	729,203	0.14	-439,271	-60.24
<b>Total non-current liabilities</b>	<b>75,963,301</b>	<b>15.92</b>	<b>107,911,518</b>	<b>21.30</b>	<b>-31,948,217</b>	<b>-29.61</b>
<b>Total liabilities</b>	<b>477,203,828</b>	<b>100.00</b>	<b>506,643,284</b>	<b>100.00</b>	<b>-29,439,456</b>	<b>-5.81</b>
Share capital	25,039,945	19.23	25,039,945	19.44	-	-
Reserves	44,042,340	33.83	42,899,731	33.31	1,142,609	2.66
Retained profits	32,768,598	25.18	32,205,365	25.01	563,233	1.75
<b>Total equity attributable to shareholders of the Company</b>	<b>101,850,883</b>	<b>78.24</b>	<b>100,145,041</b>	<b>77.76</b>	<b>1,705,842</b>	<b>1.70</b>
Non-controlling interests	28,331,320	21.76	28,649,093	22.24	-317,773	-1.11
<b>Total equity</b>	<b>130,182,203</b>	<b>100.00</b>	<b>128,794,134</b>	<b>100.00</b>	<b>1,388,069</b>	<b>1.08</b>

1. As of June 30, 2024, the Group had total non-current assets of RMB113,733 million, representing a decrease of RMB7,246 million from the beginning of the year, mainly due to the decrease of RMB6,034 million in the financial assets at fair value through profit or loss as compared with the beginning of the year. As of June 30, 2024, the Group had total non-current liabilities of RMB75,963 million, representing a decrease of RMB31,948 million from the beginning of the year, mainly due to the decrease of RMB31,162 million in long-term bonds from the beginning of the year.
  
2. As of June 30, 2024, the Group had total current assets of RMB493,653 million, representing a decrease of RMB20,806 million from the beginning of the year, mainly due to the decrease of RMB14,158 million in financial assets at fair value through other comprehensive income from the beginning of the year, and the decrease of RMB8,629 million in cash held on behalf of brokerage clients from the beginning of the year. As of June 30, 2024, the Group had total current liabilities of RMB401,241 million, representing an increase of RMB2,509 million from the beginning of the year, mainly due to the increase of RMB20,485 million in long-term bonds due within one year from the beginning of the year, the increase of RMB5,513 million in other payables and accruals from the beginning of the year, the increase of RMB5,258 million in short-term debt instruments issued from the beginning of the year, the increase of RMB3,973 million in financial liabilities at fair value through profit or loss from the beginning of the year, as well as the decrease of RMB24,316 million in financial assets sold under repurchase agreements from the beginning of the year, and the decrease of RMB8,398 million in accounts payable to brokerage clients from the beginning of the year.
  
3. **Financing channels and structure of long- and short-term liabilities of the Company**
  - (1) *Financing channels of the Company*

The Company's major financing channels include interbank lending, structured notes, corporate bonds, subordinated bonds, short-term corporate bonds, short-term financing bills, short-term borrowings and equity financing, etc. In accordance with relevant laws and regulations, the Company may utilize short-term, medium-term and long-term financings based on its own funding needs to support its business development.



(2) *Structure of long-term and short-term liabilities of the Company*

Unit: Thousand Yuan    Currency: RMB

Item	June 30, 2024	December 31, 2023
Long-term bonds (including long-term bonds due within one year)	126,551,885	137,228,905
Short-term debt instruments issued	33,313,532	28,055,961
Placements from other financial institutions	2,974,984	2,440,854
Loans and borrowings	616,000	835,592
<b>Total</b>	<b>163,456,401</b>	168,561,312

In the above liabilities, RMB71,695 million had a financing period of more than one year while RMB91,761 million had a financing period of less than one year, accounting for 43.86% and 56.14% of the aforesaid debt, respectively. In addition to borrowings and debt financing instruments, the Company also raised funds through on-the-exchange and OTC repurchases. At the end of the Reporting Period, the balance of financial assets sold under repurchase agreements was RMB138,899 million, and the financing terms were all less than one year. As of the end of the Reporting Period, the Company had no outstanding debts overdue and had sound overall solvency, and its liquidity risks were controllable.

(3) *Liquidity management policies and measures of the Company*

The Company has established a comprehensive risk management system and liquidity risk management mechanism based on the management goal of “strengthening the self-owned funds management, safeguarding the security of self-owned funds, improving the efficiency of using self-owned funds and controlling the risk of using self-owned funds”. The Company has also continuously improved its liquidity reserve management system and focused on the matching of assets and liabilities in terms of scale, duration and structure to enhance the diversity of financing channels and conducted emergency drills for liquidity risk, effectively preventing liquidity risks. During the Reporting Period, the Company maintained sufficient liquidity reserve, and the regulatory indicators such as liquidity coverage ratio and net stable funding ratio were in compliance with regulatory standards.

(4) *Analysis of financing capabilities of the Company*

The Company has formed an integrated financing system comprising various financing methods, such as interbank lending in the interbank market, bond repurchase in the interbank market and exchange market, issuance of long- and short-term corporate bonds, issuance of perpetual subordinated bonds, issuance of subordinated bonds, issuance of certificates of income, margin refinancing through China Securities Finance Corporation Limited and development of gold leasing business.

The Company operates in a compliant manner with a good reputation and credit record, and it also maintains good cooperative relations with commercial banks and has sufficient bank credit limits and strong profitability and solvency. Therefore, the Company has robust short-term and long-term financing capabilities.

(5) *Material contingent liabilities*

As of June 30, 2024, the Company did not have any material contingent liabilities.

#### 4. Key assets overseas

Unit: Thousand Dollar Currency: HK\$

Details of the assets	Formed reason	Assets scale	Location	Operating model	Revenue	Assets overseas as a	Whether there is significant impairment risk
						percentage of the Company's total equity	
Shenwan Hongyuan (International) Holdings Limited	Investment	24,051,752	Hong Kong	Wholly-owned subsidiary	450,897	3.54%	No

#### (IV) Changes in the Scope of Consolidation of Financial Statements

During the Reporting Period, there were no material changes in the scope of consolidation of the Group.

#### (V) Changes in Significant Accounting Policies and Accounting Estimates

During the Reporting Period, the Company's accounting policies and accounting estimates had not changed. For details, please refer to Note "3. Significant accounting policies" to the interim condensed consolidated financial report. There were no significant accounting errors requiring rectification occurred in the Company.

#### (VI) Restricted Asset Rights as of the End of the Reporting Period

For assets with restricted ownership or use rights, please refer to Notes "17, 23, 24 and 35" to the interim condensed consolidated financial statements.

## VI. ANALYSIS OF INVESTMENTS

### (I) Interest in Associates and Joint Ventures

Unit: Thousand Yuan Currency: RMB

Investment amount at the end of the Reporting Period	Investment amount at the end of the corresponding period of last year	Change (%)
3,980,857	4,076,755	-2.35

### (II) Material Equity Investments

No material equity investments were acquired by the Company during the Reporting Period.

### (III) Material Non-equity Investments

No material non-equity investments by the Company were in progress during the Reporting Period.

(IV) Investments in Financial Assets  
1. Investments in securities

Unit: Thousand Yuan      Currency: RMB

Security type	Security code	Security abbreviation	Initial investment cost	Accounting measurement model	Gains and losses from changes in fair value during the period	Accumulated fair value changes included in equity	Current purchase amount	Current sales amount	Profit and loss during the Reporting Period	Closing book value	Accounting item	Sources of funds
Bonds	2228003.B	22 China Everbright Bank Srial and Micro Bonds	5,540,000	Fair value	-	6,465	5,641,839	26,938	26,439	5,621,445	FVOCI	Self-owned funds
Bonds	240205.B	24 CDB 05	4,488,091	Fair value	15,512	9,445	13,197,109	8,617,780	67,721	4,804,277	FVPL/FVOCI	Self-owned funds
Bonds	230206.B	23 Interest-bearing Government Bonds 26	4,022,664	Fair value	12,569	5,615	8,245,206	5,598,087	40,671	4,033,260	FVPL/FVOCI	Self-owned funds
Bonds	240001.B	24 Interest-bearing Government Bonds 01	2,493,071	Fair value	17,494	1,926	11,600,449	9,079,996	117,969	2,539,873	FVPL/FVOCI	Self-owned funds
Bonds	240004.B	24 Interest-bearing Government Bonds 04	2,391,593	Fair value	7,775	2,133	11,391,470	9,567,742	15,212	2,423,635	FVPL/FVOCI	Self-owned funds
Bonds	230015.B	23 Interest-bearing Government Bonds 15	2,126,080	Fair value	705	27,560	6,462,534	6,440,194	115,817	2,205,275	FVPL/FVOCI	Self-owned funds
Bonds	2120107.B	21 Zhejiang Bank Perpetual Bonds	1,844,900	Fair value	55	68,428	41,494	71,846	68,712	1,910,220	FVPL/FVOCI	Self-owned funds
Bonds	2028003.B	20 Ping An Bank Perpetual Bonds 01	1,784,535	Fair value	470	33,668	71,127	71,397	33,632	1,762,563	FVPL/FVOCI	Self-owned funds
Bonds	2128021.B	21 Industrial and Commercial Bank Perpetual Bonds 01	1,636,666	Fair value	51	-18,211	42,739	42,790	45,672	1,641,622	FVPL/FVOCI	Self-owned funds
Bonds	1920076.B	19 Huilong Bank Perpetual Bonds	1,498,507	Fair value	-	25,743	-	81,785	25,743	1,628,766	FVPL/FVOCI	Self-owned funds
Other securities investments held at the end of the period			338,646,772	-	-287,609	1,380,668	1,491,154,216	1,527,950,655	348,884	337,258,575	-	-
Total			366,472,929	-	-232,978	1,477,082	1,548,439,243	1,567,549,610	936,472	365,693,511	-	-

Notes:

1. This table includes domestic and overseas financial assets measured at fair value and amortized cost held during the Reporting Period, such as equities, funds, bonds and trust products.
2. This table is sorted by the ratio of the book value at the end of the period to the total securities investment of the Company at the end of the period and contains the top ten securities held by the Company at the end of the period.
3. Other securities investments refer to investments in other securities other than the top ten securities.
4. Gains and losses during the Reporting Period include net investment income and credit impairment losses on the securities held by the Company during the Reporting Period.
5. "FVTPL": Financial assets at fair value through profit or loss; "FVOCI": Financial assets at fair value through other comprehensive income.

## 2. Investments in derivatives

N/A

## VII. USE OF PROCEEDS

(I) **During the Reporting Period, the Company had no securities issuance for fund raising such as issuance of shares and convertible corporate bonds.**

(II) **Use of proceeds from corporate bonds issued by the Company during the Reporting Period and proceeds raised before the Reporting Period and extended to the Reporting Period**

Unit: Ten thousand Yuan Currency: RMB

Year of fund raising	Way of fund raising	Total proceeds	Total proceeds used in the current period	Total proceeds used cumulatively	Total proceeds with changed use during the Reporting Period	Total proceeds changed use cumulatively	Proportion of total proceeds with changed use cumulatively	Total unused proceeds	Use and destination of unused proceeds	Proceeds that have been idle for more than two years
2021	Public issuance of corporate bonds to professional investors	800,000.00	-	800,000.00	-	-	-	-	N/A	-
2022	Public issuance of corporate bonds to professional investors	955,000.00	-	955,000.00	-	-	-	-	N/A	-
2023	Public issuance of corporate bonds to professional investors	740,000.00	212,454.67	740,000.00	-	-	-	-	N/A	-
2024	Public issuance of corporate bonds to professional investors	245,000.00	195,875.52	195,875.52	-	-	-	49,124.48	The proceeds are used to repay debts due	-
Total	-	2,740,000.00	408,330.19	2,690,875.52	-	-	-	49,124.48		

Description of the overall use of proceeds

The Company used the proceeds in strict accordance with the use specified in the prospectus, and the unused proceeds are deposited in the special account for proceeds.

**(III) Commitment for proceeds**

N/A

**(IV) Changes of proceeds**

N/A

**VIII. MATERIAL ASSETS AND EQUITY INTERESTS DISPOSAL**

During the Reporting Period, the Company had no disposal of any material assets or equity interests. The Company has no plan for material investments or acquisition of capital assets.

**IX. ANALYSIS OF MAJOR SUBSIDIARIES AND INVESTEEES**

**(I) Major Subsidiaries**

Unit: Thousand Yuan Currency: RMB

Name of company	Type of company	Principal businesses	Registered capital	Total assets	Total equity	Profit for the period
Shenwan Hongyuan Securities Co., Ltd.	Wholly-owned subsidiary	Licensed projects: securities business; securities investment consulting; securities investment fund sales agency; custodian business for securities investment funds. (For projects subject to approval according to laws, business activities may not be carried out until they are approved by relevant authorities. The specific projects shall be subject to the approval or license documents from relevant authorities) General projects: the securities companies provide intermediary services for futures companies. (Other than the projects subject to approval according to laws, operations shall be carried out independently with business licenses)	53,500,000	568,365,285	128,073,432	2,763,435
Hongyuan Futures Co., Ltd.	Wholly-owned subsidiary	Commodity futures brokerage, financial futures brokerage and futures investment consulting	1,000,000	16,392,703	1,377,646	30,957
Hongyuan Huizhi Investment Co., Ltd.	Wholly-owned subsidiary	Investment, assets management, investment management, corporate management consulting and investment consulting	2,000,000	5,215,332	2,042,783	-113,841

Name of company	Type of company	Principal businesses	Registered capital	Total assets	Total equity	Profit for the period
Hongyuan Huifu Capital Co., Ltd.	Wholly-owned subsidiary	Entrepreneurship investment, entrepreneurship investment consulting service, provision of entrepreneurial management service for startup enterprises and participation in setting up entrepreneurial investment enterprises and entrepreneurial investment management advisory institutions	500,000	664,602	573,336	35,168
Shenwan Hongyuan Industrial Investment Management Company Limited	Wholly-owned subsidiary	Investment, assets management and investment consulting service. (For the special projects subject to approval according to law, they can be carried out only after approval from relevant departments)	200,000	192,921	192,921	-56,444
Shenwan Hongyuan Securities (Western) Co., Ltd.	Wholly-owned subsidiary	Securities brokerage, securities investment consulting, margin financing and securities lending, agency sales of financial products, agency sales of securities investment funds, provision of intermediate introduction business for futures companies (The above businesses are limited to Xinjiang, Gansu, Shaanxi, Ningxia, Qinghai and Tibet), securities proprietary business (for securities brokerage clients in Xinjiang, Gansu, Shaanxi, Ningxia, Qinghai and Tibet only). (For the projects subject to approval according to law, they can be carried out only after approval from relevant departments)	5,700,000	17,167,091	8,603,906	262,311
Shenwan Hongyuan Financing Services Co., Ltd.	Wholly-owned subsidiary	Securities underwriting (excluding bond types other than convertible bonds) and sponsoring, financial advisory in relation to securities transactions and securities investment activities	1,000,000	1,530,656	1,328,540	-206,042
Shenwan Futures Co., Ltd.	Controlling subsidiary	Commodity futures brokerage, financial futures brokerage, futures investment consulting service, assets management and fund sales	1,441,588	28,978,388	4,271,158	125,674

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## Section III Management Discussion and Analysis (continued)

Name of company	Type of company	Principal businesses	Registered capital	Total assets	Total equity	Profit for the period
SWS MU Fund Management Co., Ltd.	Controlling subsidiary	Fund management business, initiation and establishment of funds and other businesses approved by the CSRC (including sales of funds initiated and established by itself)	150,000	1,690,466	1,365,054	37,059
Shenyin & Wanguo Alternative Investment Co., Ltd.	Wholly-owned subsidiary	Conducting investment activities with self-owned funds. (Other than the projects subject to approval according to laws, operations shall be carried out independently with business licenses)	2,500,000	2,842,968	2,810,792	1,224
SWS Research Co., Ltd.	Controlling subsidiary	Securities investment consulting business	20,000	273,541	74,047	-7,323
Shenyin & Wanguo Investment Co., Ltd.	Wholly-owned subsidiary	Private equity fund	1,000,000	1,187,405	1,050,210	-5,230
Shenwan Hongyuan Securities Asset Management Co., Ltd.	Wholly-owned subsidiary	Securities asset management	2,500,000	2,822,871	2,612,222	54,151
Shenwan Hongyuan (International) Holdings Limited	Wholly-owned subsidiary	Investment holdings	HK\$4,070,920 thousand	HK\$24,051,752 thousand	HK\$5,056,109 thousand	HK\$27,724 thousand

Note: The above data of subsidiaries is unaudited.

### (II) Major Investee

Unit: Thousand Yuan Currency: RMB

Name of company	Type of company	Principal businesses	Registered capital	Total assets	Total equity	Profit for the period
Fullgoal Fund Management Co., Ltd.	Joint venture	Publicly offered securities investment fund management, fund sales, specific customer assets management	520,000	13,368,999	8,207,924	773,517

### (III) Acquisition and Disposal of Subsidiaries, Branch Companies and Securities Branches during the Reporting Period

#### 1. Acquisition and disposal of subsidiaries and branch companies during the Reporting Period

During the Reporting Period, the Company did not acquire or dispose of any subsidiaries or any branch companies.

## 2. Acquisition and disposal of subsidiaries, branch companies and securities branches by Shenwan Hongyuan Securities, a subsidiaries of the Company, during the Reporting Period

During the Reporting Period, Shenwan Hongyuan Securities did not approve the establishment and disposal of any new subsidiaries.

During the Reporting Period, Shenwan Hongyuan Securities has approved the establishment of a non-independent Longyan branch under Fujian branch, and has not closed down any branch. Shenwan Hongyuan Securities was approved to establish one new securities branch in each of Chifeng City in Inner Mongolia Autonomous Region, Cangzhou City in Hebei Province, Dongcheng District, Chaoyang District and Fengtai District in Beijing, and Longwan District in Wenzhou City, Zhejiang Province, all of which are currently under construction. There are no newly opened securities branches.

During the Reporting Period, Shenwan Hongyuan Securities did not approve the cancellation of securities branches, and completed the cancellation of Taiyuan South Street Securities Branch in Shenyang. The securities branch was officially closed.

## X. STRUCTURED ENTITIES UNDER CONTROL OF THE COMPANY

The Company manages or invests in a number of structured entities. In order to assess whether the Company has control over the structured entities, it mainly considers the extent of decision making and participation in establishing relevant structured entities, the aggregated economic interest (including the gain from holding a direct investment and expected remuneration) set out in the contractual arrangement, as well as the scope of decision-making authority over the structured entities. If the Company determined that it has power over, has exposure to variable returns from its involvement with, and has ability to use its power to affect the amount of its returns from the structured entities, it will include the structured entities in the consolidated financial statement as the Company has control over the structured entities.

As at June 30, 2024, the consolidated structured entities of the Company included asset management schemes issued and managed by the Company and trust schemes directly invested but issued by third parties, etc. The book value of net assets of the abovementioned consolidated structured entities is RMB70,653 million.

## XI. RISKS FACED BY THE COMPANY AND ITS COUNTERMEASURES

According to the analysis on the macroeconomic situation, industry development trend, regulatory environment and the Company's own conditions, the Company's major risk factors are mainly market risk, credit risk, liquidity risk, operational risk, policy risk, legal compliance risk, risk of innovative businesses, reputation risk and exchange rate risk.



**(I) Market Risk**

The market risk exposure of the Company is mainly concentrated in the proprietary investment business, assets management business with self-owned funds and other businesses. During the Reporting Period, all investment businesses withstood the test of the market generally. At the end of the Reporting Period, the VaR (95% for one day) of the proprietary investment business of Shenwan Hongyuan Securities (including subsidiaries) was RMB0.23 billion. The global economic growth momentum was generally weakening, and the risk of geopolitical conflicts remained high. China's economic development still faced the triple pressure of shrinking demand, supply shock and weaker expectation. Various uncertainties increased and market risk management faced greater challenges.

The countermeasures taken by the Company include but are not limited to: (1) in the face of fluctuation of the capital market and commodity market in the first half of the year, strengthening the follow-up analysis and research and judgment on the macroeconomic situation and market trend, intensifying the research on the risk characteristics and future change trends of large-scale assets, and making timely and proactive responses; (2) strictly implementing the risk tolerance requirements and risk limit indicators of proprietary investments, assets management with self-owned funds and other businesses; (3) optimizing a quantitative risk indicator assessment system, including risk measurement indicators such as VaR, beta, volatility, Greek letters, interest rate basis point value, duration and investment concentration, and utilizing a combination of various methods or tools such as stress test and sensitivity analysis for measurement and assessment; (4) strengthening model validation and model risk assessment, enhancing the backtest and inspection of VaR model of various financial assets, and fully playing the role of VaR in asset portfolio risk management; (5) conducting dynamic monitoring and graded pre-warning of risk control indicators, measuring and monitoring market risk limit-related indicators on a daily basis, conducting a comprehensive assessment of the Company's overall market risk, and taking effective countermeasures on a timely basis; and (6) prior to the launch of major investment projects, strictly carrying out the project feasibility analysis, and having the risk control department issue risk assessment reports independently.

**(II) Credit Risk**

Credit risk exposure of the Company mainly existed in the areas of financing business (margin financing and securities lending, stock repurchases and stock pledged repurchase business), fixed-income proprietary business and OTC derivatives trading business.

The domestic economy continued to recover, but still faced problems such as insufficient effective demand and unclear structural improvement. Some high-risk industrial bodies, or enterprises with poor hematopoietic capacity and large short-term debt turnover pressure, still had relatively large credit risks. The countermeasures taken by the Company include but are not limited to: (1) continuing to optimize the unified internal rating system of the Company and its subsidiaries, improving domestic and foreign rating models, strengthening the access management of business entities, and requiring all business entities with credit risk exposure to meet the unified internal rating access standards of the Company; (2) implementing the unified same customer management and control mechanism with the actual controller as the main body to achieve the unified credit extension of the same customer within the scope of the Company and its subsidiaries; (3) monitoring negative public sentiment information across the market, establishing default pre-warning mechanism based on secondary market prices, corporate interest spreads, implied ratings and other information, and applying the monitoring and warning results to credit risk management practices such as updating of rating results, adjustment of credit lines, and restrictions on access to negative list; and (4) taking targeted credit risk control measures for key businesses: ① for financing business, continuing to optimize the financing business structure, focusing on the analysis of credit status and repayment ability of financing entities, controlling the concentration of financing targets, strengthening dynamic mark-to-market, and improving the risk disposal process; ② for bond and debt investments, allocating bonds with high credit rating and good liquidity, improving the bond credit rating center, continuously tracking corporate debt rating and changes in liquidity conditions, carefully selecting counterparties for debt investment business, strengthening the tracking of counterparties' credit levels, and continuously enhancing risk control requirements; ③ for OTC derivatives business, optimizing the measurement rules for counterparty default risk exposure, optimizing financial models such as credit extension and deposits measurement, enhancing the mark to market management of performance deposits, and improving the pressure test mechanism of credit risk of counterparties; and (5) improving management process for disposing of default of risk assets, and based on specific circumstances of the event of default, promptly disposing of, dealing with and mitigating credit risks in various ways such as additional collateral, realization of collateral, early termination of contract and litigation recovery.

### (III) Liquidity Risk

For the liquidity risk, on the one hand, the Company continuously improved its liquidity reserve management system, strengthened the total amount and structure management of high-quality liquidity assets and had relatively sufficient liquidity reserve; on the other hand, taking into consideration the macro market environment, the Company reasonably adjusted the proportion of assets with various maturity periods, balanced the distribution of debt maturities, increased the diversity of financing channels, optimized the structure of liability maturities, dynamic monitored cash flow gaps and carried out the liquidity risk emergency plan drills, thus effectively preventing the occurrence of liquidity risk. During the Reporting Period, two liquidity regulatory indicators of Shenwan Hongyuan Securities, namely the liquidity coverage ratio (LCR) and net stable funding ratio (NSFR), met the regulatory standards.

Affected by the expected delay of interest rate reduction of major economies such as Europe and the United States as well as continuous geopolitical conflicts, the global and domestic capital markets have continued to be volatile. There is greater uncertainty over domestic macro policies and funding. Accordingly, the volatility of the use of funds in business lines increased, and the liquidity risk management of the Company was faced with greater challenges. The countermeasures taken by the Company include but are not limited to: (1) strengthening research and judgment of financial market conditions, closely following monetary policy trends of the central bank, making comprehensive capital planning, and continuously optimizing the structure of high-quality current assets to ensure the Company's business capital needs and debt repayment; (2) strengthening the dynamic monitoring of liquidity risk status, continuously tracking and evaluating the information including liquidity regulatory indicators, cash flow gap and liquidity reserve, and carrying out liquidity risk pre-warning work; (3) optimizing the liquidity risk measurement model, improving the capabilities to predict changes in cash flow from operations and analyze gaps; (4) conducting stress test of liquidity risk on a regular basis to assess liquidity pressure in the event of substantial expansion of business scale and extreme market changes, strengthening the stress assessment on liquidity risk of the OTC derivatives business, and preparing response plans for liquidity impact in advance; (5) assessing the Company's capabilities to report and handle liquidity risk emergency, continuously perfecting liquidity emergency scenarios, improving the practical performance of emergency drills and enhancing Company's capabilities to respond to liquidity crisis by conducting liquidity risk emergency drills; and (6) improving liquidity risk limit indicators of subsidiaries and enhancing daily risk monitoring to strengthen the liquidity risks management of subsidiaries.

#### **(IV) Operational Risk**

Operational risk of the Company exists in various business processes and operation management, mainly due to factors such as operational errors of personnel, system defects, imperfect procedures and external events. During the Reporting Period, certain operational risk events were triggered in the Company due to operational errors of personnel, incomplete system functions and external events. Upon the occurrence of the risk events, the Company actively took countermeasures and endeavored to defuse the risk, well ensuring the normal business operation.

With the constant enrichment of business types, the continuous expansion of business scale, the widespread use of information systems, overall tightening of regulation, etc., the operational risks faced by the Company have also increased, which has brought greater challenges to the operational risk management. The countermeasures taken by the Company include but are not limited to: (1) according to the Guidelines for Operational Risk Management of Securities Companies issued by the Association, further improving the Company's operational risk management mechanism and continuing to promote the implementation of various operational risk management requirements; (2) strengthening the foresight of operational risk management and carrying out in-depth operational risk assessment, enhancing the collection and analysis of information on internal and external operational risk losses, and learning from past mistakes to strive to identify and control potential risks in advance; (3) continuously improving the front-end control functions of the business system, implementing systematic control over important links and reducing manual operations; (4) strengthening the risk assessment, functional verification and daily monitoring of the information system, focusing on information security risks, timely identifying weak links, formulating information system security emergency plans and carrying out emergency drills; and (5) continuing to conduct publicity of typical risk cases and business training, intensifying assessment on staff errors, and constantly improving their business capabilities and risk management awareness.

## (V) Policy Risk

The Company's overall operations and development of businesses are greatly affected by policies. On the one hand, changes in national macroeconomic policies and interest rate policies will affect the trend of the securities market, which will lead a direct and important influences on the operations and business development of securities companies; on the other hand, regulatory authorities have published a series of regulatory policies to continuously improve the capital market management rules, emphasize the standardized development of business, and put forward new requirements for securities companies to improve professional service capabilities and risk management level.

The countermeasures taken by the Company include but are not limited to: (1) insisting on serving the overall national strategy, focusing on the main responsibilities and main business, closely focusing on the requirements of "three new, one high", deeply implementing the "three major tasks" of finance, fulfilling the "five priorities", and comprehensively accelerating the construction of a financial power and contributing to the high-quality development of the real economy; (2) strengthening the research and analysis of the macroeconomic situation and industry dynamics, adjusting risk control policies and business strategies in due course, improving the perspectiveness and initiative of risk management, and effectively preventing business risks that may arise during the implementation of policies; (3) paying close attention to dynamics and trends of regulatory policies, strengthening communication and contact with regulatory authorities, analyzing and interpreting regulatory policies related to main businesses, and conducting special training to improve the policy acumen of employees; and (4) strictly implementing the relevant regulations of the regulatory authorities, improving the institutional improvement and system construction of relevant businesses, and strengthening risk management and control, to ensure the healthy development of businesses.

## (VI) Legal Compliance Risk

During the Reporting Period, the State Council issued the New "National Nine Guidelines (國九條)" for the capital market, the CSRC issued the Opinions on Strictly Controlling the Admission Criteria for Issuance and Listing to Improve the Quality of Listed Companies at Source (Trial) and other policy documents, and the regulatory authorities formulated or amended supporting rules for investment banking business, procedural trading, share reduction, etc., which further improved policies, regulations and rules. Besides, the CSRC system continued to strengthen daily supervision, increased regulatory penalties, and put forward higher requirements for the legal compliance management of securities operating institutions.

The countermeasures taken by the Company include but are not limited to: (1) continuously strengthening the construction of compliance culture, preparing the "Legal Compliance Information News" and the "New Regulation Express" in a timely manner, and carrying out thematic learning month series lectures and specialized training for compliance officers, and various compliance training for branch offices and business lines to promote the enhancement of compliance awareness among all employees; (2) continuing to strengthen the promotion of the new regulations, and effectively implementing new regulations; (3) continuing to strengthen the compliance review in key areas, strengthening the compliance self-inspection and inspection, and urging relevant units to carry out rectification and implementation; (4) continuously strengthening the management of investment behavior of practitioners, carrying out self-examination and investigation of illegal stock trading, and strengthening the supervision of practitioners' practice behavior; and (5) improving the assessment mechanism, strengthening accountability, and continuously carrying out various compliance management work such as integrity practices, information isolation wall, anti-money laundering and customer transaction behavior management.

### **(VII) Risk of Innovative Businesses**

The Company adheres to the preservation and innovation, and promotes business innovation in a timely manner based on regulatory policies, market conditions, etc. As the innovative businesses involve the establishment of compliance and risk management mechanisms and standards, and process reengineering in various aspects such as information system construction, finance and operations, risk management work faces certain challenges.

The countermeasures taken by the Company include but are not limited to: (1) continuing to improve the innovative business risk management mechanism, strengthening the risk penetration management for the innovative businesses of the Company and its subsidiaries, and coordinating the development of cross-line innovation businesses; (2) revising and improving corresponding rules of innovative businesses, and strengthening the reserve of innovative business talents, to ensure steady development of innovative businesses on the basis of systems, talents and other supporting measures in place; (3) the new businesses, new models and new products of subsidiaries were included in the Company's hierarchical review and decision-making system, and based on the first-level evaluation by subsidiaries, the Company's risk management department would conduct a second-level evaluation and review; (4) adding the risk monitoring and pre-warning of innovative businesses to the daily risk management work, and dynamically adjusting the control threshold based on business operation situation; (5) strengthening the construction of innovative business information technology system, and continuously improving various system functions such as business management and risk monitoring, to give full play to the support and guarantee role of the system for businesses; and (6) regularly conducting tracking management of innovative businesses, conducting tracking retrospective evaluation on the risk return as well as effectiveness of risk management and control measures of innovative businesses, then incorporating the retrospective evaluation results into the annual risk management performance assessment, continuously improving the risk management and control measures of innovative businesses and promoting the steady development of innovative businesses.

### **(VIII) Reputation Risk**

During the Reporting Period, the Company did not experience any significant reputational risk events. The countermeasures taken by the Company against reputation risks include but are not limited to: the Company has incorporated the reputation risk management into the comprehensive risk management system, and established a reputation risk management framework, division of responsibilities, and management requirements with clear responsibilities. The Company followed the management principle of prevention as the main point, and defined the reputation risk report coordination mechanism, identification and evaluation mechanism as well as emergency disposal mechanism. Besides, the Company, through effective public opinion monitoring system, implemented the public opinion monitoring, and conducted the public opinion classification and hierarchy management. The Company could actively identify and resolve the reputation risk in daily operation and management, and respond various kinds of reputation risk events in a much proper manner.

### (IX) Exchange Rate Risk

Most of the Company's assets, liabilities, revenue, costs and expenses are expressed in RMB. Foreign currency assets, liabilities and income account for a relatively small proportion. The underlying assets linked to the Company's cross-border derivatives business and the assets held by its overseas subsidiaries in their operating activities are mainly denominated in foreign currencies such as Hong Kong dollars and US dollars, which expose to certain exchange rate risks.

The countermeasures taken by the Company include but are not limited to: strengthening the analysis and research on the exchange rate trend, setting the foreign exchange risk exposure limit, and exploring the use of foreign exchange forward, futures, options, swaps and other ways to hedge the exchange rate risk, and effectively controlling the exchange rate risk. In the future, with the advancement of the Company's international business layout and the progress of RMB internationalization, the Company will further strengthen the study on exchange rate, and take reasonable and effective measures to hedge and manage exchange rate risks in a timely manner.

## XII. OPERATING PLAN AND THE RELEVANT MEASURES FOR THE NEXT REPORTING PERIOD

With the implementation of a series of policies and measures focusing on strengthening supervision, preventing risks and promoting high-quality development, the comprehensive deepening of reforms in the capital market is accelerating, the functional role of the capital market is becoming more sound, the institutional mechanism for investor protection is becoming more perfect, and the formation of a favorable ecosystem of the capital market is accelerating. In the second half of 2024, Shenwan Hongyuan will adhere to the general principle of seeking progress while maintaining stability, focus on the responsibilities and missions of a financial central enterprise, strive to improve the quality and efficiency of serving the national strategies, accelerate the transformation and upgrading of businesses, continuously optimize the construction of institutional mechanisms, lay a solid foundation for high-quality development, make every effort to enhance the Company's core competitiveness, strictly implement the requirements of financial supervision and management, firmly hold the bottom line of avoiding major risks, and steadfastly follow the path of financial development with Chinese characteristics.

## XIII. IMPLEMENTATION OF THE "DOUBLE ENHANCEMENT OF QUALITY AND RETURNS" ACTION PLAN

In order to deeply practice the investor-oriented concept, effectively improve the quality and investment value of listed companies, and safeguard the interests of all shareholders of the Company, the Company has actively responded to the call of the Shenzhen Stock Exchange for "Double Enhancement of Quality and Returns" and formulated the action plan of "Double Enhancement of Quality and Returns", proposing four initiatives, such as adhering to the investor-oriented principle and enhancing investor returns, strengthening functional positioning and fulfilling the main responsibilities and main businesses, adhering to the strategic leadership and improving core competitiveness, and adhering to the "double-wheel drive" of corporate governance and information disclosure, and enhancing the quality and effectiveness of governance and building value for development. For details, please refer to the Announcement of the "Double Enhancement of Quality and Returns" Action Plan of Shenwan Hongyuan Group Co., Ltd. published by the Company on February 29, 2024 in the China Securities Journal, Securities Times, and Shanghai Securities News and on Cninfo website ([www.cninfo.com.cn](http://www.cninfo.com.cn)). Up to now, the implementation status is as follows:

### 1. Adhered to investor-oriented and strengthening investor returns

While perfecting the governance and strengthening the internal strength, cultivating the main business and improving the quality, the Company firmly established the awareness of returning to shareholders, balanced the goal of shareholder return and the needs of business development, and enhanced the sense of gain of investors through sustained and stable cash dividends. The accumulated cash dividends of the Company since 2015 amounted to RMB15.652 billion, and the ratio of 2023 annual cash dividends to the profit for the year attributable to shareholders of the company in 2023 is 30.44%. In order to further give back to investors, boost their confidence in long-term investment and facilitate investors to share the Company's operation and development results at an earlier stage, the Company has studied and formulated the interim profit distribution arrangement for 2024, which has been considered and approved by the general meeting. The Company has cultivated a financial culture with Chinese characteristics, adhered to the principles of honesty and trustworthiness, taking advantage of righteousness, prudence, integrity and innovation, and compliance with the law. The Company attached great importance to investor protection, actively built an insurance system that is in line with the concept of "big insurance", and built up a strong defense for the protection of investor rights and interests with high-quality investment education work. The Company has been rated as A grade for investor education by the SAC for three consecutive years, the investment education base has been rated "excellent" by the CSRC for two consecutive years, and the Company has been selected as one of the outstanding cases in the annual report of the Securities Association of China on the annual cultural construction of the securities industry for three consecutive years.

### 2. Strengthened functional positioning and fulfilled main responsibilities and main businesses

As a large state-owned securities company and investment institution, the Company actively practices the political and people-oriented nature of financial work, leverages professional advantages of comprehensive financial services, and strengthens high-quality financial services for major strategies, key areas and weak links. The Company assisted a large number of high-tech enterprises in listing or refinancing, and served the development of enterprises and construction of modern industrial systems. The Company effectively performs the responsibilities of the "gatekeeper" of the capital market, and has strengthened the practice concepts and professional capabilities to match the registration system. The Company maintains a leading position in the industry in the professional quality evaluation on the Beijing Stock Exchange, and has been rated as a Class A for bond business practice ability by the Securities Association of China for four consecutive years, facilitating the in-depth implementation of the registration system. The Company focuses on the entire life cycle of enterprise, optimizes business layout, and builds a small and medium-sized enterprise service industry chain with the characteristics of Shenwan Hongyuan. Since the opening of the Beijing Stock Exchange, the Company has completed a total of 21 issuance and listing projects on the Beijing Stock Exchange (including select tier), and raised RMB4.0 billion. The Company maintained the second place in the industry in terms of number of completed projects and amount raised, and ranked first in the industry in terms of number of enterprises accumulatively recommended and private placements on the NEEQ.

### 3. Adhered to strategic leadership and improved core competitiveness

In the face of the complex and ever-changing internal and external market environment, the Company adhered to draw a blueprint to the end, insisted on the general principle of seeking progress while maintaining stability, coordinated development and security, highlighted the development characteristics of “investment + investment banking”, made every effort to promote business transformation, deepened reform, and drove competition and service capability improvement through innovation. The Company endeavoured to enhance the competitiveness position of light capital business in the market. As for wealth management business, the Company further established a customer-centric concept and accelerated the transformation from sell-side sales to buy-side investment advisory model. As for investment banking business, the Company deeply integrated into the comprehensive registration system reform, and optimized business structure, project structure and personnel structure. As for institutional business, the Company closely followed the comprehensive financial service needs of institutional clients and improved coordinated development model of large institutional business. As for asset management business, the Company always puts the interests of customers in the first place, and has further improved the investment and research system and enhanced proactive management capabilities, so as to return customers with long-term, stable and good investment performance. As for heavy capital business, the Company continued to enhance the ability to resist risks and fluctuations, consolidated investment and research advantages, deepened the asset allocation strategy, continue to optimize position structure, continuously improved product design and pricing capabilities, and strengthened and expanded the cross trade, so as to strengthen the stable, long-term, balanced and innovative nature of the business.

### 4. Adhered to the “double-wheel drive” of corporate governance and information disclosure, improved quality and efficiency of governance, and accumulated development value

The Company continued to deeply practice the “two-consistency” by organically integrating the adherence to and strengthening of the Party’s leadership with the improvement of corporate governance, so as to effectively transform political advantages into governance performance. The general meeting, the Board of Directors and the Board of Supervisors as well as the senior management perform their respective responsibilities, effectively check and balance and coordinate operation. The Company won a number of awards in the Best Practice Series of the China Association for Public Companies, including the “Best Practice for Board of Directors”, “Best Practice for Supervisory Committee”, “Performance Evaluation Level 5A of the Secretary to the Board”, “Best Practice for Board Office” and “Best Practice for Investor Relations Management”. The Company strictly complies with laws, regulations and regulatory requirements, always adheres to the information disclosure concept guided by investor needs, and continuously improves the quality of information disclosure. The Company has been awarded evaluation class A on information disclosure by the Shenzhen Stock Exchange for eight consecutive years. Adhering to the concept of “respecting investors, honouring investors and protecting investors”, the Company actively strengthened communication with the market, regularly held performance presentations, participated in online collective reception days for investors of listed companies, and carefully listened to opinions and suggestions through multiple platforms such as the Company’s website, the interaction platform of the Shenzhen Stock Exchange and investor hotline, so as to strengthen the voice and sense of gain of small and medium-sized investors. The Company actively integrated social responsibility into our core value framework, promoted the organic integration of ESG management improvement with serving national strategy and operation and management, fulfilled ESG responsibilities at multiple levels, and improved ESG performance in various aspects, achieving continuous improvement in ESG ratings.





## Section IV Corporate Governance

### I. CORPORATE GOVERNANCE

As an “A+H” share listed company, the Company has continuously improved its corporate governance structure in strict compliance with laws, regulations and regulatory documents applicable in places where the shares of the Company are listed. The general meeting, Board of Directors, Board of Supervisors and the management of the Company perform their respective duties, and have fully fulfilled their obligations and responsibilities. Compliance operation of the Company has been continuously enhanced to ensure business development in a sustainable and normative manner. Such operations include, among others, the establishment and improvement of the corresponding systems, optimization and improvement of internal organizational structure and authorization management system.

Currently, the Company has formulated the Rules of Procedure of the General Meeting, the Rules of Procedure of the Board of Directors, the Rules of Procedure of the Board of Supervisors, the Management Policy of Related Party Transactions, the Internal Control Policy, the Internal Control Evaluation Policy, the Internal Audit Policy, the Finance Management Policy, the Accounting Policy and the working rules of the committees of the Board of Directors, pursuant to relevant laws and regulations, such as the Company Law, the Securities Law and regulations of the places in which the shares of the Company are listed and the Articles of Association. During the Reporting Period, the Company has strictly followed all the provisions under the CG Code, and satisfied the requirements of most of the recommended best practices set out in the CG Code. The Model Code has been adopted by the Company as the code of conduct regarding the securities transactions of the directors and the supervisors. As of the end of the Reporting Period, after making specific enquiries to the directors and supervisors, the Company confirmed that each of the directors and supervisors of the Company has complied with the standards set out in the Model Code throughout the Reporting Period.

## II. ANNUAL GENERAL MEETING AND EXTRAORDINARY GENERAL MEETINGS HELD BY THE COMPANY DURING THE REPORTING PERIOD

Session of meeting	Convening date	Investor Participation ratio	Titles of resolutions of the meeting	Status of resolutions	Disclosure date and disclosure index
2023 annual general meeting	June 28, 2024	61.57%	1. The Resolution regarding Consideration of the 2023 Work Report of the Board of Directors of the Company	Approved	For details of the resolutions considered at the meeting, please refer to the relevant announcements disclosed by the Company in China Securities Journal, Securities Times and Shanghai Securities News, as well as the website of Cninfo at www.cninfo.com.cn on June 29, 2024 and the website of HKExnews at www.hkexnews.hk on June 28, 2024
			2. The Resolution regarding Consideration of the 2023 Work Report of the Board of Supervisors of the Company	Approved	
			3. The Resolution regarding Consideration of the 2023 Annual Financial Report of the Company	Approved	
			4. The Resolution regarding the 2023 Profit Distribution Plan of the Company	Approved	
			5. The Resolution regarding Consideration of the 2023 Annual Report of the Company	Approved	
			6. The Resolution regarding the Granting of General Mandate to the Board of Directors to Issue Additional Shares of the Company	Approved	
			7. The Resolution regarding the Estimated Ordinary Related Party Transactions for 2024 (voted item by item)	Approved	
			8. The Resolution regarding the Arrangement of Interim Profit Distribution for 2024	Approved	
			9. The Resolution regarding the Public Issuance of Corporate Bonds by Shenwan Hongyuan Group Co., Ltd. (voted item by item)	Approved	
			10. The Resolution regarding the Amendments to the Articles of Association of Shenwan Hongyuan Group Co., Ltd.	Approved	
			11. The Resolution regarding the Amendments to the Rules of Procedure of the General Meeting of Shenwan Hongyuan Group Co., Ltd.	Approved	
			12. The Resolution regarding the Amendments to the Rules of Procedure of the Board of Directors of Shenwan Hongyuan Group Co., Ltd.	Approved	
			13. The Resolution regarding the Amendments to the Independent Non-executive Director System of Shenwan Hongyuan Group Co., Ltd.	Approved	

### III. COMPOSITION OF THE BOARD OF DIRECTORS AND THE BOARD OF SUPERVISORS OF THE COMPANY

As of the disclosure date of this report, the fifth session of the Board of Directors of the Company comprises 11 directors:

Executive directors: Mr. Liu Jian (Chairman) and Mr. Huang Hao (vice chairman and general manager)

Non-executive directors: Mr. Ren Xiaotao, Mr. Zhang Yigang, Mr. Zhu Zhilong, Ms. Zhang Ying and Mr. Shao Yalou

Independent non-executive directors: Ms. Yeung Siuman Shirley, Mr. Wu Changqi, Mr. Chen Hanwen and Mr. Zhao Lei

The fifth session of the Board of Supervisors of the Company comprises 5 supervisors:

Supervisors: Mr. Fang Rongyi (chairman of the Board of Supervisors), Ms. Chen Yan and Mr. Jiang Yang

Employee representative supervisors: Ms. Li Yan and Ms. Zhou Jie

### IV. COMPOSITION OF EXECUTIVE COMMITTEE OF THE COMPANY

As of the disclosure date of this report, members of the executive committee: Mr. Liu Jian (Chairman), Mr. Huang Hao (vice chairman), Ms. Ren Quansheng and Mr. Liu Yue

### V. CHANGES IN DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OF THE COMPANY

During the Reporting Period, there was no change in the directors, supervisors and senior management of the Company.

## VI. CHANGES IN RESUMES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

As of the disclosure date of this report, the biographies of certain directors, supervisors and senior management of the Company after changes are as follows:

### 1. Directors

#### Non-executive Director

Mr. Zhang Yigang (張宜剛) currently serves as a non-executive director of Shenwan Hongyuan Group Co., Ltd. His main work experience includes: Mr. Zhang successively worked at the Diversified Operation Office of Yanting County Government, Sichuan Province, the Policy Research Office of the County Party Committee and the Office of the County Party Committee of Yanting County, Sichuan Province, and the Municipal Party Committee Office of Mianyang City, Sichuan Province from August 1983 to May 1998. He served as the secretary at deputy director general level and the secretary at director general level of the General Office of Sichuan Provincial Party Committee from May 1998 to December 2007 (during which, he concurrently served as the deputy general manager of Sichuan State-owned Assets Investment Management Co., Ltd. (四川省國有資產投資管理有限責任公司) from December 2001 to January 2007). From December 2007 to March 2009, he served as a researcher of the office of the State-owned Assets Supervision and Administration Commission of Sichuan Province (during which he concurrently served as the chairman, the secretary of the Party committee and the secretary of the discipline inspection commission of Sichuan State-owned Assets Investment Management Co., Ltd. from January 2007 to March 2009). He successively served as the deputy general manager, a director and the deputy general manager; a member of the Party committee, a director and the deputy general manager; the deputy secretary of the Party committee, a director and the deputy general manager of Sichuan Development Holding Co., Ltd. (四川發展(控股)有限責任公司) from March 2009 to July 2019. He served as a director of Sichuan Shengtian New Energy Development Co., Ltd. (四川晟天新能源發展有限公司) from April 2015 to December 2018, an executive director of Sichuan Development Guorui Mining Investment Co., Ltd. (四川發展國瑞礦業投資有限公司) from December 2015 to August 2019, the chairman of Sichuan Urban and Rural Construction Investment Co., Ltd. (四川城鄉建設投資有限責任公司) from February 2015 to November 2022; he served as the deputy secretary of the Party committee and a director of Sichuan Development Holding Co., Ltd. from July 2019 to June 2020; the deputy secretary of the Party committee, vice chairman and general manager of Sichuan Development Holding Co., Ltd. from June 2020 to July 2022; and the secretary of the Party committee and chairman of Sichuan Development Holding Co., Ltd. from July 2022 to June 2024; he has served a non-executive director of Shenwan Hongyuan Group Co., Ltd. since June 2020, a member of the Standing Committee of the Sichuan Provincial People's Congress, and the vice chairman of the Urban and Rural Construction Environment and Resources Protection Committee of the Sichuan Provincial People's Congress since January 2023. Mr. Zhang Yigang graduated from Southwest Agricultural College (renamed as Southwest University in 2005), majoring in agriculture, with a bachelor's degree in agriculture in August 1983, and graduated from the University of Electronic Science and Technology of China, majoring in executive master of business administration, with a master's degree in business administration in June 2005.

**Independent Non-executive Director**

Mr. Zhao Lei (趙磊) currently serves as an independent non-executive director of Shenwan Hongyuan Group Co., Ltd. His main work experience includes: Mr. Zhao Lei was a lecturer and associate professor at the School of Civil and Commercial Law of Southwest University of Political Science and Law from July 2005 to February 2012; a post-doctoral researcher at the postdoctoral research station of the University of International Business and Economics (postdoctoral in International Commercial Law) from October 2007 to June 2010; the assistant to the president of the Second Civil Division of the First Intermediate People's Court of Chongqing Municipality from May 2009 to December 2009; a researcher (postdoctoral in finance) at Tehua Postdoctoral Programme from October 2011 to September 2013; and an editor and the head of the law subject of the Social Sciences in China Press from March 2012 to November 2016. He has been an executive member of the China Law Journal Research Association since August 2015; an executive member of the China Securities Law Research Association since May 2016; a part-time researcher of Wuhan University Institute of International Law, a national high-end think tank, since November 2016; an associate researcher and researcher (professor) at the Commercial Law Office in the Institute of Law of the Chinese Academy of Social Sciences since December 2016; an doctoral tutor in Civil and Commercial Law at Southwest University of Political Science and Law since September 2019; an executive member of the China Commercial Law Research Association, an external professor of Lanzhou University, and concurrently an expert member of the Commercial Trial Professional Committee of the China Trial Theory Research Association and an expert member of the Financial Trial Professional Committee since October 2019; and an executive member of the China Bank Law Research Association since November 2020. He also served as an independent director of Haohan Data Technology Co., Ltd. (833175.OC) from September 2016 to June 2020; an independent director of Nanning Department Store Co. Ltd. (600712.SH) from April 2018 to September 2022; an independent director of Shanghai Haohai Biological Technology Co., Ltd. (688366.SH, 06826.HK) since June 2020; an independent director of Chengdu Sino Microelectronics Technology Co., Ltd. (688709.SH) from September 2021 to July 2024; an independent non-executive director of Shenwan Hongyuan Group Co., Ltd. since May 2021; and an independent director of Triangle Tyle Co., Ltd. (601163.SH) since June 2023. Mr. Zhao Lei graduated from the Law Department of Hebei University with a bachelor's degree in July 1999; graduated from Hebei Normal University with a master's degree in economic law in July 2004; and graduated from the Southwest University of Political Science and Law with a doctorate degree in civil and commercial law in July 2007.

## 2. Supervisor

Mr. Jiang Yang (姜楊) currently serves as a supervisor of Shenwan Hongyuan Group Co., Ltd. His main work experience includes: Mr. Jiang Yang was an employee of the retail service management headquarter of Hongyuan Securities Co., Ltd. from July 2001 to June 2010 (during which, he was temporarily transferred to the Financial Work Office of Xinjiang Uygur Autonomous Region from October 2008 to June 2010); he served as the office director of Xinjiang Financial Investment Co., Ltd. from July 2010 to March 2013; the manager of the investment management department of Xinjiang Financial Investment Co., Ltd. from March 2013 to February 2014; an employee director of Xinjiang Kaidi Investment Co., Ltd. from June 2013 to March 2020; and the assistant to the general manager of Xinjiang Financial Investment Co., Ltd. and Xinjiang Kaidi Investment Co., Ltd. from February 2014 to November 2016; he has been a supervisor of Shenwan Hongyuan Securities Co., Ltd. since January 2015; a director of Xinjiang Exchange Market Investment and Construction Group Co., Ltd. since April 2015; and a director of Xinjiang Tianshan Wool Textile Co., Ltd. since August 2016; he served as the chairman of Xinjiang Tianshan Industrial Investment Fund Management Co., Ltd. from September 2016 to October 2018; and the investment director of Xinjiang Kaidi Investment Co., Ltd. from November 2016 to March 2018; he served as the chairman of Xinjiang Tianshan Taifu Equity Investment Fund Management Co., Ltd. from December 2017 to September 2023; a director of Xinjiang Microfinance Refinance Co., Ltd. from March 2018 to December 2021; the executive deputy general manager of Xinjiang Microfinance Refinance Co., Ltd. from March 2018 to June 2019; and the general manager of Xinjiang Microfinance Refinance Co., Ltd. from June 2019 to April 2021; he has been the deputy general manager of Xinjiang Financial Investment (Group) Co., Ltd. (formerly known as Xinjiang Financial Investment Co., Ltd.) since December 2019; a director and the deputy general manager of Xinjiang Kaidi Investment Co., Ltd. since March 2020; he served as a director of Xinjiang Kaidi Mineral Investment Co., Ltd. from March 2020 to March 2023; he has served as the chairman and general manager of Xinjiang Kaidi Mineral Investment Co., Ltd. since March 2023; a supervisor of Shenwan Hongyuan Group Co., Ltd. since May 2021; an executive director and general manager of Xinjiang Kaidi Venture Capital Investment Co., Ltd. since March 2023; a director of Xinjiang Kaidi Real Estate Development Co., Ltd. since April 2023; and the chairman of Xinjiang Pharmaceutical Industry Group Co., Ltd. (新疆醫藥產業集團有限公司) since July 2024. Mr. Jiang Yang obtained a bachelor's degree in economics from Xinjiang University of Finance and Economics majoring in banking and currency in July 2001; and obtained an Executive Master of Business Administration from Xinjiang University of Finance and Economics in December 2014.

### 3. Senior management members

Ms. Ren Quansheng (任全勝) currently serves a member of the Executive Committee and the chief financial officer of Shenwan Hongyuan Group Co., Ltd. Her main work experience includes: she served as a clerk and judge of the People's Court of Chaoyang District of Beijing from August 1992 to June 2000; served as a judge of Beijing Municipal High People's Court from June 2000 to September 2008; successively served as a deputy general manager and the general manager of the legal and compliance department of Hongyuan Securities Co., Ltd. from September 2008 to December 2012; served as the compliance officer of Hongyuan Securities Co., Ltd. from December 2012 to January 2015; served as a deputy general manager of Shenwan Hongyuan Group Co., Ltd. from January 2015 to July 2015; served as a deputy general manager of Shenwan Hongyuan Securities Co., Ltd. from August 2015 to May 2020, during which concurrently served as the compliance director of Shenwan Hongyuan Securities Co., Ltd. from August 2015 to April 2020 and the chief risk officer of Shenwan Hongyuan Securities Co., Ltd. from November 2016 to December 2017, successively took in charge of compliance, risk management, investigation and audit; a deputy general manager of Shenwan Hongyuan Group Co., Ltd. from May 2020 to May 2021; and the secretary to the Board of Directors (acting) of Shenwan Hongyuan Group Co., Ltd. from December 2020 to March 2021; she has been the chief financial officer of Shenwan Hongyuan Group Co., Ltd. since December 2020; a member of the Executive Committee of Shenwan Hongyuan Group Co., Ltd. since May 2021; and has concurrently served as an arbitrator of Beijing Arbitration Commission/Beijing International Arbitration Center since May 2024. Ms. Ren Quansheng graduated from China University of Political Science and Law with a bachelor's degree in law in July 1998; and she graduated from Renmin University of China with a master's degree in law in July 2003.

Mr. Xu Liang (徐亮) currently serves as the secretary to the Board of Directors, joint company secretary and authorized representative, securities affairs representative and general manager of the office of the Board of Directors/strategic management department of Shenwan Hongyuan Group Co., Ltd. His main work experience includes: Mr. Xu was a researcher at the post-doctoral workstation of the Shenzhen Stock Exchange from July 2005 to May 2007; and successively served as the deputy general manager of the risk management department and the deputy general manager of the legal compliance headquarter of Hongyuan Securities Co., Ltd. (presiding work) from May 2007 to August 2009; he served as the director of the supervision office of Hongyuan Securities Co., Ltd. from August 2009 to February 2011, and concurrently served as the director of the office of the board of supervisors of Hongyuan Securities Co., Ltd. from October 2009 to February 2011, the director of the office of the discipline inspection commission of Hongyuan Securities Co., Ltd. from May 2010 to February 2011, and the director of the internal examination committee of securities issuance and the director of internal examination committee of investment banking of Hongyuan Securities Co., Ltd. in succession from August 2009 to January 2015. Mr. Xu served as the director of the office of the board of directors of Hongyuan Securities Co., Ltd. from February 2011 to April 2015, and served as the securities affairs representative from March 2011 to January 2015. He has served as the securities affairs representative of Shenwan Hongyuan Group Co., Ltd. since January 2015; the director of the office of the board of directors of Shenwan Hongyuan Group Co., Ltd. from April 2015 to December 2023; the director of Shenwan Hongyuan Group Co., Ltd. from February 2017 to May 2021; the secretary to the board of directors, joint company secretary and authorized representative of Shenwan Hongyuan Group Co., Ltd. since March 2021; a director of Hongyuan Huizhi Investment Co., Ltd. from November 2013 to May 2024 (during which he concurrently served as the chairman from December 2020 to May 2024); the general manager of the legal risk control department of Shenwan Hongyuan Group Co., Ltd. from February 2017 to March 2020; the chairman of the board of supervisors of Xinjiang Financial

Investment Asset Management Co., Ltd.\* (新疆金投資產管理股份公司) since August 2017; a director of Hongyuan Futures Co., Ltd. since November 2017; a director of Hongyuan Huifu Capital Co., Ltd. from December 2017 to May 2023; the person temporarily in charge of the strategic management department of Shenwan Hongyuan Group Co., Ltd. from September 2021 to December 2023; and the general manager of the office of the Board of Directors/strategic management department of Shenwan Hongyuan Group Co., Ltd. since December 2023. Mr. Xu Liang obtained a bachelor's degree in law from Wuhan University School of Law in June 1997 majoring in economic law, a master's degree in law from Wuhan University School of Law in June 2002 majoring in civil and commercial law, a doctorate degree in law from Wuhan University School of Law in June 2005 majoring in civil and commercial law, and a degree of Executive Master of Business Administration from Cheung Kong Graduate School of Business in September 2015.

Except for those relevant disclosures in this section, there were no other changes in information related to directors, supervisors and senior management of the Company that need to be disclosed in this report in accordance with Rule 13.51B(1) of the Hong Kong Listing Rules.

## VII. EMPLOYEES AND REMUNERATION POLICIES

### (I) Number of Employees

As of June 30, 2024, the Company had a total of 11,597 employees (including 300 securities brokerage agents), of which, Shenwan Hongyuan Group had 93 employees, Shenwan Hongyuan Securities and its subsidiaries had 10,921 employees (of which Shenwan Hongyuan Securities had 7,412 employees, its subsidiaries had 3,509 employees in total), and other subsidiaries had 583 employees.

### (II) Remuneration Policy

The Company focuses on serving the national strategy, adheres to the sound operation philosophy, takes the remuneration distribution system combining incentives and constraints as the core, and establishes a remuneration system with both efficiency and fairness. The remuneration includes basic remuneration, annual performance-based remuneration, special allowances, benefits, long-term incentives, etc. Based on the economic benefits of the Company, the Company strengthens the dynamic monitoring and control of labor costs, implements the management of total payroll, constantly improves the labor production efficiency, and promotes the sustainable, stable and healthy development of the Company. In light of the differences in qualifications and abilities of employees, the Company has established a basic remuneration system for employees with job requirements and performance standards as the core, and directly links employees' compensation with the performance of the Company, departments and employees through performance evaluation, reflecting incentives orientation in line with responsibility, risk and return. The Company pays social insurance and housing provident fund for employees in accordance with relevant national regulations; and provides enterprise annuity and supplementary medical insurance to employees in order to improve their welfare level.

### (III) Training

Under the guidance of the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Company in-depth studied and implemented the spirit of the central financial work conference, closely centered on the new round of development strategies of the Company, strictly followed up the cadre education training work requirements, adhered to the principle of practical work, constantly improved the Party spirit and accomplishment, management capability and professional ability of all cadres and staff. Firstly, strengthened the top-level design. According to the relevant requirements of the central government and China Investment Corporation on the new round of cadre education and training plan, combined with



the actual condition of the Company, the Company has formulated and implemented the Cadre Education and Training Plan of Shenwan Hongyuan Group Co., Ltd. and Shenwan Hongyuan Securities Co., Ltd. (2023-2027). Secondly, continued to strengthen the Party's theoretical knowledge. The Company has adhered to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, fully exerted the role of the Party school of the Company as the main front and primary channel of cadres and Party members training and serving the development of the Company, to cultivate a high-quality cadre team with political competence, and financial work capability and skills in the new era. Thirdly, continued to implement and optimize the hierarchical and classified training system. The Company has focused on the main thoughts of "optimizing the general, adjusting the structure, improving the ability and consolidating the mechanism", and cultivated a high-quality cadre and talent team with political competence, professional outstanding and remarkable pursuit. Fourthly, continued to implement business empowerment. The Company has combined with business timing, prevailing trend and demand, made full use of various forms to carry out business training.

#### VIII. PROFIT DISTRIBUTION PLAN AND PLAN FOR CONVERSION OF CAPITAL RESERVE INTO SHARE CAPITAL DURING THE REPORTING PERIOD

Number of bonus shares for every 10 shares (share)	0
Amount of dividend for every 10 shares (RMB) (tax inclusive)	0.17
Number of shares converted for every 10 shares (share)	0
Basis of the shares for the distribution proposal (share)	25,039,944,560
Amount of cash dividends (RMB) (tax inclusive)	425,679,057.52
Amount of cash dividends in other ways (e.g. repurchase of shares) (RMB)	0.00
Total amount of cash dividends (including other ways) (RMB)	425,679,057.52
Distributable profit (RMB)	3,122,986,082.82
Percentage of total cash dividends (including other ways) in total amount of profit distribution	100%

##### Cash Dividends

1. Based on the total share capital of 25,039,944,560 A Shares and H Shares of the Company as of June 30, 2024, a cash dividend of RMB0.17 (tax inclusive) for every 10 shares was distributed to all A shareholders and H shareholders whose names appear on the register of members of the Company on the record date, with a total amount of cash dividend of RMB425,679,057.52.
2. Cash dividend is denominated and declared in RMB and paid to A shareholders in RMB and to H shareholders in HKD. The actual distribution amount in HKD was calculated at the average benchmark exchange rate of RMB against HKD published by the People's Bank of China five business days prior to the general meeting of the Company.

The Company will take into account the amount of the interim profit distribution that has been paid out when formulating the annual profit distribution plan for 2024. If there is any change in the total share capital of the Company during the period from the date of disclosure of the profit distribution proposal to the record date for the implementation of the equity distribution, the Company intends to maintain the total distribution amount unchanged and adjust the distribution ratio per share accordingly.

This proposal is subject to the consideration and approval at the general meeting of the Company.

## Explanations on Details of the Proposal for Profit Distribution or Conversion of Capital Reserve into Share Capital

According to the audited financial statements of the Group for the year 2023, as of December 31, 2023, the balance of the audited undistributed profit of the Company was RMB2,786,799,567.41, plus unaudited profit for the period of RMB1,738,423,410.77 for the first half of 2024, after deducting the cash dividends of RMB1,402,236,895.36 in 2023, the balance of the unaudited distributable profit of the Company at the end of June 2024 was RMB3,122,986,082.82. In the first half of 2024, the Group achieved consolidated unaudited profit for the period attributable to shareholders of the Company of RMB2,128,071,818.55.

In order to better reward investors for their support to the Company, safeguard the interests of investors, and boost investors' confidence in long-term investment, in accordance with the profit distribution policy stipulated in the Articles of Association and the Resolution regarding the Arrangement of Interim Profit Distribution for 2024 considered and approved at the annual general meeting, and taking into account the actual situation of the Company, the Company has formulated the interim profit distribution proposal for 2024 as follows:

1. Based on the total share capital of 25,039,944,560 A Shares and H Shares of the Company as of June 30, 2024, a cash dividend of RMB0.17 (tax inclusive) for every 10 shares was distributed to all A shareholders and H shareholders whose names appear on the register of members of the Company on the record date, with a total amount of cash dividend of RMB425,679,057.52. The total amount of cash dividends accounts for 20.00% of the profit for the period of the Group attributable to shareholders of the Company achieved in the first half of 2024.
2. Cash dividend is denominated and declared in RMB and paid to A shareholders in RMB and to H shareholders in HKD. The actual distribution amount in HKD was calculated at the rate of average benchmark exchange rate of RMB against HKD published by the People's Bank of China five business days prior to the general meeting of the Company.

The Company will take into account the amount of the interim profit distribution that has been paid out when formulating the annual profit distribution plan for 2024. If there is any change in the total share capital of the Company during the period from the date of disclosure of the profit distribution proposal to the record date for the implementation of the equity distribution, the Company intends to maintain the total distribution amount unchanged and adjust the distribution ratio per share accordingly.

This proposal is subject to the consideration and approval at the general meeting of the Company. The Company will distribute the cash dividend within two months after the consideration and approval of the 2024 interim profit distribution proposal at the general meeting. The Company will make a separate announcement regarding the record date, specific payment date and other matters of the cash dividend payment.

## IX. IMPLEMENTATION OF THE COMPANY'S EQUITY INCENTIVE PLAN, EMPLOYEE SHARE OWNERSHIP PLAN OR OTHER EMPLOYEE INCENTIVE MEASURES

During the Reporting Period, the Company had no equity incentive plan, employee share ownership plan or other employee incentive measures or the implementation thereof.



## Section V Environmental and Social Responsibility

### I. INFORMATION ON PROTECTION OF ECOLOGY, POLLUTION CONTROL, AND FULFILLMENT OF ENVIRONMENTAL RESPONSIBILITIES

As a proactive response to the national call for green development, the Company, relying on its own business characteristics and advantages, promotes green and low-carbon development with professional finance, pushes ahead the effective combination of climate change management and “dual-carbon” practice and business, integrates the responsible investment concept into the investment decision-making process, and improves the environmental and social benefits of investment behavior. Besides, the Company focuses on its own green and low-carbon operations to contribute to the fight against climate change.

- (I) Underwrote, issued and invested in green financial products. In the first half of 2024, the Company underwrote and issued a total of 8 green bonds, with an actual underwriting amount of RMB4.320 billion and a total underwriting amount of RMB22.7 billion. The underwriting amount of green bonds (including ABS asset securitization products) of Shenwan Hongyuan ranked first in the first quarter of 2024 in the specialized statistics of bond underwriting business of securities companies published by Securities Association of China. On the retail side, the Company issued 25 tranches of green bond-linked structured notes, with a cumulative amount of RMB548 million, and 5 tranches of ESG-linked structured notes, with a cumulative amount of nearly RMB40 million, providing more choices for individual clients to start green investment. Besides, the Company actively practiced the concept of green development and participated in green bond investments. As at the end of June 2024, the balance of green bond investments exceeded RMB5 billion.
- (II) Improved environmental and climate risk management system. The Company formulated and published the “Measures for Climate Risk Management”, incorporated environmental and climate risk factors into risk management tools such as internal rating systems and negative lists under the existing frameworks, conducted daily monitoring of the environmental and climate risk information of the relevant businesses, and established and improved an environmental and climate risk management mechanism which is in line with its strategic planning and development practices, and effectively controlled environmental and climate risks.

- (III) Actively launched ESG-related research and application. As the vice-chairman of China Green Carbon Foundation, SWS Research has always been practicing the concept of green development. Combined with the strengths of the research team, SWS Research has strengthened its research and service efforts in the fields of green manufacturing, energy, power, and energy-saving, and continuously enhanced the ability of green securities to serve the real economy. The Company published the White Paper on ESG Rating System for Central Enterprises, independently rated nearly 200 central enterprises covering seven major industries including transportation, real estate, petrochemicals and etc., and actively exchanged ESG management experience with listed companies in a two-way manner. Within the framework of fundamental investment research, the Company incorporates ESG scores into its valuation model and investment decision-making considerations, and conducts continuous tracking during the pre-investment and post-investment processes, so that if the ESG score of a certain entity is too low, the Company will impose investment restrictions or quota management on it. As a joint applicant, the Company, together with Beijing Green Exchange and China Environmental Protection Industry Association, compiled the “CCER Methodology for Anaerobic Treatment and Resource Utilization of Organic Solid Waste”, which is planned to be applied to a project of a comprehensive organic waste resource utilization treatment center in Tongzhou District, Beijing.

## II. CONSOLIDATION AND EXPANSION OF THE ACHIEVEMENTS IN POVERTY ALLEVIATION AND RURAL REVITALIZATION

In the first half of 2024, the Company actively served the national strategy of rural revitalization and promoted the smooth commencement of helping work in six counties, including Huining in Gansu and Jimunai in Xinjiang. The Company has received the following honors, including the “Women’s Public Welfare Contribution Unit” from the China Women’s Development Foundation, the “Most Socially Responsible Award” from the China Social Welfare Foundation, the “Excellent Case of Financial Support for Rural Revitalization” from the Financial Times, the first prize in the essay activity on the theme of “Following the Party with a Concentrated Soul, Striving for a New Journey with Unity”, the second prize in the cases on the theme of “People’s Finance, Building a New Soul through Learning”.

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- (I) Seized the main line of industrial revitalization, the Company has orderly promoted industrial assistance projects. Since 2024, the Company has made use of its professional strength to assist in the consolidation of state-owned assets in Huining County, and orderly promoted several projects in Huining County such as drought emergency water source project, construction of roads for rural industrialization, insurance and futures for agricultural products, renovation and upgrading of sheep deep processing center in Huining, Science and Technology Yard of the China Agricultural University, and construction of e-commerce in Huining County, which have strongly supported the development of the local industries.
- (II) Broadened the idea, innovated measures, and strived to achieve high quality help. The Company actively innovated the assistance measures and introduced remote teaching station of Tsinghua University and summer practice team of Central University of Finance and Economics in Huining. The first Shenwan Hongyuan staff training course on rural revitalization was held at the Cadre College in Huining to cultivate more talents. The Company launched the “Art Changes the Countryside” project, proposing new concepts for the artistic transformation and brand marketing of agricultural and sideline products, which was reported by the People’s Daily, China Silk Road, Phoenix and other media. The Company organized the “1+N” Love Factory to provide employment opportunities for accompanying mothers and left-behind mothers.
- (III) Focused on the promotion of high-quality development momentum, and made great efforts to promote the culture of each individual’s participation in assistance. The Company called on employees to actively promote products distribution and helped sell 2,148 boxes of apples, benefiting hundreds of farmers. Employees initiated the “Winter Warming Program” to donate materials to students in difficulty and some women in distress in Huining County. The Company made donation to the construction of the “School Broadcasting Station”, which was a timely solution to the school’s problem of not being able to set up the station as planned due to lack of funds. In the first half of 2024, Shenwan Hongyuan invested RMB13.324 million in assistance funds in Huining County and RMB4.566 million in other assisted regions, and have exceeded the targets for “introduction of compensated assistance funds” and “assistance through consumption”.

## Section VI Significant Events

### I. UNDERTAKINGS

There is no undertaking that was accomplished during the Reporting Period or that exceeded the time limit and unaccomplished by the actual controller, shareholders, related parties, acquirers and the Company and other related parties as of the end of the Reporting Period.

### II. APPROPRIATION OF NON-OPERATING CAPITAL ON THE COMPANY BY THE CONTROLLING SHAREHOLDER AND OTHER RELATED PARTIES

During the Reporting Period, the controlling shareholder and other related parties did not have any appropriation of non-operating capital on the Company.

### III. ILLEGAL EXTERNAL GUARANTEES

During the Reporting Period, the Company did not provide any illegal external guarantees.

### IV. APPOINTMENT AND DISMISSAL OF ACCOUNTING FIRMS

#### (I) Audit of the interim financial report for 2024 of the Company

The interim financial report for 2024 of the Company is unaudited.

#### (II) Appointment of accounting firm

On July 31, 2024, the Resolution Regarding the Appointment of Auditors for Interim Review Service of the Company for 2024 was considered and approved at the 28th meeting of the fifth session of the Board of Directors of the Company, pursuant to which it was approved to appoint KPMG Huazhen LLP and KPMG to provide interim review service for the Company in 2024, and issue interim review reports in accordance with the Accounting Standards for Enterprises of China and the International Financial Reporting Standards, respectively.

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V. EXPLANATION OF THE BOARD OF DIRECTORS AND THE BOARD OF SUPERVISORS ON THE “NON-STANDARD AUDIT REPORT” ISSUED BY THE ACCOUNTING FIRM FOR THE REPORTING PERIOD

N/A

VI. EXPLANATION OF THE BOARD OF DIRECTORS ON THE “NON-STANDARD AUDIT REPORT” FOR THE LAST YEAR

N/A

VII. MATTERS RELATED TO BANKRUPTCY AND REORGANISATION

N/A

VIII. LITIGATIONS

**(I) Overall situation**

During the Reporting Period, the Company had no material litigation or arbitration of which the respective amount exceeds 10% of the absolute value of the latest audited net assets of the Company and the absolute amount exceeds RMB10 million, and the aggregated amount of the litigation and arbitration in the past twelve months does not exceed 10% of the absolute value of the latest audited net assets of the Company.

**(II) Litigations of the Company and its subsidiaries (excluding Shenwan Hongyuan Securities) during the Reporting Period**

There was no additional litigations and arbitrations of significance of the Company and its subsidiaries during the Reporting Period.

**(III) Disclosed and progressive litigations and arbitrations of Shenwan Hongyuan Securities (a subsidiary of the Company) (referred to as the “company” in this sub-section for the purpose of being clear and concise) and its subsidiaries during the Reporting Period**

**1. The case of the dispute over the pledged securities repurchase raised by the company against Peng Peng and Wei Yueping**

From August to September 2016, Shenwan Hongyuan Securities Co., Ltd. and Peng Peng entered into the Business Agreement on Pledged Securities Repurchase of the Shares and the Agreement on Pledged Securities Repurchase of the Shares, pursuant to which, Peng Peng raised funds from the company. Wei Yueping, as the spouse of Peng Peng, shall assume joint and several liability. During the performance of the agreements, Peng Peng failed to pay interest in accordance with the agreements, failed to take measures to restore the performance guarantee ratio to be above the agreed warning value when the performance ratio was lower than the warning line. In order to protect its legitimate rights and interests, the company filed a lawsuit with the Shanghai Financial Court, requiring Peng Peng to repay the principal of RMB91,460,000 and pay related interests and liquidated damages and Wei Yueping to bear joint repayment responsibilities. In July 2019, the court made a first-instance judgment in favour of the company’s claims. In August 2019, the company applied to the court for enforcement. In July 2020, as the company applied to the court to suspend the disposal of the pledged shares, the court ruled to terminate the enforcement procedure. In June 2022, the company applied to the court for the resumption of enforcement. In December 2022, the court ruled to resume the enforcement. On July 26, 2024, a notice of final execution was received from the court and the case was closed.

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**2. The cases of the dispute over the pledged securities repurchase raised by the company against Ke Zonggui and Chen Seqin**

In July 2017, the company and Ke Zonggui entered into the Business Agreement on Pledged Securities Repurchase of the Shares and the Agreement on Pledged Securities Repurchase of the Shares, the company granted an amount of RMB90 million to Ke Zonggui. Chen Seqin, as the spouse of Ke Zonggui, shall bear joint and several liability, and Ma Meirong shall provide guarantee for the pledge. During the performance of the agreements, Ke Zonggui repaid part of the principal. Subsequently, Ke Zonggui failed to pay interest in accordance with the agreements, and has not completed the repurchase transaction, which constituted a breach of contract. In order to protect its legitimate rights and interests, the company filed a lawsuit with the People's Court of Xuhui District of Shanghai, requesting repayment of principal of RMB21.73 million and the corresponding interests, liquidated damages, etc. In August 2020, the People's Court of Xuhui District of Shanghai accepted the case. In August 2021, the People's Court of Xuhui District of Shanghai issued the first-instance judgment in favour of the company's claims, and Ke Zonggui appealed later. In June 2022, the Shanghai Financial Court made a second-instance judgment, dismissing the appeal and upholding the original judgment. Thereafter, Chen Seqin applied to the Shanghai High People's Court for a retrial. In April 2023, the company received a ruling from the Shanghai High People's Court, ordering the Shanghai Financial Court to have a retrial and suspend the execution of the original judgment during the retrial. In July 2023, the company received a ruling from the Shanghai Financial Court to revoke the original judgment of the first and second instance and return it to the People's Court of Xuhui District of Shanghai for retrial. In July 2024, the company received a first-instance judgment of the retrial from the People's Court of Xuhui District in favour of the company's main claims.

**3. The case of dispute over the asset management contract between Shandong Laizhou Rural Commercial Bank Co., Ltd. (山東萊州農村商業銀行股份有限公司) and the company**

Shandong Laizhou Rural Commercial Bank Co., Ltd. (山東萊州農村商業銀行股份有限公司) (the "Applicant") initiated an arbitration against Shenwan Hongyuan Securities Co., Ltd. in Shanghai International Economic and Trade Arbitration Commission due to the dispute over the asset management contract. The applicant is the principal of the asset management plan managed by Shenwan Hongyuan Securities Co., Ltd. Due to the dispute over the operation of the asset management plan, the applicant requested the company to return the entrusted funds and to compensate for investment losses, management fees and custody fees, totaling more than RMB76 million. On March 15, 2022, the company received the arbitration notice. In April 2024, the company received an arbitration award rejecting all of the applicant's arbitration claims, and the case was closed.

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**4. The case of dispute over the entrusted financial management contract raised by Hubei Xiangyang Rural Commercial Bank Co., Ltd. (湖北襄陽農村商業銀行股份有限公司) against the company**

Hubei Xiangyang Rural Commercial Bank Co., Ltd. (湖北襄陽農村商業銀行股份有限公司) (the “Applicant”) initiated an arbitration against Shenwan Hongyuan Securities Co., Ltd. and the custodian of the asset management plan in the Wuhan Arbitration Commission due to the dispute over the entrusted wealth management contract. The Applicant is the principal of the asset management plan managed by the company. Due to the dispute over the operation of the asset management plan, the Applicant requested the company to compensate the principal, expected loss of interest and management fees, totaling more than RMB76 million, and requested the custodian to assume supplementary responsibilities. On March 4, 2022, the company received the arbitration notice from the Wuhan Arbitration Commission. In January 2024, the company received the ruling paper, and did not need to assume any legal liabilities, and the case was closed.

**5. The case of dispute over pledged securities repurchase agreement raised by the company against Kerui Tiancheng Investment Holdings Co., Ltd. (科瑞天誠投資控股有限公司) and Ningbo Kerui Jinding Investment Partnership (Limited Partnership) (寧波科瑞金鼎投資合夥企業(有限合夥))**

In March 2017, the company entered into the Business Agreement on Pledged Securities Repurchase of the Shares with Kerui Tiancheng Investment Holdings Co., Ltd. (科瑞天誠投資控股有限公司) (“Kerui Tiancheng”), and subsequently entered into seven copies of the Agreement on Pledged Securities Repurchase of the Shares, pursuant to which, Kerui Tiancheng injected funds to the company. Later, both parties extended the above-mentioned transaction contracts. Ningbo Kerui Jinding Investment Partnership (Limited Partnership) (寧波科瑞金鼎投資合夥企業(有限合夥)) (“Ningbo Jinding”) shall bear joint and several liabilities. In August 2020, the company entered into the Supplementary Agreement with Kerui Tiancheng, and both parties entered into the Tripartite Agreement on Pledge of Accounts Receivable with Ningbo Jinding and others. In January 2022, Kerui Tiancheng failed to increase the performance guarantee ratio or repurchase in advance as required by the company, which constituted a breach of contract. In order to protect its legitimate rights and interests, the company filed a lawsuit with Shanghai Financial Court, requesting Kerui Tiancheng to pay the company the outstanding principal of RMB1.8 billion and related interests, liquidated damages and interest overdue fines. Ningbo Jinding shall be jointly and severally liable for the above debts. In March 2022, the Shanghai Financial Court accepted the case. In September 2022, the Shanghai Financial Court ruled that Kerui Tiancheng should pay the company the principal of RMB1.8 billion and related interests, liquidated damages and interest overdue fines within ten days from the date of the judgment coming into force. The company has the priority over the shares pledged by Kerui Tiancheng and its accounts receivable from Ningbo Jinding, but other claims were not supported by the court. The company applied to the court for compulsory enforcement. In July 2023, the pledged shares were judicial sold. In January 2024, as it was found that the party subject to enforcement had no other property available for enforcement, the court ruled to terminate the enforcement in accordance with the law, and the case was closed.

**6. The case of trust loan default raised by Shenyin & Wanguo Alternative Investment Co., Ltd. (申銀萬國創新證券投資有限公司) against Zhongke Construction and Development Corporation (中科建設開發總公司) and others**

In 2016, Shenyin & Wanguo Alternative Investment entered into a trust contract with China Everbright Xinglong Trust Co., Ltd. (“Everbright Trust”), pursuant to which, Shenyin & Wanguo Alternative Investment agreed to deliver to Everbright Trust the trust capital in the aggregated amount of RMB300 million, Everbright Trust shall grant trust loan to Zhongke Construction and Development Corporation (“Zhongke Construction”), and Zhongke Longxuan Engineering Project Management (Hai’an) Co., Ltd. (中科龍軒工程項目管理海安有限公司) shall provide guarantee for the pledge. Zhongke Construction later failed to pay the relevant interest after being notified repeatedly, constituting an event of default. Subsequently, Everbright Trust and Shenyin & Wanguo Alternative Investment agreed to terminate the trust contract, and Everbright Trust assigned to Shenyin & Wanguo Alternative Investment all of its rights under the creditor’s right and guarantee right. In September 2018, Shenyin & Wanguo Alternative Investment filed a civil complaint to the Gansu High People’s Court requesting the judgment that Zhongke Construction shall repay Shenyin & Wanguo Alternative Investment a loan principal of RMB300 million and the accrued interest, the penalty interest and the attorney fee, and Zhongke Longxuan shall be jointly liable for the aforesaid petition. In November 2020, Shenyin & Wanguo Alternative Investment received the first instance ruling of the case, and the court ruled to reject its prosecution. Later, Shenyin & Wanguo Alternative Investment appealed the ruling. In August 2021, Shenyin & Wanguo Alternative Investment received the ruling from the Supreme Court that the first instance ruling was revoked and the court of first instance shall perform retrial. In September 2023, the Gansu High People’s Court made a first-instance judgment. Subsequently, Shenyin & Wanguo Alternative Investment appealed to the High People’s Court against the first instance judgment. On April 24, 2024, the Supreme Court made a second-instance judgment which partially supported the appeal claims of Shenyin & Wanguo Alternative Investment.

**7. The case of the dispute arbitration over the contract between Shenyin & Wanguo Alternative Investment Co., Ltd. and Shanghai Worldunion Equity Investment Management Co., Ltd.**

In November 2015, Shenyin & Wanguo Alternative Investment and Shanghai Worldunion Equity Investment Management Co., Ltd. (“Shanghai Worldunion”), etc. entered into the Partnership Agreement on Shanghai Qihao Investment Partnership (Limited Partnership). In November 2016, Shenyin & Wanguo Alternative Investment and Shanghai Worldunion entered into the Supplemental Agreement on Shanghai Qihao Investment Partnership (Limited Partnership). Subsequently, Shanghai Worldunion failed to perform the relevant obligations according to the agreement. In order to protect its legitimate rights and interests, Shenyin & Wanguo Alternative Investment applied to the Shanghai International Economic and Trade Arbitration Commission for arbitration, requiring Shanghai Worldunion to perform its acquisition obligations, and pay the investment funds and the agreed repurchase interests in a total amount of RMB61.7854 million. In April 2021, the Shanghai International Economic and Trade Arbitration Commission accepted the case. In July 2022, the parties reached a settlement agreement. As Shanghai Worldunion failed to fulfill the arbitration settlement agreement, Shenyin & Wanguo Alternative Investment applied to the Shanghai Financial Court for compulsory execution. Subsequently, the parties reached an enforcement settlement agreement,

but Shanghai Worldunion did not fully fulfill the enforcement settlement agreement, and in July 2024, Shenyin & Wanguo Alternative Investment submitted an application to the court for resumption of enforcement. Up to now, this case is still in the process of execution.

## IX. PENALTIES AND RECTIFICATIONS

During the Reporting Period, the Company was not filed for investigation in accordance with laws due to any suspected crimes, and the controlling shareholder, actual controller, directors, supervisors and senior management of the Company were not subject to compulsory measures in accordance with laws due to any suspected crimes. The Company or the controlling shareholder, actual controller, directors, supervisors and senior management of the Company were not subject to criminal penalties, or were investigated by the CSRC or were subject to administrative penalties by the CSRC for suspected violations of laws and regulations, or were subject to major administrative penalties by other competent authorities. The controlling shareholder, actual controller, directors, supervisors and senior management of the Company were not subject to retention measures taken by the discipline inspection and supervision organs due to suspected serious violations of disciplines or laws or duty crimes that affect their performance of their duties. The directors, supervisors and senior management of the Company were not subject to compulsory measures taken by other competent authorities due to suspected violations of laws and regulations that affect their performance of their duties.

During the Reporting Period, the Company or the controlling shareholder and actual controller of the Company were not subject to administrative supervision measures taken by the CSRC or disciplinary sanctions taken by the stock exchanges.

## X. THE CREDITWORTHINESS OF THE COMPANY AND ITS CONTROLLING SHAREHOLDER AND ACTUAL CONTROLLER

During the Reporting Period, none of the Company, JIC (the controlling shareholder) or Central Huijin (the actual controller) failed to perform any effective legal instruments of a court or repay outstanding debts with relatively material amounts.

## XI. MATERIAL RELATED PARTY TRANSACTIONS

### (I) Related party transactions in the ordinary course of business of the Company during the Reporting Period

During the Reporting Period, the Company carried out ordinary related party transactions in strict accordance with the Resolution Regarding the Estimated Ordinary Related Party Transactions for 2024 as considered and approved at the 2023 annual general meeting. The implementation is as follows:

Unit: Ten thousand Yuan Currency: RMB

Category of Related Party Transaction	Related Party	Subject Matter of Related Party Transaction	Pricing Principle of the Related Party Transaction	Estimated Cap and Explanation Thereon	Related Party Transaction Amount	Proportion in Similar Transactions (%)
Securities and financial services	China Jiayin Investment Ltd. and its subsidiaries	Income from provision of securities and financial services, such as securities brokerage, investment banking, asset management, agency sale, leasing trading units, investment advisors, consulting, fund custodian and services, to the related party	Determined after arm's length negotiations with reference to the market rates and industry practices	Due to the uncertainty of business occurrence and scale, it is calculated based on the actual amount	1,697.27	0.638
		Expenses incurred by acceptance of securities and financial services, such as fund management, provided by the related party			0.00	-
	Fullgoal Fund Management Co., Ltd.	Income from provision of securities and financial services, such as securities brokerage, agency sale and leasing trading units, to the related party	Determined after arm's length negotiations with reference to the market rates and industry practices	Due to the uncertainty of business occurrence and scale, it is calculated based on the actual amount	2,658.54	1.314
	Bank of Shanghai Co., Ltd.	Income from deposit interest and from provision of securities and financial services, such as securities brokerage, asset management, agency sale and investment banking, to the related party	Determined after arm's length negotiations with reference to the market rates and industry practices	Due to the uncertainty of business occurrence and scale, it is calculated based on the actual amount	3,640.55	2.211
		Expenses incurred by acceptance of securities and financial services, such as asset trusteeship, financial advisory and funds trusteeship, provided by the related party			49.84	0.732

Category of Related Party Transaction	Related Party	Subject Matter of Related Party Transaction	Pricing Principle of the Related Party Transaction	Estimated Cap and Explanation Thereon	Related Party Transaction Amount	Proportion in Similar Transactions (%)
	Xinjiang Financial Investment (Group) Co., Ltd.	Income from provision of securities and financial services, such as investment banking, securities brokerage and agency securities pledge, to the related party	Determined after arm's length negotiations with reference to the market rates and industry practices	Due to the uncertainty of business occurrence and scale, it is calculated based on the actual amount	0.00	-
	Shanghai Jiushi (Group) Co., Ltd.	Income from provision of securities and financial services, such as investment banking, securities brokerage and asset management, to the related party	Determined after arm's length negotiations with reference to the market rates and industry practices	Due to the uncertainty of business occurrence and scale, it is calculated based on the actual amount	0.05	0.000
	Other related parties of the Company except those listed above	Income or expenses in relation to mutual provision of securities and financial services with the related party	Determined after arm's length negotiations with reference to the market rates and industry practices	Due to the uncertainty of business occurrence and scale, it is calculated based on the actual amount	0.00	-
Securities and financial products transactions	China JIANYIN Investment Ltd. and its subsidiaries	Total cash inflow from securities and financial products transactions, such as principal on positive repurchase transaction, interests on reverse repurchase transaction, bonds trading with the related party and subscription of financial products under non-public issuance or management of the Company by the related party	Determined after arm's length negotiations by both parties with reference to the market prices or market rates	Due to the unpredictability of the securities market and the unpredictable trading volume, it is calculated based on the actual amount	108,811.62	0.148
		Total cash outflow for securities and financial products transactions, such as principal on reverse repurchase transaction, payment of interests on positive repurchase transaction, bonds trading with the related party and subscription of financial products under non-public issuance or management of the related party			21,813.08	0.039

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Category of Related Party Transaction	Related Party	Subject Matter of Related Party Transaction	Pricing Principle of the Related Party Transaction	Estimated Cap and Explanation Thereon	Related Party Transaction Amount	Proportion in Similar Transactions (%)
	Fullgoal Fund Management Co., Ltd.	Total cash inflow from securities and financial products transactions, such as receipt of interests on repurchase transaction and interbank lending, repurchase transaction, bonds trading, interbank lending, derivatives trading with the related party and subscription of financial products under non-public issuance or management of the Company by the related party	Determined after arm's length negotiations by both parties with reference to the market prices or market rates	Due to the unpredictability of the securities market and the unpredictable trading volume, it is calculated based on the actual amount	1,016.46	0.001
		Total cash outflow for securities and financial products transactions, such as payment of interests on repurchase transaction and interbank lending, repurchase transaction, interbank lending, bonds trading, derivatives trading with the related party and subscription of financial products under non-public issuance or management of the related party			0.00	-

Category of Related Party Transaction	Related Party	Subject Matter of Related Party Transaction	Pricing Principle of the Related Party Transaction	Estimated Cap and Explanation Thereon	Related Party Transaction Amount	Proportion in Similar Transactions (%)
	Shanghai Jiushi (Group) Co., Ltd.	Total cash inflow from securities and financial products transactions, such as repurchase transaction, bonds trading, derivatives trading with the related party and subscription of financial products under non-public issuance or management of the Company by the related party	Determined after arm's length negotiations by both parties with reference to the market prices or market rates	Due to the unpredictability of the securities market and the unpredictable trading volume, it is calculated based on the actual amount	0.00	-
		Total cash outflow for securities and financial products transactions, such as payment of interests on repurchase transaction, bonds trading, derivatives trading with the related party and subscription of financial products under non-public issuance of the related party			5.64	0.016
	Bank of Shanghai Co., Ltd.	Total cash inflow from securities and financial products transactions, such as borrowings, receipt of interests on repurchase transaction and interbank lending, repurchase transaction, bonds trading, interbank lending, derivatives trading with the related party and subscription of financial products under non-public issuance or management of the Company by the related party	Determined after arm's length negotiations by both parties with reference to the market prices or market rates	Due to the unpredictability of the securities market and the unpredictable trading volume, it is calculated based on the actual amount	238,302.72	0.110

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Category of Related Party Transaction	Related Party	Subject Matter of Related Party Transaction	Pricing Principle of the Related Party Transaction	Estimated Cap and Explanation Thereon	Related Party Transaction Amount	Proportion in Similar Transactions (%)
		Total cash outflow for securities and financial products transactions, such as payment of borrowings, interests on repurchase transaction and interbank lending, repurchase transaction, interbank lending, bonds trading, derivatives trading with the related party and subscription of financial products under non-public issuance or management of the related party			14,319.91	0.023
	Xinjiang Financial Investment (Group) Co., Ltd.	Total cash inflow from securities and financial products transactions, such as bonds trading, derivatives trading with the related party and subscription of financial products under non-public issuance or management of the Company by the related party	Determined after arm's length negotiations by both parties with reference to the market prices or market rates	Due to the unpredictability of the securities market and the unpredictable trading volume, it is calculated based on the actual amount	0.00	-
		Total cash outflow for securities and financial products transactions, such as bond trading, derivatives trading with the related party and subscription of financial products under non-public issuance of the related party			7,000.00	1.689

Category of Related Party Transaction	Related Party	Subject Matter of Related Party Transaction	Pricing Principle of the Related Party Transaction	Estimated Cap and Explanation Thereon	Related Party Transaction Amount	Proportion in Similar Transactions (%)
	Other related parties of the Company except those listed above	Total cash inflow from securities and financial products transactions, such as receipt of interests on repurchase transaction and interbank lending, repurchase transaction, bonds trading, interbank lending, derivatives trading with the related party and subscription of financial products under non-public issuance or management of the Company by the related party	Determined after arm's length negotiations by both parties with reference to the market prices or market rates	Due to the unpredictability of the securities market and the unpredictable trading volume, it is calculated based on the actual amount	0.00	-
		Total cash outflow for securities and financial products transactions, such as payment of interests on repurchase transaction and interbank lending, repurchase transaction, interbank lending, bonds trading, derivatives trading with the related party and subscription of financial products under non-public issuance or management of the related party			0.00	-
Comprehensive services	China Jiayin Investment Ltd. and its subsidiaries	Expenses incurred by acceptance of the services, such as maintenance of computer room, provided by the related party	Determined after arm's length negotiations by both parties with reference to the market prices	RMB11.6 million	0.00	-
Lease	China Jiayin Investment Ltd. and its subsidiaries	Expenses incurred by the property leasing from the related party	Determined after arm's length negotiations by both parties with reference to market rentals	RMB8.7 million <sup>Note</sup>	1,653.29 <sup>Note</sup>	5.953

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Category of Related Party Transaction	Related Party	Subject Matter of Related Party Transaction	Pricing Principle of the Related Party Transaction	Estimated Cap and Explanation Thereon	Related Party Transaction Amount	Proportion in Similar Transactions (%)
	Xinjiang Financial Investment (Group) Co., Ltd.	Expenses incurred by the property leasing from the related party	Determined after arm's length negotiations by both parties with reference to market rentals	RMB500,000	0.00	-

Note: The estimated property lease expense of RMB8.70 million for 2024 with China Jianyin Investment Ltd. and its subsidiaries was calculated based on a one-year period, and the estimated amount will be increased proportionally if it exceeds one year. The amount covers two property lease contracts entered into with China Jianyin Investment Ltd. and its subsidiaries in January 2024 with lease terms ranging from 1 to 5 years. The total lease amount of these two contracts is RMB16.5329 million, of which the property lease amount for the year from December 24, 2023 to December 23, 2024 is RMB4.9552 million.

### (II) Related party transactions arising from acquisition or disposal of assets or equity interests

During the Reporting Period, the Company did not conduct any related party transaction in relation to acquisition or disposal of assets or equity interests.

### (III) Related party transactions in relation to joint external investment

During the Reporting Period, the Company did not conduct any related party transaction in relation to joint external investment.

### (IV) Amounts due to or from related parties

During the Reporting Period, the Company did not have any amount due to or from related parties.

### (V) Transactions with related finance companies

N/A

### (VI) Transactions between finance companies controlled by the Company and related parties

N/A

### (VII) Other material related party transactions

During the Reporting Period, the Company did not have other material related party transactions.

During the Reporting Period, the Company incurred welfare donation expenses to the Shanghai Shenwan Hongyuan Public Welfare Foundation of RMB6.8240 million.

## XII. MATERIAL CONTRACTS AND PERFORMANCE THEREOF

### (I) Material holding in custody, contracting or leasing

The Company had no material holding in custody, contracting or leasing during the Reporting Period.

### (II) Cumulative and current material guarantees of the Company during the Reporting Period

The Company had no unconsolidated guarantees.

The cumulative and current guarantees of the Company are as follows:

(Currency: RMB)

External guarantees of the Company and its subsidiaries (excluding guarantees in favour of subsidiaries)										
Name of guaranteed party	Date of disclosure of announcement in relation to the amount of guarantee	Amount of guarantee	Date of actual occurrence	Actual guarantee amount	Type of guarantee	Collaterals (if any)	Counter guarantee (if any)	Guarantee period	Fully performed or not	Related party guarantee or not
-	-	-	-	-	-	-	-	-	-	-
Total amount of external guarantees approved during the Reporting Period (A1)		0		Total actual amount of external guarantees during the Reporting Period (A2)		0				
Total amount of external guarantees approved at the end of the Reporting Period (A3)		0		Total balance of actual external guarantees at the end of the Reporting Period (A4)		0				
Guarantees of the Company in favour of subsidiaries										
Name of guaranteed party	Date of disclosure of announcement in relation to the amount of guarantee	Amount of guarantee	Date of actual occurrence	Actual guarantee amount	Type of guarantee	Collaterals (if any)	Counter guarantee (if any)	Guarantee period	Fully performed or not	Related party guarantee or not
-	-	-	-	-	-	-	-	-	-	-
Total amount of guarantees in favour of subsidiaries approved during the Reporting Period (B1)				0	Total amount of actual guarantees in favour of subsidiaries during the Reporting Period (B2)		RMB680,000,000			
Total amount of guarantees in favour of subsidiaries approved as at the end of the Reporting Period (B3)			RMB680,000,000	Total balance of actual guarantees in favour of subsidiaries as at the end of the Reporting Period (B4)		RMB369,556,500				

## Section VI Significant Events (continued)

### Guarantees of subsidiaries in favour of subsidiaries

Name of guaranteed party	Date of disclosure of announcement in relation to the amount of guarantee	Amount of guarantee	Date of actual occurrence	Actual guarantee amount	Type of guarantee	Collaterals (if any)	Counter guarantee (if any)	Guarantee period	Fully performed or not	Related party guarantee or not
-	-	-	-	-	-	-	-	-	-	-
Total amount of guarantees in favour of subsidiaries approved during the Reporting Period (C1)		0		Total amount of actual guarantees in favour of subsidiaries during the Reporting Period (C2)		0				
Total amount of guarantees in favour of subsidiaries approved as at the end of the Reporting Period (C3)		RMB6,190,516,700		Total balance of actual guarantees in favour of subsidiaries as at the end of the Reporting Period (C4)		RMB6,190,516,700				
<b>Total guarantees of the Company (being the sum of the above three guarantees)</b>										
Total amount of guarantees approved during the Reporting Period (A1+B1+C1)		0		Total amount of actual guarantees during the Reporting Period (A2+B2+C2)		RMB680,000,000				
Total amount of guarantees approved as at the end of the Reporting Period (A3+B3+C3)		RMB6,870,516,700		Total balance of actual guarantees as at the end of the Reporting Period (A4+B4+C4)		RMB6,560,073,200				
Total actual guarantees (i.e. A4+B4+C4) as a percentage of net assets of the Company				6.44%						
Including:										
Balance of guarantees in favour of shareholders, actual controllers and their related parties (D)				-						
Balance of debt guarantees directly or indirectly in favour of guaranteed parties with gearing ratio of over 70% (E)				-						
Total amount of guarantees in excess of 50% of net assets (F)				-						
Total amount of the above three guarantees (D+E+F)				-						
For unexpired guarantee contracts, descriptions about the guarantee liabilities occurred or possible joint and several liabilities of repayment with evidence during the Reporting Period (if any)				Nil						
External guarantees in breach of procedural requirements (if any)				Nil						

During the Reporting Period, Shenwan Hongyuan (H.K.) Limited, an overseas subsidiary of the Company, provided guarantees in favour of its wholly-owned subsidiaries in accordance with the transaction practices in international markets, mainly including:

- (1) For the needs of normal business, Shenwan Hongyuan (H.K.) Limited provided guarantees in favour of its wholly-owned subsidiaries for the entering into of several International Swaps and Derivatives Associations (ISDA) and Global Master Repurchase Agreement (GMRA), etc. with the counterparties. As of the end of the Reporting Period, the total balance of derivative financial liabilities and repurchase liabilities amounted to HK\$177,000 in equivalent.
- (2) Shenwan Hongyuan (H.K.) Limited provided a limit of US\$1 billion of structured bills in favour of its wholly-owned subsidiaries. As of the end of the Reporting Period, the total balance of liabilities amounted to HK\$2.25 billion in equivalent.
- (3) Shenwan Hongyuan (H.K.) Limited provided guarantee for debt financing to its wholly-owned subsidiaries with regarding to its bank loans, the guarantee limit totaled HK\$1.72 billion in equivalent. As of the end of the Reporting Period, the actual balance of guarantee withdrawn amounted to HK\$0 in equivalent.

As of the end of the Reporting Period, the total guarantees of the Company amounted to RMB6,560.0732 million, accounting for 6.44% of the latest audited net assets of the Company. The Company has no overdue guarantees, guarantees involved in litigations, or losses that should be borne due to the loss in lawsuits in relation to guarantees.

### **(III) Entrusted wealth management**

The Company did not have entrusted wealth management accumulated from previous periods or occurred during the Reporting Period.

### **(IV) Material contracts in relation to daily operations**

N/A

**(V) Other material contracts**

Pursuant to the requirements on connected transactions under Chapter 14A of the Hong Kong Listing Rules, on December 6, 2021, the Resolution on Renewal of the Securities and Financial Products, Transactions and Services Framework Agreement with China Jianyin Investment Ltd. was considered and approved at the fifth meeting of the fifth session of the Board of Directors of the Company and was submitted to the general meeting of the Company for consideration. On December 30, 2021, the relevant resolution was considered and approved at the 2021 second extraordinary general meeting of the Company. The Company and JIC renewed the Securities and Financial Products, Transactions and Services Framework Agreement for a term from January 1, 2022 to December 31, 2024, and set the annual caps for securities and financial products and transactions and securities and financial services for 2022 to 2024. For details of the renewal of framework agreement, please refer to the announcements published by the Company on China Securities Journal, Securities Times, Shanghai Securities News and the Cninfo website (www.cninfo.com.cn) on December 7 and December 31, 2021 and on the website of HKExnews of the Hong Kong Stock Exchange (www.hkexnews.hk) on December 6 and December 30, 2021.

**XIII. CHANGES IN THE QUALIFICATIONS OF THE COMPANY FOR EACH INDIVIDUAL BUSINESS DURING THE REPORTING PERIOD**

During the Reporting Period, Shenwan Hongyuan Securities and other subsidiaries of the Company added qualifications for individual business as follows:

<b>Institution</b>	<b>Business qualification</b>
Zhengzhou Commodity Exchange	Qualification of main market maker of glass options Qualification of main market maker of sodium carbonate options

**XIV. DECISION OF ADMINISTRATIVE LICENSE ON THE COMPANY BY REGULATORY AUTHORITIES DURING THE REPORTING PERIOD**

<b>No.</b>	<b>Date</b>	<b>Regulatory authority</b>	<b>Document name</b>	<b>Document No.</b>
1	January 12, 2024	CSRC	Approval for Registration of Short-term Corporate Bonds Issued Publicly by Shenwan Hongyuan Securities Co., Ltd. to Professional Investors	Zheng Jian Xu Ke [2024] No. 57
2	March 13, 2024	Market Supervision and Administration Bureau of Xuhui District, Shanghai	Business license of Shenwan Hongyuan Securities Co., Ltd.	/
3	April 19, 2024	CSRC	Securities and Futures Business License of Shenwan Hongyuan Securities Co., Ltd.	/

## XV. RISK CONTROL INDICATORS OF SHENWAN HONGYUAN SECURITIES, A SUBSIDIARY OF THE COMPANY, DURING THE REPORTING PERIOD

During the Reporting Period, the main risk control indicators of Shenwan Hongyuan Securities with Net Capital and liquidity as the core were in compliance with regulatory requirements.

## XVI. RECEPTION OF RESEARCH AND INTERVIEW BY THE COMPANY DURING THE REPORTING PERIOD

Reception time	Reception location	Reception method	Type of reception object	Reception object	Main content discussed and information provided
January 9, 2024	-	Telephone communication	Institution	Non-banking analysts and investors of Founder Securities	Operation and development of the Company
April 1, 2024	-	Network communication	Individual, institution	Analysts and investors attending Shenwan Hongyuan's 2023 Annual Results Conference	Operation and development of the Company
May 9, 2024	Beijing	On-site communication	Institution	Analysts of Guotai Junan Securities, and institutional investors including New Thinking Investment and Guodu Securities	Operation and development of the Company
May 10, 2024	Beijing	On-site communication	Institution	Investors invited by Kaiyuan Securities to the 2024 Mid-Term Strategy Meeting	Operation and development of the Company
May 14, 2024	-	Telephone communication	Institution	Analysts of CICC and investors of TPA (HK)	Operation and development of the Company
June 13, 2024	-	Telephone communication	Institution	Investors invited by Huaxi Securities to the 2024 interim meeting of exchange of listed companies	Operation and development of the Company
June 14, 2024	-	Network communication	Individual, institution	Investors who participated in the 2024 online collective reception day for investors of listed companies in Xinjiang	Operation and development of the Company

Note: The record sheets of investor relations activities for the reception of the above investors by the Company have been disclosed on the website of the Shenzhen Stock Exchange ([www.szse.cn](http://www.szse.cn)) and the Cninfo website ([www.cninfo.com.cn](http://www.cninfo.com.cn)).



## XVII. OTHER SIGNIFICANT EVENTS

### **Implementation of the profit distribution plan for 2023**

The profit distribution plan of the Company for 2023 is as follows: based on the total share capital of 25,039,944,560 A Shares and H Shares of the Company as of December 31, 2023, a cash dividend of RMB0.56 (tax inclusive) for every 10 shares was distributed to all A shareholders and H shareholders whose names appear on the register of members of the Company on the record date.

For A shareholders, the Company completed the implementation of the 2023 profit distribution plan on August 20, 2024 with August 19, 2024 as the equity record date and August 20, 2024 as the ex-dividend date. (For details, please refer to the Announcement on Implementation of the 2023 Profit Distribution Plan for A Shares of the Company published by the Company on China Securities Journal, Securities Times, Shanghai Securities News and the Cninfo website ([www.cninfo.com.cn](http://www.cninfo.com.cn)) on August 13, 2024)

For H shareholders, the Company distributed cash dividend for 2023 of RMB0.56 (tax inclusive) for every 10 shares to the shareholders whose names appear on the register of members of the Company on July 18, 2024. The 2023 cash dividend was distributed on August 20, 2024. The 2023 cash dividend distributed was denominated and distributed in RMB and were paid to H shareholders in HK dollars. The actual amount distributed in HK dollars was calculated at the average benchmark exchange rate of RMB against HK dollars (i.e. RMB0.912424 = HK\$1.00) published by the People's Bank of China for the five working days before June 28, 2024 (being the date of the annual general meeting). Accordingly, the cash dividend per 10 H Shares was HK\$0.61375 (tax inclusive). (For details, please refer to the Poll Results of the 2023 Annual General Meeting and Payment of Cash Dividend disclosed by the Company on the website of HKExnews of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) on June 28, 2024)

## XVIII. INDEX OF IMPORTANT INFORMATION DISCLOSED DURING THE REPORTING PERIOD

During the Reporting Period, the Company fulfilled its information disclosure obligations in accordance with the regulations. The information regarding A Shares as disclosed by the Company in China Securities Journal, Securities Times, Shanghai Securities News and at the Cninfo website (www.cninfo.com.cn) (excluding announcements of H Shares) is as follows:

No.	Announcements	Date of publication
1	2023 Annual Results Forecast of Shenwan Hongyuan Group Co., Ltd.	2024-01-20
2	Announcement on the Approval of the CSRC for the Registration of Corporate Bonds Issued Publicly by Shenwan Hongyuan Securities Co., Ltd. to Professional Investors	2024-01-20
3	Announcement on Repayment of Principal and Payment of Interest and Delisting of Subordinated Bonds (First Tranche) Issued Publicly by Shenwan Hongyuan Securities Co., Ltd. to Professional Investors in 2021	2024-01-24
4	First Indicative Announcement of Shenwan Hongyuan Group Co., Ltd. on Adjustment of Coupon Rate and Measures for Implementation of Put-back by Investors for “21 ShenHong 01”	2024-01-30
5	Second Indicative Announcement of Shenwan Hongyuan Group Co., Ltd. on Adjustment of Coupon Rate and Measures for Implementation of Put-back by Investors for “21 ShenHong 01”	2024-01-31
6	Third Indicative Announcement of Shenwan Hongyuan Group Co., Ltd. on Adjustment of Coupon Rate and Measures for Implementation of Put-back by Investors for “21 ShenHong 01”	2024-02-01
7	Announcement on Repayment of Principal and Payment of Interest and Delisting of Corporate Bonds (First Tranche) (Type II) Issued Publicly by Shenwan Hongyuan Securities Co., Ltd. to Professional Investors in 2017	2024-02-21
8	Announcement of the “Double Enhancement of Quality and Returns” Action Plan of Shenwan Hongyuan Group Co., Ltd.	2024-02-29
9	Announcement on the Results of Public Issuance of Corporate Bonds (First Tranche) by Shenwan Hongyuan Securities Co., Ltd. to Professional Investors in 2024	2024-02-29
10	Announcement on the Appointment of General Manager of Shenwan Hongyuan Securities Co., Ltd.	2024-03-01
11	Announcement on Resolutions of the Twenty-second Meeting of the Fifth Session of the Board of Directors	2024-03-01
12	Announcement on the Listing of Corporate Bonds (First Tranche) Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2024 on the Shenzhen Stock Exchange	2024-03-05
13	Announcement on Payment of Interests for 2024 for the Corporate Bonds (First Tranche) (Type II) Issued Publicly by Shenwan Hongyuan Group Co., Ltd. to Professional Investors in 2021	2024-03-06
14	Announcement on Payment of Interests for 2024 for the Corporate Bonds (First Tranche) (Type I) Issued Publicly by Shenwan Hongyuan Group Co., Ltd. to Professional Investors in 2021	2024-03-06

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No.	Announcements	Date of publication
15	Announcement on Payment of Interests for 2024 for the Corporate Bonds (First Tranche) (Type II) Issued Publicly by Shenwan Hongyuan Group Co., Ltd. to Professional Investors in 2022	2024-03-06
16	Announcement of Shenwan Hongyuan Group Co., Ltd. on Put-back Results and Delisting of “21 Shenhong 01”	2024-03-06
17	Announcement on Payment of Interests for 2024 for the Corporate Bonds (First Tranche) (Type I) Issued Publicly by Shenwan Hongyuan Group Co., Ltd. to Professional Investors in 2022	2024-03-06
18	Offering Memorandum of 2024 Public Issuance of Corporate Bonds (First Tranche) by Shenwan Hongyuan Group Co., Ltd. to Professional Investors	2024-03-07
19	Offering Memorandum Summary of 2024 Public Issuance of Corporate Bonds (First Tranche) by Shenwan Hongyuan Group Co., Ltd. to Professional Investors	2024-03-07
20	Credit Rating Report on the Corporate Bonds (First Tranche) Issued Publicly by Shenwan Hongyuan Group Co., Ltd. to Professional Investors in 2024	2024-03-07
21	Announcement of Shenwan Hongyuan Group Co., Ltd. on Change of Name for the Publicly Issued Corporate Bonds	2024-03-07
22	Announcement on Public Issuance of Corporate Bonds (First Tranche) by Shenwan Hongyuan Group Co., Ltd. to Professional Investors in 2024	2024-03-07
23	Announcement on the Coupon Rate of the Corporate Bonds (First Tranche) Issued Publicly by Shenwan Hongyuan Group Co., Ltd. to Professional Investors in 2024	2024-03-11
24	Announcement on Extending the Bookkeeping Time for the Public Issuance of Corporate Bonds (First Tranche) by Shenwan Hongyuan Group Co., Ltd. to Professional Investors in 2024	2024-03-11
25	Announcement on the Results of Public Issuance of Corporate Bonds (First Tranche) by Shenwan Hongyuan Group Co., Ltd. to Professional Investors in 2024	2024-03-13
26	Announcement on Repayment of Principal and Payment of Interest and Delisting of Subordinated Bonds (Second Tranche) Issued Publicly by Shenwan Hongyuan Securities Co., Ltd. to Professional Investors in 2021	2024-03-13
27	Announcement of China Lianhe Credit Rating Co., Ltd. on Termination of Credit Rating of “21 Shenhong 01”	2024-03-14
28	Announcement on the Listing of Corporate Bonds (First Tranche) (Type II) Issued Publicly to Professional Investors by Shenwan Hongyuan Group Co., Ltd. in 2024 on the Shenzhen Stock Exchange	2024-03-18
29	Announcement on Convening 2023 Annual Results Presentation	2024-03-26
30	Articles of Association of Shenwan Hongyuan Group Co., Ltd. (Revised)	2024-03-29

No.	Announcements	Date of publication
31	2023 Annual Audit Report	2024-03-29
32	Internal Control Audit Report	2024-03-29
33	Rules of Procedure of the General Meetings of Shenwan Hongyuan Group Co., Ltd. (Revised)	2024-03-29
34	2023 Auditors' Performance Appraisal Report of Shenwan Hongyuan Group Co., Ltd.	2024-03-29
35	Work Rules of Special Meetings of Independent Non-executive Directors of Shenwan Hongyuan Group Co., Ltd.	2024-03-29
36	Annual Special Audit Report on the Appropriation of Funds by Related Parties	2024-03-29
37	2023 Work Report of Independent Director (Chen Hanwen)	2024-03-29
38	2023 Work Report of the Board of Directors of Shenwan Hongyuan Group Co., Ltd.	2024-03-29
39	Announcement on Resolutions of the Board of Supervisors	2024-03-29
40	2023 Work Report of Independent Director (Wu Changqi)	2024-03-29
41	Announcement on Estimated Daily Related Party Transactions for 2024	2024-03-29
42	Independent Non-executive Director System of Shenwan Hongyuan Group Co., Ltd. (Revised)	2024-03-29
43	Annual Work Report of Independent Directors	2024-03-29
44	Rules of Procedure of the Board of Directors of Shenwan Hongyuan Group Co., Ltd. (Revised)	2024-03-29
45	Comparison Table of Amendments to the Articles of Association of Shenwan Hongyuan Group Co., Ltd.	2024-03-29
46	2023 Annual Report	2024-03-29
47	Working Rules of the Remuneration and Nomination Committee of the Board of Directors of Shenwan Hongyuan Group Co., Ltd.	2024-03-29
48	Special Opinions of the Board on the Appraisal of Independence of Independent Directors	2024-03-29
49	Self-Assessment Report on Internal Control	2024-03-29
50	Announcement on Re-appointment of Accounting Firms	2024-03-29
51	Announcement on Resolutions of the Board of Directors	2024-03-29
52	Announcement of Shenwan Hongyuan Group Co., Ltd. on Provision of Asset Impairment	2024-03-29
53	Report of the Audit Committee of Shenwan Hongyuan Group Co., Ltd. on Auditors' Performance of Supervision Duties	2024-03-29
54	2023 Work Report of the Board of Supervisors of Shenwan Hongyuan Group Co., Ltd.	2024-03-29
55	2023 Social Responsibility Report	2024-03-29

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No.	Announcements	Date of publication
56	2023 Work Report of Independent Director (Zhao Lei)	2024-03-29
57	Working Rules of the Audit Committee of the Board of Directors of Shenwan Hongyuan Group Co., Ltd.	2024-03-29
58	Summary of 2023 Annual Report	2024-03-29
59	Announcement on Resolutions of the Twenty-fourth Meeting of the Fifth Session of the Board of Directors	2024-04-20
60	Announcement on Payment of Interests for 2024 for the Corporate Bonds (Second Tranche) (Type II) Issued Publicly by Shenwan Hongyuan Group Co., Ltd. to Professional Investors in 2022	2024-04-24
61	Announcement on Payment of Interests for 2024 for the Corporate Bonds (Second Tranche) (Type I) Issued Publicly by Shenwan Hongyuan Group Co., Ltd. to Professional Investors in 2022	2024-04-24
62	2024 First Quarterly Report	2024-04-30
63	Announcement on Resolutions of the Twenty-sixth Meeting of the Fifth Session of the Board of Directors	2024-05-28
64	Ongoing Credit Rating Report of Shenwan Hongyuan Group Co., Ltd. in 2024	2024-05-29
65	2023 Annual General Meeting Materials	2024-06-07
66	Announcement on Convening the 2023 Annual General Meeting	2024-06-07
67	Announcement on Resolutions of the Twenty-seventh Meeting of the Fifth Session of the Board of Directors	2024-06-07
68	Announcement on Participation in the Online Collective Reception Day for Investors of Listed Companies in Xinjiang in 2024	2024-06-11
69	Announcement on Payment of Interests for 2024 for the Corporate Bonds (First Tranche) (Type II) Issued Publicly by Shenwan Hongyuan Group Co., Ltd. to Professional Investors in 2023	2024-06-12
70	Entrusted Management Report on the Corporate Bonds of Shenwan Hongyuan Group Co., Ltd. (2023)	2024-06-26
71	Announcement on Repayment of Principal and Payment of Interest and Delisting of Short-term Corporate Bonds (First Tranche) (Type I) Issued Publicly by Shenwan Hongyuan Securities Co., Ltd. to Professional Investors in 2023	2024-06-26
72	Announcement of Resolutions of 2023 Annual General Meeting	2024-06-29
73	Legal Opinion of Beijing Alliance J&S Law Firm on the 2023 Annual General Meeting of Shenwan Hongyuan Group Co., Ltd.	2024-06-29

The information on H Shares disclosed by the Company on the website of HKExnews of the Hong Kong Stock Exchange at www.hkexnews.hk during the Reporting Period (excluding overseas regulatory announcements) is as follows:

No.	Announcements	Date of publication
1	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended December 31, 2023	2024-01-03
2	2023 Annual Results Forecast	2024-01-19
3	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended January 31, 2024	2024-02-01
4	Notification Letter and Reply Slip to Non-registered Shareholders – Arrangement of Electronic Dissemination of Corporate Communications	2024-02-28
5	Notification Letter and Reply Slip to Registered Shareholders – Arrangement of Electronic Dissemination of Corporate Communications	2024-02-28
6	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended February 29, 2024	2024-03-04
7	Date of Board Meeting	2024-03-18
8	Final Dividends for the Year Ended December 31, 2023	2024-03-28
9	Annual Results Announcement for the Year Ended December 31, 2023	2024-03-28
10	2023 Sustainability and Environmental, Social and Governance Report	2024-03-28
11	Proposed Amendments to the Articles of Association	2024-03-28
12	Working Rules of the Remuneration and Nomination Committee of the Board of Directors	2024-03-28
13	Working Rules of the Audit Committee of the Board of Directors	2024-03-28
14	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended March 31, 2024	2024-04-03
15	Date of Board Meeting	2024-04-17
16	2023 Annual Report	2024-04-22
17	2024 First Quarterly Report	2024-04-29
18	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended April 30, 2024	2024-05-07
19	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended May 31, 2024	2024-06-03
20	Final Dividends for the Year Ended December 31, 2023 (Updated)	2024-06-06
21	Circular of the 2023 Annual General Meeting	2024-06-06
22	Form of Proxy of Holders of H Shares for Use at the Annual General Meeting Held on June 28, 2024	2024-06-06
23	Notice of the 2023 Annual General Meeting	2024-06-06
24	Articles of Association	2024-06-28
25	Final Dividends for the Year Ended December 31, 2023 (Updated)	2024-06-28
26	Poll Results of the 2023 Annual General Meeting and Payment of Cash Dividends	2024-06-28

## XIX. SIGNIFICANT MATTERS OF SUBSIDIARIES OF THE COMPANY

## (I) Corporate Bonds of Shenwan Hongyuan Securities, a Subsidiary of the Company

## 1. Basic information of corporate bonds

As of the disclosure date of this report, the outstanding corporate bonds were as follows:

Name of bond	Abbreviation of bond	Bond code	Issuance date	Value date	Maturity date	Outstanding amount (RMB'0,000)	Interest rate	Method of repayment of principal and interest	Trading place
Short-term Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2023 (First Tranche) (Type II)	23 ShenZheng D2	148515	2023/11/22	2023/11/22	2024/11/22	300,000.00	2.69%	The principal and interest will be repaid upon maturity	
Short-term Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2023 (Second Tranche) (Type II)	23 ShenZheng D4	148547	2023/12/15	2023/12/15	2024/10/15	300,000.00	2.80%		
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2021 (First Tranche) (Type II)	21 ShenZheng 02	149431	2021/4/29	2021/4/29	2031/4/29	200,000.00	4.05%	The interest of these bonds is calculated at simple interest on an annual basis with no compound interest counted, and paid once a year. The principal will be repaid upon maturity. The interest of the last tranche will be paid together with the principal	Shenzhen Stock Exchange
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2021 (Second Tranche)	21 ShenZheng 03	149479	2021/5/24	2021/5/24	2026/5/24	260,000.00	3.63%		
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2021 (Third Tranche) (Type II)	21 ShenZheng 05	149491	2021/5/28	2021/5/28	2031/5/28	250,000.00	4.00%		
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2021 (Fourth Tranche) (Type II)	21 ShenZheng 07	149560	2021/7/21	2021/7/21	2031/7/21	300,000.00	3.77%		
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2021 (Fifth Tranche) (Type II)	21 ShenZheng 09	149575	2021/7/28	2021/7/28	2026/7/28	420,000.00	3.38%		
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2021 (Sixth Tranche) (Type II)	21 ShenZheng 11	149615	2021/8/26	2021/8/26	2031/8/26	300,000.00	3.75%		
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2021 (Seventh Tranche) (Type I)	21 ShenZheng 12	149626	2021/9/9	2021/9/9	2024/9/9	480,000.00	3.05%		
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2021 (Seventh Tranche) (Type II)	21 ShenZheng 13	149627	2021/9/9	2021/9/9	2026/9/9	100,000.00	3.40%		
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2021 (Eighth Tranche) (Type II)	21 ShenZheng 15	149640	2021/9/22	2021/9/22	2024/9/22	230,000.00	3.10%		
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2022 (First Tranche) (Type I)	22 ShenZheng 01	149789	2022/1/21	2022/1/21	2025/1/21	500,000.00	2.80%		

Name of bond	Abbreviation of bond	Bond code	Issuance date	Value date	Maturity date	Outstanding amount (RMB'0,000)	Interest rate	Method of repayment of principal and interest	Trading place
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2022 (First Tranche) (Type II)	22 ShenZheng 02	149790	2022/1/21	2022/1/21	2032/1/21	240,000.00	3.60%		
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2022 (Second Tranche) (Type I)	22 ShenZheng 03	149809	2022/2/23	2022/2/23	2025/2/23	220,000.00	2.95%		
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2022 (Third Tranche) (Type I)	22 ShenZheng 05	149852	2022/3/24	2022/3/24	2025/3/24	350,000.00	3.18%		
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2022 (Third Tranche) (Type II)	22 ShenZheng 06	149853	2022/3/24	2022/3/24	2027/3/24	210,000.00	3.53%		
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2022 (Fourth Tranche) (Type I)	22 ShenZheng 07	112904	2022/5/23	2022/5/23	2025/5/23	180,000.00	2.78%		
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2022 (Fourth Tranche) (Type II)	22 ShenZheng 08	149252	2022/5/23	2022/5/23	2027/5/23	220,000.00	3.20%		
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2023 (First Tranche) (Type I)	23 ShenZheng 01	148247	2023/4/14	2023/4/14	2025/4/14	80,000.00	2.85%		
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2023 (First Tranche) (Type II)	23 ShenZheng 02	148248	2023/4/14	2023/4/14	2026/4/14	200,000.00	2.99%		
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2023 (Second Tranche) (Type I)	23 ShenZheng 03	148429	2023/8/17	2023/8/17	2025/8/17	220,000.00	2.50%		
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2023 (Second Tranche) (Type II)	23 ShenZheng 04	148430	2023/8/17	2023/8/17	2026/8/17	180,000.00	2.67%		
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2023 (Third Tranche) (Type I)	23 ShenZheng 05	148444	2023/8/30	2023/8/30	2025/8/30	50,000.00	2.56%		
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2023 (Third Tranche) (Type II)	23 ShenZheng 06	148445	2023/8/30	2023/8/30	2028/8/30	150,000.00	2.95%		
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2023 (Fourth Tranche) (Type I)	23 ShenZheng 07	148467	2023/9/21	2023/9/21	2025/9/21	280,000.00	2.80%		

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Name of bond	Abbreviation of bond	Bond code	Issuance date	Value date	Maturity date	Outstanding amount (RMB'0,000)	Interest rate	Method of repayment of principal and interest	
								Trading place	
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2023 (Fourth Tranche) (Type II)	23 ShenZheng 08	148468	2023/9/21	2023/9/21	2028/9/21	210,000.00	3.14%		
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2024 (First Tranche) (Type I)	24 ShenZheng 01	148606	2024/2/26	2024/2/26	2027/2/26	100,000.00	2.52%		
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2024 (First Tranche) (Type II)	24 ShenZheng 02	148607	2024/2/26	2024/2/26	2029/2/26	150,000.00	2.66%		
Subordinated Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2021 (Third Tranche) (Type II)	21 ShenZheng C4	149762	2021/12/27	2021/12/27	2024/12/27	120,000.00	3.20%		
Subordinated Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2022 (First Tranche)	22 ShenZheng C1	149904	2022/4/27	2022/4/27	2025/4/27	300,000.00	3.19%		
Subordinated Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2023 (First Tranche) (Type I)	23 ShenZheng C1	148198	2023/3/6	2023/3/6	2025/3/6	140,000.00	3.35%		
Subordinated Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2023 (First Tranche) (Type II)	23 ShenZheng C2	148199	2023/3/6	2023/3/6	2026/3/6	130,000.00	3.55%		
Subordinated Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2023 (Second Tranche)	23 ShenZheng C3	148223	2023/3/27	2023/3/27	2026/3/27	230,000.00	3.38%		
Subordinated Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2023 (Third Tranche)	23 ShenZheng C4	148540	2023/12/8	2023/12/8	2028/12/8	160,000.00	3.35%		

Name of bond	Abbreviation of bond	Bond code	Issuance date	Value date	Maturity date	Outstanding amount (RMB'0,000)	Interest rate	Method of repayment of principal and interest	Trading place
2021 Perpetual Subordinated Bonds Issued Publicly by Shenwan Hongyuan Securities Co., Ltd. (First Tranche)	21 ShenZheng Y1	149529	2021/6/24	2021/6/24	The issuer is entitled to redeem the current bonds on the basis of the nominal value plus interest payable (including all deferred interest payments and their yields) on the 5th and subsequent every interest paying date of the current bonds	200,000.00	4.10%	The interest of these bonds is calculated at simple interest on an annual basis, and paid once a year provided that the issuer does not exercise the right to defer interest payment	
2021 Perpetual Subordinated Bonds Issued Publicly by Shenwan Hongyuan Securities Co., Ltd. (Second Tranche)	21 ShenZheng Y2	149605	2021/8/19	2021/8/19	The issuer is entitled to redeem the current bonds on the basis of the nominal value plus interest payable (including all deferred interest payments and their yields) on the 5th and subsequent every interest paying date of the current bonds	330,000.00	3.70%		

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Name of bond	Abbreviation of bond	Bond code	Issuance date	Value date	Maturity date	Outstanding amount (RMB'0,000)	Interest rate	Method of repayment of principal and interest	Trading place
2021 Perpetual Subordinated Bonds Issued Publicly by Shenwan Hongyuan Securities Co., Ltd. (Third Tranche)	21 ShenZheng Y3	149700	2021/11/15	2021/11/15	The issuer is entitled to redeem the current bonds on the basis of the nominal value plus interest payable (including all deferred interest payments and their yields) on the 5th and subsequent every interest paying date of the current bonds	470,000.00	3.88%		
Perpetual Subordinated Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2022 (First Tranche)	22 ShenZheng Y1	148005	2022/7/27	2022/7/27	Every five interest-accruing years constitute a repricing period of the bond. At the end of each repricing period, the Company is entitled to extend such tranche of bonds by one repricing period (i.e. for another period of 5 years) or redeem such tranche of bonds in full	500,000.00	3.45%		

Name of bond	Abbreviation of bond	Bond code	Issuance date	Value date	Maturity date	Outstanding amount (RMB'0,000)	Interest rate	Method of repayment of principal and interest	Trading place
Perpetual Subordinated Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2022 (Second Tranche)	22 ShenZheng Y2	148040	2022/8/25	2022/8/25	Every five interest-accruing years constitute a repricing period of the bond. At the end of each repricing period, the Company is entitled to extend such tranche of bonds by one repricing period (i.e. for another period of 5 years) or redeem such tranche of bonds in full	480,000.00	3.28%		
Perpetual Subordinated Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2023 (First Tranche)	23 ShenZheng Y1	148310	2023/6/8	2023/6/8	Every five interest-accruing years constitute a repricing period of the bond. At the end of each repricing period, the Company is entitled to extend such tranche of bonds by one repricing period (i.e. for another period of 5 years) or redeem such tranche of bonds in full	180,000.00	3.44%		

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Name of bond	Abbreviation of bond	Bond code	Issuance date	Value date	Maturity date	Outstanding amount (RMB'0,000)	Interest rate	Method of repayment of principal and interest	Trading place
Perpetual Subordinated Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2023 (Second Tranche)	23 ShenZheng Y2	148370	2023/7/12	2023/7/12	Every five years constitute a repricing period of the bond. At the end of each repricing period, the Company is entitled to extend such tranche of bonds by one repricing period (i.e. for another period of 5 years) or redeem such tranche of bonds in full	180,000.00	3.44%		
Perpetual Subordinated Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2023 (Third Tranche)	23 ShenZheng Y3	148481	2023/10/23	2023/10/23	Every five years constitute a repricing period of the bond. At the end of each repricing period, the Company is entitled to extend such tranche of bonds by one repricing period (i.e. for another period of 5 years) or redeem such tranche of bonds in full	150,000.00	3.60%		

Name of bond	Abbreviation of bond	Bond code	Issuance date	Value date	Maturity date	Outstanding amount (RMB'0,000)	Interest rate	Method of repayment of principal and interest	Trading place
Perpetual Subordinated Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Securities Co., Ltd. in 2023 (Fourth Tranche)	23 ShenZheng Y4	148500	2023/11/10	2023/11/10	Every five years constitute a repricing period of the bond. At the end of each repricing period, the Company is entitled to extend such tranche of bonds by one repricing period (i.e. for another period of 5 years) or redeem such tranche of bonds in full	180,000.00	3.50%		
Investor eligibility arrangement	21 ShenZheng 02, 21 ShenZheng 03, 21 ShenZheng 05, 21 ShenZheng 07, 21 ShenZheng 09, 21 ShenZheng 11, 21 ShenZheng 12, 21 ShenZheng 13, 21 ShenZheng 15, 22 ShenZheng 01, 22 ShenZheng 02, 22 ShenZheng 03, 22 ShenZheng 05 and 22 ShenZheng 06 were issued to professional investors. 22 ShenZheng 07, 22 ShenZheng 08, 23 ShenZheng 01, 23 ShenZheng 02, 23 ShenZheng 03, 23 ShenZheng 04, 23 ShenZheng 05, 23 ShenZheng 06, 23 ShenZheng 07, 23 ShenZheng 08, 23 ShenZheng D2, 23 ShenZheng D4, 21 ShenZheng C4, 22 ShenZheng C1, 23 ShenZheng C1, 23 ShenZheng C2, 23 ShenZheng C3, 23 ShenZheng C4, 21 ShenZheng Y1, 21 ShenZheng Y2, 21 ShenZheng Y3, 22 ShenZheng Y1, 22 ShenZheng Y2, 23 ShenZheng Y1, 23 ShenZheng Y2, 23 ShenZheng Y3, 23 ShenZheng Y4, 24 ShenZheng 01 and 24 ShenZheng 02 were issued to professional institutional investors.								
Applicable trading mechanism	The bonds are traded through five types of transactions: traded by matching, one-click-order, price-enquiry, bidding or upon negotiation.								
Whether there is risk of delisting (if any) and countermeasures therefor	N/A								

During the Reporting Period, the corporate bonds issued by the issuer were not overdue.

**2. Triggering and implementation of issuer or investor option terms and investor protection terms**

During the Reporting Period, there were no issuer or investor option terms and investor protection terms triggered by Shenwan Hongyuan Securities.

**3. Adjustments to credit rating results during the Reporting Period**

During the Reporting Period, there was no adjustment to credit rating results.

**4. Guarantee, credit enhancement mechanism, debt repayment plan and other debt repayment guarantee measures for corporate bonds**

There was no guarantee for corporate bonds issued by Shenwan Hongyuan Securities. During the Reporting Period, there was no credit enhancement arrangement for the issued bonds of Shenwan Hongyuan Securities, and the repayment plan and other repayment guarantee measures were consistent with the relevant commitments in the prospectus without major changes. Shenwan Hongyuan Securities was able to implement the debt repayment plan and debt repayment guarantee measures in accordance with relevant agreements, to effectively safeguard the interests of bondholders. Shenwan Hongyuan Securities has set up special accounts for the issued bonds. The withdrawal of funds from the special accounts during the Reporting Period was consistent with the relevant commitments in the prospectus.

**5. Other information on bonds**

During the Reporting Period, Shenwan Hongyuan Securities did not have enterprise bonds, non-financial enterprise bond financing instruments, or convertible corporate bonds.

During the Reporting Period, Shenwan Hongyuan Securities did not record loss within the scope of consolidated statements exceeding 10% of the net assets as at the end of last year.

## (II) Related Regulatory Measures

### 1. In February 2024, Shenwan Hongyuan Securities was ordered by the CSRC to make rectifications

In February 2024, the CSRC issued the Decision on the Adoption of Ordered Corrective Measures on Shenwan Hongyuan Securities Co., Ltd. to Shenwan Hongyuan Securities, with the main contents as follows: firstly, the underwriting due diligence was not standardized, and in respect of some of the projects, insufficient attention and verification were made to matters that might affect the issuer's solvency; secondly, the trustee management did not perform its duties and responsibilities properly, and individual projects did not follow up on matters affecting the issuer's solvency during the duration of the project and analyze the impact in a timely manner. In March 2024, the Shanghai Stock Exchange issued the Decision on the Issuance of a Written Warning to Shenwan Hongyuan Securities Co., Ltd. to Shenwan Hongyuan Securities for the same matter.

In response to the above issues, Shenwan Hongyuan Securities and its relevant subsidiaries have seriously organized and launched rectification work to further improve the relevant systems and mechanisms for bond and asset securitization business, further strengthen the control of key aspects such as due diligence and duration management, and improve the quality of bond and asset securitization business practice.

### 2. In March 2024, Shenwan Hongyuan Securities received a warning letter from the Shanghai Supervision Bureau of the CSRC (the "Shanghai CSRC")

In March 2024, the Shanghai CSRC issued the Decision on Warning Letter to Shenwan Hongyuan Securities Co., Ltd. to Shenwan Hongyuan Securities, with the main contents as follows: firstly, it failed to effectively establish a tracking system for the implementation of decision-making matters covering overseas subsidiaries, and failed to specify the management system for related party transactions of overseas subsidiaries; secondly, it failed to supervise overseas subsidiaries to effectively deal with situations where risk indicators exceeded the limits; and thirdly, it failed to carry out resign audits or resign reviews for some directors, senior management and key personnel of overseas subsidiaries. The relevant officers are responsible for the first violation mentioned above.

In response to the above issues, Shenwan Hongyuan Securities has established a decision tracking and implementation mechanism covering its overseas subsidiaries, and urged its subsidiaries to actively implement the Company's decisions; its overseas subsidiaries have formulated and issued the Related Party Transaction Management System (Trial); and its overseas subsidiaries have incorporated the indicators in the Risk Quota Indicator Program of Shenwan Hongyuan Securities into their own quota management programs and strictly implemented them. Shenwan Hongyuan Securities has revised and improved the risk management system and strengthened the risk control of its overseas subsidiaries. Shenwan Hongyuan Securities and the relevant overseas subsidiaries have commenced resign audits of the relevant personnel respectively.



**3. In May 2024, Shenwan Hongyuan Securities received a warning letter from the Shanghai CSRC**

In May 2024, the Shanghai CSRC issued the Decision on Warning Letter to Shenwan Hongyuan Securities Co., Ltd. to Shenwan Hongyuan Securities, with the main contents as follows: Shenwan Hongyuan Securities had the following problems in the network security incident discovered by the Internet Information Technology Department's monitoring in March 2024: firstly, it had not conducted a full assessment of the technological and business risks of the relevant functions of the information system, and it had not formulated effective risk prevention and control measures; secondly, there were deficiencies in the management mechanism for handling, security protection and audit supervision of investors' personal information, which led to information security problems during the use of personal information; and thirdly, no timely rectification was made in respect of the identified security vulnerabilities of the information system.

In response to the above issues, Shenwan Hongyuan Securities has accessed office systems and systems with sensitive investor information to the unified identity authentication, and systematically conducted login management and strengthened the detection mechanism of weak passwords. It optimized the management mechanism of IP whitelist, comprehensively sorted out the application systems accessing the Internet, and strengthened the control of application systems accessing the Internet. It also strengthened the management of customer information export and operation information management of CRM system. It included investor information protection as an audit focus in the scope of information technology management work, incorporated investor information protection and investor rights protection into the audit of all relevant units, and regularly launched supervision and rectification of audit findings, which promoted the improvement of investor information protection management by Shenwan Hongyuan Securities.

**4. In June 2024, Shenwan Hongyuan Financing Services was issued a warning letter by Xinjiang Supervision Bureau of the CSRC (the "Xinjiang CSRC")**

In June 2024, the Xinjiang CSRC issued the decision to Shenwan Hongyuan Financing Services on issuing a warning letter of regulation measures to Shenwan Hongyuan Financing Services Co., Ltd. and related personnel, with the main contents as follows: Shenwan Hongyuan Financing Services and related personnel conducted insufficient due diligence such as visiting individual suppliers and customers of the issuer during the practising course of sponsorship business of non-public offering of shares of Hubei Kaile Science and Technology Company Limited in 2016, and the foregoing behaviors were in violence with Article 24 of the Administrative Measures for Sponsorship Business of Issuance and Listing of Securities and Article 4 of the Due Diligence Work Standards of Sponsors. In response to the above issues, Shenwan Hongyuan Financing Services continues to improve the internal control system of investment banking business, strictly adheres to the three lines of defense, improves the internal control mechanism, continues to strengthen the professional training of business personnel, strengthens project due diligence management and continues to improve the quality of practice.

## Section VII Changes in Shares and Shareholders

### I. CHANGES IN SHARES

#### (I) Table of Changes in Shares

Unit: Share

	Before the change		Increase or decrease (+,-) of this change					After the change	
	Number	Percentage	Issuance of new shares	Bonus shares	Capital reserve transferred to shares	Others	Sub-total	Number	Percentage
I. Shares subject to selling restrictions	437,244	0.0017%	0	0	0	0	0	437,244	0.0017%
1. State-owned shares	0	0.0000%	0	0	0	0	0	0	0.0000%
2. Shares held by state-owned legal entities	0	0.0000%	0	0	0	0	0	0	0.0000%
3. Other domestic shareholdings	437,244	0.0017%	0	0	0	0	0	437,244	0.0017%
Including: Shares held by domestic									
legal entities	0	0.0000%	0	0	0	0	0	0	0.0000%
Shares held by domestic									
natural persons	437,244	0.0017%	0	0	0	0	0	437,244	0.0017%
4. Shares held by foreign capital	0	0.0000%	0	0	0	0	0	0	0.0000%
Including: Shares held by overseas legal									
entities	0	0.0000%	0	0	0	0	0	0	0.0000%
Shares held by overseas									
natural persons	0	0.0000%	0	0	0	0	0	0	0.0000%
II. Shares without selling restrictions	25,039,507,316	99.9983%	0	0	0	0	0	25,039,507,316	99.9983%
1. RMB-denominated ordinary shares	22,535,507,316	89.9983%	0	0	0	0	0	22,535,507,316	89.9983%
2. Domestic listed foreign shares	0	0.0000%	0	0	0	0	0	0	0.0000%
3. Overseas listed foreign shares	2,504,000,000	10.0000%	0	0	0	0	0	2,504,000,000	10.0000%
4. Others	0	0.0000%	0	0	0	0	0	0	0.0000%
III. Total number of shares	25,039,944,560	100.0000%	0	0	0	0	0	25,039,944,560	100.0000%

#### (II) Changes in A Shares subject to Selling Restrictions

During the Reporting Period, there was no change in the Company's shares subject to selling restrictions.

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## II. ISSUANCE AND LISTING OF SECURITIES

The Company had no issuance or listing of shares, convertible corporate bonds, separately traded convertible corporate bonds and other derivative securities during the Reporting Period.

For the issuance of corporate bonds by the Company, please refer to “Section VIII Profile of Bonds” of this report; for the issuance of bonds by subsidiaries of the Company, please refer to “XIX. Significant Matters of Subsidiaries of the Company” under “Section VI Significant Events” in this report.

### III. NUMBER OF SHAREHOLDERS AND THEIR SHAREHOLDINGS

#### Number of Shareholders and Their Shareholdings as at June 30, 2024

Unit: Share

<b>Total number of ordinary shareholders as at the end of the Reporting Period</b>	240,348 (including 240,288 A shareholders and 60 H shareholders)	<b>Total number of preferred shares holders whose voting rights were resumed at the end of the Reporting Period (if any)</b>	Nil
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#### Shareholdings of ordinary shareholders holding more than 5% of the shares of the Company or top ten ordinary shareholders (excluding the shares lent through refinancing)

Name of shareholder	Nature of shareholder	Shareholding percentage (%)	Number of	Increase or	Number of	Number of	Pledged or frozen	
			ordinary shares held at the end of the Reporting Period	decrease during the Reporting Period	ordinary shares held subject to selling restrictions	ordinary shares held not subject to selling restrictions	Status	Number
China Jianyin Investment Ltd.	State-owned legal person	26.34	6,596,306,947	0	0	6,596,306,947	-	0
Central Huijin Investment Ltd.	State shares	20.05	5,020,606,527	0	0	5,020,606,527	-	0
HKSCC Nominees Limited	Overseas legal person	10.00	2,503,809,520	0	0	2,503,809,520	N/A	N/A
Shanghai Jiushi (Group) Co., Ltd.	State-owned legal person	4.84	1,212,810,389	11,125,100	0	1,212,810,389	-	0
Sichuan Development Holding Co., Ltd.	State-owned legal person	4.49	1,124,543,633	0	0	1,124,543,633	-	0
China Everbright Group Ltd.	State-owned legal person	3.99	999,000,000	0	0	999,000,000	Pledged	67,500,000
China Securities Finance Corporation Limited	Domestic general legal person	2.54	635,215,426	0	0	635,215,426	-	0
Hong Kong Securities Clearing Company Limited	Overseas legal person	1.64	410,358,153	94,055,486	0	410,358,153	-	0
Xinjiang Financial Investment (Group) Co., Ltd.	State-owned legal person	1.60	400,095,559	0	0	400,095,559	Pledged	52,000,000
China Construction Bank Corporation – Guotai CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund (中國建設銀行股份有限公司 – 國泰中證全指證券公司交易型開放式指數證券投資基金)	Fund, wealth management product, etc.	0.81	203,219,050	8,996,700	0	203,219,050	-	0
Strategic investors or general legal entities becoming the top ten holders of ordinary shares by placing of new shares		None						
Description on the related relationship or parties acting-in-concert among the shareholders above		Central Huijin Investment Ltd. holds the entire equity interest in China Jianyin Investment Ltd., and holds 63.16% of equity interest in China Everbright Group Ltd.						
Description of the above-mentioned shareholders' delegated/entrusted voting rights and waiver of voting rights		None						
Special description for the existence of special repurchase account among the top ten shareholders		None						

## Section VII Changes in Shares and Shareholders (continued)

### Shareholdings of the top ten ordinary shareholders without selling restrictions

Name of shareholder	Number of ordinary shares without selling restrictions at the end of the Reporting Period	Class of share	
		Class of share	Number
China Jianyin Investment Ltd.	6,596,306,947	RMB-denominated ordinary shares	6,596,306,947
Central Huijin Investment Ltd.	5,020,606,527	RMB-denominated ordinary shares	5,020,606,527
HKSCC Nominees Limited	2,503,809,520	Overseas listed foreign shares	2,503,809,520
Shanghai Jiushi (Group) Co., Ltd.	1,212,810,389	RMB-denominated ordinary shares	1,212,810,389
Sichuan Development Holding Co., Ltd.	1,124,543,633	RMB-denominated ordinary shares	1,124,543,633
China Everbright Group Ltd.	999,000,000	RMB-denominated ordinary shares	999,000,000
China Securities Finance Corporation Limited	635,215,426	RMB-denominated ordinary shares	635,215,426
Hong Kong Securities Clearing Company Limited	410,358,153	RMB-denominated ordinary shares	410,358,153
Xinjiang Financial Investment (Group) Co., Ltd.	400,095,559	RMB-denominated ordinary shares	400,095,559
China Construction Bank Corporation – Guotai CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund (中國建設銀行股份有限公司—國泰中證全指證券公司交易型開放式指數證券投資基金)	203,219,050	RMB-denominated ordinary shares	203,219,050
Description on the related relationship or parties acting-in-concert among the top ten ordinary shareholders without selling restrictions and between the top ten ordinary shareholders without selling restrictions and the top ten ordinary shareholders	Central Huijin Investment Ltd. holds the entire equity interest in China Jianyin Investment Ltd., and holds 63.16% of equity interest in China Everbright Group Ltd.		
Description on participation of top ten ordinary shareholders in the margin financing and securities lending business	Due to the maturity of the contract regarding engagement in the margin and securities refinancing business, the number of shares held by Shanghai Jiushi (Group) Co., Ltd., a shareholder of the Company, at the end of the Reporting Period increased by 11,125,100 shares from the end of December 2023.		

- Notes: 1. Among the H shareholders of the Company, HKSCC Nominees Limited holds the H Shares on behalf of the non-registered shareholders;
2. In the above table, the shares held by HKSCC Nominees Limited are overseas listed foreign shares (H Shares) and shares held by other shareholders are RMB-denominated ordinary shares (A Shares).

**Participation of the shareholders holding more than 5% of the shares, top ten shareholders, and top ten shareholders of outstanding shares without selling restrictions in lending of shares in the margin and securities refinancing business**

Unit: Share

Participation of the shareholders holding more than 5% of the shares, top ten shareholders, and top ten shareholders of outstanding shares without selling restrictions in lending of shares in the margin and securities refinancing business

Name of shareholder (Full name)	Shareholdings in ordinary account and credit account at the beginning of the period		Outstanding shares lent through margin and securities refinancing at the beginning of the period		Shareholdings in ordinary account and credit account at the end of the period		Outstanding shares lent through margin and securities refinancing at the end of the period	
	Percentage of the total		Percentage of the total		Percentage of the total		Percentage of the total	
	Total number	shares	Total number	shares	Total number	shares	Total number	shares
China Construction Bank Corporation – Guotai CSI All Share Securities Company Trading Index Securities Investment Open- ended Fund (中國建設銀行股份有限公司 — 國泰中證全指證券公司交易型開放式指數 證券投資基金)	190,541,150	0.7609%	491,300	0.0020%	203,219,050	0.8116%	481,200	0.0019%

**Changes in the top ten shareholders and top ten shareholders of outstanding shares without selling restrictions from the previous period due to lending/returning through refinancing**

Unit: Share

Changes in the top ten shareholders and top ten shareholders of outstanding shares without selling restrictions from the previous period due to lending/returning through refinancing

Name of shareholder (Full name)	Additions/ withdrawals during the Reporting Period	Outstanding shares lent through margin and securities refinancing at the end of the period		Number of shares in shareholders' general account and credit account and outstanding shares lent under margin and securities refinancing at the end of the period	
		Total number	Percentage of the total shares	Total number	Percentage of the total shares
		China Construction Bank Corporation – Guotai CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund (中國建設銀行股份有限公司 — 國泰中證全指證 券公司交易型開放式指數證券投資基金)	12,677,900	481,200	0.0019%

**Whether the Company's top ten ordinary shareholders and top ten ordinary shareholders without selling restrictions engaged in agreed repurchase transactions during the Reporting Period**

Yes  No

#### IV. CHANGES IN SHAREHOLDINGS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

N/A

#### V. CHANGES IN CONTROLLING SHAREHOLDER AND ACTUAL CONTROLLER AS OF THE END OF THE REPORTING PERIOD

As of the end of the Reporting Period, there was no change in controlling shareholder and actual controller of the Company.

#### VI. INTERESTS AND SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES IN THE SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY AND ASSOCIATED CORPORATIONS

As at June 30, 2024, none of the directors, supervisors or chief executives of the Company had or was deemed to have interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance, or were recorded in the register required to be maintained by the Company under Section 352 of the Securities and Futures Ordinance, or which were required, pursuant to the Model Code, to be notified to the Company and the Hong Kong Stock Exchange.

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

As at June 30, 2024, to the best knowledge of the Company after having made all reasonable enquiries, the following persons (other than directors, supervisors or chief executives of the Company) had interests or short positions in the shares or underlying shares of the Company which were required to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance or were recorded in the register required to be kept by the Company under Section 336 of the Securities and Futures Ordinance:

Name of substantial shareholder	Class of share	Nature of interest	Number of shares held (share) <sup>Note 3</sup>	Percentage of		Long/short positions
				the total number of issued shares of the Company (%) <sup>Note 4</sup>	total number of issued A Shares/H Shares of the Company (%)	
1 Central Huijin Investment Ltd. <sup>Note 1</sup>	A Shares	Beneficial owner	5,020,606,527	20.05	22.28	Long positions
	A Shares	Interest in controlled corporations	7,792,697,332	31.12	34.58	Long positions
	H Shares	Interest in controlled corporations	756,472,000	3.02	30.21	Long positions
	H Shares	Interest in controlled corporations	64,193,600	0.26	2.56	Short positions
2 China Jianyin Investment Ltd.	A Shares	Beneficial owner	6,596,306,947	26.34	29.27	Long positions
3 Industrial and Commercial Bank of China Limited	H Shares	Beneficial owner	648,404,800	2.59	26.00	Long positions

Unit: Share

Name of substantial shareholder	Class of share	Nature of interest	Number of shares held (share) <sup>Note 3</sup>	Percentage of	Percentage of the	Long/short positions
				of issued shares of the Company (%) <sup>Note 4</sup>	total number of issued A Shares/ H Shares of the Company (%)	
4 Everbright PGIM Fund Management Co., Ltd. (on behalf of EPF – Huaxia Life SMA One) (代表光大保德信 – 華夏人壽1號單一資產管理計劃)	H Shares	Trustee	216,134,400	0.86	8.63	Long positions
5 Huaxia Life Insurance Co., Ltd. <sup>Note 2</sup>	H Shares	Beneficial owner	216,134,000	0.86	8.63	Long positions
6 China Life Insurance (Group) Company	H Shares	Beneficial owner	172,907,200	0.69	6.90	Long positions
7 China Life Franklin Asset Management Co., Limited	H Shares	Investment manager	153,633,600	0.61	6.14	Long positions

Note 1: Central Huijin holds the entire equity interest in JIC, the entire equity interest in Central Huijin Asset Management Ltd., and 63.16% of equity interest in China Everbright Group Ltd. The total number of A Shares of the Company held by JIC, Central Huijin Asset Management Ltd. and China Everbright Group Ltd. is 7,792,697,332. Central Huijin indirectly held 756,472,000 H Shares of the Company through its controlled corporations including Industrial and Commercial Bank of China Limited and China Reinsurance (Group) Corporation. In particular, Central Huijin held 648,404,800 shares through Industrial and Commercial Bank of China Limited and 108,067,200 shares through China Reinsurance (Group) Corporation.

Note 2: Huaxia Life Insurance Co., Ltd. has engaged Everbright PGIM Fund Management Co., Ltd. (光大保德信基金管理有限公司), a qualified domestic institutional investor as approved by the relevant PRC regulatory authority, as the asset manager, in the name of EPF – HuaXia Life SMA One (光大保德信 – 華夏人壽1號單一資產管理計劃), to subscribe and hold the H Shares of the Company on behalf Huaxia Life Insurance Co., Ltd.

Note 3: According to Part XV of the Securities and Futures Ordinance, shareholders of the Company are required to file disclosure of interests forms when certain criteria are fulfilled. If the shareholders have not filed disclosure of interests forms as required under the Securities and Futures Ordinance, the actual shareholdings of the shareholders in the Company may be different from the shareholdings filed with the Stock Exchange as of the end of the Reporting Period. When the shareholdings of shareholders in the Company change, it is not necessary for such shareholders to notify the Company and the Hong Kong Stock Exchange unless certain criteria are fulfilled. Therefore, the actual shareholdings of substantial shareholders in the Company may be different from the shareholdings filed with the Hong Kong Stock Exchange as of the end of the Reporting Period.

Note 4: As at June 30, 2024, the Company has issued a total of 22,535,944,560 A Shares and 2,504,000,000 H Shares, totaling 25,039,944,560 shares.

Save as disclosed above, as of June 30, 2024, the Company was not aware of any other person (other than directors, supervisors and chief executives of the Company) having any interests or short positions in the shares or underlying shares of the Company which were required to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance or which were recorded in the register required to be kept by the Company under Section 336 of the Securities and Futures Ordinance.



## VIII. SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and to the knowledge of the directors of the Company, during the Reporting Period and as of the date of this report, no less than 10% of the Company's total issued shares were held by the public, which meets the requirements as set out in the waiver letter on the public float obtained by the Company upon listing. For details, please refer to the H Shares prospectus of the Company dated April 12, 2019 and the announcement dated May 20, 2019 in relation to stabilizing actions, end of stabilization period and lapse of over-allotment option.

## IX. REPURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

The term of Corporate Bonds Issued Publicly to Professional Investors by the Company in 2021 (First Tranche) ("21 ShenHong 01") is five years, and the issuer shall have the option to adjust the coupon rate and the investors shall have the option to sell back the bonds at the end of the third interest-bearing year. On January 30, 2024, January 31, 2024, and February 1, 2024, the Company disclosed the first, second and third Indicative Announcement on Adjustment of Coupon Rate and Measures for Implementation of Put-back by Investors for "21 ShenHong 01" bonds, respectively, pursuant to which the Company determined to lower the coupon rate by 268 basis points at the end of the third interest-bearing year of "21 ShenHong 01", i.e. the coupon rate for the fourth and fifth interest-bearing years of the term of the bonds (that is, from March 8, 2024 to March 7, 2026) is 1.00% and is fixed in the fourth and fifth years of the term of the bonds. Meanwhile, it was announced that the put-back registration period of "21 ShenHong 01" is from February 2, 2024 to February 8, 2024. The number of "21 ShenHong 01" bonds subject to put-back is 15,000,000, the put-back amount is RMB1,500,000,000.00, and the remaining number of bonds under custody is 0. The principal and interest for the "21 ShenHong 01" bonds subject to put-back has been transferred by the Company to the designated bank account of Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on time, and were transferred to the accounts of investors on the date of receipt of put-back funds which is March 8, 2024. The put-back is in full. Upon completion of the implementation, "21 ShenHong 01" was delisted at the Shenzhen Stock Exchange on March 8, 2024. (Please refer to the relevant announcements published by the Company on the Cninfo website ([www.cninfo.com.cn](http://www.cninfo.com.cn)) and the website of HKExnews of Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) on January 30, January 31, February 1 and March 6, 2024 for details)

Save for the above put-back of corporate bonds, there were no other repurchases, sale or redemption of the Company's listed securities (including sale of treasury shares (as defined under the Hong Kong Listing Rules)) during the Reporting Period.

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

## Section VIII Profile of Bonds

### I. CORPORATE BONDS

#### (I) Basic Information of Corporate Bonds

##### 1. Public offering of corporate bonds in 2021

Name of bond	Abbreviation of bond	Bond code	Issuance date	Value date	Maturity date	Balance of bond (RMB'0,000)	Interest rate (%)	Payment of principal and interest	Trading place
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Group Co., Ltd. in 2021 (First Tranche) (Type I)	21 ShenHong 01	149393	2021-03-04	2021-03-08	2026-03-08 <sup>Note</sup>	0.00	3.68	Interest shall	
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Group Co., Ltd. in 2021 (First Tranche) (Type II)	21 ShenHong 02	149394	2021-03-04	2021-03-08	2028-03-08	50,000.00	3.95	be calculated annually, while the principal shall be fully repaid upon maturity.	Shenzhen Stock Exchange
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Group Co., Ltd. in 2021 (Second Tranche) (Type II)	21 ShenHong 04	149553	2021-07-13	2021-07-15	2028-07-15	300,000.00	3.65	Interest shall be paid annually, and principal will	
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Group Co., Ltd. in 2021 (Third Tranche) (Type I)	21 ShenHong 05	149578	2021-08-02	2021-08-04	2024-08-04 <sup>Note</sup>	50,000.00	2.99	be repaid upon maturity together with interest payable for the	
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Group Co., Ltd. in 2021 (Third Tranche) (Type II)	21 ShenHong 06	149579	2021-08-02	2021-08-04	2026-08-04	250,000.00	3.38	last period.	
Investor eligibility arrangement (if any)	Targeted to professional investors who have maintained A share securities accounts in the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited and in compliance with the requirements under the Administrative Measures on Corporate Bonds Offering and Trading (《公司債券發行與交易管理辦法》) and related laws and regulations (excluding subscribers prohibited by laws and regulations). Investors shall not subscribe by illegally making use of accounts or funds of others, or illegally financing or financing for others. Investors subscribing these bonds shall observe relevant laws and regulations and the relevant provisions of the CSRC and assume corresponding legal responsibilities on their own.								
Applicable trading mechanism	Traded by matching, one-click-order, price-enquiry, bidding or upon negotiation								
Whether there is risk of delisting (if any) and countermeasures therefor	Nil								

Note: Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Group Co., Ltd. in 2021 (First Tranche) (Type I) completed full put-back, interest payment and delisting on March 8, 2024. Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Group Co., Ltd. in 2021 (Third Tranche) (Type I) matured and completed principal and interest payment and delisting on August 4, 2024.

## 2. Public offering of corporate bonds in 2022

Name of bond	Abbreviation of bond	Bond code	Issuance date	Value date	Maturity date	Balance of bond (RMB'0,000)	Interest rate (%)	Payment of principal and interest	Trading place
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Group Co., Ltd. in 2022 (First Tranche) (Type I)	22 ShenHong 01	149825	2022-03-04	2022-03-08	2025-03-08	180,000.00	3.11		
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Group Co., Ltd. in 2022 (First Tranche) (Type II)	22 ShenHong 02	149826	2022-03-04	2022-03-08	2027-03-08	120,000.00	3.50	Interest shall be calculated annually, while the principal shall be fully repaid	
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Group Co., Ltd. in 2022 (Second Tranche) (Type I)	22 ShenHong 03	149898	2022-04-22	2022-04-26	2025-04-26	300,000.00	3.06	upon maturity. Interest shall be paid annually, and principal will	Shenzhen Stock Exchange
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Group Co., Ltd. in 2022 (Second Tranche) (Type II)	22 ShenHong 04	149899	2022-04-22	2022-04-26	2027-04-26	100,000.00	3.45	be repaid upon maturity together with interest payable for the	
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Group Co., Ltd. in 2022 (Third Tranche) (Type II)	22 ShenHong 06	148054	2022-08-26	2022-08-30	2032-08-30	255,000.00	3.56	last period.	
Investor eligibility arrangement (if any)								Targeted to professional investors who have maintained A share securities accounts in the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited and in compliance with the requirements under the Administrative Measures on Corporate Bonds Offering and Trading (《公司債券發行與交易管理辦法》) and related laws and regulations (excluding subscribers prohibited by laws and regulations). Investors shall not subscribe by illegally making use of accounts or funds of others, or illegally financing or financing for others. Investors subscribing these bonds shall observe relevant laws and regulations and the relevant provisions of the CSRC and assume corresponding legal responsibilities on their own.	
Applicable trading mechanism								Traded by matching, one-click-order, price-enquiry, bidding or upon negotiation	
Whether there is risk of delisting (if any) and countermeasures therefor								Nil	

### 3. Public offering of corporate bonds in 2023

Name of bond	Abbreviation of bond	Bond code	Issuance date	Value date	Maturity date	Balance of bond (RMB'0,000)	Interest rate (%)	Payment of principal and interest	Trading place
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Group Co., Ltd. in 2023 (First Tranche) (Type II)	23 ShenHong 02	148318	2023-06-12	2023-06-14	2033-06-14	500,000.00	3.49	Interest shall be calculated annually, while the principal shall be fully repaid upon maturity. Interest shall be paid annually, and principal will be repaid upon maturity together with interest payable for the last period.	Shenzhen Stock Exchange
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Group Co., Ltd. in 2023 (Second Tranche) (Type I)	23 ShenHong 03	148448	2023-09-01	2023-09-05	2024-09-05	160,000.00	2.49		
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Group Co., Ltd. in 2023 (Second Tranche) (Type II)	23 ShenHong 04	148449	2023-09-01	2023-09-05	2026-09-05	80,000.00	2.85		
Investor eligibility arrangement (if any)	Targeted to professional investors who have maintained A share securities accounts in the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited and in compliance with the requirements under the Administrative Measures on Corporate Bonds Offering and Trading (《公司債券發行與交易管理辦法》) and related laws and regulations (excluding subscribers prohibited by laws and regulations). Investors shall not subscribe by illegally making use of accounts or funds of others, or illegally financing or financing for others. Investors subscribing these bonds shall observe relevant laws and regulations and the relevant provisions of the CSRC and assume corresponding legal responsibilities on their own.								
Applicable trading mechanism	Traded by matching, one-click-order, price-enquiry, bidding or upon negotiation								
Whether there is risk of delisting (if any) and countermeasures therefor	Nil								

## 4. Public offering of corporate bonds in 2024

Name of bond	Abbreviation of bond	Bond code	Issuance date	Value date	Maturity date	Balance of bond (RMB'0,000)	Interest rate (%)	Payment of principal and interest	Trading place
Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Group Co., Ltd. in 2024 (First Tranche) (Type II)	24 ShenHong 02	148638	2024-03-11	2024-03-13	2029-03-13	245,000.00	2.71	Interest shall be calculated annually, while the principal shall be fully repaid upon maturity. Interest shall be paid annually, and principal will be repaid upon maturity together with interest payable for the last period.	Shenzhen Stock Exchange
Investor eligibility arrangement (if any)	Targeted to professional investors who have maintained A share securities accounts in the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited and in compliance with the requirements under the Administrative Measures on Corporate Bonds Offering and Trading (《公司債券發行與交易管理辦法》) and related laws and regulations (excluding subscribers prohibited by laws and regulations). Investors shall not subscribe by illegally making use of accounts or funds of others, or illegally financing or financing for others. Investors subscribing these bonds shall observe relevant laws and regulations and the relevant provisions of the CSRC and assume corresponding legal responsibilities on their own.								
Applicable trading mechanism	Traded by matching, one-click-order, price-enquiry, bidding or upon negotiation								
Whether there is risk of delisting (if any) and countermeasures therefor	Nil								

During the Reporting Period, the corporate bonds were not overdue.

## (II) Issuer or Investor Option Terms and Triggering and Implementation of Investor Protection Terms

### 1. Issuer or investor option terms

The term of Corporate Bonds Issued Publicly to Professional Investors by Shenwan Hongyuan Group Co., Ltd. in 2021 (First Tranche) (“21 ShenHong 01”) is five years, and the issuer shall have the option to adjust the coupon rate and the investors shall have the option to sell back the bonds at the end of the third interest-bearing year. On January 30, 2024, January 31, 2024, and February 1, 2024, the issuer disclosed the first, second and third Indicative Announcement on Adjustment of Coupon Rate and Measures for Implementation of Put-back by Investors for “21 ShenHong 01” bonds, respectively, pursuant to which the issuer determined to lower the coupon rate by 268 basis points at the end of the third interest-bearing year of “21 ShenHong 01”, i.e. the coupon rate for the fourth and fifth interest-bearing years of the term of the bonds (that is, from March 8, 2024 to March 7, 2026) is 1.00% and is fixed in the fourth and fifth years of the term of the bonds. Meanwhile, it was announced that the put-back registration period of “21 ShenHong 01” is from February 2, 2024 to February 8, 2024. The number of “21 ShenHong 01” bonds subject to put-back is 15,000,000, the put-back amount is RMB1,500,000,000.00, and the remaining number of bonds under custody is 0. The principal and interest for the “21 ShenHong 01” bonds subject to put-back has been transferred by the Company to the designated bank account of Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on time, and were transferred to the accounts of investors on the date of receipt of put-back funds which is March 8, 2024. The put-back is in full. Upon completion of the implementation, “21 ShenHong 01” was delisted at the Shenzhen Stock Exchange on March 8, 2024. (Please refer to the relevant announcements published by the Company on the Cninfo website ([www.cninfo.com.cn](http://www.cninfo.com.cn)) and the website of HKExnews of Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) on January 30, January 31, February 1 and March 6, 2024 for details)

### 2. Triggering and implementation of investor protection terms

During the Reporting Period, no investor protection terms were triggered for the corporate bonds.

## (III) Credit Rating Adjustment for Corporate Bonds

During the Reporting Period, there was no change in the credit rating of corporate bonds.

During the Reporting Period, China Lianhe Credit Rating Co. Ltd. continued to conduct ongoing credit rating on the corporate bonds issued publicly by the Company. There was no change in relevant credit rating level, rating outlook and credit rating results. The credit rating agencies maintained the AAA credit rating for the Company as an issuer, and the AAA credit rating for the corporate bonds, with a stable rating outlook.

**(IV) Implementation of and Changes in Guarantees, Debt Repayment Plan and Other Debt Repayment Guarantee Measures during the Reporting Period and Their Impact on the Interests of Bond Investors**

1. No guarantee is provided for the corporate bonds issued by the Company.
2. In order to adequately and effectively protect the interests of bondholders, the Company has made a series of arrangements to ensure the timely and full repayment of the corporate bonds, including designation of dedicated departments and personnel, preparation of debt repayment funds, formulation and strict implementation of the fund management plan with proper organization and coordination, and strict compliance with the information disclosure obligations, etc., which constituted a complete set of approaches to guarantee the payment of interest and redemption of the bonds. The Company has adopted a series of measures to guarantee the repayment of its debts, including formulation of the Rules for Meeting of Bondholders, setting up a special working group for the repayment of debts, formulating and strictly implementing the fund management plan, entrusting bond manager and making timely information disclosure. During the Reporting Period, there were no changes in credit enhancement mechanism, debt repayment plan and other debt repayment guarantee measures for the above corporate bonds.

The Company has set up a dedicated debt repayment account, from which the Company paid the interest payable and principal on each tranche of “21 ShenHong 01”, “21 ShenHong 02”, “21 ShenHong 04”, “21 ShenHong 05” and “21 ShenHong 06” on a timely basis. In March 2024, the Company paid the interest payable on “21 ShenHong 01” and “21 ShenHong 02” for the period from March 8, 2023 to March 7, 2024 and the entire principal of “21 ShenHong 01” on a timely basis from the dedicated debt repayment account. In July 2024, the Company paid the interest payable on “21 ShenHong 04” for the period from July 15, 2023 to July 14, 2024 on a timely basis from the dedicated debt repayment account. In August 2024, the Company paid the interest payable on “21 ShenHong 05” and “21 ShenHong 06” for the period from August 4, 2023 to August 3, 2024 and the entire principal of “21 ShenHong 05” on a timely basis from the dedicated debt repayment account.

The Company has set up a dedicated debt repayment account, from which the Company paid the interest payable and principal on each tranche of “22 ShenHong 01”, “22 ShenHong 02”, “22 ShenHong 03”, “22 ShenHong 04” and “22 ShenHong 06” on a timely basis. In March 2024, the Company paid the interest payable on “22 ShenHong 01” and “22 ShenHong 02” for the period from March 8, 2023 to March 7, 2024 on a timely basis from the dedicated debt repayment account. In April 2024, the Company paid the interest payable on “22 ShenHong 03” and “22 ShenHong 04” for the period from April 26, 2023 to April 25, 2024 on a timely basis from the dedicated debt repayment account. In August 2024, the Company paid the interest payable on “22 ShenHong 06” for the period from August 30, 2023 to August 29, 2024 on a timely basis from the dedicated debt repayment account.

The Company has set up a dedicated debt repayment account, from which the Company paid the interest payable and principal on each tranche of “23 ShenHong 02”, “23 ShenHong 03” and “23 ShenHong 04” on a timely basis. In June 2024, the Company paid the interest payable on “23 ShenHong 02” for the period from June 14, 2023 to June 13, 2024 on a timely basis from the dedicated debt repayment account.

## II. OTHER INFORMATION ON BONDS

During the Reporting Period, the Company did not have enterprise bonds, non-financial enterprise bond financing instruments, or convertible corporate bonds.

During the Reporting Period, the Company did not record loss within the scope of consolidated statements exceeding 10% of the net assets as at the end of last year.

For the bonds issued by Shenwan Hongyuan Securities, a subsidiary of the Company, please refer to “XIX. Significant Matters of Subsidiaries of the Company” under “Section VI Significant Events” in this report.



### III. THE MAIN ACCOUNTING INFORMATION AND FINANCIAL INDICATORS OF THE COMPANY FOR THE RECENT TWO YEARS AS OF THE END OF THE REPORTING PERIOD

Item	As of the end of the Reporting Period	As of the end of last year	Increase/decrease as compared with the end of last year
Current ratio	<b>1.30</b>	1.38	Decreased by 0.08
Gearing ratio <sup>Note</sup>	<b>74.91%</b>	76.09%	Decreased by 1.18 percentage points
Quick ratio	<b>1.29</b>	1.38	Decreased by 0.09

Item	For the Reporting Period	For the same period last year	Increase/decrease as compared with the same period last year
Net profit after deducting non-recurring profit or loss (RMB'000)	<b>2,798,860</b>	4,071,213	-31.25%
Total debt to EBITDA ratio	<b>0.05</b>	0.06	Decreased by 0.01
Interest coverage multiple	<b>1.81</b>	2.11	-14.22%
Cash interest coverage multiple	<b>1.74</b>	14.20	-87.75%
EBITDA interest coverage multiple	<b>1.91</b>	2.21	-13.57%
Loan repayment ratio	<b>100%</b>	100%	–
Interest repayment ratio	<b>100%</b>	100%	–

Note: Gearing ratio = (Total liabilities – Accounts payable to brokerage clients–Proceeds from underwriting securities received on behalf of customers)/(Total assets – Accounts payable to brokerage clients–Proceeds from underwriting securities received on behalf of customers) \* 100%

**SHENWAN HONGYUAN GROUP  
CO., LTD.**

(Incorporated in the People's Republic of China  
with Limited Liability)

Interim Financial Information (Unaudited)  
For the six months ended 30 June 2024  
(Prepared under International Financial Reporting  
Standards)

# Report on Review of Interim Financial Information To the Board of Directors of Shenwan Hongyuan Group Co., Ltd.

*(Incorporated in the People's Republic of China with limited liability)*

## **Introduction**

We have reviewed the interim financial information set out on pages 148 to 234, which comprises the interim condensed consolidated statement of financial position of Shenwan Hongyuan Group Co., Ltd. (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2024 and the interim condensed consolidated income statement, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six-month period then ended, and selected explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and International Accounting Standard 34, Interim Financial Reporting ("IAS 34"), issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of interim financial report in accordance with IAS 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the International Auditing and Assurance Standards Board. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Report on Review of Interim Financial Information  
To the Board of Directors of Shenwan Hongyuan Group  
Co., Ltd. (continued)

*(Incorporated in the People's Republic of China with limited liability)*

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial report as at 30 June 2024 is not prepared, in all material respects, in accordance with IAS 34.

KPMG

Certified Public Accountants

8th Floor, Prince's Building  
10 Chater Road  
Central, Hong Kong

30 August 2024

## Interim condensed consolidated income statement

### For the six months ended 30 June 2024

(In RMB thousands, unless otherwise stated)

	Note	Six months ended 30 June	
		2024 (Unaudited)	2023 (Unaudited)
<b>Revenue</b>			
Fee and commission income	5	3,622,034	4,413,419
Interest income	6	4,511,930	4,800,579
Net investment gains	7	4,858,802	6,012,431
<b>Total revenue</b>		12,992,766	15,226,429
Other income and gains	8	2,906,896	2,224,166
<b>Total revenue and other income</b>		15,899,662	17,450,595
Fee and commission expenses	9	780,090	605,895
Interest expenses	10	4,567,031	4,892,020
Staff costs	11	3,262,762	3,867,711
Depreciation and amortization expenses	12	453,965	412,722
Tax and surcharges		54,005	72,199
Other operating expenses	13	3,675,164	2,863,397
Credit impairment losses	14	78,604	25,649
Provision for impairment against other assets		3,496	53,714
<b>Total expenses</b>		12,875,117	12,793,307

Interim condensed consolidated income statement  
(continued)  
For the six months ended 30 June 2024  
(In RMB thousands, unless otherwise stated)

	Note	<u>Six months ended 30 June</u>	
		2024 (Unaudited)	2023 (Unaudited)
<b>Operating profit</b>		3,024,545	4,657,288
Share of profit of associates and joint ventures		335,004	316,739
<b>Profit before income tax</b>		3,359,549	4,974,027
Income tax expense	15	496,819	703,988
<b>Profit for the period</b>		<u>2,862,730</u>	<u>4,270,039</u>
<b>Attributable to:</b>			
Shareholders of the Company		2,128,072	3,747,734
Non-controlling interests		734,658	522,305
<b>Total</b>		<u>2,862,730</u>	<u>4,270,039</u>
Basic and diluted earnings per share (in Renminbi per share)	16	<u>0.08</u>	<u>0.15</u>

The accompanying notes form an integral part of this interim financial information.

## Interim condensed consolidated statement of comprehensive income

For the six months ended 30 June 2024

*(In RMB thousands, unless otherwise stated)*

	<i>Six months ended 30 June</i>	
	<i>2024</i>	<i>2023</i>
	(Unaudited)	(Unaudited)
<b>Profit for the period</b>	2,862,730	4,270,039
<b>Other comprehensive income for the period</b>		
<b>Items that will not be reclassified to profit or loss:</b>		
Equity investment at fair value through other comprehensive income		
- Net change in fair value	1,145,948	495,767
Income tax impact	(286,487)	(123,570)
<b>Items that may be reclassified subsequently to profit or loss:</b>		
Financial assets at fair value through other comprehensive income		
- Net changes in fair value	846,342	563,120
- Reclassified to profit or loss	(721,986)	(25,164)
Share of other comprehensive income of associates and joint ventures	670	2,986
Exchange differences on translation of financial statements in foreign currencies	26,812	145,766
Income tax impact	(25,387)	(122,856)
<b>Total other comprehensive income for the period, net of tax</b>	985,912	936,049
<b>Total comprehensive income for the period</b>	3,848,642	5,206,088
<b>Attributable to:</b>		
Shareholders of the Company	3,108,079	4,648,496
Non-controlling interests	740,563	557,592
<b>Total</b>	3,848,642	5,206,088

The accompanying notes form an integral part of this interim financial information.

## Interim condensed consolidated statement of financial position

As at 30 June 2024

(In RMB thousands, unless otherwise stated)

	Note	As at 30 June 2024 (Unaudited)	As at 31 December 2023 (Unaudited)
<b>Non-current assets</b>			
Property and equipment	17	1,383,029	1,429,979
Right-of-use assets	18	906,381	994,630
Investment properties		41,252	43,494
Other intangible assets	19	358,521	311,593
Interest in associates and joint ventures	20	3,980,857	4,076,755
Financial assets measured at amortized cost	21	2,268,387	1,370,362
Financial assets held under resale agreements	22	486,100	513,511
Financial assets at fair value through profit or loss	23	7,046,236	13,080,312
Financial assets at fair value through other comprehensive income	24	72,387,487	73,173,338
Refundable deposits	25	22,350,090	22,812,202
Deferred tax assets	26	2,112,659	2,739,571
Other non-current assets	27	412,414	433,524
		113,733,413	120,979,271
<b>Current assets</b>			
Accounts receivable	28	7,654,306	6,167,987
Other receivables and prepayments	29	2,264,785	1,779,777
Margin accounts receivable	30	59,163,169	64,428,205
Financial assets measured at amortized cost	21	1,480,518	2,146,897
Financial assets held under resale agreements	22	11,230,838	4,101,053
Financial assets at fair value through profit or loss	23	225,745,800	223,407,852
Financial assets at fair value through other comprehensive income	24	56,661,083	70,819,304
Derivative financial assets	31	14,666,556	10,207,378
Clearing settlement funds	32	9,796,129	12,335,678
Cash held on behalf of brokerage clients	33	76,981,729	85,610,760
Cash and bank balances	34	28,007,705	33,453,256
		493,652,618	514,458,147
<b>Total current assets</b>		493,652,618	514,458,147
<b>Total assets</b>		607,386,031	635,437,418



## Interim condensed consolidated statement of financial position (continued)

As at 30 June 2024

(In RMB thousands, unless otherwise stated)

	Note	As at 30 June 2024 (Unaudited)	As at 31 December 2023 (Unaudited)
<b>Current liabilities</b>			
Loans and borrowings	36	616,000	835,592
Short-term debt instruments issued	37	33,313,532	28,055,961
Placements from other financial institutions	38	2,974,984	2,440,854
Accounts payable to brokerage clients	39	88,472,400	96,870,504
Employee benefits payable	40	1,567,212	2,110,487
Other payables and accruals	41	63,974,591	58,461,588
Contract liabilities		79,293	48,115
Current tax liabilities		68,746	71,891
Financial assets sold under repurchase agreements	42	138,899,296	163,215,333
Lease liabilities	43	359,012	369,687
Financial liabilities at fair value through profit or loss	44	9,666,919	5,694,306
Derivative financial liabilities	31	6,391,507	6,185,560
Long-term bonds due within one year	45	54,857,035	34,371,888
<b>Total current liabilities</b>		401,240,527	398,731,766
<b>Net current assets</b>		92,412,091	115,726,381
<b>Total assets less current liabilities</b>		206,145,504	236,705,652
<b>Non-current liabilities</b>			
Long-term bonds	45	71,694,850	102,857,017
Non-current employee benefits payable	40	3,331,218	3,648,945
Deferred tax liabilities	26	71,663	30,527
Lease liabilities	43	575,638	645,826
Other non-current liabilities		289,932	729,203
<b>Total non-current liabilities</b>		75,963,301	107,911,518
<b>Net assets</b>		130,182,203	128,794,134

Interim condensed consolidated statement of financial  
position (continued)  
As at 30 June 2024  
(In RMB thousands, unless otherwise stated)

	<i>Note</i>	<i>As at 30 June 2024 (Unaudited)</i>	<i>As at 31 December 2023 (Unaudited)</i>
<b>Equity</b>			
Share capital	46	25,039,945	25,039,945
Reserves	47	44,042,340	42,899,731
Retained profits	48	32,768,598	32,205,365
		<hr/>	<hr/>
Total equity attributable to shareholders of the Company		101,850,883	100,145,041
Non-controlling interests		28,331,320	28,649,093
		<hr/>	<hr/>
<b>Total equity</b>		<u>130,182,203</u>	<u>128,794,134</u>

The accompanying notes form an integral part of this interim financial information.

Approved and authorised for issue by the board of directors on 30 August 2024.

Liu Jian  
Executive Director,  
Chairman

Huang Hao  
Executive Director,  
General Manager

The accompanying notes form an integral part of this interim financial information.

Interim condensed consolidated statement of changes in equity  
For the six months ended 30 June 2024  
(In RMB thousands, unless otherwise stated)

	Attributable to shareholders of the Company						Non-controlling interests			Total equity	
	Share capital (Note 46)	Capital reserve (Note 47)	Surplus reserves (Note 47)	General reserves (Note 47)	Fair value reserve (Note 47)	Translation reserve (Note 47)	Retained profits (Note 48)	Subtotal	Ordinary shareholders		Other equity instrument investors
As at 1 January 2024	25,039,945	19,271,829	4,204,719	18,520,713	699,982	202,488	32,205,365	100,145,041	1,690,695	26,958,398	128,794,134
Profit for the period	-	-	-	-	-	-	2,128,072	2,128,072	97,212	637,446	2,862,730
Other comprehensive income	-	-	-	-	959,130	20,877	-	980,007	5,905	-	985,912
Total comprehensive income for the period	-	-	-	-	959,130	20,877	2,128,072	3,108,079	103,117	637,446	3,848,642
Appropriation to general reserve	-	-	-	14,569	-	-	(14,569)	-	-	-	-
Distribution to ordinary shareholders	-	-	-	-	-	-	(1,402,237)	(1,402,237)	(101,096)	-	(1,503,333)
Distribution to other equity instrument holders	-	-	-	-	-	-	-	-	-	(957,240)	(957,240)
Other comprehensive income that has been reclassified to retained profits	-	-	-	-	148,033	-	(148,033)	-	-	-	-
As at 30 June 2024 (Unaudited)	25,039,945	19,271,829	4,204,719	18,535,282	1,807,145	223,365	32,768,598	101,850,883	1,692,716	26,638,604	130,182,203

Interim condensed consolidated statement of changes in equity (continued)  
For the six months ended 30 June 2024  
(In RMB thousands, unless otherwise stated)

	Attributable to shareholders of the Company						Non-controlling interests			Total equity	
	Share capital (Note 46)	Capital reserve (Note 47)	Surplus reserves (Note 47)	General reserves (Note 47)	Fair value reserve (Note 47)	Translation reserve (Note 47)	Retained profits (Note 48)	Subtotal	Ordinary shareholders		Other equity instrument investors
As at 1 January 2023	25,039,945	19,367,146	4,131,474	17,197,713	(980,230)	139,598	30,149,298	95,044,944	1,615,996	20,018,753	116,679,693
Profit for the period	-	-	-	-	-	-	3,747,734	3,747,734	42,466	479,839	4,270,039
Other comprehensive income	-	-	-	-	783,307	117,455	-	900,762	35,287	-	936,049
Total comprehensive income for the period	-	-	-	-	783,307	117,455	3,747,734	4,648,496	77,753	479,839	5,206,088
Appropriation to general reserve	-	-	-	26,343	-	-	(26,343)	-	-	-	-
Distribution to other equity instrument holders	-	-	-	-	-	-	-	-	-	(82,000)	(82,000)
Dividends approved in respect of the previous year	-	-	-	-	-	-	(751,198)	(751,198)	-	-	(751,198)
Other comprehensive income that has been reclassified to retained profits	-	-	-	-	36,175	-	(36,175)	-	-	-	-
Issuance of perpetual bonds	-	-	-	-	-	-	-	-	-	1,776,651	1,776,651
Others	-	-	-	-	-	-	(6)	(6)	(980)	-	(986)
As at 30 June 2023 (Unaudited)	25,039,945	19,367,146	4,131,474	17,224,056	(160,748)	257,053	33,083,310	98,942,236	1,692,769	22,193,243	122,828,248

The accompanying notes form an integral part of this interim financial information.

## Interim condensed consolidated statement of cash flows

### For the six months ended 30 June 2024

*(In RMB thousands, unless otherwise stated)*

	<i>Six months ended 30 June</i>	
	<i>2024</i>	<i>2023</i>
	(Unaudited)	(Unaudited)
<b>Cash flows from operating activities:</b>		
Profit before income tax	3,359,549	4,974,027
Adjustments for:		
Interest expenses	4,567,031	4,892,020
Share of profit of associates and joint ventures	(335,004)	(316,739)
Depreciation and amortization expenses	453,965	412,722
Net provision for impairment losses	82,100	79,363
Losses on disposal of property and equipment and other intangible assets	1,802	2,480
Foreign exchange losses	10,617	27,605
Net investment gains and interest income from financial assets at fair value through other comprehensive income	(2,779,977)	(1,675,859)
Net investment gains and interest income from financial assets measured at amortized cost	(70,180)	(78,691)
Unrealised fair value changes of financial instruments at fair value through profit or loss	366,155	(2,518,561)
Unrealised fair value changes of derivative financial instruments	(3,595,955)	267,246
Operating cash flows before movements in working capital	2,060,103	6,065,613

## Interim condensed consolidated statement of cash flows (continued)

For the six months ended 30 June 2024

*(In RMB thousands, unless otherwise stated)*

	<i>Six months ended 30 June</i>	
	2024	2023
	(Unaudited)	(Unaudited)
<b>Cash flows from operating activities:</b>		
Decrease in refundable deposits	462,112	1,494,996
Decrease in margin accounts receivable	5,203,518	196,382
(Increase)/Decrease in financial assets held under resale agreements	(69,058)	1,579,441
Decrease in financial instruments at fair value through profit or loss	7,543,289	30,287,303
Increase in derivative financial instruments	(657,276)	-
Decrease in cash held on behalf of brokerage clients	8,629,031	24,575
(Decrease)/Increase in accounts payable to brokerage clients	(8,398,104)	2,118,718
Increase in other payables and accruals and other non-current liabilities	842,268	6,251,019
(Decrease)/Increase in financial assets sold under repurchase agreements	(24,316,037)	5,983,754
Increase/(Decrease) in placements from other financial institutions	534,130	(2,423,729)
Changes in other operating receivables and payables	1,650,114	3,282,068
Cash (used in)/generated from operations	(6,515,910)	54,860,140
Income taxes paid	(746,049)	(274,086)
Interest paid for operating activities	(2,155,773)	(2,246,959)
Net cash (used in)/generated from operating activities	(9,417,732)	52,339,095

## Interim condensed consolidated statement of cash flows (continued)

For the six months ended 30 June 2024

(In RMB thousands, unless otherwise stated)

	<u>Six months ended 30 June</u>	
	2024 (Unaudited)	2023 (Unaudited)
<b>Cash flows from investing activities:</b>		
Proceeds from disposal of property and equipment and other intangible assets	2,057	4,727
Dividends received from associates and joint ventures	282,337	19,348
Interest income and disposal gains from financial assets measured at amortized cost	72,083	91,143
Net investment gains and interest income from financial assets at fair value through other comprehensive income	3,339,423	1,896,043
Proceeds on disposal of financial assets measured at amortized cost	236,350	87,023
Purchases of property and equipment, other intangible assets and other non-current assets	(254,618)	(319,686)
Proceeds on disposal of associates and joint ventures	125,269	298,589
Disposal/(Purchase) of financial assets at fair value through other comprehensive income	15,840,834	(48,945,206)
Increase in restricted bank deposits	(836,709)	(448,183)
	<hr/>	<hr/>
Net cash generated from/(used in) investing activities	18,807,026	(47,316,202)
	<hr/>	<hr/>

## Interim condensed consolidated statement of cash flows (continued)

For the six months ended 30 June 2024

*(In RMB thousands, unless otherwise stated)*

	<i>Note</i>	<i>Six months ended 30 June</i>	
		<i>2024</i>	<i>2023</i>
		<i>(Unaudited)</i>	<i>(Unaudited)</i>
<b>Cash flows from financing activities:</b>			
Proceeds from issuance of other equity instruments		-	1,776,651
Proceeds from issuance of long-term bonds		6,922,256	16,659,126
Proceeds from issuance of short-term debt instruments		43,847,755	26,969,444
Proceeds from loans and borrowings		453,761	406,178
Long-term bonds repaid		(17,349,503)	(18,300,034)
Short-term debt instruments repaid		(38,718,580)	(29,898,586)
Loans and borrowings repaid		(672,959)	(344,720)
Loans, bonds and debt instruments interest paid		(2,569,746)	(3,602,848)
Dividends paid		(245,016)	(82,000)
Payment of lease liabilities		(208,687)	(202,306)
		(8,540,719)	(6,619,095)
		(8,540,719)	(6,619,095)
<b>Net increase/(decrease) in cash and cash equivalents</b>		848,575	(1,596,202)
Cash and cash equivalents at the beginning of the period		46,782,888	58,260,917
Effect of foreign exchange rate changes		(10,617)	(27,605)
		(10,617)	(27,605)
<b>Cash and cash equivalents at the end of the period</b>	35	47,620,846	56,637,110

The accompanying notes form an integral part of this interim financial information.



# Notes to the interim condensed consolidated financial information

(In RMB thousands, unless otherwise stated)

## 1 General information

Shenwan Hongyuan Group Co., Ltd. (申萬宏源集團股份有限公司) (the “Company”), formerly known as Shenyin Wanguo Securities Co., Ltd., had its origin in a merger of Shanghai Shenyin Securities Co., Ltd. and Shanghai Wanguo Securities Co., Ltd. in 1996 with the approval of the People’s Bank of China. On 16 January 2015, the Company changed its name to Shenwan Hongyuan Group Co., Ltd., when Shenyin Wanguo Securities Co., Ltd. and Hongyuan Securities Co., Ltd. merged through share issuance and swap as approved by the China Securities Regulatory Commission (“CSRC”) (CSRC Xu Ke [2014] No. 1279).

On 26 January 2015, the common shares issued by the Company were listed on the Shenzhen Stock Exchange. The stock name was “Shenwan Hongyuan” and the stock code was “000166”.

On 6 July 2016, on the basis of the total outstanding shares of 14,856,744,977 shares as at 31 December 2015, the Company distributed 3.50 shares per 10 shares as stock dividends to shareholders, thus increasing its registered capital by RMB5,199,860,741 and increasing its total outstanding shares to 20,056,605,718 shares as at 31 December 2016 and 31 December 2017.

As of 16 January 2018, the Company raised a total of RMB11,972,900,760 from the non-public offering of shares, of which paid-in capital was RMB2,479,338,842 and share premium totaled RMB9,493,561,918, thus increasing the accumulated total outstanding shares of the Company to 22,535,944,560 shares as at 31 December 2018.

As of 26 April 2019, the Company issued 2,504,000,000 H shares on the main board of The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”), thus increasing the accumulated total outstanding shares of the Company to 25,039,944,560 shares as at 30 June 2024.

The Company’s registered address moved to the Xinjiang Uygur Autonomous Region on 20 January 2015 and obtained a business license renewed by the Xinjiang Uygur Autonomous Region Administration for Industry and Commerce. The Company and its subsidiaries are principally engaged in securities brokerage, margin financing and securities lending, securities-backed lending, proprietary securities business, securities underwriting and sponsoring, securities asset management, fund management, stock option market making, futures brokerage, direct investment, innovative investment etc.

## 2 Basis of accounting

These interim financial information for the six months ended 30 June 2024 have been prepared in accordance with “IAS 34 Interim Financial Reporting”. In addition, these condensed consolidated interim financial information also comply with the disclosure requirements of the Listing Rules of the Stock Exchange of Hong Kong Limited, and should be read in conjunction with the Group’s last annual consolidated financial statements as at and for the year ended 31 December 2023 (‘last annual financial statements’). They do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS Standards. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual financial statements.

The financial information relating to the financial year ended 31 December 2023 that is included in the interim financial statements as comparative information does not constitute the Company’s annual consolidated financial statements but is derived from those financial statements.

The interim financial information were authorised for issue by the Company’s board of directors on 30 August 2024.

## 3 Use of judgments and estimates

In preparing these interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

## 4 Changes in accounting policies

Except as described below, the accounting policies applied in these interim financial statements are the same as those applied in the Groups consolidated financial statements as at and for the year ended 31 December 2023.

The Group has adopted Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants-Amendments to IAS 1, as issued in 2020 and 2022. The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024. They clarify certain requirements for determining whether a liability should be classified as current or non-current and require new disclosures for non-current liabilities that are subject to covenants within 12 months after the reporting period.

None of these amendments have had a material effect on how the group’s results and financial position for the current or prior periods have been prepared or presented in this interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

## 5 Fee and commission income

	<u>Six months ended 30 June</u>	
	2024	2023
Income from securities brokerage business	2,130,339	2,603,146
Income from futures brokerage business	633,641	438,996
Income from asset management business	407,409	522,558
Income from underwriting and sponsorship business	336,707	762,775
Income from financial advisory business	93,333	85,944
Income from other business	20,605	-
	<hr/>	<hr/>
Total	<u>3,622,034</u>	<u>4,413,419</u>

## 6 Interest income

	<u>Six months ended 30 June</u>	
	2024	2023
Interest income from margin financing and securities lending	1,815,618	2,005,088
Interest income from financial institutions	1,406,860	1,471,047
Interest income from financial instruments at fair value through other comprehensive income	1,021,862	1,079,531
Interest income from other financial assets held under resale agreements	74,568	103,650
Interest income from financial assets measured at amortized cost	70,180	78,691
Interest income from securities-backed lending	54,896	51,474
Others	67,946	11,098
	<hr/>	<hr/>
Total	<u>4,511,930</u>	<u>4,800,579</u>

## 7 Net investment gains

	<u>Six months ended 30 June</u>	
	2024	2023
Unrealised fair value changes of derivative financial instruments	3,595,955	(267,246)
Dividend income and interest income from financial instruments at fair value through profit or loss	2,914,860	2,793,557
Net realised gains/(losses) from disposal of derivative financial instruments	1,880,835	(1,646,248)
Dividend income from financial instruments at fair value through other comprehensive income	1,051,211	502,402
Net realised gains from disposal of financial instruments at fair value through other comprehensive income	706,904	93,926
Net realised losses from disposal of financial assets measured at amortized cost	-	(4,156)
Unrealised fair value changes of financial instruments at fair value through profit or loss	(366,155)	2,518,561
Net realised (losses) /gains from disposal of financial instruments at fair value through profit or loss	(4,924,808)	1,792,957
Others	-	228,678
<b>Total</b>	<u><u>4,858,802</u></u>	<u><u>6,012,431</u></u>

## 8 Other income and gains

	<u>Six months ended 30 June</u>	
	2024	2023
Income from commodity trading business	2,779,521	1,884,516
Income from tax authorities for individual income tax withheld	71,331	126,014
Income from futures market-making	23,331	4,739
Rental income (2)	10,420	10,527
Government grants (1)	5,889	178,866
Compensation received	678	2,030
Income from disposal of property and equipment	50	341
Miscellaneous (3)	15,676	17,133
<b>Total</b>	<u>2,906,896</u>	<u>2,224,166</u>

- (1) The government grants were received unconditionally by the Company and its subsidiaries from the local government where they reside.
- (2) Among the above other income and gains, rental income is recognized over time, and the others are recognized at a point in time.
- (3) Miscellaneous comprise a number of items with small amounts and various natures arising from the Group's daily business operation.

## 9 Fee and commission expenses

	<u>Six months ended 30 June</u>	
	2024	2023
Expenses for futures brokerage business	414,590	127,816
Expenses for securities brokerage business	353,390	464,559
Expenses for underwriting and sponsorship business	9,346	12,501
Expenses for asset management business	2,507	946
Expenses for financial advisory business	257	73
	<hr/>	<hr/>
Total	780,090	605,895
	<hr/> <hr/>	<hr/> <hr/>

## 10 Interest expenses

	<u>Six months ended 30 June</u>	
	2024	2023
Interest expenses for		
- Long-term bonds	2,010,121	2,321,888
- Financial assets sold under repurchase agreements	1,650,355	1,765,066
- Short-term debt instruments issued	413,863	227,537
- Accounts payable to brokerage clients	244,297	216,520
- Other structured entities' holders	105,192	101,930
- Placements from other financial institutions	60,237	79,796
- Lease liabilities	16,778	16,556
- Loans and borrowings	15,835	55,892
- Other	50,353	106,835
	<hr/>	<hr/>
Total	4,567,031	4,892,020
	<hr/> <hr/>	<hr/> <hr/>

## 11 Staff costs

	<i>Six months ended 30 June</i>	
	2024	2023
Salaries, bonuses and allowances	2,274,653	2,910,824
Contribution to pension schemes	251,201	234,021
Other social welfare	736,908	722,866
	3,262,762	3,867,711

The domestic employees of the Group in the PRC participate in social welfare plans, including pension, medical, housing, and other welfare benefits, organised and administered by the governmental authorities. The Group also operates a Mandatory Provident Fund Scheme for all qualified employees in Hong Kong under the Mandatory Provident Fund Schemes Ordinance. According to the relevant regulations, the premiums and welfare benefits contributions that should be borne by the Group are calculated on regular basis and paid to the labour and social welfare authorities. These social welfare plans are defined contribution plans and contributions to the plans are expensed as incurred.

The Group has provided full-time employees in Mainland China and certain countries or jurisdictions outside Mainland China with corresponding pension plans required by government or local labour laws, including basic pension plan in Mainland China, Mandatory Provident Fund in Hong Kong and other mandatory schemes in certain countries outside Mainland China. The Group has not forfeited any contributions under such pension plans.

The Group has also established an enterprise annuity plan for its employees in Mainland China. According to the provisions of the enterprise annuity plan, when an employee resigns, part of the amounts of the Company's contributions shall be transferred back to the enterprise account based on such employee's actual serving period, and the amounts transferred back will not reduce the contribution levels of existing employees. The Group has also established certain contribution plans (including the Mandatory Provident Fund Scheme in Hong Kong) for some of its employees outside Mainland China. According to the provisions of the contribution plans, forfeited contributions in respect of employees who had left the Group before their contributions fully vested are available for the Group to offset its future voluntary contributions. For the six-month periods ended 30 June 2024 and 30 June 2023, the Group has not utilised any such forfeited contributions to reduce the current level of contributions.

## 12 Depreciation and amortization expenses

	<i>Six months ended 30 June</i>	
	<i>2024</i>	<i>2023</i>
Depreciation of right-of-use assets	200,586	192,901
Depreciation of property and equipment	124,175	115,611
Amortization of other intangible assets	98,932	81,990
Amortization of long-term deferred expenses	28,029	19,977
Depreciation of investment properties	2,243	2,243
	<hr/>	<hr/>
Total	453,965	412,722
	<hr/>	<hr/>

## 13 Other operating expenses

	<i>Six months ended 30 June</i>	
	<i>2024</i>	<i>2023</i>
Cost of commodity trading business	2,778,953	1,974,749
IT expenses	233,790	155,080
Stock exchanges management fees	77,350	89,004
Business travel expenses	76,114	72,544
Administrative and office operating expenses	69,521	82,297
Funds and asset management plans distribution expenses	65,024	62,560
Rental expenses and utilities	60,356	84,595
Consulting and professional services	52,359	62,136
Postal and communication expenses	52,160	44,311
Investor protection funds and risk reserves for futures business	44,069	58,277
Promotion and entertainment expenses	34,789	45,230
Donation and sponsorship	15,672	32,307
Foreign exchange losses	10,617	27,605
Losses on disposal of property and equipment	2,896	2,821
Auditors' remuneration	2,571	3,444
Miscellaneous (1)	98,923	66,437
	<hr/>	<hr/>
Total	3,675,164	2,863,397
	<hr/>	<hr/>

(1) Miscellaneous comprise a number of items with small amounts and various natures arising from the Group's daily business operation.



## 14 Credit impairment losses

	<u>Six months ended 30 June</u>	
	2024	2023
Provision for impairment losses against financial assets measured at amortized cost	29,549	50,277
Provision for impairment losses against other receivables and prepayments	23,804	2,663
Provision for/(Reversal of) impairment losses against financial assets held under resale agreements	22,525	(126,168)
Provision for /(Reversal of) of impairment losses against margin accounts receivable	18,788	(9,561)
Provision for/(Reversal of) impairment losses against cash and bank balances	247	(807)
(Reversal of)/Provision for impairment losses against financial assets at fair value through other comprehensive income	(9,401)	6,257
(Reversal of)/Provision for impairment losses against accounts receivable	(6,908)	102,988
Total	<u>78,604</u>	<u>25,649</u>

## 15 Income tax expense

### (1) Taxation in the condensed consolidated income statement represents:

	<u>Six months ended 30 June</u>	
	2024	2023
Current tax		
- PRC income tax	134,156	197,909
- Hong Kong profits tax	207	-
Total	<u>134,363</u>	<u>197,909</u>
Adjustment in respect of prior years		
- PRC income tax	6,282	(33,489)
Deferred tax		
- Origination and reversal of temporary differences	356,174	539,568
Total	<u>496,819</u>	<u>703,988</u>

## 15 Income tax expense (continued)

### (2) Reconciliation between income tax expense and accounting profit at applicable tax rate:

	<u>Six months ended 30 June</u>	
	2024	2023
Profit before income tax	3,359,549	4,974,027
Notional tax calculated using the PRC statutory tax rate	839,887	1,243,507
Tax effect of non-deductible expenses	6,056	5,445
Tax effect of non-taxable income	(497,415)	(568,783)
Effect of different tax rates of subsidiaries	2,165	3,124
Adjustment for prior years	6,282	(33,489)
Deductible losses in deferred income tax not recognized in the current period	122,510	65,383
Deductible temporary differences not recognized for prior years	(919)	(17,570)
Others	18,253	6,371
	<u>496,819</u>	<u>703,988</u>
Actual income tax expense	<u>496,819</u>	<u>703,988</u>

## 16 Basic and diluted earnings per share

	<u>Six months ended 30 June</u>	
	2024	2023
Number of ordinary shares (in thousands)	25,039,945	25,039,945
Net profit attributable to equity shareholders of the Company (in RMB thousands)	2,128,072	3,747,734
Basic and diluted earnings per share attributable to equity shareholders of the Company (in RMB per share)	0.08	0.15

There is no difference between basic and diluted earnings per share as there were no potentially dilutive shares outstanding during the period.

## 17 Property and equipment

	Buildings	Motor vehicles	Machinery	Electronic equipment	Furniture and fixtures	Renovation	Construction in progress	Total
<b>Cost</b>								
As at 1 January 2024	1,673,487	41,448	14,412	1,332,142	76,706	127,667	216,630	3,482,492
Additions	-	-	-	81,572	3,246	586	126,328	211,732
Transfer during the period	-	-	-	4,113	35	424	(4,572)	-
Disposals	(2,894)	(1,006)	(564)	(27,766)	(2,153)	(9,683)	(129,691)	(173,757)
As at 30 June 2024	1,670,593	40,442	13,848	1,390,061	77,834	118,994	208,695	3,520,467
<b>Accumulated depreciation</b>								
As at 1 January 2024	(953,645)	(33,525)	(12,573)	(889,611)	(56,974)	(88,115)	-	(2,034,443)
Charge for the period	(26,680)	(805)	(74)	(89,224)	(3,519)	(3,873)	-	(124,175)
Disposals	1,398	939	536	27,259	892	8,226	-	39,250
As at 30 June 2024	(978,927)	(33,391)	(12,111)	(951,576)	(59,601)	(83,762)	-	(2,119,368)
<b>Impairment</b>								
As at 1 January 2024	(18,070)	-	-	-	-	-	-	(18,070)
Charge for the period	-	-	-	-	-	-	-	-
As at 30 June 2024	(18,070)	-	-	-	-	-	-	(18,070)
<b>Carrying amount</b>								
As at 30 June 2024	673,596	7,051	1,737	438,485	18,233	35,232	208,695	1,383,029

## 17 Property and equipment (continued)

	Buildings	Motor vehicles	Machinery	Electronic equipment	Furniture and fixtures	Renovation	Construction in progress	Total
<b>Cost</b>								
As at 1 January 2023	1,671,225	46,653	16,378	1,225,690	78,462	119,296	230,151	3,387,855
Additions	-	3,016	-	257,823	7,937	6,405	298,954	574,135
Transfer during the year	2,933	-	-	10,301	402	5,800	(19,436)	-
Disposals	(671)	(8,221)	(1,966)	(161,672)	(10,095)	(3,834)	(293,039)	(479,498)
As at 31 December 2023	1,673,487	41,448	14,412	1,332,142	76,706	127,667	216,630	3,482,492
<b>Accumulated depreciation</b>								
As at 1 January 2023	(899,968)	(38,657)	(14,337)	(864,869)	(63,657)	(85,668)	-	(1,967,156)
Charge for the year	(53,711)	(2,411)	(106)	(174,205)	(2,535)	(6,259)	-	(239,227)
Disposals	34	7,543	1,870	149,463	9,218	3,812	-	171,940
As at 31 December 2023	(953,645)	(33,525)	(12,573)	(889,611)	(56,974)	(88,115)	-	(2,034,443)
<b>Impairment</b>								
As at 1 January 2023	(18,070)	-	-	-	-	-	-	(18,070)
Charge for the year	-	-	-	-	-	-	-	-
As at 31 December 2023	(18,070)	-	-	-	-	-	-	(18,070)
<b>Carrying amount</b>								
As at 31 December 2023	701,772	7,923	1,839	442,531	19,732	39,552	216,630	1,429,979

As at 30 June 2024 and 31 December 2023, included in buildings, there is a carrying amount of RMB 21,942 thousand and RMB 22,302 thousand respectively, for which the Group has yet to obtain the relevant land or building certificates.

## 18 Right-of-use assets

	<i>Right-of-use assets</i>
<b>Cost</b>	
As at 1 January 2024	1,778,389
Increases	128,806
Decreases	(147,328)
	1,759,867
	1,759,867
<b>Accumulated depreciation</b>	
As at 1 January 2024	(783,759)
Charge for the period	(200,586)
Decreases	130,859
	(853,486)
	(853,486)
<b>Carrying amount</b>	
As at 30 June 2024	906,381
<i>Right-of-use assets</i>	
<b>Cost</b>	
As at 1 January 2023	1,602,505
Increases	509,052
Decreases	(333,168)
	1,778,389
	1,778,389
<b>Accumulated depreciation</b>	
As at 1 January 2023	(702,942)
Charge for the year	(398,574)
Decreases	317,757
	(783,759)
	(783,759)
<b>Carrying amount</b>	
As at 31 December 2023	994,630

## 19 Other intangible assets

	Software	Others (1)	Total
<b>Cost</b>			
As at 1 January 2024	1,147,512	329,828	1,477,340
Additions	145,858	2	145,860
Disposals	(1,254)	(1)	(1,255)
	<u>1,292,116</u>	<u>329,829</u>	<u>1,621,945</u>
As at 30 June 2024	1,292,116	329,829	1,621,945
<b>Accumulated amortization</b>			
As at 1 January 2024	(851,186)	(313,885)	(1,165,071)
Charge for the period	(98,577)	(355)	(98,932)
Decreases	1,254	1	1,255
	<u>(948,509)</u>	<u>(314,239)</u>	<u>(1,262,748)</u>
As at 30 June 2024	(948,509)	(314,239)	(1,262,748)
<b>Impairment</b>			
As at 1 January 2024	-	(676)	(676)
	<u>-</u>	<u>(676)</u>	<u>(676)</u>
As at 30 June 2024	-	(676)	(676)
	<u>-</u>	<u>(676)</u>	<u>(676)</u>
<b>Carrying amount</b>			
As at 30 June 2024	<u>343,607</u>	<u>14,914</u>	<u>358,521</u>

## 19 Other intangible assets (continued)

	<i>Software</i>	<i>Others (1)</i>	<i>Total</i>
<b>Cost</b>			
As at 1 January 2023	983,450	333,654	1,317,104
Additions	204,098	80	204,178
Disposals	(40,036)	(3,906)	(43,942)
As at 31 December 2023	<u>1,147,512</u>	<u>329,828</u>	<u>1,477,340</u>
<b>Accumulated amortization</b>			
As at 1 January 2023	(710,831)	(314,304)	(1,025,135)
Charge for the year	(172,313)	(686)	(172,999)
Decreases	31,958	1,105	33,063
As at 31 December 2023	<u>(851,186)</u>	<u>(313,885)</u>	<u>(1,165,071)</u>
<b>Impairment</b>			
As at 1 January 2023	-	(676)	(676)
As at 31 December 2023	<u>-</u>	<u>(676)</u>	<u>(676)</u>
<b>Carrying amount</b>			
As at 31 December 2023	<u>296,326</u>	<u>15,267</u>	<u>311,593</u>

- (1) The carrying amount of others includes trading seats rights, which have indefinite useful life and are not amortized.

## 20 Interest in associates and joint ventures

	As at 30 June 2024	As at 31 December 2023
Share of net assets	4,159,142	4,255,040
Less: Provision for impairment losses	(178,285)	(178,285)
Total	<u>3,980,857</u>	<u>4,076,755</u>

The following list contains the particulars of associates and joint ventures, all of which are unlisted enterprises whose quoted market prices are not available:

Name of associates and joint ventures	Place of incorporation	Registered capital (in thousands)	Effective equity interest held		Principal activity
			30 June 2024	31 December 2023	
Fullgoal Fund Management Co., Ltd.* 富國基金管理有限公司	Shanghai	RMB 520,000	27.775%	27.775%	Fund management
Beijing Urban Construction (Wuhu) Equity Investment management Co., Ltd.* 北京城建(蕪湖)股權投資管理有限公司	Wuhu, Anhui	RMB20,000	30.00%	30.00%	Investment management
Xinjiang Tianshan Industrial Investment Fund Management Co., Ltd.* 新疆天山產業投資基金管理有限公司	Urumqi, Xinjiang	RMB50,000	30.00%	30.00%	Investment management
Horgos Tianshan No. 1 Industrial Investment Fund Limited Partnership* 霍爾果斯天山一號產業投資基金有限合夥企業	Horgos, Xinjiang	RMB1,510,000	33.11%	33.11%	Equity management
Xinjiang Financial Investment Asset Management Co., Ltd.* (1) 新疆金投資產管理股份有限公司(1)	Urumqi, Xinjiang	RMB2,043,223	18.00%	18.00%	Asset management
Henan Guochuang Mixed Reform Fund Management Co., Ltd.* 河南省國創混改基金管理有限公司	Zhengzhou, Henan	RMB10,000	30.00%	30.00%	Investment management
Shenzhen Shenwan Jiaotou West Growth No. 1 Equity Investment Fund Partnership (Limited Partnership)* (1) 深圳申萬交投西部成長一號股權投資基金合夥企業(有限合夥)(1)	Shenzhen, Guangdong	RMB57,923	17.55%	15.79%	Equity management
Shanghai Shenwan & Hongyuan Jiashi Equity Investment Partnership (Limited partnership)* 上海申萬宏源嘉實股權投資合夥企業(有限合夥)	Shanghai	RMB100,000	31.00%	27.00%	Equity management



## 20 Interest in associates and joint ventures (continued)

Name of associates and joint ventures	Place of incorporation	Registered capital (in thousands)	Effective equity interest held		Principal activity
			30 June 2024	31 December 2023	
Sichuan Shenwan & Hongyuan Changhong Equity Investment Fund Partnership (Limited Partnership)* (2) 四川申萬宏源長虹股權投資基金合夥企業 (有限合夥) (2)	Mianyang, Sichuan	RMB310,000	51.61%	51.59%	Equity management
Sichuan Development Shenwan & Hongyuan Equity Investment Fund Partnership (Limited Partnership)* 四川發展申萬宏源股權投資基金合夥企業 (有限合夥)	Chengdu, Sichuan	RMB3,000,000	34.00%	33.00%	Equity management
Liaoning Guoxin private equity Investment Fund Management Co., Ltd.* 遼寧國鑫私募基金管理有限公司	Shenyang, Liaoning	RMB10,000	26.00%	26.00%	Investment management
Tongxiang Shenwan Hongding Growth No. 2 Equity Investment Fund Partnership (Limited Partnership)* (1) 桐鄉申萬泓鼎成長二號股權投資基金合夥企業 (有限合夥) (1)	Jiaxing, Zhejiang	RMB380,000	13.16%	13.16%	Equity management
Zhuhai Shenhong Gejin Healthcare Investment Fund Partnership (Limited Partnership)* 珠海申宏格金醫療健康產業投資基金合夥企業 (有限合夥)	Zhuhai, Guangdong	RMB500,000	25.00%	19.96%	Equity management
Aerospace Equity Investment Fund I (Shanghai) Partnership (Limited Partnership)* 宇航一期股權投資基金 (上海) 合夥企業 (有限合夥)	Shanghai	RMB2,458,500	36.61%	30.00%	Equity management
Jinmao Investment Consulting (Shenzhen) Co., Ltd.* 金茂投資諮詢 (深圳) 有限公司	Shenzhen, Guangdong	USD2,000	50.00%	50.00%	Investment advisory
Gongqing City Shenhong Huichuang Logistics Industry Equity Investment Partnership (Limited Partnership)* 共青城申宏匯創物流產業股權投資合夥企業 (有限合夥)	Jiujiang, Jiangxi	RMB43,210	37.51%	37.51%	Equity management
Chongqing Furong Equity Investment Fund Partnership (Limited Partnership)* (1) 重慶市富榮股權投資基金合夥企業 (有限合夥) (1)	Chongqing	RMB1,500,000	1.00%	1.00%	Equity management
Shenhong Huichuang Development (Foshan) Equity Investment Partnership (Limited Partnership)* 申宏匯創發展 (佛山) 股權投資合夥企業 (有限合夥)	Foshan, Guangdong	RMB200,000	31.00%	31.00%	Equity management
Hongyuan Private Equity Investment Management (Shandong) Co., Ltd.* 泓源私募基金管理 (山東) 有限公司	Yantai, Shandong	RMB10,000	20.00%	20.00%	Investment management

## 20 Interest in associates and joint ventures (continued)

Name of associates and joint ventures	Place of incorporation	Registered capital (in thousands)	Effective equity interest held		Principal activity
			30 June 2024	31 December 2023	
Nanjing Rhode Huizhi Equity Investment Partnership (Limited Partnership)* 南京洛德匯智股權投資合夥企業 (有限合夥)	Nanjing, Jiangsu	RMB1,500,000	20.00%	24.88%	Equity management
Shanghai Eastern Airlines Shenhong Equity Investment Fund Management Co., Ltd.* 上海東航申宏股權投資基金管理有限公司	Shanghai	RMB10,000	40.00%	40.00%	Equity management
Yibin State Assets Industry Investment Partnership (Limited Partnership)* (1) 宜賓市國資產業投資合夥企業 (有限合夥) (1)	Yibin, Sichuan	RMB2,020,000	1.00%	1.00%	Equity management
Hanya Huichuang No.1 (Shenzhen) Private Equity Investment Partnership (Limited Partnership)* 韓亞匯創一號 (深圳) 私募股權投資基金合夥企業 (有限合夥)	Shenzhen, Guangdong	RMB200,000	40.00%	40.00%	Equity investment
Gongqing City Shenhong Huichuang Second Logistics Industry Equity Investment Partnership (Limited Partnership)* 共青城申宏匯創二期物流產業股權投資合夥企業 (有限合夥)	Jiujiang, Jiangxi	RMB132,560	24.90%	1.00%	Equity management

\* The English translation of the names is for reference only. The official names of these entities are in Chinese.

- (1) The Group's shareholding of this investee is lower than 20%, however the Group has significant influence or joint control over this investee as a result of relevant arrangements stipulated in the Articles of Association, the Limited Partnership Agreement and other corporate governance documents.
- (2) The Group's shareholding of this investee is higher than 50%, however the Group only has significant influence or joint control over this investee as a result of relevant arrangements stipulated in the Limited Partnership Agreement and other corporate governance documents.

All of the above associates and joint ventures are accounted for using equity method in the interim financial information.

## 20 Interest in associates and joint ventures (continued)

Summarised financial information of the Group's significant associates and joint ventures, and reconciliation to the carrying amounts at the end of the period/year, are disclosed below:

Fullgoal Fund Management Co., Ltd.

	<i>As at 30 June 2024</i>	<i>As at 31 December 2023</i>
Assets	13,368,999	13,770,413
Liabilities	5,161,075	5,246,417
Net assets	8,207,924	8,523,996
The Group's effective interest	27.775%	27.775%
The Group's share of net assets of the associate	2,279,751	2,367,540
Other adjustments	-	-
Carrying amount	<u>2,279,751</u>	<u>2,367,540</u>
	<u><i>Six months ended 30 June</i></u>	
	<u>2024</u>	<u>2023</u>
Revenue	<u>2,918,321</u>	<u>3,648,084</u>
Profit for the period	773,517	1,065,400
Other comprehensive income	2,411	10,751
Other adjustments	-	-
Total comprehensive income	<u>775,928</u>	<u>1,076,151</u>
Dividend received from the associate		
Revenue	<u>303,303</u>	<u>288,860</u>

## 20 Interest in associates and joint ventures (continued)

Aggregated information of associates and joint ventures that are not individually material:

	<i>As at 30 June 2024</i>	<i>As at 31 December 2023</i>
Aggregate carrying amount of individually immaterial associates and joint ventures in the interim financial report	<u>1,701,106</u>	<u>1,709,215</u>
Aggregate amounts of the Group's share of those associates and joint ventures' profits	120,160	78,570
Aggregate amounts of the Group's share of other comprehensive income	<u>-</u>	<u>-</u>
Aggregate amounts of the Group's share of total comprehensive income	<u>120,160</u>	<u>78,570</u>

As at 30 June 2024 and 31 December 2023, the Group's significant associates and joint ventures are all unlisted companies and there are no public market prices.

## 21 Financial assets measured at amortized cost

Non-current

	<i>As at 30 June 2024</i>	<i>As at 31 December 2023</i>
Asset management products and others	2,699,073	1,769,645
Less: Provision for impairment losses	<u>(430,686)</u>	<u>(399,283)</u>
Total	<u>2,268,387</u>	<u>1,370,362</u>

Current

	<i>As at 30 June 2024</i>	<i>As at 31 December 2023</i>
Asset management products and others	1,349,751	2,018,668
Debt securities	187,560	186,324
Less: Provision for impairment losses	<u>(56,793)</u>	<u>(58,095)</u>
Total	<u>1,480,518</u>	<u>2,146,897</u>

## 22 Financial assets held under resale agreements

### (1) Analysed by collateral type:

Non-current

	As at 30 June 2024	As at 31 December 2023
Equity securities	2,306,422	2,311,250
Less: Provision for impairment losses	(1,820,322)	(1,797,739)
Total	<u>486,100</u>	<u>513,511</u>

Current

	As at 30 June 2024	As at 31 December 2023
Debt securities	11,230,456	4,081,147
Equity securities	452	20,034
Less: Provision for impairment losses	(70)	(128)
Total	<u>11,230,838</u>	<u>4,101,053</u>

### (2) Analysed by market:

Non-current

	As at 30 June 2024	As at 31 December 2023
Shenzhen Stock Exchange	1,000,484	2,246,425
Shanghai Stock Exchange	491,812	64,825
Others	814,126	-
Less: Provision for impairment losses	(1,820,322)	(1,797,739)
Total	<u>486,100</u>	<u>513,511</u>

## 22 Financial assets held under resale agreements (continued)

Current

	<i>As at 30 June 2024</i>	<i>As at 31 December 2023</i>
Inter-bank market	2,274,425	2,019,639
Shanghai Stock Exchange	8,776,818	1,904,159
Singapore Stock Exchange	58,216	157,349
Shenzhen Stock Exchange	121,449	20,034
Less: Provision for impairment losses	(70)	(128)
Total	<u>11,230,838</u>	<u>4,101,053</u>

## 23 Financial assets at fair value through profit or loss

Non-current

	<i>As at 30 June 2024</i>	<i>As at 31 December 2023</i>
Equity securities	1,668,345	1,725,693
Debt securities	173,930	159,388
Funds	50,708	32,976
Asset management products and others	5,153,253	11,162,255
Total	<u>7,046,236</u>	<u>13,080,312</u>
Analysed as:		
Unlisted	6,883,729	12,843,213
Listed outside Hong Kong	162,507	237,099
Total	<u>7,046,236</u>	<u>13,080,312</u>

## 23 Financial assets at fair value through profit or loss (continued)

Current

	<i>As at 30 June 2024</i>	<i>As at 31 December 2023</i>
Debt securities	123,731,426	121,510,252
Equity securities	40,139,806	49,789,197
Funds	50,555,202	46,441,856
Hybrid instruments	3,676,573	3,193,264
Asset management products and others	7,642,793	2,473,283
<b>Total</b>	<b>225,745,800</b>	<b>223,407,852</b>
Analysed as:		
Listed outside Hong Kong	104,069,682	124,140,772
Unlisted	116,244,948	93,244,008
Listed in Hong Kong	5,431,170	6,023,072
<b>Total</b>	<b>225,745,800</b>	<b>223,407,852</b>

Financial assets at fair value through profit or loss include securities lending. The collateral for securities lending is analysed in Note 30(2).

As at 30 June 2024, the Group has pledged financial assets at fair value through profit or loss with a total fair value of RMB 72,011,402 thousand for the purpose of repurchase agreement business detailed in Note 42 (As at 31 December 2023: RMB 50,140,693 thousand).

As at 30 June 2024, the Group has pledged financial assets at fair value through profit or loss with a total fair value of RMB 3,678,186 thousand for the purpose of bond lending business (As at 31 December 2023: RMB 2,224,052 thousand).

As at 30 June 2024, the equity securities in financial assets at fair value through profit or loss with lock-up periods held by the Group were RMB 1,179,990 thousand (As at 31 December 2023: RMB 3,073,911 thousand).

## 24 Financial assets at fair value through other comprehensive income

### Non-current

	<i>As at 30 June 2024</i>	<i>As at 31 December 2023</i>
Designated at FVOCI		
Equity securities not held for trading	68,712,335	70,593,727
Debt securities	<u>3,675,152</u>	<u>2,579,611</u>
Total	<u><u>72,387,487</u></u>	<u><u>73,173,338</u></u>
Analysed as:		
Unlisted	69,692,751	71,531,807
Listed in Hong Kong	1,946,319	935,224
Listed outside Hong Kong	<u>748,417</u>	<u>706,307</u>
Total	<u><u>72,387,487</u></u>	<u><u>73,173,338</u></u>

### Current

	<i>As at 30 June 2024</i>	<i>As at 31 December 2023</i>
Debt securities	<u>56,661,083</u>	<u>70,819,304</u>
Analysed as:		
Unlisted	45,497,303	48,004,793
Listed outside Hong Kong	11,163,229	22,756,817
Listed in Hong Kong	<u>551</u>	<u>57,694</u>
Total	<u><u>56,661,083</u></u>	<u><u>70,819,304</u></u>



## 24 Financial assets at fair value through other comprehensive income (continued)

For the six months ended 30 June 2024, the Group disposed some of the equity instruments at fair value through other comprehensive income resulting from adjustment in its investment strategy. The accumulated net realized loss of the equity instrument disposed of were RMB 197,377 thousand (For the six months ended 30 June 2023: RMB 48,233 thousand).

As at 30 June 2024, the Group has pledged financial assets at fair value through other comprehensive income (including designated at FVOCI) with a total fair value of RMB 64,446,299 thousand for the purpose of repurchase agreement business detailed in Note 42(1) (As at 31 December 2023: RMB 66,793,733 thousand).

As at 30 June 2024, the Group has pledged financial assets at fair value through other comprehensive income (including designated at FVOCI) with a total fair value of RMB 7,433,784 thousand for the purpose of bond lending business (As at 31 December 2023: RMB 15,282,934 thousand).

## 25 Refundable deposits

	<i>As at 30 June 2024</i>	<i>As at 31 December 2023</i>
Deposits with exchanges and other financial institutions:		
Trading deposits	17,389,110	16,422,970
Performance deposits	4,799,919	6,225,624
Refinancing margin	109,848	121,412
Credit deposits	51,213	42,196
	<u>22,350,090</u>	<u>22,812,202</u>
Total	<u>22,350,090</u>	<u>22,812,202</u>

## 26 Deferred taxation

### (1) The components of deferred tax assets/(liabilities) recognized in the interim condensed consolidated statement of financial position and the movements are as follows:

	Provision for impairment losses	Employee benefits payable	Changes in fair value of financial instruments at fair value through profit or loss	Changes in fair value of derivative Financial instruments	Changes in fair value of financial assets at fair value through other comprehensive income	Business combination	Others	Total
<i>Deferred tax arising from:</i>								
As at 1 January 2024	805,133	1,033,501	432,206	(1,296,875)	(103,156)	464,164	1,374,071	2,709,044
Recognized in profit or loss	(78,011)	3,530	(158,609)	(965,331)	(11,515)	-	853,762	(356,174)
Recognized in reserves	-	-	-	-	(262,530)	-	-	(262,530)
Reclassified from other comprehensive income to retained profits	-	-	-	-	(49,344)	-	-	(49,344)
As at 30 June 2024	727,122	1,037,031	273,597	(2,262,206)	(426,545)	464,164	2,227,833	2,040,996
As at 1 January 2023	756,745	1,093,902	659,021	(965,987)	411,648	464,164	1,036,544	3,456,037
Recognized in profit or loss	48,388	(60,401)	(226,815)	(330,888)	(615)	-	337,527	(232,804)
Recognized in reserves	-	-	-	-	(379,912)	-	-	(379,912)
Reclassified from other comprehensive income to retained profits	-	-	-	-	(134,277)	-	-	(134,277)
As at 31 December 2023	805,133	1,033,501	432,206	(1,296,875)	(103,156)	464,164	1,374,071	2,709,044

## 26 Deferred taxation (continued)

### (2) Reconciliation to the interim condensed consolidated statement of financial position

	As at 30 June 2024	As at 31 December 2023
Net deferred tax assets recognized in the condensed consolidated statement of financial position	2,112,659	2,739,571
Net deferred tax liabilities recognized in the condensed consolidated statement of financial position	(71,663)	(30,527)
Total	<u>2,040,996</u>	<u>2,709,044</u>

### (3) Recognized in other comprehensive income

	<u>As at 30 June 2024</u>		
	<i>Before tax</i>	<i>Tax benefit</i>	<i>Net of tax</i>
Financial assets at fair value through other comprehensive income			
- Net changes in fair value	846,342	(204,683)	641,659
- Reclassified to profit or loss	(721,986)	179,296	(542,690)
Share of other comprehensive income of associates	670	-	670
Exchange differences on translation of financial statements in foreign currencies	26,812	-	26,812
Equity investment at fair value through other comprehensive income			
- Net changes in fair value	1,145,948	(286,487)	859,461
Total	<u>1,297,786</u>	<u>(311,874)</u>	<u>985,912</u>

**26 Deferred taxation (continued)**

	<i>As at 31 December 2023</i>		
	<i>Before tax</i>	<i>Tax benefit</i>	<i>Net of tax</i>
Financial assets at fair value through other comprehensive income			
- Net changes in fair value	663,730	(128,230)	535,500
- Reclassified to profit or loss	166,454	(43,415)	123,039
Share of other comprehensive income of associates	1,362	-	1,362
Exchange differences on translation of financial statements in foreign currencies	43,643	-	43,643
Equity investment at fair value through other comprehensive income			
- Net changes in fair value	832,996	(208,267)	624,729
Total	1,708,185	(379,912)	1,328,273

**(4) Deferred tax assets not recognized**

As at 30 June 2024 and 31 December 2023, in accordance with the accounting policy, the Group has not recognized deferred tax assets in respect of cumulative tax losses, and provision for bad debts with timing difference amounting to RMB 2,991,621 thousand and RMB 3,140,450 thousand respectively, mainly as it is not probable that future taxable profits against which the losses can be utilized will be available in the relevant tax jurisdiction and entity.

## 27 Other non-current assets

### (1) Analysed by nature:

	As at 30 June 2024	As at 31 December 2023
Inventory (a)	473,986	473,986
Long-term deferred expenses	130,647	131,959
Other(b)	19,654	55,557
Less: Provision for impairment losses (a)	(211,873)	(227,978)
Total	<u>412,414</u>	<u>433,524</u>

- (a) As at 30 June 2024, a Company's subsidiary has filed a litigation for some inventory contracts. The Company evaluated possible outcomes for the recoverable amount of the inventory, and accordingly recognized impairment loss.
- (b) As at 30 June 2024, the other non-current assets include goodwill amounted to RMB 19,654 thousand, which is resulted from the acquisition of Hongyuan Futures Co., Ltd. and Shenyin & Wanguo Futures Company Limited. The goodwill is valued once a year. The recoverable amount is determined by the highest of asset's fair value (excluding disposal expenses) and present value.

### (2) The movements of long-term deferred expenses are as below:

	As at 30 June 2024	As at 31 December 2023
At the beginning of the period/year	131,959	85,921
Additions	13,070	14,092
Transfer in from property and equipment	13,763	86,767
Amortization	(28,029)	(54,252)
Transfer out	(116)	(569)
At the end of the period/year	<u>130,647</u>	<u>131,959</u>

## 28 Accounts receivable

### (1) Analysed by nature:

	<i>As at 30 June 2024</i>	<i>As at 31 December 2023</i>
Accounts receivable of:		
- Settlement	5,915,145	4,495,448
- Asset management	514,550	550,479
- Fee and commission	465,514	477,548
- Others	1,731,006	1,619,006
Less: Provision for impairment losses	<u>(971,909)</u>	<u>(974,494)</u>
Total	<u>7,654,306</u>	<u>6,167,987</u>

### (2) Analysed by ageing:

As at 30 June 2024 and 31 December 2023, the ageing analysis of accounts receivable, based on the trade date, is as follows:

	<i>As at 30 June 2024</i>	<i>As at 31 December 2023</i>
Within 1 year	6,360,627	5,865,119
1 to 2 years	1,037,048	42,531
2 to 3 years	19,761	14,393
Over 3 years	<u>236,870</u>	<u>245,944</u>
Total	<u>7,654,306</u>	<u>6,167,987</u>

For trade receivables result from transactions that are within the scope of IFRS 15, the Group applies the simplified approach for the recognition of expected credit losses. The Group applies the general approach for the recognition of expected credit losses of other receivables. As at 30 June 2024, some of the receivables from asset management business and others are classified into stage 3 (as at 31 December 2023: Same).

### (3) Accounts receivable that is not impaired

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

## 29 Other receivables and prepayments

Analysed by nature:

	<i>As at 30 June 2024</i>	<i>As at 31 December 2023</i>
Inventory	1,042,782	939,618
Current tax assets	397,375	183,981
Overdue and impaired receivables	231,700	271,908
Prepayments (a)	141,162	108,074
Deposits	123,294	79,854
VAT due from asset management plans	112,672	47,879
Dividends receivables	27,692	2,422
Interest receivables	451	1,161
Others (a)	540,823	466,943
Less: Provision for impairment losses	<u>(353,166)</u>	<u>(322,063)</u>
Total	<u>2,264,785</u>	<u>1,779,777</u>

(a) The balance of prepayments and others mainly represents receivables from sundry receivables and prepayments arising from the Group's daily business operation.

## 30 Margin accounts receivable

(1) *Analysed by nature:*

	<i>As at 30 June 2024</i>	<i>As at 31 December 2023</i>
Individuals	51,586,861	57,482,569
Institutions	7,997,724	7,348,264
Less: Provision for impairment losses	<u>(421,416)</u>	<u>(402,628)</u>
Total	<u>59,163,169</u>	<u>64,428,205</u>

### 30 Margin accounts receivable (continued)

(2) *The fair value of collaterals for margin financing and securities lending business is analysed as the followings:*

	<i>As at 30 June 2024</i>	<i>As at 31 December 2023</i>
Fair value of collaterals:		
- Stocks	155,310,618	176,390,321
- Cash	8,245,535	6,569,707
- Funds	4,939,168	5,028,704
- Bonds	99,337	131,182
	<u>168,594,658</u>	<u>188,119,914</u>
Total	<u>168,594,658</u>	<u>188,119,914</u>

### 31 Derivative financial instruments

	<i>As at 30 June 2024</i>		
	<i>Nominal value</i>	<i>Fair value</i>	
		<i>Assets</i>	<i>Liabilities</i>
Equity derivatives	171,406,558	12,515,034	(4,101,529)
Interest rate derivatives	423,651,554	1,934,603	(2,106,807)
Commodity derivatives	46,670,550	211,498	(181,652)
Credit derivatives	3,996,000	3,785	(1,441)
Currency derivatives	918,344	1,636	(78)
	<u>646,643,006</u>	<u>14,666,556</u>	<u>(6,391,507)</u>
Total	<u>646,643,006</u>	<u>14,666,556</u>	<u>(6,391,507)</u>
	<i>As at 31 December 2023</i>		
	<i>Nominal value</i>	<i>Fair value</i>	
		<i>Assets</i>	<i>Liabilities</i>
Equity derivatives	175,336,855	8,770,729	(4,543,916)
Interest rate derivatives	451,123,922	1,182,536	(1,361,306)
Commodity derivatives	81,007,879	207,107	(239,222)
Credit derivatives	6,762,526	14,387	(18,715)
Currency derivatives	1,877,274	32,619	(22,401)
	<u>716,108,456</u>	<u>10,207,378</u>	<u>(6,185,560)</u>
Total	<u>716,108,456</u>	<u>10,207,378</u>	<u>(6,185,560)</u>

Under the daily mark-to-market and settlement arrangement, clearing settlement funds included the changes in fair value of treasury bond futures, interest rate swap, stock index futures, precious metal futures, AUTD and other commodity futures held by the Group, and were not reflected in the above derivative financial instruments. As at 30 June 2024, the fair value of those unexpired derivative financial instrument contracts was unrealized loss RMB 1,023,048 thousand (31 December 2023: unrealized loss RMB 199,385 thousand).



### 32 Clearing settlement funds

Current

	<i>As at 30 June 2024</i>	<i>As at 31 December 2023</i>
Deposits with stock exchanges		
- China Securities Depository and Clearing Corporation Limited	4,760,199	11,319,652
- Shanghai Gold Exchange	36,359	24,560
- Other institutions	4,999,571	991,466
	<u>9,796,129</u>	<u>12,335,678</u>
Total	<u>9,796,129</u>	<u>12,335,678</u>

### 33 Cash held on behalf of brokerage clients

The Group maintains segregated deposit accounts with banks and authorized institutions to hold clients' monies arising from its normal course of business. The Group has classified the brokerage clients' monies as cash held on behalf of brokerage clients under the current assets section of the consolidated statement of financial position, and recognized the corresponding accounts payable to the respective brokerage clients on the grounds that they are liable for any loss or misappropriation of their brokerage clients' monies. In Mainland China, the use of cash held on behalf of brokerage clients is restricted and governed by the relevant third-party deposit regulations issued by the CSRC. In Hong Kong, the use of cash held on behalf of brokerage clients is restricted and governed by the Securities and Futures (Client Money) Rules under the Securities and Futures Ordinance.

### 34 Cash and bank balances

Analysed by nature:

	<i>As at 30 June 2024</i>	<i>As at 31 December 2023</i>
Cash on hand	44	68
Bank balances (1)	28,009,911	33,455,187
Less: Provision for impairment losses	(2,250)	(1,999)
	<u>28,007,705</u>	<u>33,453,256</u>
Total	<u>28,007,705</u>	<u>33,453,256</u>

(1) Bank balances comprise time and demand deposits which bear interest at the prevailing market rates.

### 35 Cash and cash equivalents

	<i>As at 30 June 2024</i>	<i>As at 31 December 2023</i>
Cash on hand	44	68
Bank balances	27,763,555	33,250,823
Clearing settlement funds	9,796,129	12,335,678
Financial assets held under resale agreements within 3 months original maturity	11,133,698	4,077,857
Less: restricted bank deposits	<u>(1,072,580)</u>	<u>(2,881,538)</u>
Total	<u><u>47,620,846</u></u>	<u><u>46,782,888</u></u>

The restricted bank deposits include risk reserve deposits and etc.

### 36 Loans and borrowings

Current

	<i>As at 30 June 2024</i>	<i>As at 31 December 2023</i>
Unsecured bank loans	<u>616,000</u>	<u>835,592</u>
Total	<u><u>616,000</u></u>	<u><u>835,592</u></u>

### 37 Short-term debt instruments issued

	<i>Book value as at 1 January 2024</i>	<i>Issuance</i>	<i>Redemption</i>	<i>Book value as at 30 June 2024</i>
Short-term corporate bonds	12,008,354	158,017	(6,075,324)	6,091,047
Structured notes	15,649,373	44,060,654	(32,487,542)	27,222,485
Financing notes	398,234	-	(398,234)	-
<b>Total</b>	<u>28,055,961</u>	<u>44,218,671</u>	<u>(38,961,100)</u>	<u>33,313,532</u>

	<i>Book value as at 1 January 2023</i>	<i>Issuance</i>	<i>Redemption</i>	<i>Book value as at 31 December 2023</i>
Short-term corporate bonds	8,517,128	12,066,054	(8,574,828)	12,008,354
Structured notes	13,534,873	53,286,693	(51,172,193)	15,649,373
Financing notes	-	398,234	-	398,234
<b>Total</b>	<u>22,052,001</u>	<u>65,750,981</u>	<u>(59,747,021)</u>	<u>28,055,961</u>

As at 30 June 2024 and 31 December 2023, there was no default in the principal, interest or redemption of the above short-term debt instruments.

For the six months ended 30 June 2024, the Group has issued 1,684 tranches of structured notes, and repaid 1,112 tranches of structured notes during the period. For the six months ended 30 June 2023, the Group has issued 1,193 tranches of structured notes, and repaid 1,201 tranches of structured notes during the period.

As at 30 June 2024, the structured notes issued by the Group used fixed rates or floating rates linked to certain stock indexes to accrue interest, in which the fixed rates range were 1.95% - 6.80%. (As at 31 December 2023, the structured notes issued by the Group used fixed rates or floating rates linked to certain stock indexes to accrue interest, in which the fixed rates range were 2.15% - 6.80%.)

### 38 Placements from other financial institutions

Current

	<i>As at 30 June 2024</i>	<i>As at 31 December 2023</i>
Placements from banks	1,800,000	1,500,000
Other placements from other financial institutions	1,174,984	940,854
<b>Total</b>	<u>2,974,984</u>	<u>2,440,854</u>

### 39 Accounts payable to brokerage clients

	<i>As at 30 June 2024</i>	<i>As at 31 December 2023</i>
Clients' deposits for other brokerage trading	80,216,656	88,818,649
Clients' deposits for margin financing and securities lending	8,245,535	8,042,115
Interest payable	10,209	9,740
	<u>88,472,400</u>	<u>96,870,504</u>
Total	<u>88,472,400</u>	<u>96,870,504</u>

Accounts payable to brokerage clients represent the monies received from and repayable to brokerage clients, which are mainly held at banks and at clearing houses by the Group. Accounts payable to brokerage clients are interest-bearing at the prevailing interest rate.

The majority of the accounts payable balances are repayable on demand except where certain accounts payable to brokerage clients represent monies received from clients for their margin financing activities under normal course of business, such as margin financing and securities lending. Only the excess amounts over the required margin deposits and cash collateral stipulated are repayable on demand.

No ageing analysis is disclosed as in the opinion of the directors of the Company, the ageing analysis does not give additional value in view of the nature of these businesses.

### 40 Employee benefits payable

	<i>As at 1 January 2024</i>	<i>Accrued for the period</i>	<i>Payments made</i>	<i>As at 30 June 2024</i>
Salaries, bonuses and allowance	5,317,260	2,274,653	(3,188,106)	4,403,807
Contribution to pension schemes	5,833	251,201	(251,071)	5,963
Other social welfare	436,339	736,908	(684,587)	488,660
	<u>5,759,432</u>	<u>3,262,762</u>	<u>(4,123,764)</u>	<u>4,898,430</u>
Total	<u>5,759,432</u>	<u>3,262,762</u>	<u>(4,123,764)</u>	<u>4,898,430</u>

	<i>As at 1 January 2023</i>	<i>Accrued for the year</i>	<i>Payments made</i>	<i>As at 31 December 2023</i>
Salaries, bonuses and allowance	5,543,690	5,670,021	(5,896,451)	5,317,260
Contribution to pension schemes	3,209	481,909	(479,285)	5,833
Other social welfare	436,886	1,573,127	(1,573,674)	436,339
	<u>5,983,785</u>	<u>7,725,057</u>	<u>(7,949,410)</u>	<u>5,759,432</u>
Total	<u>5,983,785</u>	<u>7,725,057</u>	<u>(7,949,410)</u>	<u>5,759,432</u>

#### 41 Other payables and accruals

	<i>As at 30 June 2024</i>	<i>As at 31 December 2023</i>
Performance deposit	37,615,009	38,705,541
Payables to interest holders of consolidated structured entities	17,888,406	15,439,256
Settlement payables	3,753,386	1,937,846
Dividend payables	2,352,158	273,072
Borrowings arising from futures pledge business	618,857	-
Trade payables	453,018	889,437
Risk reserve for futures brokerage business	328,648	318,971
Tax payables	208,816	181,974
Accrued expenses	177,577	123,749
Payables on behalf of staff and customer payments	115,017	186,513
Fee and commission payable	72,532	61,674
Distribution expenses payables	64,650	70,375
Payables to the securities and futures investor protection fund	35,794	30,690
Proceeds from underwriting securities received on behalf of customers	27,148	-
Interest and dividend received on behalf of brokerage clients	24,554	24,588
Interest payables	13,529	12,343
Account executive commission payables	4,177	4,619
Others (1)	221,315	200,940
	<u>63,974,591</u>	<u>58,461,588</u>
Total	<u>63,974,591</u>	<u>58,461,588</u>

- (1) The balance of others mainly represents sundry payables arising from the Group's daily business operation.

## 42 Financial assets sold under repurchase agreements

### (1) Analysed by collateral type:

Current

	<i>As at 30 June 2024</i>	<i>As at 31 December 2023</i>
Debt securities	96,340,745	125,677,418
Fund	29,563,937	26,599,527
Precious Metals	12,994,614	10,938,388
Total	<u>138,899,296</u>	<u>163,215,333</u>

### (2) Analysed by market:

Current

	<i>As at 30 June 2024</i>	<i>As at 31 December 2023</i>
Inter-bank market	86,229,160	78,942,790
Stock exchanges	33,230,088	69,054,529
OTC market	15,516,890	10,938,388
Futures exchanges	3,923,158	4,279,626
Total	<u>138,899,296</u>	<u>163,215,333</u>

**43 Lease liabilities**

Non-current

	<i>As at 30 June 2024</i>	<i>As at 31 December 2023</i>
Lease liabilities	<u>575,638</u>	<u>645,826</u>

Current

	<i>As at 30 June 2024</i>	<i>As at 31 December 2023</i>
Lease liabilities	<u>359,012</u>	<u>369,687</u>

**44 Financial liabilities at fair value through profit or loss**

Current

	<i>As at 30 June 2024</i>	<i>As at 31 December 2023</i>
Financial liabilities held for trading		
- Debt securities	7,599,070	3,222,386
- Equities	-	1,469
Financial liabilities designated at fair value through profit or loss		
- Structured notes	2,053,756	2,451,364
- Others	<u>14,093</u>	<u>19,087</u>
Total	<u>9,666,919</u>	<u>5,694,306</u>

## 45 Long-term bonds

As at 30 June 2024

Name	Par value Original currency	Value date	Due date	Issue amount Original currency	Nominal interest rate
17shenzheng02 (1)	500,000	2017/2/17	2024/2/17	500,000	4.50%
21shenhong01 (2)	1,500,000	2021/3/8	2026/3/8	1,500,000	3.68%
21shenhong02 (3)	500,000	2021/3/8	2028/3/8	500,000	3.95%
21shenhong04 (4)	3,000,000	2021/7/15	2028/7/15	3,000,000	3.65%
21shenhong05 (5)	500,000	2021/8/4	2024/8/4	500,000	2.99%
21shenhong06 (6)	2,500,000	2021/8/4	2026/8/4	2,500,000	3.38%
21shenzheng01 (7)	2,500,000	2021/4/29	2024/4/29	2,500,000	3.45%
21shenzheng02 (8)	2,000,000	2021/4/29	2031/4/29	2,000,000	4.05%
21shenzheng03 (9)	2,600,000	2021/5/24	2026/5/24	2,600,000	3.63%
21shenzheng04 (10)	2,000,000	2021/5/28	2024/5/28	2,000,000	3.27%
21shenzheng05 (11)	2,500,000	2021/5/28	2031/5/28	2,500,000	4.00%
21shenzheng06 (12)	2,000,000	2021/7/21	2024/7/21	2,000,000	3.13%
21shenzheng07 (13)	3,000,000	2021/7/21	2031/7/21	3,000,000	3.77%
21shenzheng08 (14)	2,800,000	2021/7/28	2024/7/28	2,800,000	3.04%
21shenzheng09 (15)	4,200,000	2021/7/28	2026/7/28	4,200,000	3.38%
21shenzheng10 (16)	3,000,000	2021/8/26	2024/8/26	3,000,000	3.02%
21shenzheng11 (17)	3,000,000	2021/8/26	2031/8/26	3,000,000	3.75%
21shenzheng12 (18)	4,800,000	2021/9/9	2024/9/9	4,800,000	3.05%
21shenzheng13 (19)	1,000,000	2021/9/9	2026/9/9	1,000,000	3.40%
21shenzheng15 (20)	2,300,000	2021/9/22	2024/9/22	2,300,000	3.10%
21shenzhengC1 (21)	3,000,000	2021/1/21	2024/1/21	3,000,000	3.93%
21shenzhengC2 (22)	3,800,000	2021/3/11	2024/3/11	3,800,000	3.94%
21shenzhengC4 (23)	1,200,000	2021/12/27	2024/12/27	1,200,000	3.20%
22shenhong01 (24)	1,800,000	2022/3/8	2025/3/8	1,800,000	3.11%
22shenhong02 (25)	1,200,000	2022/3/8	2027/3/8	1,200,000	3.50%
22shenhong03 (26)	3,000,000	2022/4/26	2025/4/26	3,000,000	3.06%
22shenhong04 (27)	1,000,000	2022/4/26	2027/4/26	1,000,000	3.45%
22shenhong06 (28)	2,550,000	2022/8/30	2032/8/30	2,550,000	3.56%
22shenzheng01 (29)	5,000,000	2022/1/21	2025/1/21	5,000,000	2.80%
22shenzheng02 (30)	2,400,000	2022/1/21	2032/1/21	2,400,000	3.60%
22shenzheng03 (31)	2,200,000	2022/2/23	2025/2/23	2,200,000	2.95%
22shenzheng05 (32)	3,500,000	2022/3/24	2025/3/24	3,500,000	3.18%
22shenzheng06 (33)	2,100,000	2022/3/24	2027/3/24	2,100,000	3.53%
22shenzheng07 (34)	1,800,000	2022/5/23	2025/5/23	1,800,000	2.78%
22shenzheng08 (35)	2,200,000	2022/5/23	2027/5/23	2,200,000	3.20%
22shenzhengC1 (36)	3,000,000	2022/4/27	2025/4/27	3,000,000	3.19%
23shenzhengC1 (37)	1,400,000	2023/3/6	2025/3/6	1,400,000	3.35%
23shenzhengC2 (38)	1,300,000	2023/3/6	2026/3/6	1,300,000	3.55%
23shenzhengC3 (39)	2,300,000	2023/3/27	2026/3/27	2,300,000	3.38%
23shenzheng01 (40)	800,000	2023/4/14	2025/4/14	800,000	2.85%
23shenzheng02 (41)	2,000,000	2023/4/14	2026/4/14	2,000,000	2.99%
23shenhong02 (42)	5,000,000	2023/6/14	2033/6/14	5,000,000	3.49%
23shenzheng03 (43)	2,200,000	2023/8/17	2025/8/17	2,200,000	2.50%
23shenzheng04 (44)	1,800,000	2023/8/17	2026/8/17	1,800,000	2.67%
23shenzheng05 (45)	500,000	2023/8/30	2025/8/30	500,000	2.56%
23shenzheng06 (46)	1,500,000	2023/8/30	2028/8/30	1,500,000	2.95%
23shenhong03 (47)	1,600,000	2023/9/5	2024/9/5	1,600,000	2.49%
23shenhong04 (48)	800,000	2023/9/5	2026/9/5	800,000	2.85%
23shenzheng07 (49)	2,800,000	2023/9/21	2025/9/21	2,800,000	2.80%
23shenzheng08 (50)	2,100,000	2023/9/21	2028/9/21	2,100,000	3.14%
23shenzhengC4 (51)	1,600,000	2023/12/8	2028/12/8	1,600,000	3.35%
24shenzheng01 (52)	1,000,000	2024/2/26	2027/2/26	1,000,000	2.52%
24shenzheng02 (53)	1,500,000	2024/2/26	2029/2/26	1,500,000	2.66%
24shenhong02 (54)	2,450,000	2024/3/13	2029/3/13	2,450,000	2.71%
21Shenwan Hongyuan International Finance Limited US dollar bond (55)	500,000	2021/7/14	2026/7/14	500,000	1.80%
22Shenwan Hongyuan International Finance Limited US dollar bond (56)	300,000	2022/3/16	2025/3/16	300,000	2.63%
Structured notes (57)	13,683,454	Note 57	Note 57	13,683,454	2.40% - 3.15%



## 45 Long-term bonds (continued)

Name	Book value as at 1 January 2024	Increase	Amount of amortization	Decrease	Book value as at 30 June 2024
17shenzheng02 (1)	500,000	-	-	(500,000)	-
21shenhong01 (2)	1,500,000	-	-	(1,500,000)	-
21shenhong02 (3)	500,000	-	-	-	500,000
21shenhong04 (4)	3,000,000	-	-	-	3,000,000
21shenhong05 (5)	500,000	-	-	-	500,000
21shenhong06 (6)	2,500,000	-	-	-	2,500,000
21shenzheng01 (7)	2,499,308	-	-	(2,499,308)	-
21shenzheng02 (8)	1,996,489	-	237	-	1,996,726
21shenzheng03 (9)	2,597,087	-	600	-	2,597,687
21shenzheng04 (10)	1,999,320	-	-	(1,999,320)	-
21shenzheng05 (11)	2,495,563	-	298	-	2,495,861
21shenzheng06 (12)	1,999,026	-	877	-	1,999,903
21shenzheng07 (13)	2,994,015	-	395	-	2,994,410
21shenzheng08 (14)	2,799,211	-	638	-	2,799,849
21shenzheng09 (15)	4,192,810	-	1,394	-	4,194,204
21shenzheng10 (16)	2,997,583	-	1,848	-	2,999,431
21shenzheng11 (17)	2,991,483	-	555	-	2,992,038
21shenzheng12 (18)	4,797,024	-	2,150	-	4,799,174
21shenzheng13 (19)	998,550	-	269	-	998,819
21shenzheng15 (20)	2,297,639	-	1,621	-	2,299,260
21shenzhengC1 (21)	2,999,767	-	-	(2,999,767)	-
21shenzhengC2 (22)	3,798,970	-	-	(3,798,970)	-
21shenzhengC4 (23)	1,198,322	-	846	-	1,199,168
22shenhong01 (24)	1,800,000	-	-	-	1,800,000
22shenhong02 (25)	1,200,000	-	-	-	1,200,000
22shenhong03 (26)	3,000,000	-	-	-	3,000,000
22shenhong04 (27)	1,000,000	-	-	-	1,000,000
22shenhong06 (28)	2,550,000	-	-	-	2,550,000
22shenzheng01 (29)	4,995,779	-	1,990	-	4,997,769
22shenzheng02 (30)	2,395,366	-	287	-	2,395,653
22shenzheng03 (31)	2,197,445	-	967	-	2,198,412
22shenzheng05 (32)	3,495,804	-	1,475	-	3,497,279
22shenzheng06 (33)	2,096,013	-	512	-	2,096,525
22shenzheng07 (34)	1,797,536	-	754	-	1,798,290
22shenzheng08 (35)	2,195,580	-	534	-	2,196,114
22shenzhengC1 (36)	2,994,248	-	1,838	-	2,996,086
23shenzhengC1 (37)	1,398,029	-	804	-	1,398,833
23shenzhengC2 (38)	1,297,741	-	487	-	1,298,228
23shenzhengC3 (39)	2,295,418	-	850	-	2,296,268
23shenzheng01 (40)	798,839	-	414	-	799,253
23shenzheng02 (41)	1,996,561	-	677	-	1,997,238
23shenhong02 (42)	4,997,301	-	121	-	4,997,422
23shenzheng03 (43)	2,195,663	-	1,312	-	2,196,975
23shenzheng04 (44)	1,796,177	-	705	-	1,796,882
23shenzheng05 (45)	495,682	-	522	-	496,204
23shenzheng06 (46)	1,496,582	-	599	-	1,497,181
23shenhong03 (47)	1,600,000	-	-	-	1,600,000
23shenhong04 (48)	800,000	-	-	-	800,000
23shenzheng07 (49)	2,789,731	-	2,921	-	2,792,652
23shenzheng08 (50)	2,091,546	-	833	-	2,092,379
23shenzhengC4 (51)	1,593,290	-	628	-	1,593,918
24shenzheng01 (52)	-	1,000,000	-	(2,725)	997,275
24shenzheng02 (53)	-	1,500,000	-	(4,301)	1,495,699
24shenhong02 (54)	-	2,450,000	-	-	2,450,000
21Shenwan Hongyuan International Finance Limited US dollar bond (55)	3,529,084	-	25,515	-	3,554,599
22Shenwan Hongyuan International Finance Limited US dollar bond (56)	2,120,444	-	15,477	-	2,135,921
Structured notes (57)	15,750,996	1,981,963	-	(4,049,503)	13,683,456
Interest payables	2,315,883	1,876,504	-	(2,203,543)	1,988,844
<b>Total</b>	<b>137,228,905</b>	<b>8,808,467</b>	<b>71,950</b>	<b>(19,557,437)</b>	<b>126,551,885</b>

## 45 Long-term bonds (continued)

As at 31 December 2023

Name	<i>Par value Original currency</i>	<i>Issuance date</i>	<i>Due date</i>	<i>Issue amount Original currency</i>	<i>Nominal interest rate</i>
17ShenZheng02 (1)	500,000	2017/2/17	2024/2/17	500,000	4.50%
18ShenHong01	500,000	2018/7/13	2023/7/17	500,000	3.20%
18ShenHong02	6,500,000	2018/7/13	2023/7/17	6,500,000	4.80%
18ShenZheng03	1,500,000	2018/12/10	2023/12/10	1,500,000	4.08%
20ShenZheng02	2,000,000	2020/1/16	2023/1/16	2,000,000	3.55%
20ShenZheng04	3,000,000	2020/2/21	2023/2/21	3,000,000	3.20%
20ShenZheng06	4,100,000	2020/7/27	2023/7/27	4,100,000	3.49%
20ShenZheng08	3,200,000	2020/9/10	2023/9/10	3,200,000	3.76%
20ShenZheng10	5,700,000	2020/10/26	2023/10/26	5,700,000	3.68%
20ShenZhengC2	6,000,000	2020/4/23	2023/4/23	6,000,000	3.18%
20ShenZhengC3	6,000,000	2020/5/25	2023/5/25	6,000,000	3.25%
21ShenHong01 (2)	1,500,000	2021/3/4	2026/3/8	1,500,000	3.68%
21ShenHong02 (3)	500,000	2021/3/4	2028/3/8	500,000	3.95%
21ShenHong04 (4)	3,000,000	2021/7/13	2028/7/15	3,000,000	3.65%
21ShenHong05 (5)	500,000	2021/8/2	2024/8/4	500,000	2.99%
21ShenHong06 (6)	2,500,000	2021/8/2	2026/8/4	2,500,000	3.38%
21ShenZheng01 (7)	2,500,000	2021/4/29	2024/4/29	2,500,000	3.45%
21ShenZheng02 (8)	2,000,000	2021/4/29	2031/4/29	2,000,000	4.05%
21ShenZheng03 (9)	2,600,000	2021/5/24	2026/5/24	2,600,000	3.63%
21ShenZheng04 (10)	2,000,000	2021/5/28	2024/5/28	2,000,000	3.27%
21ShenZheng05 (11)	2,500,000	2021/5/28	2031/5/28	2,500,000	4.00%
21ShenZheng06 (12)	2,000,000	2021/7/21	2024/7/21	2,000,000	3.13%
21ShenZheng07 (13)	3,000,000	2021/7/21	2031/7/21	3,000,000	3.77%
21ShenZheng08 (14)	2,800,000	2021/7/28	2024/7/28	2,800,000	3.04%
21ShenZheng09 (15)	4,200,000	2021/7/28	2026/7/28	4,200,000	3.38%
21ShenZheng10 (16)	3,000,000	2021/8/26	2024/8/26	3,000,000	3.02%
21ShenZheng11 (17)	3,000,000	2021/8/26	2031/8/26	3,000,000	3.75%
21ShenZheng12 (18)	4,800,000	2021/9/9	2024/9/9	4,800,000	3.05%
21ShenZheng13 (19)	1,000,000	2021/9/9	2026/9/9	1,000,000	3.40%
21ShenZheng14	2,300,000	2021/9/22	2023/9/22	2,300,000	2.95%
21ShenZheng15 (20)	2,300,000	2021/9/22	2024/9/22	2,300,000	3.10%
21ShenZhengC1 (21)	3,000,000	2021/1/21	2024/1/21	3,000,000	3.93%
21ShenZhengC2 (22)	3,800,000	2021/3/11	2024/3/11	3,800,000	3.94%
21ShenZhengC3	1,800,000	2021/12/27	2023/12/27	1,800,000	3.08%
21ShenZhengC4 (23)	1,200,000	2021/12/27	2024/12/27	1,200,000	3.20%
22ShenHong01 (24)	1,800,000	2022/3/4	2025/3/8	1,800,000	3.11%
22ShenHong02 (25)	1,200,000	2022/3/4	2027/3/8	1,200,000	3.50%
22ShenHong03 (26)	3,000,000	2022/4/22	2025/4/26	3,000,000	3.06%
22ShenHong04 (27)	1,000,000	2022/4/22	2027/4/26	1,000,000	3.45%
22ShenHong06 (28)	2,550,000	2022/8/26	2032/8/30	2,550,000	3.56%
22ShenZheng01 (29)	5,000,000	2022/1/21	2025/1/21	5,000,000	2.80%
22ShenZheng02 (30)	2,400,000	2022/1/21	2032/1/21	2,400,000	3.60%

## 45 Long-term bonds (continued)

Name	<i>Par value Original currency</i>	<i>Issuance date</i>	<i>Due date</i>	<i>Issue amount Original currency</i>	<i>Nominal interest rate</i>
22ShenZheng03 (31)	2,200,000	2022/2/23	2025/2/23	2,200,000	2.95%
22ShenZheng05 (32)	3,500,000	2022/3/24	2025/3/24	3,500,000	3.18%
22ShenZheng06 (33)	2,100,000	2022/3/24	2027/3/24	2,100,000	3.53%
22ShenZheng07 (34)	1,800,000	2022/5/23	2025/5/23	1,800,000	2.78%
22ShenZheng08 (35)	2,200,000	2022/5/23	2027/5/23	2,200,000	3.20%
22ShenZhengC1 (36)	3,000,000	2022/4/27	2025/4/27	3,000,000	3.19%
23ShenZhengC1 (37)	1,400,000	2023/3/6	2025/3/6	1,400,000	3.35%
23ShenZhengC2 (38)	1,300,000	2023/3/6	2026/3/6	1,300,000	3.55%
23ShenZhengC3 (39)	2,300,000	2023/3/27	2026/3/27	2,300,000	3.38%
23ShenZheng01 (40)	800,000	2023/4/14	2025/4/14	800,000	2.85%
23ShenZheng02 (41)	2,000,000	2023/4/14	2026/4/14	2,000,000	2.99%
23ShenHong02 (42)	5,000,000	2023/6/12	2028/6/14	5,000,000	3.49%
23ShenZheng03 (43)	2,200,000	2023/8/17	2025/8/17	2,200,000	2.50%
23ShenZheng04 (44)	1,800,000	2023/8/17	2026/8/17	1,800,000	2.67%
23ShenZheng05 (45)	500,000	2023/8/30	2025/8/30	500,000	2.56%
23ShenZheng06 (46)	1,500,000	2023/8/30	2028/8/30	1,500,000	2.95%
23ShenHong03 (47)	1,600,000	2023/9/1	2028/9/5	1,600,000	2.49%
23ShenHong04 (48)	800,000	2023/9/1	2033/9/5	800,000	2.85%
23ShenZheng07 (49)	2,800,000	2023/9/21	2025/9/21	2,800,000	2.80%
23ShenZheng08 (50)	2,100,000	2023/9/21	2028/9/21	2,100,000	3.14%
23ShenZhengC4 (51)	1,600,000	2023/12/8	2028/12/8	1,600,000	3.35%
21Shenwan Hongyuan International Finance Limited US dollar Bond (55)	500,000	2021/7/14	2026/7/14	500,000	1.80%
22Shenwan Hongyuan International Finance Limited US dollar bond (56)	300,000	2022/3/16	2025/3/16	300,000	2.63% 2.70% - 3.15%
Structured Notes (57)	15,750,996	Note 57	Note 57	15,750,996	3.15%

## 45 Long-term bonds (continued)

Name	Book value as at 1 January 2023	Increase	Amount of amortization	Decrease	Book value as at 31 December 2023
17ShenZheng02 (1)	500,000	-	-	-	500,000
18ShenHong01	32,501	-	-	(32,501)	-
18ShenHong02	6,499,987	-	-	(6,499,987)	-
18ShenZheng03	1,500,000	-	-	(1,500,000)	-
20ShenZheng02	1,999,987	-	-	(1,999,987)	-
20ShenZheng04	3,000,000	-	-	(3,000,000)	-
20ShenZheng06	4,100,000	-	-	(4,100,000)	-
20ShenZheng08	3,196,874	-	-	(3,196,874)	-
20ShenZheng10	5,693,415	-	-	(5,693,415)	-
20ShenZhengC2	5,999,132	-	-	(5,999,132)	-
20ShenZhengC3	5,999,442	-	-	(5,999,442)	-
21ShenHong01 (2)	1,500,000	-	-	-	1,500,000
21ShenHong02 (3)	500,000	-	-	-	500,000
21ShenHong04 (4)	3,000,000	-	-	-	3,000,000
21ShenHong05 (5)	500,000	-	-	-	500,000
21ShenHong06 (6)	2,500,000	-	-	-	2,500,000
21ShenZheng01 (7)	2,497,318	-	1,990	-	2,499,308
21ShenZheng02 (8)	1,996,011	-	478	-	1,996,489
21ShenZheng03 (9)	2,595,882	-	1,205	-	2,597,087
21ShenZheng04 (10)	1,997,728	-	1,592	-	1,999,320
21ShenZheng05 (11)	2,494,966	-	597	-	2,495,563
21ShenZheng06 (12)	1,997,267	-	1,759	-	1,999,026
21ShenZheng07 (13)	2,993,223	-	792	-	2,994,015
21ShenZheng08 (14)	2,797,932	-	1,279	-	2,799,211
21ShenZheng09 (15)	4,190,016	-	2,794	-	4,192,810
21ShenZheng10 (16)	2,993,875	-	3,708	-	2,997,583
21ShenZheng11 (17)	2,990,371	-	1,112	-	2,991,483
21ShenZheng12 (18)	4,792,713	-	4,311	-	4,797,024
21ShenZheng13 (19)	998,011	-	539	-	998,550
21ShenZheng14	2,296,469	-	-	(2,296,469)	-
21ShenZheng15 (20)	2,294,387	-	3,252	-	2,297,639
21ShenZhengC1 (21)	2,995,522	-	4,245	-	2,999,767
21ShenZhengC2 (22)	3,793,597	-	5,373	-	3,798,970
21ShenZhengC3	1,796,232	-	-	(1,796,232)	-
21ShenZhengC4 (23)	1,196,625	-	1,697	-	1,198,322
22ShenHong01 (24)	1,800,000	-	-	-	1,800,000
22ShenHong02 (25)	1,200,000	-	-	-	1,200,000
22ShenHong03 (26)	3,000,000	-	-	-	3,000,000
22ShenHong04 (27)	1,000,000	-	-	-	1,000,000
22ShenHong06 (28)	2,550,000	-	-	-	2,550,000
22ShenZheng01 (29)	4,991,789	-	3,990	-	4,995,779
22ShenZheng02 (30)	2,394,791	-	575	-	2,395,366

## 45 Long-term bonds (continued)

Name	Book value as at 1 January 2023	Increase	Amount of amortization	Decrease	Book value as at 31 December 2023
22ShenZheng03 (31)	2,195,285	-	2,160	-	2,197,445
22ShenZheng05 (32)	3,492,500	-	3,304	-	3,495,804
22ShenZheng06 (33)	2,094,867	-	1,146	-	2,096,013
22ShenZheng07 (34)	1,795,823	-	1,713	-	1,797,536
22ShenZheng08 (35)	2,194,366	-	1,214	-	2,195,580
22ShenZhengC1 (36)	2,990,049	-	4,199	-	2,994,248
23ShenZhengC1 (37)	-	1,398,029	-	-	1,398,029
23ShenZhengC2 (38)	-	1,297,741	-	-	1,297,741
23ShenZhengC3 (39)	-	2,295,418	-	-	2,295,418
23ShenZheng01 (40)	-	798,839	-	-	798,839
23ShenZheng02 (41)	-	1,996,561	-	-	1,996,561
23ShenHong02 (42)	-	4,997,301	-	-	4,997,301
23ShenZheng03 (43)	-	2,195,663	-	-	2,195,663
23ShenZheng04 (44)	-	1,796,177	-	-	1,796,177
23ShenZheng05 (45)	-	495,682	-	-	495,682
23ShenZheng06 (46)	-	1,496,582	-	-	1,496,582
23ShenHong03 (47)	-	1,600,000	-	-	1,600,000
23ShenHong04 (48)	-	800,000	-	-	800,000
23ShenZheng07 (49)	-	2,789,731	-	-	2,789,731
23ShenZheng08 (50)	-	2,091,546	-	-	2,091,546
23ShenZhengC4 (51)	-	1,593,290	-	-	1,593,290
21Shenwan Hongyuan International Finance Limited US dollar Bond (55)	3,467,878	-	61,206	-	3,529,084
22Shenwan Hongyuan International Finance Limited US dollar bond (56)	2,083,374	-	37,070	-	2,120,444
Structured Notes (57)	14,999,615	6,527,810	-	(5,776,429)	15,750,996
Interest payables	2,584,740	4,076,369	-	(4,345,226)	2,315,883
<b>Total</b>	<b>151,064,560</b>	<b>38,246,739</b>	<b>153,300</b>	<b>(52,235,694)</b>	<b>137,228,905</b>
				<i>As at</i>	<i>As at</i>
				<i>30 June</i>	<i>31 December</i>
				<i>2024</i>	<i>2023</i>
Long-term bonds due within one year			54,857,035		34,371,888
Long-term bonds due after one year			71,694,850		102,857,017
<b>Total</b>			<b>126,551,885</b>		<b>137,228,905</b>

#### 45 Long-term bonds (continued)

As approved by the Board and related regulatory authorities, the Group has issued the following bonds:

- (1) 7-year corporate bond amounting to RMB0.5 billion on 17 February 2017.
- (2) 5-year corporate bond amounting to RMB1.5 billion on 8 March 2021 with put option on 8 March 2024.
- (3) 7-year corporate bond amounting to RMB0.5 billion on 8 March 2021 with put option on 8 March 2026.
- (4) 7-year corporate bond amounting to RMB3.0 billion on 15 July 2021.
- (5) 3-year corporate bond amounting to RMB0.5 billion on 4 August 2021.
- (6) 5-year corporate bond amounting to RMB2.5 billion on 4 August 2021.
- (7) 3-year corporate bond amounting to RMB2.5 billion on 29 April 2021.
- (8) 10-year corporate bond amounting to RMB2.0 billion on 29 April 2021.
- (9) 5-year corporate bond amounting to RMB2.6 billion on 24 May 2021.
- (10) 3-year corporate bond amounting to RMB2.0 billion on 28 May 2021.
- (11) 10-year corporate bond amounting to RMB2.5 billion on 28 May 2021.
- (12) 3-year corporate bond amounting to RMB2.0 billion on 21 July 2021.
- (13) 10-year corporate bond amounting to RMB3.0 billion on 21 July 2021.
- (14) 3-year corporate bond amounting to RMB2.8 billion on 28 July 2021.
- (15) 5-year corporate bond amounting to RMB4.2 billion on 28 July 2021.
- (16) 3-year corporate bond amounting to RMB3.0 billion on 26 August 2021.
- (17) 10-year corporate bond amounting to RMB3.0 billion on 26 August 2021.
- (18) 3-year corporate bond amounting to RMB4.8 billion on 9 September 2021.
- (19) 5-year corporate bond amounting to RMB1.0 billion on 9 September 2021.
- (20) 3-year corporate bond amounting to RMB2.3 billion on 22 September 2021.
- (21) 3-year subordinated bond amounting to RMB3.0 billion on 21 January 2021
- (22) 3-year subordinated bond amounting to RMB3.8 billion on 11 March 2021.
- (23) 3-year subordinated bond amounting to RMB1.2 billion on 27 December 2021.

#### 45 Long-term bonds (continued)

- (24) 3-year corporate bond amounting to RMB1.8 billion on 8 March 2022.
- (25) 5-year corporate bond amounting to RMB1.2 billion on 8 March 2022.
- (26) 3-year corporate bond amounting to RMB3.0 billion on 26 April 2022.
- (27) 5-year corporate bond amounting to RMB1.0 billion on 26 April 2022.
- (28) 10-year corporate bond amounting to RMB2.55 billion on 30 August 2022
- (29) 3-year corporate bond amounting to RMB5.0 billion on 21 January 2022.
- (30) 10-year corporate bond amounting to RMB2.4 billion on 21 January 2022.
- (31) 3-year corporate bond amounting to RMB2.2 billion on 23 February 2022.
- (32) 3-year corporate bond amounting to RMB3.5 billion on 24 March 2022.
- (33) 5-year corporate bond amounting to RMB2.1 billion on 24 March 2022.
- (34) 3-year corporate bond amounting to RMB1.8 billion on 23 May 2022.
- (35) 5-year corporate bond amounting to RMB2.2 billion on 23 May 2022.
- (36) 3-year subordinated bond amounting to RMB3.0 billion on 27 April 2022.
- (37) 2-year subordinated bond amounting to RMB1.4 billion on 6 March 2023.
- (38) 3-year subordinated bond amounting to RMB1.3 billion on 6 March 2023.
- (39) 3-year subordinated bond amounting to RMB2.3 billion on 27 March 2023.
- (40) 2-year corporate bond amounting to RMB0.8 billion on 14 April 2023.
- (41) 3-year corporate bond amounting to RMB2.0 billion on 14 April 2023.
- (42) 10-year corporate bond amounting to RMB5.0 billion on 14 June 2023.
- (43) 2-year corporate bond amounting to RMB2.2 billion on 17 August 2023.
- (44) 3-year corporate bond amounting to RMB1.8 billion on 17 August 2023.
- (45) 2-year corporate bond amounting to RMB0.5 billion on 30 August 2023.
- (46) 2-year corporate bond amounting to RMB1.5 billion on 30 August 2023.
- (47) 1-year corporate bond amounting to RMB1.6 billion on 5 September 2023.
- (48) 3-year corporate bond amounting to RMB0.8 billion on 5 September 2023.
- (49) 2-year corporate bond amounting to RMB2.8 billion on 21 September 2023.

#### 45 Long-term bonds (continued)

- (50) 5-year corporate bond amounting to RMB2.1 billion on 21 September 2023.
- (51) 5-year subordinated bond amounting to RMB1.6 billion on 8 December 2023.
- (52) 3-year corporate bond amounting to RMB1.0 billion on 26 February 2024.
- (53) 5-year corporate bond amounting to RMB1.5 billion on 26 February 2024.
- (54) 5-year corporate bond amounting to RMB2.45 billion on 13 March 2024.
- (55) 5-year corporate bond amounting to RMB0.5 billion on 14 July 2021.
- (56) 3-year corporate bond amounting to RMB0.3 billion on 16 March 2022.
- (57) For the six months ended 30 June 2024, the Group has issued 96 tranches of structured notes due over one year (For the six months ended 30 June 2023: 110). As at 30 June 2024 and 31 December 2023, the structured notes issued by the Group used fixed rates or floating rates linked to certain stock indexes to accrue interest, in which the fixed rates range were 2.40% - 3.15% and 2.70% - 3.15% respectively.

#### 46 Share capital

All shares issued by the Company are fully paid common shares. The par value per share is RMB1. The Company's number of shares issued and their nominal value are as follows:

	<i>As at 30 June 2024 &amp; 31 December 2023</i>	
	<i>Number of shares (Thousands)</i>	<i>Nominal value</i>
Registered, issued and fully paid:		
A shares of RMB1 each	22,535,945	22,535,945
H shares of RMB1 each	2,504,000	2,504,000
Total	25,039,945	25,039,945

As at 30 June 2024 and 31 December 2023, the number of non-tradable restricted A shares of the Company was 437,244 and 437,244 respectively.



## **47 Reserves**

### **(1) Capital reserve**

Capital reserve mainly includes share premium arising from the issuance of new shares at prices in excess of face value and the difference between the considerations of acquisition of equity interests from non-controlling shareholders and the carrying amount of the proportionate net assets.

### **(2) Surplus reserve**

Pursuant to the Company Law of the PRC, the Company is required to appropriate certain percentage of its net profit to the statutory surplus reserve until the balance reaches 50% of its registered capital.

Subject to the approval of the shareholders, the statutory reserve may be used to offset accumulated losses, or converted into capital of the Company provided that the balance of the statutory surplus reserve after such capitalization is not less than 25% of the registered capital immediately before the capitalization.

### **(3) General reserve**

General reserve includes general risk reserve and transaction risk reserve.

In accordance with the requirements of the CSRC Circular regarding the Annual Reporting of Securities Companies in 2007 (Zhengjian Jigou Zi [2007] No. 320) issued on 18 December 2007, the Company appropriates certain percentage of its annual net profit to the general risk reserve.

In accordance with the requirements of the CSRC Circular regarding the Annual Reporting of Securities Companies in 2007 (Zhengjian Jigou Zi [2007] No. 320) issued on 18 December 2007 and in compliance with the Securities Law, for the purpose of covering securities trading losses, the Company appropriates certain percentage from its annual net profit to the transaction risk reserve.

The Company's subsidiaries appropriate their profits to the general reserve according to the applicable local regulations.

### **(4) Fair value reserve**

The fair value reserve comprises:

- the cumulative net changes in the fair value of equity securities designated at FVOCI; and
- the cumulative net changes in fair values of debt securities at FVOCI until the assets are derecognized or impaired. This amount is reduced by the amount of loss allowance.

### **(5) Translation reserve**

The translation reserve mainly comprises foreign currency differences arising from the translation of the financial statements of foreign currencies.

## 48 Retained profits

As at 30 June 2024 and 31 December 2023, the consolidated retained profits attributable to the Company included an appropriation of RMB 5,315 million and RMB 5,315 million to surplus reserve made by the subsidiaries respectively, and RMB 2,185 million and RMB 2,185 million enjoyed by shareholders arising from the merger of Hongyuan Securities under common control.

Pursuant to the resolution of the general meeting of the shareholders dated 28 June 2024, the Company was approved to distribute cash dividends of RMB 0.56 (tax inclusive) per 10 shares to shareholders based on the total outstanding shares of 25,039,945 thousand shares, with total dividends amounting to RMB 1,402,237 thousand.

## 49 Transferred financial assets

In the ordinary course of business, the Group transfers recognized financial assets to third parties or clients during some transactions, but retains the risks and rewards of the transferred financial assets. Therefore, the Group does not derecognize such financial assets in the balance sheet.

The Group receives payments for the transfer of financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income to counterparties and has signed agreements to repurchase such assets. According to the agreements, the counterparties have the right to receive contractual cash flows during the term of the agreements and use such securities again as collateral, and is obliged to return such securities to the Group on the due date specified in the agreements. The Group believes that the risks and rewards of such financial assets are not transferred and therefore it does not derecognize such financial assets in the balance sheet.

The Group receives payments for the transfer of the income right of margin financing and securities lending to counterparties and has signed agreements to repurchase such assets. According to the repurchase agreements, the income right transferred to the counterparties by the Group includes any other income that the Group may obtain under the contract of margin financing and securities lending, and the counterparties shall return the income right to the Group after the end of the repurchase period. The Group believes that the risks and rewards of such financial assets are not transferred and therefore it does not derecognize such financial assets in the balance sheet.

	<u>As at 30 June 2024</u>		<u>As at 31 December 2023</u>	
	<i>Carrying amount of transferred assets</i>	<i>Carrying amount of related liabilities</i>	<i>Carrying amount of transferred assets</i>	<i>Carrying amount of related liabilities</i>
Repurchase agreements	4,227,321	3,622,852	531,523	-
Securities lending	114,618	-	410,095	-

## 50 Interests in structured entities

### (1) *Interests in structured entities consolidated by the Group*

The Group has consolidated certain structured entities, mainly asset management products. For those structured entities where the Group is involved as manager or as investor, the Group assesses the controlling power according to its accounting policies.

As at 30 June 2024, the net assets of the consolidated asset management products are RMB 70,550,339 thousand.

Interests held by other investors in these consolidated structured entities were classified as net investment gains or interest expenses of the consolidated statement of profit or loss, financial liabilities at fair value through profit or loss, other payables and accruals or other non-current liabilities of the consolidated statement of financial position.

As at 30 June 2024 and 31 December 2023, the Group reassessed the control of structured entities and decided whether the Group is still a principal.

### (2) *Structured entities sponsored by third party institutions which the Group does not consolidate but holds an interest in*

The carrying amount of the related accounts in the consolidated statement of financial position is equal to the maximum exposure to loss of interests held by the Group in the unconsolidated structured entities sponsored by third party institutions as at 30 June 2024 and 31 December 2023, which are listed as below:

	<i>As at 30 June 2024</i>	<i>As at 31 December 2023</i>
Financial assets at fair value through profit or loss	56,327,712	44,849,300
Financial assets measured at amortized cost	3,067,736	942,248
	<hr/>	<hr/>
Total	<u>59,395,448</u>	<u>45,791,548</u>

## 50 Interests in structured entities (continued)

### (3) Structured entities sponsored by the Group which the Group does not consolidate

The types of structured entities sponsored by the Group which the Group does not consolidate but in which it holds an interest include funds and asset management products.

The carrying amount of the related accounts in the consolidated statement of financial position is equal to the maximum exposure to loss of interests held by the Group in the unconsolidated structured entities sponsored by the Group as at 30 June 2024 and 31 December 2023, which are listed as below:

	<i>As at 30 June 2024</i>		
	<i>Financial assets at fair value through profit or loss</i>	<i>Financial Assets measured at amortized cost</i>	<i>Total</i>
Funds	2,119,941	-	2,119,941
Asset management products and others	1,602,029	49,471	1,651,500
<b>Total</b>	<b>3,721,970</b>	<b>49,471</b>	<b>3,771,441</b>
	<i>As at 31 December 2023</i>		
	<i>Financial assets at fair value through profit or loss</i>	<i>Financial Assets measured at amortized cost</i>	<i>Total</i>
Funds	1,503,890	-	1,503,890
Asset management products and others	1,516,468	-	1,516,468
<b>Total</b>	<b>3,020,358</b>	<b>-</b>	<b>3,020,358</b>

For the six months ended 30 June 2024 and 2023, the Group recognized net income from asset management business of RMB 404,901 thousand and RMB 521,612 thousand, respectively.

## 51 Contingencies

As at 30 June 2024, the Group was not involved in any material lawsuits, arbitration or administrative proceedings that if adversely determined, the Group expects would materially and adversely affect its financial position or results of operations.

## 52 Related party relationships and transactions

### (1) Relationship of related parties

#### (a) Major shareholders

Major shareholders include shareholders of the Company with 5% or above ownership. Share percentage in the Company:

	<i>As at 30 June 2024</i>	<i>As at 31 December 2023</i>
China Jianyin Investment Ltd.	26.34%	26.34%
Central Huijin Investment Ltd.	20.05%	20.05%

#### (b) Associates and joint ventures of the Group

The detailed information of the Group's associates and joint ventures is set out in Note 20.

#### (c) Other related parties

Other related parties can be individuals or enterprises, which include: members of the Board of Directors, the Board of Supervisors and senior management, and close family members of such individuals.

### (2) Related parties transactions and balances

#### (a) Transactions between the Group and major shareholders:

	<i>As at 30 June 2024</i>	<i>As at 31 December 2023</i>
Period/Year end:		
Financial assets at fair value through other comprehensive income	1,202,927	402,271
Financial assets at fair value through profit or loss	70,451	10,192
Accounts payable to brokerage clients	1,334	-
Accounts receivable	-	922
	<u><i>Six months ended 30 June</i></u>	<u><i>2024</i></u>
	<i>2024</i>	<i>2023</i>
Transactions during the period:		
Interest income	14,490	9,740
Fee and commission income	10,961	6,745
Net investment gains	623	(7,690)

## 52 Related party relationships and transactions (continued)

(b) Transactions between the Group with associates, joint ventures and other related parties:

	<i>As at 30 June 2024</i>	<i>As at 31 December 2023</i>
Balances at the end of the period/year:		
Financial assets sold under repurchase agreements	21,772,120	25,725,097
Cash and bank balances	50,352,887	22,686,901
Financial assets at fair value through profit or loss	6,963,813	19,367,734
Financial assets at fair value through other comprehensive income	13,075,218	12,145,273
Financial liabilities at fair value through profit or loss	50,593	1,796,790
Loans and borrowings	95,083	313,454
Derivative financial liabilities	220,545	202,851
Right-of-use assets	75,134	83,972
Lease liabilities	76,240	74,372
Derivative financial assets	156,001	68,422
Accounts payable to brokerage clients	68,307	63,750
Accounts receivable	62,179	52,233
Other receivables and prepayments	52	8,233
Other payables and accruals	9,457	6,987
	<u><i>Six months ended 30 June</i></u>	
	<u>2024</u>	<u>2023</u>
Transactions during the period:		
Interest income	593,526	448,663
Net investment gains	606,819	359,828
Fee and commission income	81,342	169,166
Interest expenses	95,491	61,044
Fee and commission expenses	39,478	35,642
Depreciation and amortization expense	11,516	6,111
Other income and gains	6,017	6,037
Other operating expenses	3,028	4,705

For the six months ended 30 June 2024 and 30 June 2023, capital injection made by the Group into the associates and joint ventures are RMB 0 thousand and RMB180,900 thousand, respectively.

For the six months ended 30 June 2024 and 30 June 2023, dividend received from associates and joint ventures are RMB 313,172 thousand and RMB 308,238 thousand, respectively.

## 52 Related party relationships and transactions (continued)

### (3) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors and supervisors, is as follows:

	<i>Six months ended 30 June</i>	
	2024	2023
Short-term employee benefits		
- Fees, salaries, allowances and bonuses	6,237	5,043
Post-employment benefits		
- Contributions to pension scheme	321	374
Total	6,558	5,417

Total remuneration is included in "staff costs" (see Note 11).

## 53 Segment reporting

Management manages the business operations by the following segments in accordance with the nature of the operations and the services provided:

- Enterprise finance segment includes investment banking and principal investment services to the corporate clients: investment banking business primarily includes equity underwriting and sponsorship, debt underwriting and financial advisory services; principal investment business primarily includes the Group's equity investment in unlisted companies and debt investment primarily through various financial instruments;
- Personal finance segment primarily includes securities and futures brokerage, margin financing and securities lending, stock-backed lending, sales of financial products and investment advisory provided to individuals and non-professional institutional investors;
- Institutional services and trading segment primarily includes prime brokerage and research services for professional institutional clients, as well as equity and Fixed Income Currencies and Commodities (FICC) proprietary trading to provide sales, market-making, hedging and over-the counter derivatives services to institutional clients;
- Investment management segment primarily includes asset management, mutual fund management, private equity fund management services to clients.

## 53 Segment reporting (continued)

### Business segments

For the six months ended 30 June 2024

	<i>Enterprise finance</i>		<i>Personal finance</i>	<i>Institutional services and trading</i>	<i>Investment management</i>	<i>Segment total</i>
	<i>Investment banking</i>	<i>Principal investment</i>				
Fee and commission income	430,040	23,942	2,207,387	530,323	430,342	3,622,034
Interest income	14,264	102,960	2,680,713	1,559,261	154,732	4,511,930
Net investment gains	301,725	326,843	61,497	4,022,218	146,519	4,858,802
Other income and gains	1,594	10,532	81,058	2,810,819	2,893	2,906,896
<b>Total revenue and other income</b>	<b>747,623</b>	<b>464,277</b>	<b>5,030,655</b>	<b>8,922,621</b>	<b>734,486</b>	<b>15,899,662</b>
Segment expenses	640,093	631,759	4,039,560	7,040,856	522,849	12,875,117
Including: Interest expenses	16,629	434,611	946,833	3,057,793	111,165	4,567,031
Provision for/ (Reversal of) impairment losses	1,299	29,871	69,522	27,682	(46,274)	82,100
Share of profit of associates and joint ventures	-	335,004	-	-	-	335,004
<b>Profit before income tax</b>	<b>107,530</b>	<b>167,522</b>	<b>991,095</b>	<b>1,881,765</b>	<b>211,637</b>	<b>3,359,549</b>
Other segment information:						
Depreciation and amortization expenses	47,407	9,027	248,301	134,314	14,916	453,965
Capital expenditure paid	1,579	137,908	86,271	24,877	3,983	254,618
<b>As at 30 June 2024</b>						
Segment assets	1,612,195	32,846,989	142,437,057	403,009,151	25,367,980	605,273,372
Deferred tax assets						2,112,659
<b>Segment total assets</b>						<b>607,386,031</b>
Segment liabilities	294,722	31,500,070	104,299,862	321,176,395	19,861,116	477,132,165
Deferred tax liabilities						71,663
<b>Segment total liabilities</b>						<b>477,203,828</b>



## 53 Segment reporting (continued)

For the six months ended 30 June 2023

	<i>Enterprise finance</i>		<i>Personal finance</i>	<i>Institutional services and trading</i>	<i>Investment management</i>	<i>Segment total</i>
	<i>Investment banking</i>	<i>Principal investment</i>				
Fee and commission income	848,720	21,869	2,184,084	830,080	528,666	4,413,419
Interest income	26,530	206,325	2,959,679	1,498,639	109,406	4,800,579
Net investment gains	256,484	1,002,890	351,823	4,304,306	96,928	6,012,431
Other income and gains	2,890	174,070	129,594	1,902,079	15,533	2,224,166
<b>Total revenue and other income</b>	<b>1,134,624</b>	<b>1,405,154</b>	<b>5,625,180</b>	<b>8,535,104</b>	<b>750,533</b>	<b>17,450,595</b>
Segment expenses	830,249	858,301	3,935,435	6,493,040	676,282	12,793,307
Including: Interest expenses	14,410	600,933	1,079,191	3,072,325	125,161	4,892,020
Provision for/(Reversal of) impairment losses	47	48,545	(141,015)	103,147	68,639	79,363
Share of profit of associates and joint ventures	-	316,739	-	-	-	316,739
<b>Profit before income tax</b>	<b>304,375</b>	<b>863,592</b>	<b>1,689,745</b>	<b>2,042,064</b>	<b>74,251</b>	<b>4,974,027</b>
Other segment information:						
Depreciation and amortization expenses	31,021	11,439	239,241	109,404	21,617	412,722
Capital expenditure paid	3,368	172,330	109,400	26,126	8,462	319,686
As at 31 December 2023						
Segment assets	1,913,994	37,682,330	157,248,866	413,028,017	22,824,640	632,697,847
Deferred tax assets						2,739,571
<b>Segment total assets</b>						<b>635,437,418</b>
Segment liabilities	414,847	29,856,170	118,102,178	339,880,924	18,358,638	506,612,757
Deferred tax liabilities						30,527
<b>Segment total liabilities</b>						<b>506,643,284</b>

The Group's non-current assets are mainly located in mainland China. The Group's revenue are substantially derived from its operations in mainland China.

## 54 Fair value information

### (1) Fair value of financial instruments

The Group adopts the following methods and assumptions when evaluating fair value:

- (a) Financial assets including cash and bank balances, cash held for brokerage clients, clearing settlement funds, financial assets held under resale agreements, and financial liabilities including placements from other financial institutions, short-term debt instruments issued, loans and borrowings under current liabilities and financial assets sold under repurchase agreements are mainly short-term financing or floating interest rate instruments. Accordingly, the carrying amounts approximate the fair values.
- (b) Financial assets and liabilities at fair value through profit or loss, derivatives and financial assets at fair value through other comprehensive income are stated at fair value. For the financial instruments traded in active open markets, the Group uses market prices or market rates as the best estimate for their fair values. For the financial instruments without any market price or market rate, the Group determines the fair values of these financial assets and financial liabilities by discounted cash flow or other valuation methods.
- (c) The fair value of non-current debt investment at amortized cost and long-term bonds are determined with reference to the available market prices or quotes from brokers or agents. If there is no quoted market price in an active market, the Group refers to the yield of financial instruments with similar characteristics such as credit risk and maturity, to estimate the fair value using pricing models or discounted cash flow.
- (d) Accounts receivable, other receivables and prepayments, margin accounts receivable, and accounts payable to brokerage clients are mainly within one year. Accordingly, the carrying amounts approximate the fair values.

### (2) Fair value hierarchy

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1 valuations: Fair value measured is using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured is using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured is using significant unobservable inputs.

## 54 Fair value information (continued)

If there is a reliable market quote for financial instruments, the fair value of financial instruments is based on quoted market prices. If a reliable quoted market price is not available, the fair value of the financial instruments is estimated using valuation techniques. Valuation techniques applied include reference to the fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. The inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and foreign exchange rates. Where discounted cash flow analysis is used, estimated cash flows are based on management's best estimates and the discount rate used is reference to another instrument that is substantially the same.

The table below analyses financial instruments, measured at fair value at 30 June 2024 and 31 December 2023, by the level in the fair value hierarchy into which the fair value measurement is categorized. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	<i>As at 30 June 2024</i>			<i>Total</i>
	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	
<b>Assets</b>				
Financial assets at fair value through profit or loss				
- Debt securities	45,659,813	78,023,086	222,457	123,905,356
- Equity securities	80,553,389	7,650,836	4,209,836	92,414,061
- Hybrid instruments	1,207,168	437,088	2,032,317	3,676,573
- Asset management products and others	1,055,496	4,224,864	7,515,686	12,796,046
Financial assets at fair value through other comprehensive income				
- Debt securities	8,353,662	51,917,570	65,003	60,336,235
- Equity securities	2,517,061	65,931,474	263,800	68,712,335
Derivative financial assets	744,380	1,879,613	12,042,563	14,666,556
<b>Total</b>	<u>140,090,969</u>	<u>210,064,531</u>	<u>26,351,662</u>	<u>376,507,162</u>
<b>Liabilities</b>				
Financial liabilities at fair value through profit or loss	430,305	9,235,030	1,584	9,666,919
Derivative financial liabilities	645,002	1,981,302	3,765,203	6,391,507
<b>Total</b>	<u>1,075,307</u>	<u>11,216,332</u>	<u>3,766,787</u>	<u>16,058,426</u>

## 54 Fair value information (continued)

	<i>As at 31 December 2023</i>			<i>Total</i>
	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	
<b>Assets</b>				
Financial assets at fair value through profit or loss				
- Debt securities	48,620,941	72,798,923	249,776	121,669,640
- Equity securities	82,877,572	8,537,052	6,575,098	97,989,722
- Hybrid instruments	1,453,320	148,040	1,591,904	3,193,264
- Asset management products and others	922,646	4,557,548	8,155,344	13,635,538
Financial assets at fair value through other comprehensive income				
- Debt securities	9,889,044	63,435,321	74,550	73,398,915
- Equity securities	1,573,324	68,756,603	263,800	70,593,727
Derivative financial assets	739,919	1,688,087	7,779,372	10,207,378
<b>Total</b>	<u>146,076,766</u>	<u>219,921,574</u>	<u>24,689,844</u>	<u>390,688,184</u>
<b>Liabilities</b>				
Financial liabilities at fair value through profit or loss	303,566	5,388,936	1,804	5,694,306
Derivative financial liabilities	609,137	1,526,192	4,050,231	6,185,560
<b>Total</b>	<u>912,703</u>	<u>6,915,128</u>	<u>4,052,035</u>	<u>11,879,866</u>

For the six months ended 30 June 2024 and for the year ended 31 December 2023, there was no significant transfer between Level 1 and Level 2.

For the six months ended 30 June 2024 and for the year ended 31 December 2023, there were transfers into and out of Level 3 due to the delisting of equity securities and the lifting of restricted stocks respectively. The Group's policy is to recognize transfer between levels of fair value hierarchy at the end of the period/year in which they occur.

(a) Financial instruments in Level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at 30 June 2024 and 31 December 2023. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the closing price within bid-ask spread. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily securities traded on exchanges and fund investments traded through exchanges or fund management companies.

## 54 Fair value information (continued)

### (b) Financial instruments in Level 2

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

### (c) Valuation methods for specific investments

As at 30 June 2024 and 31 December 2023, the Group's valuation methods for specific investments are as follows:

- (i) For exchange-listed equity securities, fair value is determined based on the closing price of the equity securities as at 30 June 2024 and 31 December 2023 within the bid-ask spread. If there is no quoted market price as at 30 June 2024 and 31 December 2023, valuation techniques are used to determine the fair value.
- (ii) For exchange-listed investment funds, fair value is determined based on the closing price within the bid-ask spread as at 30 June 2024 and 31 December 2023 or the most recent trading date. For unlisted open-end funds and asset management products, fair value is determined by quoted price which is based on the net asset value as at 30 June 2024 and 31 December 2023.
- (iii) For debt securities listed through exchanges, fair values are determined based on the closing price within the bid-ask spread of the debt securities as at 30 June 2024 and 31 December 2023.
- (iv) For debt securities traded through the inter-bank bond market and the OTC market, fair values are determined by valuation techniques.
- (v) For futures traded through exchanges, fair value is determined based on the closing price of the futures as at 30 June 2024 and 31 December 2023.

## 54 Fair value information (continued)

### (d) Financial instruments in Level 3

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurement in Level 3 of the fair value hierarchy:

	For the six months ended 30 June 2024					
	Financial assets at fair value through other comprehensive income – debt instruments	Financial assets at fair value through other comprehensive income – equity instruments	Derivative financial assets	Financial liabilities at fair value through profit or loss	Derivative financial liabilities	
As at 1 January 2024	16,572,122	74,550	7,779,372	1,804	4,050,231	
Gains or losses for the period	(346,699)	(805)	7,235,373	(4,423)	(818,665)	
Changes in fair value recognized in other comprehensive income	-	53,384	-	-	-	
Purchases	1,737,637	-	21,382	4,644	636,164	
Sales and settlements	(1,884,549)	(62,126)	(2,993,564)	(441)	(102,527)	
Transfer in	293,998	-	-	-	-	
Transfer out	(2,392,213)	-	-	-	-	
As at 30 June 2024	13,980,296	65,003	12,042,563	1,584	3,765,203	
Realized gains or losses included in profit or loss for the period – investment gains	(107,253)	(805)	3,360,213	36	319,108	
Unrealized gains or losses included in profit or loss for the period – gain or losses on the fair value change	(239,446)	-	3,875,160	4,387	499,557	

## 54 Fair value information (continued)

	For the year ended 31 December 2023					
	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income – debt instruments	Financial assets at fair value through other comprehensive income – equity instruments	Derivative financial assets	Financial liabilities at fair value through profit or loss	Derivative financial liabilities
As at 1 January 2023	17,670,018	380,970	261,000	6,614,147	6,894	3,427,642
Gains or losses for the year	3,570,918	(9,147)	-	1,440,082	(2,071)	331,938
Changes in fair value recognized in other comprehensive income	-	(137,974)	-	-	-	-
Purchases	9,689,919	4,759	2,800	18,179	755	377,418
Sales and settlements	(10,252,299)	(164,058)	-	(293,036)	(3,774)	(86,767)
Transfer in	9,124	-	-	-	-	-
Transfer out	(4,115,558)	-	-	-	-	-
As at 31 December 2023	16,572,122	74,550	263,800	7,779,372	1,804	4,050,231
Realized gains or losses included in profit or loss for the year – investment gains	3,327,274	(9,147)	-	198,124	23,554	(18,817)
Unrealized gains or losses included in profit or loss for the year – gain or losses on the fair value change	243,644	-	-	1,241,958	(21,483)	(313,121)

As for the financial instruments in Level 3, the price is primarily determined by the comparable companies methods, discounted cash flow model, Black-Scholes option pricing model and other methods. Determinations to classify fair value measures within Level 3 of the valuation hierarchy are primarily based on the significance of the unobservable inputs which mainly include liquidity discount, volatility, risk-adjusted discount and market multiplier.

## 55 Financial instruments risk management

The risks faced by the Group in its daily operation and management mainly include market risk, credit risk and liquidity risk.

The Group aims to strike an appropriate balance between the risks and benefits of its financial instruments and to mitigate the adverse effects that the risks of financial instruments have on the Group's financial performance. Based on such objectives, the Group's risk management policies are established to identify and assess the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and compliance with limits. Risk management policies and internal control systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The following information does not include all necessary information and disclosures for the consolidated financial report, and should be read together with the company's consolidated financial report for the year ended 2023.

Since 31 December 2023, the Company does not have significant change in its risk management process or policy.

Risk analysis and control

### (1) Credit Risk

Credit risk refers to the risk that the Group may face when its financiers, counterparties or bond issuers fail to perform the agreed financial obligations. The Group's credit risk exposures mainly exist in its personal finance, proprietary trading, and principal investment businesses.

The Group has mainly adopted the following measures to detect, report and manage credit risk:

- Established an internal rating system for credit risk, and conducted concentration risk management of the clients;
- Optimised risk assessment and analysis of clients and collateral, and reinforced continuous supervision. The Group has also been improving credit risk management system, and set up company-level negative lists of counterparties so as to collect and manage the list of clients with bad credit, and unified the management of negative information of clients;
- Set up strict entry criteria such as bond and issuer ratings for the proprietary trading business, and carried out pre-transaction review, post-transaction monitoring, and follow up on trading behaviours, credit ratings and types of securities, as well as scale and concentration of bonds;
- Enhanced measures and policies of derivatives trading, set up rating and entry criteria for its counterparties, and improved the risk limit indicators system and pre-transaction review standard; and



## 55 Financial instruments risk management (continued)

- Tightened the review and management of certain businesses, such as stock-backed lending and principal investment business, on the assessment of client, concentration control, and scale of the businesses, and closely monitor project status on a continual basis.

### Measurement of expected credit loss

The measurement of the ECL allowance for financial instruments, including investments in financial assets measured at amortized cost (including margin accounts, reverse repurchase agreements), and FVOCI is an area that requires the use of models and assumptions about the future economic conditions and credit behaviour of the clients (such as the likelihood of customers defaulting and the resulting losses).

The Group has applied a ‘three-stage’ impairment model for ECL measurement based on changes in credit quality since the initial recognition of financial instruments as summarized below:

- A financial instrument that is not credit-impaired on initial recognition is classified as “Stage 1” and has its credit risk continuously monitored by the Group;
- If a significant increase in credit risk (“SICR”) since initial recognition is identified, the financial instrument is moved to “Stage 2” but is not yet deemed to be credit-impaired;
- If the financial instrument is credit-impaired, the financial instrument is moved to “Stage 3”.

Stage 1: The Group measures the loss allowance for a financial instrument at an amount equal to the next 12 months ECL. Stage 2 and 3: The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime ECL. Purchased or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition. The ECL is always measured on a lifetime basis.

For financial instruments under Stage 1 and Stage 2, including investments in financial assets measured at amortized cost (including margin accounts, stock-pledged repo), and FVOCI, the ECL is measured using the risk parameter modelling approach that incorporated key parameters, including Probability of Default (“PD”), Loss Given Default (“LGD”), Exposure at Default (“EAD”) and Loss Ratio (“LR”) taking into consideration of forward looking factors. For credit-impaired financial assets classified under Stage 3, the management assesses the credit loss allowances by estimating the cash flows expected to arise from the financial assets.

The measurement of ECL adopted by the management according to IFRS 9, involves judgements, assumptions and estimations, including:

- Selection of the appropriate models and assumptions;
- Determination of the criteria for significant increase in credit risk (“SICR”), definition of default and credit impairment;
- Establishment of the number and relative weightings of forward-looking scenarios;
- Forecasts of the discounted cash flow of financial instruments under stage 3.

## 55 Financial instruments risk management (continued)

### Measuring ECL –Inputs, assumptions and estimation techniques

The ECL is measured on either a 12-month (12M) or Lifetime basis depending on whether a SICR has occurred since initial recognition or whether an asset is considered to be credit-impaired.

For debt securities investments, ECL is the discounted product of the PD, LGD and EAD after considering the forward-looking impact. For financing assets, ECL are the discounted product of the LR and EAD after considering the forward-looking impact.

- PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation. For debt securities investments, the Group determines the PD by the appropriate external credit ratings.
- LGD represents the Group's expectation of the extent of loss on a defaulted exposure. For debt securities investments, LGD is determined based on the issuer and type of securities
- EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD).
- LR represents the Group's expectation of the likelihood of default and extent of loss on exposure. The Group uses historical loss rates and assesses their appropriateness. The Group determines LR of financing assets based on factors including: the coverage ratio of related loan to underlying collateral value, the volatility of such collateral's valuation and the realized value of collateral upon forced liquidation over the realization period.

### The criteria of Significant increase in credit risk (SICR)

The Group evaluates financial instruments to identify whether a SICR has occurred since initial recognition at each financial statement date. An ECL allowance of financial assets is recognized according to the stage in which the assets are classified. This takes into account of what reasonable information, including forward looking information, is available to identify whether a SICR had arisen. The Group considers a financial instrument to have experienced a SICR when one or more of the following quantitative, qualitative or backstop criteria have been met.

For financing assets, the Group sets differentiated collateral to loan ratios as triggering margin calls and force liquidation thresholds (force liquidation thresholds generally no less than 130%) against different exposures related to these transactions, based on the obligors' credit quality, operation situation, contract maturity date, the volatility and liquidity of related collateral securities, and related performance information.

For securities financing business, the Group considers securities financing business to have experienced a SICR if collateral to loan ratios is lower than the force liquidation thresholds, which means collateral valuation has declined or the quality of the third-party collateral is significantly reduced. As at 30 June 2024 and 31 December 2023, over 90% of the securities financing balances of the Group were covered by collateral value of over the force liquidation thresholds of related loan or repo amounts.

## 55 Financial instruments risk management (continued)

For debt securities investments, the Group makes use of open market credit ratings. The Group considers debt securities investments to have experienced a SICR if the following scenarios occurs: the debt securities with an initial rating above AA level (inclusive) downgraded below AA (exclusive); the debt securities with an initial rating below AA level (exclusive) been downgraded; or the debt security is on the warning list. As at 30 June 2024 and 31 December 2023, the vast majority of the debt securities investments of the Group have been rated as investment grade or above and there was no SICR.

Financial instruments are considered to have a low risk when the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group has used the low credit risk exemption for financial instruments, such as cash and bank accounts, settlement reserve, refundable deposits, financial assets held under resale agreements collateralized by debt securities.

### Definition of default and credit impairment

The Group assesses whether a financial instrument has been credit-impaired in accordance with IFRS 9, in a manner consistent with its internal credit risk policies for managing financial instruments. The consideration includes qualitative criteria, quantitative criteria and upper limit. The Group defines a financial instrument as credit-impaired, which is fully aligned with the definition of “in default”, when it meets one or more of the following criteria:

- The borrower is more than 90 days past due on its contractual payments;
- For securities financing business, forced liquidation of a client’s position is triggered based on a predetermined threshold of loan to collateral ratio; whereby the collateral valuation falls short of the related loan or repo amounts;
- The latest external ratings of issuers of debt securities or debt securities themselves are in default grade;
- The debtor, issuer, borrower or counterparty is in significant financial difficulty;
- An active market for that financial asset has disappeared because of debtor’s financial difficulties;
- Concessions have been made by the Group relating to the debtor, issuer, borrower or counterparty’s financial difficulty;
- It is becoming probable that the debtor, issuer, borrower, or counterparty will enter bankruptcy or undertake a financial restructuring, etc.

When a financial asset is considered to be credit-impaired, it may be the result of multiple events, not due to a separately identifiable event.

## 55 Financial instruments risk management (continued)

### Forward-looking information

The assessment of SICR and the calculation of ECL both incorporate forward-looking information.

When considering forward-looking information, the Group is not required to forecast the situation of financial instruments throughout their expected lifespan. The level of judgment that the Group needs to apply when estimating credit losses depends on the availability of specific information. The degree of the judgment that the Group must use when estimating ECL will increase when the prediction time span is longer or the availability of specific information is lower.

### Sensitivity analysis

The allowance for credit losses is sensitive to the inputs used in internally developed models, macroeconomic variables in the forward-looking forecasts, weighting applied to economic scenarios and other factors considered when applying expert judgement. Changes in these inputs, assumptions and judgements are likely to have an impact on the measurement of ECLs, and the impact on ECL recognized is not significant.

A sensitivity analysis is performed on key economic indicators, economic scenarios and weightings assigned use in forward-looking measurement. When increasing the weighting applied to the optimistic scenario by 10% and a corresponding reduction of 10% weighting applied to the base scenario, or shifting 10% of the weighting from the base case scenario to the pessimistic scenario, the impact on ECL recognized is not significant.

## 55 Financial instruments risk management (continued)

### Collateral and other credit enhancements

The Group employs a range of policies and credit enhancements to mitigate credit risk exposure to an acceptable level. The most common of these is accepting collateral for funds advanced or guarantee. The Group determined the type and amount of collateral according to the credit risk evaluation of counterparties. The collateral under margin financing and reverse repurchase agreements is primarily stocks, debt securities, funds etc. The management would test the market value of collateral periodically, and send margin calls according to related agreements, also monitor the market value fluctuation of collaterals when reviewing the measurement of the loss allowance.

### Loss Ratio and impairment provision of securities financing business

Based on the obligors' credit quality, contract maturity date, the related collateral securities information, which including the sector situation, liquidity discount factor, concentration, volatility and related information, the Group sets differentiated collateral to loan ratios (generally no less than 140%) as triggering margin calls and force liquidation thresholds (collateral to loan ratios generally no less than 130%) against different exposures related to these transactions.

- For financing assets exposures with collateral to loan ratios above 130% and those not past due are classified under Stage 1.
- For financing assets exposures with collateral to loan ratios fall below 130% of the pre-determined force liquidation thresholds but above 100%; or those past due for no more than 90 days are considered to be with significant increase in credit risks and are classified under Stage 2.
- For financing assets exposures with collateral to loan ratios fall below 100%; or those past due for more than 90 days are classified under Stage 3.

## 55 Financial instruments risk management (continued)

Loss ratio applied by the Group on its Financing Assets under the 3 stages were as follows:

Stage 1: 0.00% to 1.19% according to the different collateral ratios;

Stage 2: No less than 0.88%;

Stage 3: Discounted cash flow on individual exposure.

### Credit risk exposure analysis

The Group considered the credit risk of the Financing Assets was relatively low. As at 30 June 2024 and 31 December 2023, majority most of the Financing Assets' ratio to underlying collateral value was over force liquidation level. As at 30 June 2024 and 31 December 2023, most of the debt securities investments of the Group were rated at investment grade or above.

The maximum credit risk exposure on the balance sheet date, without taking into account any collateral and other credit enhancements, refers to the carrying value of the relevant financial assets after the deduction of impairment provisions. The Group's maximum credit risk exposure is disclosed as follows:

	<i>30 June 2024</i>	<i>31 December 2023</i>
Refundable deposits	22,350,090	22,812,202
Accounts receivable	7,654,306	6,167,987
Other receivables and prepayments	467,704	317,892
Other non-current assets	26,839	16,338
Margin accounts receivable	59,163,169	64,428,205
Financial assets held under resale agreements	11,716,938	4,614,564
Financial assets at fair value through profit or loss	133,982,763	128,148,316
Derivative financial assets	14,666,556	10,207,378
Financial assets measured at amortized cost	3,748,905	3,517,259
Financial assets at fair value through other comprehensive income	60,336,236	73,398,915
Clearing settlement funds	9,797,129	12,335,678
Cash held on behalf of brokerage clients	76,980,729	85,610,760
Bank balances	28,007,661	33,453,188
	<hr/>	<hr/>
Total maximum credit risk exposure	<u>428,899,025</u>	<u>445,028,682</u>

## 55 Financial instruments risk management (continued)

### Significant credit risk exposure

	<i>As at 30 June 2024</i>			<i>Total</i>
	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	
	<i>12-month ECL</i>	<i>Lifetime ECL</i>	<i>Lifetime ECL (Credit-impaired)</i>	
Margin accounts receivable	59,160,213	2,956	-	59,163,169
Financial assets held under resale agreements	11,230,838	-	486,100	11,716,938
Financial assets measured at amortized cost	2,908,600	-	840,305	3,748,905
Accounts receivable	-	7,321,492	332,814	7,654,306
Financial assets at fair value through other comprehensive income	60,007,220	219,153	109,863	60,336,236
Other receivables and prepayments	485,262	-	9,281	494,543
	<i>As at 31 December 2023</i>			
	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
	<i>12-month ECL</i>	<i>Lifetime ECL</i>	<i>Lifetime ECL (Credit-impaired)</i>	
Margin accounts receivable	64,009,550	418,655	-	64,428,205
Financial assets held under resale agreements	4,101,053	-	513,511	4,614,564
Financial assets measured at amortized cost	2,646,007	-	871,252	3,517,259
Accounts receivable	5,574,483	246,233	347,271	6,167,987
Financial assets at fair value through other comprehensive income	72,977,955	302,536	118,424	73,398,915
Other receivables and prepayments	334,224	-	5	334,229

### (2) Liquidity risk

Liquidity risk is the risk that the Group may face if the Group fails to acquire sufficient funds in time with reasonable cost to repay its debts due, perform other payment obligations and satisfy capital requirements in normal business operations.

In managing its liquidity risks, the Group considers its short, medium and long-term funding needs and liquidity management requirements, and reinforces the management of both the total amount and the structure of high-quality liquid assets through continuously improving the management system of its liquidity reserve, so as to maintain a sufficient liquidity reserve. The Group maintains adequate cash and cash equivalents and continuously monitors and compares cash flow forecast and actual cash flows. The Group also adopts a risk indicator analysis method to manage its overall liquidity risk. Through the analysis of key risk indicators, such as liquidity coverage ratio, net stable funding ratio, liquidity gap, and asset and liability concentration, the Group assesses and measures its overall liquidity risk status.

## 55 Financial instruments risk management (continued)

For liquidity risks, the Group has primarily adopted the following measures:

- Formulated a comprehensive capital plan to maintain a sufficient liquidity reserve;
- Expanded the scope of cooperation of financial institutions, improved debt financing management capabilities and diversified liquidity management tools;
- Enhanced the dynamic monitoring of liquidity risk, maintained the tracking and assessment of information such as liquidity monitoring indicators, cash flow gap, liquidity reserve and its short-term financing capabilities;
- Carried out stress testing of liquidity risk, improved the ability to measure liquidity shock and put forward effective measures; and
- Improved the capability of reporting and dealing with liquidity risk contingencies through conducting emergency drills for liquidity risk to enhance the ability to respond to liquidity crisis.

### (3) Market risk

#### (a) Interest rate risk

Interest rate risk is the risk that changes in market interest rates will affect the Group's operation performance, financial position and cash flows. The Group's interest-bearing assets mainly include cash and bank balances, clearing settlement funds, margin accounts receivable, financial assets at fair value through profit or loss, financial assets held under resale agreements, refundable deposits and financial assets at fair value through other comprehensive income; interest-bearing liabilities mainly include loans and borrowings, short-term debt instruments issued, placements from other financial institutions, financial liabilities at fair value through profit or loss, financial assets sold under repurchase agreements, accounts payable to brokerage clients and long-term bonds.

For financial instruments held on the balance sheet date that expose the Group to fair value interest rate risk, the Group applies interest rate repricing exposure analysis and sensitivity analysis as the primary approach for monitoring interest rate risk. Sensitivity analysis measures the effect of any reasonable and possible changes in the interest rate on the net profits and shareholders' equity with all other variables held constant.



## 55 Financial instruments risk management (continued)

### Sensitivity analysis

For those financial instruments held by the Group which expose the Group to fair value interest rate risk at the end of the reporting period, the Group adopts sensitivity analysis to measure the potential effect of changes in interest rates on the Group's and the Company's profit after tax and equity. Assuming all other variables remain constant, interest rate sensitivity analysis is as follows:

#### Sensitivity of profit after tax

	<i>30 June</i> 2024	<i>31 December</i> 2023
Move in yield curve		
Up 25 basis points	(905,649)	(798,844)
Down 25 basis points	896,654	811,092

#### Sensitivity of equity

	<i>30 June</i> 2024	<i>31 December</i> 2023
Move in yield curve		
Up 25 basis points	(1,148,445)	(1,135,870)
Down 25 basis points	1,142,558	1,155,690

The sensitivity analysis above indicates the instantaneous change in the Group's profit after tax and equity that would arise assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to re-measure those financial instruments held by the Group which expose the Group to fair value interest rate risk at the end of the reporting period.

In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group, the impact on the Group's profit after tax and equity is estimated as an annualised impact on interest expense or income of such a change in interest rates.

#### (b) Foreign currency rate risk

Foreign currency risk is the risk arising from foreign exchange business of the Group, which is attributable to the fluctuation and monitor of foreign exchange rates. The Group continuously monitors the scale of its foreign currency transactions and foreign currency assets and liabilities to minimize the foreign exchange risks it faces. the currency risk of the Group is relatively manageable.

## 55 Financial instruments risk management (continued)

### (c) Other price risks

Other price risks refer to the risk that the fair value or future cash flows of any equity securities and funds held by the Group will be affected by changes in market price factors (other than interest rates and foreign exchange rates). The Group mainly invests in stocks listed on stock exchanges and funds and the maximum market price risk is determined by fair value of financial instruments held by the Group.

Assuming that the market price of the financial instruments mentioned above increases or decreases by 10%, with all other variables held constant, the effect of these balance sheet assets on the Group shareholders' equity and net profit is listed as follows:

#### Sensitivity of profit after tax

	30 June 2024	31 December 2023
Increase by 10%	6,810,664	7,084,780
Decrease by 10%	(6,810,664)	(7,084,780)

#### Sensitivity of equity

	30 June 2024	31 December 2023
Increase by 10%	11,963,984	12,359,525
Decrease by 10%	(11,963,984)	(12,359,525)

### (4) Capital management

The Group's primary objectives when managing capital are to safeguard its continued operations, so that it can continue to provide returns for shareholders, by pricing products and services according to the level of risk and by securing access to finance at a reasonable cost.

The Group's capital structure is regularly reviewed and managed to achieve an optimal structure and return for shareholders. Factors for the Group's consideration include: its future funding requirements, capital efficiency, actual and expected profitability, expected cash flows, expected capital expenditure and risk level. Adjustments are made to the capital structure in light of changes in the factors mentioned above affecting the Group.

## 55 Financial instruments risk management (continued)

On 23 January 2020, the CSRC issued the Calculation Rules for Risk Control Indicators of Securities Companies (2020), which came into effect on 1 June 2020; on 20 March 2020, the CSRC issued the Administrative Measures for Risk Control Indicators of Securities Companies (2020 amended) with amendments to the framework and criteria of risk control indicators which securities companies must be continually compliant, which came into effect on 20 March 2020. Based on the rules above and other related rules issued or revised subsequently, the Company is required to meet the following standards for risk control indicators on a continual basis:

- (i) Risk Coverage Ratio (Net capital/Total risk capital reserves × 100%) shall be no less than 100%;
- (ii) Capital Leverage Ratio (Core net capital/Total balance sheet & off-balance sheet assets × 100%) shall be no less than 8%;
- (iii) Liquidity Coverage Ratio (High quality liquid assets/Total net cash outflows over the next 30 days × 100%) shall be no less than 100%;
- (iv) Net Stable Funding Ratio (Available amount of stable funding/Required amount of stable funding × 100%) shall be no less than 100%.

## 56 Events after the reporting date

### (1) Profit distribution

As at 20 August 2024, the Group's 2023 A-share and H-share cash dividends have been distributed.

Pursuant to the resolution of the Board of Directors dated 30 August 2024, the Board proposed to distribute cash dividends of RMB0.17 (tax inclusive) per 10 shares to shareholders based on the total outstanding shares of 25,039,945 thousand shares, with total dividends amounting to RMB425,679 thousand. The proposal is subject to the approval of the shareholders in the forthcoming general meeting.

### (2) Issuance of long-term bonds, short-term bonds and structured notes

From 1 July 2024 to the reporting date, the Group issued long-term bonds, short-term bonds and a number of structured notes, with coupon rates ranging from 1.90% to 6.80%. The issuance amount was approximately RMB13.055 billion in total.

### (3) Repayment of long-term bonds, short-term bonds and structured notes

From 1 July 2024 to the reporting date, the Group repaid long-term bonds, short-term bonds and a number of structured notes, with coupon rates ranging from 1.95% to 6.80%. The repayment amount was approximately RMB21.911 billion in total.