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(A joint stock company incorporated in the People's Republic of China with limited liability under the Chinese corporate name 华泰证券股份有限公司 and carrying on business in Hong Kong as HTSC)

(Stock Code: 6886)

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

The Board hereby announces the unaudited interim results of the Company and its subsidiaries for the six months ended June 30, 2024. This interim results announcement complies with the relevant requirements of the Hong Kong Listing Rules in relation to the information set out in the preliminary announcement of interim results.

THE PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement will be published on the websites of the Hong Kong Stock Exchange at www.hkexnews.hk and of the Company at www.htsc.com.cn, respectively.

The 2024 interim report of the Company will be published on the websites of the Hong Kong Stock Exchange and the Company, respectively, in due course, and will be dispatched to the H Shareholders of the Company by the means of receipt of communications they selected.

DEFINITIONS

Unless the context otherwise requires, capitalized terms used in this announcement shall have the same meanings as those defined in the section headed "Definitions" in the 2024 interim report of the Company as set out in this announcement.

By order of the Board of the Company

Zhang Hui

Joint Company Secretary

Jiangsu, the PRC, August 30, 2024

As at the date of this announcement, the Board comprises Mr. Zhang Wei, Mr. Zhou Yi and Ms. Yin Lihong as executive Directors; Mr. Ding Feng, Mr. Chen Zhongyang, Mr. Ke Xiang, Mr. Liu Changchun and Mr. Zhang Jinxin as non-executive Directors; and Mr. Wang Jianwen, Mr. Wang Quansheng, Mr. Peng Bing, Mr. Wang Bing and Mr. Lo Kin Wing Terry as independent non-executive Directors.

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IMPORTANT NOTICE

I. The Board of Directors, the Supervisory Committee, Directors, Supervisors and senior management of the Company undertake that the information in this interim report is true, accurate and complete and contains no false record, misleading statement or material omission, and assume individual and joint legal liabilities for the information contained herein.

II. Director(s) absent from the meeting

Position of absent Director	Name of absent Director	Reasons for absence	Name of proxy
Director	Liu Changchun	Business engagement	Chen Zhongyang
Independent Director	Wang Bing	Business engagement	Wang Quansheng

III. This interim report has not been audited.

IV. Zhang Wei, head of the Company, Jiao Xiaoning, the Chief Financial Officer, and Zhang Xiaodi, the officer in charge of the accounting office (head of accounting department), hereby warrant that the financial report contained in the interim report is true, accurate and complete.

V. The profit distribution proposal or the reserve capitalization proposal for the Reporting Period approved by the resolutions of the Board.

According to the 2024 half-year financial statements of the Company, the Parent Company realised a net profit of RMB4,798,741,897.50 for the first half of 2024. According to relevant provisions of the Company Law, Securities Law, Financial Rules for Financial Enterprises (《金融企業財務規則》) and the Articles of Association, the Company appropriated 10% statutory surplus reserve, 10% general risk reserve and 10% trading risk reserve of RMB1,439,622,569.25 in total, after which the profit available for distribution for the half year is RMB3,359,119,328.25. Taking into account the balance of undistributed profit in previous years, the accumulated profit available for distribution to investors at the end of the first half of 2024 is RMB25,101,581,415.96.

According to relevant requirements of the CSRC, the gains arising from the fair value changes in distributable profit of securities companies shall not be used for cash distribution to shareholders. As at the end of the first half of 2024, the accumulated fair value changes in distributable profit of the Parent Company were RMB5,028,077,234.16, after deduction of which as required, the profit of the Parent Company available for distribution to investors in cash is RMB20,073,504,181.80.

The Company attaches great importance to its return to investors and adheres to a sustainable and stable profit distribution policy. In order to better giveback to investors for their support to the Company, after comprehensive consideration of factors such as the interests of Shareholders and the development of the Company, the 2024 interim profit distribution proposal of the Company is as follows:

1. The Company will distribute cash dividend of RMB0.15 (tax inclusive) per share based on the Company's existing total share capital of 9,029,384,840 Shares after deducting 2,082,559 A Shares to be repurchased and cancelled (i.e. on the basis of 9,027,302,281 Shares), with the total cash dividend of RMB1,354,095,342.15 (tax inclusive), representing 25.50% of net profit attributable to the shareholders of the Parent Company on a consolidated basis for the half year of 2024.

If the total share capital of the Company changes as a result of repurchase and cancellation of Shares granted in the equity incentive during the period from the disclosure date of this proposal to the record date of the implementation of the dividend distribution, the Company intends to maintain the distribution ratio per share unchanged and adjust the total distribution accordingly. The remaining profits available for distribution to investors will be carried forward to the next accounting period.

2. Cash dividend is denominated and declared in RMB and paid to holders of A Shares (including the depositary of GDRs) and the investors of Hong Kong Stock Connect in RMB and to holders of H Shares (excluding the investors of Hong Kong Stock Connect) in HKD. The actual distribution amount in HKD shall be calculated at the average basic exchange rate of RMB against HKD issued by the PBOC five business days prior to the date of the twelfth meeting of the sixth session of the Board of the Company.

Pursuant to the resolution of the 2023 Annual General Meeting of the Company, the general meeting agreed to authorize the Board to deal with matters in relation to the interim profit distribution with its full discretion. The Board shall, based on the Company's profitability, capital position and the requirements of relevant risk control indicators, formulate the Company's 2024 interim profit distribution proposal and implement it within the prescribed period on the premise that the proportion of cash dividend shall not exceed 30% of the net profit attributable to shareholders of the Parent Company for the current period. The profit distribution proposal is not required to be submitted to the general meeting for consideration.

VI. Risk statement with respect to the forward-looking statements

Forward-looking statements including future plans and development strategies contained in this interim report do not constitute the Company's substantive commitments to investors. Investors are advised to pay attention to investment risks.

VII. There is no misappropriation of funds of the Company by any controlling Shareholders or their related parties for non-operating purposes.

VIII. The Company has not provided any external guarantees in violation of the prescribed decision-making procedures.

IX. There exists no such circumstance that more than half of the Directors could not guarantee the authenticity, accuracy and integrity of the interim report disclosed by the Company.

X. The interim report is prepared by the Company in both Chinese and English. In the event of any discrepancy, the Chinese version shall prevail.

XI. Warning on major risks

Domestic and external macroeconomy and monetary policies, laws and regulations on financial and securities industries, changing trends in real economy and financial industries and other factors may all have an impact on the Company's business operations. On the other hand, like other companies in the securities industry, inherent risks in the securities market such as market volatility and market liquidity may also affect the Company's business.

Main risks in business operation faced by the Company include: policy risks arising from national macro-control measures, changes in laws, regulations, regulatory policies and transaction rules in relation to capital market and securities industry, which will adversely influence the business of securities companies; compliance risks arising from business management or practicing activities of the Company or its employees violating laws, regulations or codes, which cause the Company bearing legal responsibility, being subject to regulatory measures and disciplinary sanctions, suffering from property or business reputation loss; legal risks arising from the Company's failure to abide by provisions and requirements of laws and regulations, which expose the Company to litigations, compensation and fines and suffer from loss; market risks arising from fluctuations in market prices (interest rates, exchange rates, stock prices and commodity prices, etc.), which make the Company suffer from loss in assets; credit risks arising from default of financiers, issuers or counterparties, etc., which make the Company suffer from loss; liquidity risks arising from the Company's inability to obtain sufficient funds at a reasonable cost in time to pay matured debts, fulfil other payment obligations and satisfy the capital needs for normal business; information technology risks arising from technical failure or data leakage of the Company's information system resulting from internal and external reasons, which incur losses due to the system's failure to continuously guarantee the stability, high-efficiency and safety of transactions and business management in business realization, response speed, processing capacity, data security and so on; operational risks arising from loss-causing incomplete or problematic internal procedures, personnel, systems or external incidents; reputational risk of negative comments on the Company by investors, issuers, regulatory authorities, disciplinary organisations, the public and the media arising from the Company's behaviors or external events, and its employees' violation of integrity rules, professional ethics, business norms, and industrial rules and regulations, which may damage the brand value, hinder the normal operation, and even undermine the market and social stability; money laundering risks arising from the utilization of the Company's products or services by criminals to engage in money laundering activities which lead to negative effects on the Company's legitimacy, reputation, compliance, operation and other aspects; integrity risks arising from abuse of official power for personal gain by the employees of the Company, which may cause harm or negative impact to the Company. Besides, with the advancement of the Company's internationalization strategy, the Company's business expands into the United States, the United Kingdom, Singapore, Hong Kong and other countries and regions, and the Company is exposed to more complex market environment and regulatory requirements.

DEFINITIONS

In this report, unless the context otherwise requires, the following terms and expressions have the meanings set forth below:

DEFINITIONS OF CAPITALIZED TERMS AND EXPRESSIONS

A Share(s)	domestic share(s) in the share capital of the Company with nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange and traded in RMB
AoP	Assets on Platform
APP	Application
Articles of Association	the articles of association of the Company, as amended, supplemented or otherwise modified from time to time
AssetMark	AssetMark Financial Holdings, Inc., a holding subsidiary of Huatai International
Bank of Jiangsu	Bank of Jiangsu Co., Ltd. (江蘇銀行股份有限公司)
Beijing Stock Exchange	the Beijing Stock Exchange (北京證券交易所)
Board or Board of Directors	the board of Directors of the Company
CAGR	compound annual growth rate
CASBE	the China Accounting Standards for Business Enterprises (中國企業會計準則)
China or the PRC	the People's Republic of China
China Southern Asset Management	China Southern Asset Management Co., Ltd. (南方基金管理股份有限公司)
Communications Holding	Jiangsu Communications Holding Co., Ltd. (江蘇交通控股有限公司)
Company Law	Company Law of the People's Republic of China (《中華人民共和國公司法》), as amended from time to time
CSRC	the China Securities Regulatory Commission (中國證券監督管理委員會)
Director(s)	director(s) of the Company

FICC	fixed income, currency and commodity
Futures IB Business	a business activity in which securities firms, as commissioned by futures companies, introduce clients to participate in futures transactions of futures companies and provide other related services
GDR	global depository receipt
Govtor Capital	Govtor Capital Group Co., Ltd. (江蘇高科技投資集團有限公司)
Group, Our Group, we or us	the Company and its subsidiaries, and their respective predecessors
Guoxin Group	Jiangsu Guoxin Investment Group Limited (江蘇省國信集團有限公司, formerly known as Jiangsu Guoxin Asset Management Group Limited (江蘇省國信資產管理集團有限公司))
H Share(s)	foreign share(s) in the share capital of the Company with nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange and traded in HK dollars
HKEX	Hong Kong Exchanges and Clearing Limited (香港交易及結算所有限公司)
HK\$, HKD or HK dollars	the lawful currency of Hong Kong
Hong Kong	the Hong Kong Special Administrative Region of the PRC
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited (香港聯合交易所有限公司)
HTSC, Huatai Securities, our Company, Company or Parent Company	a joint stock company incorporated in the PRC with limited liability under the corporate name 华泰证券股份有限公司(Huatai Securities Co., Ltd.), converted from our predecessor 华泰证券有限责任公司(Huatai Securities Limited Liability Company) on December 7, 2007, carrying on business in Hong Kong as “HTSC”, and was registered as a registered non-Hong Kong company under Part 16 of the Companies Ordinance under the Chinese approved name of “華泰六八八六股份有限公司” and English name of “Huatai Securities Co., Ltd.”; the H Shares of which have been listed on the main board of Hong Kong Stock Exchange since June 1, 2015 (Stock Code: 6886); the A Shares of which have been listed on the SSE since February 26, 2010 (Stock Code: 601688); and the global depository receipts of which have been listed on the London Stock Exchange plc since June 2019 (Symbol: HTSC), unless the context otherwise requires, including its predecessor
Huatai Asset Management	Huatai Securities (Shanghai) Asset Management Co., Ltd. (華泰證券(上海)資產管理有限公司), a wholly-owned subsidiary of the Company

Huatai Financial Holdings (Hong Kong)	Huatai Financial Holdings (Hong Kong) Limited (華泰金融控股(香港)有限公司), a wholly-owned subsidiary of Huatai International
Huatai Foundation	Jiangsu Huatai Foundation (江蘇省華泰公益基金會)
Huatai Futures	Huatai Futures Co., Ltd. (華泰期貨有限公司), a wholly-owned subsidiary of the Company
Huatai Innovative Investment	Huatai Innovative Investment Co., Ltd. (華泰創新投資有限公司), a wholly-owned subsidiary of the Company
Huatai International	Huatai International Financial Holdings Company Limited (華泰國際金融控股有限公司), a wholly-owned subsidiary of the Company
Huatai-PineBridge	Huatai-PineBridge Fund Management Co., Ltd. (華泰柏瑞基金管理有限公司)
Huatai Purple Gold Investment	Huatai Purple Gold Investment Co., Ltd. (華泰紫金投資有限責任公司), a wholly-owned subsidiary of the Company
Huatai Securities (USA)	Huatai Securities (USA), Inc. (華泰證券(美國)有限公司), a wholly-owned subsidiary of Huatai International
Huatai United Securities	Huatai United Securities Co., Ltd. (華泰聯合證券有限責任公司), a wholly-owned subsidiary of the Company
IFRS(s)	the International Financial Reporting Standards
IPO(s)	the initial public offering
IT	information technology
Jiangsu Equity Exchange	Jiangsu Equity Exchange Co., Ltd. (江蘇股權交易中心有限責任公司), a holding subsidiary of the Company
Jiangsu SASAC	State-owned Assets Supervision and Administration Commission of Jiangsu Provincial Government (江蘇省政府國有資產監督管理委員會)
Jiangsu Securities Regulatory Bureau	Jiangsu Securities Regulatory Bureau of the CSRC (中國證監會江蘇監管局)
Listing Rules or Hong Kong Listing Rules	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time)
London Stock Exchange or LSE	the London Stock Exchange plc (倫敦證券交易所)
Model Code	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Hong Kong Listing Rules

NEEQ	the National Equities Exchange and Quotations for small and medium-sized enterprises
OTC	over-the-counter
PBOC	the People's Bank of China
QFII	qualified foreign institutional investor
Reporting Period	the period of six months from January 1, 2024 to June 30, 2024
Securities Law	Securities Law of the People's Republic of China (《中華人民共和國證券法》), as amended from time to time
SFO	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
Shanghai Stock Exchange or SSE	the Shanghai Stock Exchange (上海證券交易所)
Shenzhen Stock Exchange	the Shenzhen Stock Exchange (深圳證券交易所)
Singapore Subsidiary	Huatai Securities (Singapore) Pte. Limited, a wholly-owned subsidiary of Huatai International
STAR Market	science and technology innovation board of SSE
Supervisor(s)	supervisor(s) of the Company
Supervisory Committee	the supervisory committee of the Company
TAMP	Turn-key Asset Management Platform, a technological platform providing services such as investment products and strategies, assets portfolio management, customer relationship management and asset custody, as well as corporate operation

USD or US dollar	the lawful currency of the United States of America
VAR	value at risk
Wind Information	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
%	per cent.

In the 2024 interim report, any discrepancies between the total shown and the sum of the amounts listed are due to rounding; and any discrepancies in the change percentages of an item are due to the difference of currency unit of the item.

COMPANY PROFILE AND KEY FINANCIAL INDICATORS

I. COMPANY INFORMATION

Chinese name of the Company	华泰证券股份有限公司
Abbreviation of Chinese name of the Company	華泰證券
English name of the Company	HUATAI SECURITIES CO., LTD.
Abbreviation of English name of the Company	HTSC
Legal representative of the Company	Zhang Wei
Chief Executive Officer and chairman of the Executive Committee of the Company	Zhou Yi
Authorized representatives of the Company	Zhou Yi, Zhang Hui

Registered capital and net capital of the Company

	Unit: Yuan Currency: RMB	
	As at the end of the Reporting Period	As at the end of the previous year
Registered capital	9,029,384,840.00	9,074,663,335.00
Net capital	95,735,801,782.25	94,076,764,232.03

Qualifications of each business line of the Company

According to the business license issued by Jiangsu Provincial Market Regulation Administration (江蘇省市場監督管理局), the business scope of the Company includes: licensed items: securities business; securities investment consultancies; sales of public offering securities investment funds; custody of securities investment fund (Projects that need to be approved by law shall be carried out upon approval by relevant authorities, and the specific business projects are subject to the approval results) general items: providing intermediary referrals by securities company for futures companies (Except for projects that need to be approved by law, business activities can be conducted independently with the business license in accordance with the laws).

II. LIST OF MEMBERS OF THE BOARD OF DIRECTORS AND SPECIAL COMMITTEES

Members of the Board of Directors

Executive Directors

Mr. Zhang Wei (Chairman)
Mr. Zhou Yi (CEO and chairman of the Executive Committee)
Ms. Yin Lihong

Non-executive Directors

Mr. Ding Feng
Mr. Chen Zhongyang
Mr. Ke Xiang
Mr. Liu Changchun
Mr. Zhang Jinxin

Independent Non-executive Directors

Mr. Wang Jianwen
Mr. Wang Quansheng
Mr. Peng Bing
Mr. Wang Bing
Mr. Lo Kin Wing Terry

Members of Special Committees

Development Strategy Committee

Mr. Zhang Wei (Chairman)
Mr. Zhou Yi
Mr. Chen Zhongyang
Mr. Liu Changchun
Mr. Zhang Jinxin

Compliance and Risk Management Committee

Mr. Zhou Yi (Chairman)
Mr. Ke Xiang
Mr. Wang Jianwen

Audit Committee

Mr. Wang Bing (Chairman)
Mr. Ding Feng
Mr. Lo Kin Wing Terry

Nomination Committee

Mr. Wang Quansheng (Chairman)
Ms. Yin Lihong
Mr. Peng Bing

Remuneration and Appraisal Committee

Mr. Wang Quansheng (Chairman)
Mr. Peng Bing
Mr. Wang Bing

III. CONTACT

Secretary of the Board

Name	Zhang Hui
Address	11/F, Building 1, No. 228 Middle Jiangdong Road, Nanjing, Jiangsu Province, the PRC
Tel.	025-83387272, 83387780, 83389157
Fax	025-83387784
Email	zhanghui@htsc.com

	Joint company secretary	Joint company secretary
Name	Zhang Hui	Kwong Yin Ping Yvonne
Address	11/F, Building 1, No. 228 Middle Jiangdong Road, Nanjing, Jiangsu Province, the PRC	40th Floor, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong, the PRC

IV. CHANGES IN BASIC INFORMATION

Registered address of the Company	No. 228 Middle Jiangdong Road, Nanjing, Jiangsu Province, the PRC
Historical changes in registered address of the Company	In July 2015, the Company has completed the change in business registration, and its registered address was changed from "No. 90 East Zhongshan Road, Nanjing, Jiangsu Province, the PRC" to "No. 228 Middle Jiangdong Road, Nanjing, Jiangsu Province, the PRC"
Office address of the Company	No. 228 Middle Jiangdong Road, Nanjing, Jiangsu Province, the PRC
Postal code of office address of the Company	210019
Principal place of business in Hong Kong	62/F, The Center, 99 Queen's Road Central, Hong Kong, the PRC
Company website	https://www.htsc.com.cn
Email	boardoffice@htsc.com
Main exchange	025-83389999
Customer service hotline	95597 or 4008895597
Company fax	025-83387784
Business License Unified Social Credit Code	91320000704041011J
Index of changes during the Reporting Period	No change during the Reporting Period

V. INFORMATION DISCLOSURE AND CHANGES IN LOCATION FOR INSPECTION OF DOCUMENTS

Name of newspapers selected by the Company for information disclosure	China Securities Journal, Shanghai Securities News, Securities Times, Securities Daily
Website designated by the CSRC for publication of the interim report	https://www.sse.com.cn
Website designated by the Hong Kong Stock Exchange for publication of the interim report	https://www.hkexnews.hk
Website designated by the LSE for publication of the interim report	https://www.londonstockexchange.com
Location for inspection of the interim report of the Company (A Share)	No. 228 Middle Jiangdong Road, Nanjing, Jiangsu Province, the PRC
Location for inspection of the interim report of the Company (H Share)	No. 228 Middle Jiangdong Road, Nanjing, Jiangsu Province, the PRC; 62/F, The Center, 99 Queen's Road Central, Hong Kong, the PRC
Index of changes during the Reporting Period	No change during the Reporting Period

VI. LANGUAGE AND MEANS OF RECEIPT OF CORPORATE COMMUNICATION

The Company provides corporate communications to H Shareholders based on their respective selected language version and means of receipt. H Shareholders have the following options:

- to read and/or download the corporate communications published on the Company's website at www.htsc.com.cn and receive printed notice for the publication of the corporate communications; or
- to receive printed English version of all corporate communications only; or
- to receive printed Chinese version of all corporate communications only; or
- to receive both printed English and Chinese versions of all corporate communications.

H Shareholders may choose and/or change the version of language of corporate communications and/or the way to receive corporate communications at any time. H Shareholders may notify the Company by the following ways:

- by mail: 17M Floor, Hopewell Center, 183 Queen's Road East, Wanchai, Hong Kong, the PRC
- by email: huatai.ecom@computershare.com.hk

For enquiry on the arrangement of language version and means of receipt of corporate communications, H Shareholders may call our hotline +852 2862 8688 at any time.

VII. SHARES/DEPOSITORY RECEIPTS OF THE COMPANY

Type of shares/ depository receipts	Stock exchange for listing	Stock name	Stock code
A Share	Shanghai Stock Exchange	華泰證券	601688
H Share	Hong Kong Stock Exchange	HTSC	6886
GDR	London Stock Exchange	Huatai Securities Co., Ltd.	HTSC

The Company did not change the stock name.

VIII. OTHER RELEVANT INFORMATION

(I) Accounting Firms

Accounting firm engaged by the Company (domestic)	Name	Deloitte Touche Tohmatsu Certified Public Accountants LLP
	Office address	30/F, 222 Yan An Road East, Huangpu District, Shanghai, the PRC
Accounting firm engaged by the Company (Hong Kong)	Name	Deloitte Touche Tohmatsu Registered PIE Auditor under the Hong Kong Financial Reporting Council Ordinance
	Office address	35/F, One Pacific Place, 88 Queensway, Hong Kong, the PRC
Accounting firm engaged by the Company (United Kingdom)	Name	Deloitte Touche Tohmatsu Certified Public Accountants LLP
	Office address	30/F, 222 Yan An Road East, Huangpu District, Shanghai, the PRC

(II) Legal Advisors

Legal advisor engaged by the Company (domestic)	Name	King & Wood Mallesons
	Office address	18/F, East Tower, World Financial Center 1, Middle East 3rd Ring Road, Chaoyang District, Beijing, the PRC
Legal advisor engaged by the Company (overseas)	Name	Clifford Chance
	Office address	27/F, Jardine House, 1 Connaught Place, Central, Hong Kong, the PRC

(III) Share Registrars

Share registrar for A Share	Name	China Securities Depository and Clearing Corporation Limited, Shanghai Branch
	Office address	No. 188 South Yanggao Road, Pudong New Area, Shanghai, the PRC
Share registrar for H Share	Name	Computershare Hong Kong Investor Services Limited
	Office address	Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, the PRC

IX. KEY ACCOUNTING DATA AND FINANCIAL INDICATORS OF THE COMPANY

(The accounting data and financial indicators contained in this report are prepared in accordance with the IFRSs)

(I) Key Accounting Data

Unit: Thousand Yuan Currency: RMB

Item	The Reporting Period	Corresponding period of the previous year	Year-on-year Change (%)
Total revenue, other income and gains	24,878,295	25,952,554	(4.14)
Profit before income tax	5,576,128	7,997,428	(30.28)
Profit of this period – attributable to shareholders of the Company	5,310,704	6,555,640	(18.99)
Net cash generated from/(used in) operating activities	37,605,298	(13,683,077)	N/A
Total amount of other comprehensive income after tax this period	364,122	733,051	(50.33)

Unit: Thousand Yuan Currency: RMB

Item	As of the end of the Reporting Period	As of the end of the previous year	Increase/decrease of the end of the Reporting Period over the end of the previous year (%)
Total assets	834,581,631	905,508,389	(7.83)
Total liabilities	651,153,344	723,290,957	(9.97)
Total equity attributable to shareholders of the Company	180,087,337	179,108,367	0.55
Total shareholders' equity	183,428,287	182,217,432	0.66
Total share capital (shares)	9,029,384,840	9,074,663,335	(0.50)

(II) Key Financial Indicators

Key financial indicators	The Reporting Period	Corresponding period of the previous year	Year-on-year Change (%)
Basic earnings per share (RMB/share)	0.55	0.70	(21.43)
Diluted earnings per share (RMB/share)	0.55	0.68	(19.12)
ROE (%)	3.18	4.23	Decrease of 1.05 percentage points
Debt-to-assets ratio (%) ^{Note 1}	73.16	76.57	Decrease of 3.41 percentage points
Net assets attributable to the Company's shareholders of ordinary shares per share (RMB/share) ^{Note 2}	17.10	16.34	4.64

Note 1: Debt-to-assets ratio = (total liabilities – accounts payable to brokerage clients)/(total assets – accounts payable to brokerage clients).

Note 2: Net assets attributable to the shareholders of the Company of ordinary shares per share were net of the effect of perpetual bonds.

(III) Net Capital of the Parent Company and Risk Control Indicators

Unit: Yuan Currency: RMB

Item	As of the end of the Reporting Period	As of the end of the previous year
Net capital	95,735,801,782.25	94,076,764,232.03
Net assets	155,368,704,306.33	155,053,212,660.64
Risk coverage ratio (%)	332.98	247.80
Net capital/net assets (%)	61.62	60.67
Net capital/liabilities (%)	24.51	22.15
Net assets/liabilities (%)	39.78	36.51
Value of proprietary equity securities and derivatives/net capital (%)	22.43	28.58
Value of proprietary non-equity securities and derivatives/net capital (%)	330.61	366.74
Core net capital	66,845,801,782.25	62,717,842,821.35
Supplementary net capital	28,890,000,000.00	31,358,921,410.68
Total risk capital provision	28,751,523,213.04	37,964,151,783.74
Total on-balance and off-balance assets	465,599,310,692.51	507,398,204,994.55
Capital leverage ratio (%)	15.91	13.98
Liquidity coverage ratio (%)	260.95	152.51
Net stable funding ratio (%)	151.09	130.84

During the Reporting Period, main risk control indicators of the Company such as net capital were all in line with the regulatory requirements, and there were no such circumstances where the risk control indicators violated the pre-warning standards or were not in compliance with the provided standards.

X. DIFFERENCES IN ACCOUNTING DATA PREPARED IN ACCORDANCE WITH DOMESTIC AND FOREIGN ACCOUNTING STANDARDS

There is no difference between the net profit attributable to shareholders of the listed company for the periods from January to June of 2024 and 2023, and the net assets attributable to shareholders of the listed company as of June 30, 2024 and December 31, 2023 as set out in the consolidated financial statements prepared in accordance with the CASBE and in the consolidated financial statements prepared in accordance with the IFRSs.

MANAGEMENT DISCUSSION AND ANALYSIS

I. DESCRIPTIONS OF OUR INDUSTRY AND MAIN BUSINESS DURING THE REPORTING PERIOD

Our Group conducts business operations in the securities industry, and the operating results of such industry are closely related to the development trend of the capital market, which is generally characterized by strong cyclical and volatility. Principal businesses of the Group have always been focusing on capital market services, and its performance is affected by multiple factors such as the domestic and overseas economic environment, policy environment and market environment.

The Group is a leading technology-driven securities group in the industry, with a highly collaborative business model, an advanced digital platform and an extensive and engaging customer base. The Group's principal businesses comprise wealth management business, institutional services business, investment management business and international business. The Group has established a customer-oriented organisational structure and mechanism to provide a full range of securities and financial services to both individual and institutional clients through platform-based and integrated operation, and is committed to becoming a first-class investment bank with both strong domestic advantages and global influence.

1. *Wealth management business*

We provide customers with diversified wealth management services, including securities, futures and options brokerage, financial products sales, fund investment advisory business, and capital-based intermediary business with the support of professional mobile APP and PC platforms, securities and futures branches and branch offices, Huatai International and its affiliated overseas subsidiaries, through online and offline modes and inbound and outbound linkage. For securities, futures and options brokerage business, we mainly execute trades on behalf of our clients in stocks, funds, bonds, futures and options, etc. to provide trading services. For financial products sales business, we mainly provide customers with a variety of financial products sales services and asset allocation services, and the related financial products are managed by the Group and other financial institutions. Our fund investment advisory business entails upon acceptance of clients' engagement, selecting specific category, amount and timing of trading of investment funds for our clients within the scope of clients' authorization in accordance with terms of agreement and submitting trading applications for, including, among others, subscription, redemption and conversion of fund products on behalf of our clients. In respect of capital-based intermediary business, we provide diversified financing services including margin financing and securities lending as well as stock pledged repurchase. Key performance drivers of the wealth management business include fee and commission income, interest income, etc.

2. *Institutional services business*

With investment banking as the traction and institutional sales as the link, we integrate investment banking, institutional investor services and investment trading business resources to provide various types of corporate and institutional clients with all-round comprehensive financial services, which mainly include investment banking business, prime brokerage business, research and institutional sales business and investment and trading business.

- (1) Investment banking business primarily consists of domestic and overseas equity financing, bond financing, financial advisory, OTC business, etc. For equity financing business, we provide issuance and underwriting services of domestic and overseas IPO, equity refinancing and depository receipts for our clients. For bond financing business, we provide issuance and underwriting services including various types of domestic and overseas bond financing and asset securitization for our clients. For financial advisory business, we provide professional services including industrial merger and acquisition, share acquisition, financing advisory, corporate restructure and public offering REITs and issuance for our clients. For OTC business, we provide clients with NEEQ listing and follow-on financing services, and relevant OTC businesses engaged in by Jiangsu Equity Exchange. Key performance drivers to investment banking business include underwriting and sponsorship fees, financial advisory fees, etc. for stocks, bonds and merger and acquisition business.
- (2) Prime brokerage business mainly includes the provision of asset custody and fund services for various types of asset management institutions, such as private and public funds, including settlement, liquidation, reporting and valuation. In addition, it also provides margin financing and securities lending, sales of financial products and other value-added services for clients of prime brokerage. Key performance drivers to prime brokerage business include fees for fund custody and service business.
- (3) Research and institutional sales business mainly consists of research business and institutional sales business. For research business, we provide various professional research and advisory services for internal and external clients. For institutional sales business, we promote and sell diversified securities products and services to various institutional clients. Key performance drivers to research and institutional sales business include incomes from services concerning various research and other institutions.
- (4) Investment and trading business mainly includes equity trading, FICC trading and OTC derivative transaction. The Group conducts equity, FICC and other financial instruments transactions, and reduces investment risks and increases investment returns through various trading strategies and techniques. At the same time, in order to meet customers' needs for investment and financing as well as risk management, we also engage in market making business and OTC derivatives business. In terms of equity trading, we invest and trade stocks, ETFs and derivatives, and engage in market making services for stocks in the STAR Market, financial derivatives and financial products, etc. In terms of FICC trading, we invest and trade all kinds of FICC and derivatives in the interbank and exchange bond markets, and engage in the market making services of inter-bank and exchange markets and carbon emission trading, etc. In terms of OTC derivative transactions, we develop and trade OTC financial products for customers, mainly including equity return swaps, OTC options and structured notes. Key performance drivers to investment and trading business include investment incomes from equity, FICC products and derivatives, etc.

3. *Investment management business*

We accept fund entrustments from clients, develop and provide various financial products for our clients and manage their assets through our professional investment and research platform as well as our substantial client base, effectively satisfying their investment and financing needs. Our investment management business mainly consists of securities firm asset management, private equity fund management and asset management for fund companies, etc. For securities firm asset management, we participate in the operation of securities firm asset management business through our wholly-owned subsidiary Huatai Asset Management; such business includes collective asset management business, single asset management business, specialized asset management business and public offering fund management business (which is operated on a differentiated basis from our public offering fund management business for fund companies under the Group). For private equity fund management business, we operate private equity funds business, which includes investment and management of private equity funds, through our wholly-owned subsidiary Huatai Purple Gold Investment. For asset management business for fund companies, the Group holds non-controlling interests in two public offering fund management companies, namely China Southern Asset Management and Huatai-PineBridge, through which we participate in the operation of asset management business for fund companies. Key performance drivers to asset management business include management fee income, investment income, etc.

4. *International business*

In overseas markets and with Huatai International as its holding platform for international business, the Group operates international business through Huatai Financial Holdings (Hong Kong), AssetMark, Huatai Securities (USA), Singapore Subsidiary and other operating entities it holds. Based on the Hong Kong market, it steadily deploys on the US, Europe, the Southeast Asia and other major markets.

- (1) The operations of the Group in Hong Kong are mainly conducted by Huatai Financial Holdings (Hong Kong), a wholly-owned subsidiary of Huatai International, which comprehensively connects with full business chain system of the Group and provides one-stop cross-border integrated financial services for domestic and foreign customers.
- (2) AssetMark is a leading turn-key asset management platform in the United States and a third-party financial service institution that provides a series of services and an advanced and convenient technology platform for investment advisors in respect of investment strategies and asset portfolios management, customer relations management and asset custody.
- (3) Huatai Securities (USA) owns the US broker-dealer license and the US proprietary trading license. It also obtained the business qualification for securities trading with institutional investors in Canada and market access to major stock exchanges in Europe. It became an introducing broker for US futures products and obtained the qualification as a broker and dealer for US Treasuries.

- (4) Singapore Subsidiary owns the licenses on capital market services and the qualification as an exempt financial advisor issued by Monetary Authority of Singapore and conducts securities trading and corporate financing businesses in Singapore.

Key performance drivers to international business include wealth management income, investment banking income, investment income, asset management income, etc.

II. AWARDS AND HONORS

Wealth management business	Shanghai Stock Exchange: The Company was awarded “2023 Top 10 Options Brokers” (2023年度十佳期權經紀商), etc.	Shenzhen Stock Exchange: The Company was awarded “2023 Outstanding Stock Options Brokers” (2023年度期權優秀經紀商), etc.
	HKEX: The Company was awarded “2023 Outstanding Broker Award of Hong Kong Stock Connect” (2023年港股通卓越券商獎), “2023 Outstanding ETF Broker Award of Hong Kong Stock Connect” (2023年港股通 ETF 卓越券商獎), “2023 Mainland Broker Award for Long-term Contributions to Security Data” (2023年長期貢獻證券數據內地券商獎), etc.	The selection of the “Huazun Award” (華尊獎) organised by Cailian Press (財聯社): The Company was awarded “Award for Best Institution in Wealth Management” (最佳財富管理機構獎), “Award for Best Wealth Management Practice” (最佳財富管理實踐獎), “Award for Best Investment Advisory Team” (最佳投顧團隊獎), etc.
	The selection of the “Second Session of Golden Bull Award for Fund Investment Advisors”(第二屆基金投顧金牛獎) organised by China Securities Journal (《中國證券報》): The Company was awarded the “Golden Bull Award for Fund Investment Advisory Institutions” (基金投顧機構金牛獎), etc.	The 20th anniversary special selection of the “Yinghua Award” (英華獎) for ETF organised by China Fund News (《中國基金報》): The Company was awarded “Excellent ETF Liquidity Service Provider” (優秀 ETF 流動性服務商), “Excellent ETF Seller” (優秀 ETF 銷售商), etc.

Institutional services business	<p>Shanghai Stock Exchange: The Company was awarded “2023 Outstanding Stock Market Maker on the STAR Market” (2023 年度優秀科創板股票做市商), etc. Huatai United Securities was awarded “2023 Outstanding Supporting Unit for Comprehensive Services and Consultancy for SOEs” (2023 年度央企綜合服務諮詢支持傑出單位), etc.</p> <p>The selection of the “SRP China Awards 2023” organised by Structured Retail Products, a provider of structured products market consulting: The Company was awarded “Best Performance, Securities House”, “Deal of the Year”, “Best Derivative Manufacturer, Securities House”, etc.</p> <p>China Foreign Exchange Trade System: The Company was awarded “Institution with Market Influence of the Year” (年度市場影響力機構), “Market Innovative Business Institution” (市場創新業務機構), “Derivatives Innovation Award” (衍生品創新獎), “Automated Trading Award” (自動化交易獎), “Star of Bond Carry Trade Strategy” (債券利差交易策略之星), etc.</p>	<p>Shenzhen Stock Exchange: The Company was awarded “Excellent Fund Liquidity Service Provider of 2023” (2023 年度優秀基金流動性服務商), “Excellent Participant in the Innovation in Bond Trading Business of 2023” (2023 年度債券交易業務創新優秀參與機構), “Excellent Bond Market Making Institution” (優秀債券做市機構), “Excellent Institution for Cross-Market Bond Trading” (優秀跨市場債券交易機構), etc. Huatai United Securities was awarded “Outstanding Intermediary for Fixed Income Innovative Products of 2023” (2023 年度固定收益創新產品優秀中介機構), etc.</p> <p>The selection of the “Seventeenth Session of Best Investment Bank” (第十七屆最佳投行) organised by NewFortune (《新財富》): Huatai United Securities was awarded “Best Domestic Investment Bank” (本土最佳投行), “Best Investment Bank in Practicing ESG” (最佳踐行 ESG 投行), “Best Investment Bank in Equity Underwriting” (最佳股權承銷投行), “Best Investment Bank in Bond Underwriting” (最佳債權承銷投行), “Best IPO Investment Bank” (最佳 IPO 投行), “Best Refinancing Investment Bank” (最佳再融資投行), “Best Investment Bank in Mergers and Acquisitions” (最佳併購投行), “Best Investment Bank in Corporate Bonds” (最佳公司債投行), “Best Investment Bank in Asset-Based Securitization (ABS)” (最佳資產證券化(ABS)投行), “Best Investment Bank in Serving Overseas Markets” (海外市場能力最佳投行), etc.</p>
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Investment management business	<p>Shanghai Stock Exchange:</p> <p>Huatai Asset Management was awarded “Outstanding Manager for Asset Securitization Business for 2023” (2023 年度資產證券化業務優秀管理人), etc.</p> <p>The selection of “ChinaVenture 2023 Annual Rankings” (投中 2023 年度榜單) held by ChinaVenture Investment:</p> <p>Huatai Purple Gold Investment was awarded “Best Chinese Private Equity Investment Institutions TOP 20” (中國最佳私募股權投資機構 TOP20), “Best Chinese-funded Private Equity Investment Institutions TOP 20 in China” (中國最佳中資私募股權投資機構 TOP20), “Best Chinese Subsidiaries of Brokers for Private Funds TOP 10” (中國最佳券商私募基金子公司 TOP10), “Best Institutions for Investment in Medical Devices Fields TOP 20 in China’s Medical and Health Service Industry” (中國醫療及健康服務產業最佳醫療器械領域投資機構 TOP20), “Best Institutions for Investment in Medical Services Fields TOP 10 in China’s Medical and Health Service Industry” (中國醫療及健康服務產業最佳醫療服務領域投資機構 TOP10), “Best Institutions for Investment in Biomedical Fields TOP 30 in China’s Medical and Health Service Industry” (中國醫療及健康服務產業最佳生物醫藥領域投資機構 TOP30), etc.</p>	<p>Shenzhen Stock Exchange:</p> <p>Huatai Asset Management was awarded “Outstanding Manager for Special Asset-backed Plans for 2023” (2023 年度優秀資產支持專項計劃管理人), “Outstanding Fixed-income Product Duration Management Institution” (優秀固定收益產品存續期管理機構), etc.</p> <p>China Southern Asset Management was awarded “2023 Outstanding Bond Investment and Trading Institution” (2023 年度優秀債券投資交易機構), “2023 Outstanding ETF Research Support Award” (2023 年度優秀 ETF 研究支持獎), etc.</p> <p>The 20th anniversary special selection of the “Yinghua Award” for ETF organised by China Fund News:</p> <p>China Southern Asset Management was awarded “Outstanding ETF Manager” (優秀 ETF 管理人), etc.</p> <p>Huatai-PineBridge was awarded “Outstanding ETF Manager” (優秀 ETF 管理人), etc.</p>
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International
business

Bloomberg Businessweek:

Huatai International was awarded “Outstanding Initial Public Offering Project Award” (首次公開招股項目卓越大獎), “Corporate Financing Excellence Award in the Greater Bay Area” (大灣區企業融資卓越大獎), “Excellence Award for Digital Innovation” (數碼創新卓越大獎), “Excellence Award for Risk Management” (風險管理卓越大獎), “Excellence Award for High-net-worth Products/Service” (高淨值產品／服務卓越大獎), “Annual Outstanding Technology Securities Company Award” (年度科技證券公司卓越大獎), “Annual Outstanding Financial Derivatives Institution Award” (年度金融衍生產品機構卓越大獎), etc.

Asian Private Banker:

Huatai International was awarded “Best Wealth Manager – the Greater Bay Area”, “Best Wealth Manager – Ultra-high Net Worth Customers”, “Best Wealth Manager – Digital Innovation”, etc.

The Asset (《財資》):

Huatai International was awarded “Best Corporate and Institutional Advisor (Broker) in Hong Kong Area” (香港地區最佳企業和機構顧問(券商類)), “Best Private Bond Advisor Award” (最佳私募債券顧問獎), “Best IPO (J&T)” (最佳 IPO (極兔)), “Best Sustainable Bond (Local Government)” (最佳可持續債(當地政府)), “Best Green Bond (Financial Institution)” (最佳綠色債(金融機構)), “Best Mobile Brokerage Application” (最佳手機券商 APP), “Annual Multi-asset Management Company” (年度多資產資管公司), etc.

III. ANALYSIS OF CORE COMPETITIVENESS DURING THE REPORTING PERIOD

(I) A first-class comprehensive securities group led by the “two-pronged” strategy

Focusing on the strategic vision of “striving to become a first-class investment bank with both domestic advantages and global influence”, the Group firmly strode forward with the development of the times and resonated with national strategies. Since 2019, the Group has officially determined and comprehensively implemented the “two-pronged” (雙輪驅動) strategy on wealth management and institutional services under technology empowerment, actively seized opportunities in market reform and promoted the transformation and upgrading in various aspects in an orderly manner, including the comprehensive market-based systems and mechanisms, the customer-driven organisational structure, the intelligent operation of service systems as well as cross-border linkage in business development. It has achieved historical breakthroughs in market-based, digital and international development, embarked on a differentiated development path and ranked among the leaders in the industry in terms of comprehensive strength. Under the guidance of the “two-pronged” strategy, the Group’s customer size, asset size and profitability ranked in the forefront of the industry and its high-quality development took over the lead in the industry. The Group maintained its leading position in the industry in terms of the development of wealth management, investment banking, investment and trading and other core businesses and ranked among the leading Chinese-funded securities firms in Hong Kong in term of the development strength of the international business. As the first international securities group listed in Shanghai, Hong Kong and London, the Group has gradually developed the first-class brand image with wide influence and recognition in domestic and overseas markets. The MSCI ESG rating of the Company has maintained the highest level among domestic securities companies since 2021. In 2023, it became the first institution in the domestic securities industry with the rating raised to AA from A, reaching the world-leading level. During the Reporting Period, Standard & Poor’s kept the long-term issuer rating of “BBB+” with stable prospect for the Company and its subsidiary Huatai International, which is the highest level among Chinese-funded securities companies.

(II) Platform-based, integrated and comprehensive service systems covering the full business chains

The Group always adheres to the original intention of customer services and the fundamentals of financial services, continuously promotes the upgrading of organisation with “One Client” internally, “One Huatai” externally and the “integrated operation” internally and externally with the focus on doing a good job in “five areas” of finance and building the platform-based, integrated and ecological systems covering the full business chains and the new development model. In the field of personal customer services, the Group established and improved the integrated development model driven by the headquarters and linked with the headquarters and branches. Based on the classification and stratification of customers and the orientation of buyer-side services, the Group actively explored new content operation model and continuously developed core capabilities of wealth platforms to empower clients and investment advisors and constantly enhanced the capabilities on professional trading and asset allocation services, consolidating and strengthening the leading position and professional brand influence of wealth management services in the industry. In the field of institutional customer services, the Group actively adapted to policy and market environment change, continued to focus on the differentiated and professional financial demands of public funds, private funds, banks, insurance, overseas institutions and other key institutional customer groups and fully integrated research, sales, trading, products, custody and other diversified service resources. It constantly optimized the stratification of customer service system, connected business scenarios with technology and platforms, accumulated customer portrait and developed cross-border and integrated financial solutions and executive capability, continuously expanding the breadth and depth of customer services and significantly enhancing the platform-based and integrated core competitiveness. In terms of corporate customer services, it always serves corporate growth with perspectives and logics of industry. Through constantly tapping into TMT, big health, big consumption, energy and environmental protection, high-end manufacturing and other key industrial ecosystems and with the full-lifecycle corporate service system as drivers, it fully improved comprehensive services in domestic and overseas markets on various products, strengthened the capability support of the cloud platform of investment banking, facilitated the development and growth of various outstanding enterprises, actively served the development of real economies and the establishment of modern industrial systems, and contributed more strength of Huatai in supporting the development of new quality productive forces.

(III) Technology development advantages continuously leading digital financial reform of the industry

Technology empowerment has been the core competitiveness developed by the Group for years with key inputs and a main development line leading its transformation and transcendence. In 2019, the Group took the lead in initiating the comprehensive digital transformation in the industry, resolutely took the path of platform-based business development and adopted digital thinking and means to fully transform business and management models and facilitate the implementation of the digital operation thinking in all levels of front, middle and back platforms. Meanwhile, it joined various parties in building an open ecosystem and developing FINTECH platforms and products at the industry level. Focusing on the target of “client’s success, business innovation, operation optimization and employee empowering” in digital transformation and through transformation practice and capability accumulation, the Company has developed technology into the differentiated development feature leading the digital financial reform in the industry as well as the core driver to improving value creation capability and market competitiveness. In terms of the application tiers, relying on the industry-leading independent research and development capability on IT and the innovation capability on digital products, the Group continuously promoted the deep integration of business with technology and developed “ZhangLe Fortune Path” (漲樂財富通), “Xingzhi” (行知) Institutional Service Platform, FICC Da Xiang Trading Platform (FICC 大象交易平台), the credit analysis and management platform and other important platforms with strong market influence and pioneering significance, which effectively facilitated the reshaping of business models and developed distinctive market leading advantages in various business segments. In terms of the middle tiers, the Group developed the strong supporting capability of middle platform through upgrading and iteration, continuously built and improved the Data Intelligence Middle Platform (數智中台), accumulated high-quality data and assets and established the high real-time data computing engine and analysis platform to speed up in releasing data value and empowering business development. It actively embraced and explored cutting-edge AI technology and constantly integrated business-related application scenarios. In terms of the fundamental tiers, the Group reshaped the bottom technological structure for IT and evolved towards comprehensive cloud native. It established and deployed the mixed cloud system with multi cloud and unified operation and built safe, reliable and open cloud native platforms with high extension.

(IV) International development capability at the leading edge of high-level two-way opening up

Based on the advantages of local resources in China and leveraging on its deep understanding of the Chinese market and assets, the Group fully seized strategic opportunities in the continuous deepening of the high-level opening up and strived to better meet the diversified financial demands of domestic customers in “going global” and overseas customers in “going to China”. With the Hong Kong market as the bridgehead and cross-border businesses as drivers, the Group vigorously developed the capital market intermediary business and fully enhanced the comprehensive financial service capability on cross-border and integrated operation, embarking on a differentiated path of international development. In recent years in particular, the Group grasped strategic opportunities in deepening the opening and interconnection of the Chinese capital market and became the first Chinese company issued GDRs through the Shanghai-London Stock Connect and listed on the London Stock Exchange. It established Huatai Securities (USA) and Singapore Subsidiary, successively obtained various key business licenses in major overseas markets and gradually developed a global value chain system with the coverage and interconnected development of the Mainland, Hong Kong, the US, the UK, Singapore and other markets in Asia, Europe and America. It continuously deepened its participation and influence in major international markets and significantly enhanced the execution capability on integrated projects covering different markets, assets and products. In recent years, the Group’s international business effectively responded to the impacts of the complicated and changeable environment in overseas markets and maintained the development momentum with steady progress against the market trend. It has become a key segment leading the strategic advancement and expanding the in-depth and strategic development of the Group in the future.

(V) *Comprehensive compliance and risk control systems with professional and digital accumulation*

The Group always adheres to the development concept that “compliance is the bottom line and risk management is the capability”, deepens the building of capabilities on digital compliance and risk control and management and strives to implement and improve the integrated and group-level compliance and risk management structure and system. With the target of “three-dimensional compliance management with risk as the orientation and data as the basis” and leveraging on “driven by data, unified platform and empowering business”, the Group took the lead in promoting the building of digital compliance in the industry to develop the basis for the professional and efficient digital compliance capability. It continuously strengthens the construction of three-dimensional compliance, vigorously explores the establishment of cross-border and integrated compliance control systems, deepens the group-level compliance management and constantly improves the compliance value creation capability. Meanwhile, the Group adheres to the risk management culture on stability and long-term development, upholds the risk management concept with full participation, coverage and penetration and continues to develop the core competitiveness in risk management with group-level, professional and platform-based ideas. The Group establishes and improves the overall risk management system adapting to the integrated and international development of the full business chains, constantly perfects the risk governance structure, continuously strengthens the risk management mechanism and control measures, focuses on the research and development and iteration risk management instruments, attaches great importance to the platform-based construction and comprehensively enhances the risk management capability. The Group closely follows market and business trends. While consolidating the integrated domestic and overseas risk management systems, it continuously improves the forward-looking and effective risk management, actively prevents key business risks and enhances the management and control on high-risk sectors, firmly holds the bottom line of risks in business and empowers the improvement of quality and efficiency of risk management through platform-based operation to guarantee the steady business development.

(VI) Development platform empowering overall growth of first-class and professional talents

The Group always adheres to the “people-oriented” concept, continuously stimulates the vitality of talents and constantly upgrades the value of talents. It establishes the development platform empowering talent growth, actively develops the platform-based professional talent development model, focuses on the introduction and cultivation of outstanding talents and increasingly improves the talent richness to facilitate the common growth of outstanding talents with organisations and convert talent advantages into core competitive advantages. The Group continuously deepens and improves the professional manager system and carries out the contractual and professional management of operation and management teams in details. Management members practically conduct exploration with a forward-looking horizon and lead all staff of Huatai to overcome new challenges, make new breakthroughs and promote the advancement and progress in the development of the Group. The Group insists on implementing the strategy of building a strong enterprise with talents, establishes and improves the all-round, multi-layered and three-dimensional talent supply chain systems and talent cultivation systems with the characteristics of Huatai and vigorously develops a young, professional and international talent team. It has gathered a large number of cutting-edge business talents and leaders and many outstanding young talents have become business cadres, refreshing the fine tradition of the staff of Huatai in continuous iteration and development. The Group always adheres to the talent selection and appointment mechanism with the orientation of capabilities and contributions, continuously optimizes and improves medium-and long-term incentive mechanisms and selects outstanding young talents in the market and practice to fully stimulate and maintain the vitality of the talent team. Meanwhile, it comprehensively improves the strategic consensus of the talent team, guides employees to constantly enhance the awareness on rules, cherish occupational reputation, carry forward professional spirit and abide by business ethics to provide solid guarantees to the strategic advancement of the Group.

(VII) Cultural value system with positive and win-win spirit for common progress

After over 30 years of development, the Group has achieved the transformation and transcendence towards an international securities group. Culture has been the spiritual force throughout its development and the value orientation leading its growth and progress. In 1997, the Company established the core values of “high efficiency, integrity, stability and innovation”. With such origin and after continuous integration and evolving, the Company gradually developed the cultural characteristics of “technology empowerment, innovation and initiative” and an “open and inclusive” cultural atmosphere. The Company insists on improving the “hard strength” in development with the “soft power” in culture and deeply establishes and implements the corporate spirit of “openness, inclusiveness, innovation, striving and responsibility”. In recent years, the Company actively carried forward the financial culture with Chinese characteristics, and deeply practiced cultural concepts of the securities industry. In combination with its own development conditions and led by the establishment of a featured cultural brand system, it solidly advanced cultural construction and developed the cultural value systems and the cultural work systems with internal cohesion, external brand-building as well as distinctive features through system building, themed activities, publicity and trainings, awards and other forms. Meanwhile, the Company developed the cultural and brand matrix with the integration of Party building culture, technology culture, compliance culture and risk culture, and continuously enhanced the internal and external recognition and penetration of culture, achieving the deep integration of cultural building with corporate governance, development strategies and development models as well as the organic combination with the overall development of people, the historical and cultural inheritance and the building of professional capabilities. Through the continuous promotion of the Company’s cultural and value systems and the constant forging of the spiritual force, it shaped the grounding for the steady and long-term development of the Company’s businesses, making the positive and win-win spirit an important guarantee to the development of the Company in different cycles and consolidating the cultural foundation for high-quality development.

IV. OPERATION DISCUSSION AND ANALYSIS

Unit: Thousand Yuan Currency: RMB

Segment	Segment revenue and other income and gains	Segment expenses	Segment results	Segment profit margin (%)	Change of segment revenue and other income and gains comparing with the same period last year(%)	Change of segment expenses comparing with the same period last year (%)	Change of segment profit margin comparing with the same period last year
Wealth management business	10,487,535	(6,595,415)	3,892,120	37.11	(2.37)	(4.11)	Increase of 1.14 percentage points
Institutional services business	3,241,111	(2,898,556)	342,001	10.55	(45.51)	(27.81)	Decrease of 21.95 percentage points
Investment management business	1,088,046	(644,099)	(376,248)	(34.58)	(44.88)	(17.63)	Decrease of 85.34 percentage points
International business	8,823,779	(7,807,619)	1,016,160	11.52	44.83	47.69	Decrease of 1.71 percentage points
Others (including offset)	1,237,824	(1,983,156)	702,095	56.72	3.48	(11.54)	Increase of 23.93 percentage points
Segment total	24,878,295	(19,928,845)	5,576,128	22.41	(4.14)	3.78	Decrease of 8.41 percentage points

(I) Overall operation conditions

2024 is the key year for fully implementing the guiding principles from the 20th National Congress of the CPC. In the first half of 2024, China saw continued overall economic recovery and growth, and made steady progress in pursuing high-quality development, developed new quality productive forces at a faster pace and boosted internal momentum for economic development. Meanwhile, the release of “Several Opinions on Strengthening Regulation, Preventing Risks and Promoting High-Quality Development of the Capital Market” (《關於加強監管防範風險推動資本市場高質量發展的若干意見》) provided a clear direction for the reform and development of the capital market in China and brought new opportunities and challenges to the operation and development of securities companies. In the face of the complex internal and external operating environment, the Group continued to uphold the development philosophy of serving the country and people as a financial institution, insisted on its functional positioning, adhered to the client-centric approach, deepened the “two-pronged” strategy for wealth management and institutional services, built and improved a customer service system with full business chain linkage, took solid steps in completing the “five great articles” of finance, and forged core competitiveness across business cycles. Key initiatives included: in terms of wealth management, the Group took “creating value for customers” as the core, made further progress in building integrated customer operating systems for classified and stratified clients, consolidated the middle platform of finance, and strived to promote the professional wealth management service capabilities; in terms of institutional services, the Group, in response to policy and market changes and to meet the demands for financial services of institutional customers, focused on enhancing multi-product, full-chain, and full-cycle operation capabilities for comprehensive customer value through the platform-based empowerment; in terms of corporate customer services, focusing on national strategic emerging industries, the Group fully integrated the service resources across the entire business chain, promoted continuous improvements in corporate governance and operational quality with professional services, and actively empowered the modernization of industrial system; in terms of international development, the Group continued to expand its global footprint, and helped Chinese customers to “go global” and “bring in” overseas customers with its cross-border integrated comprehensive service system, so as to better serve the high-level opening up of finance; in terms of digital finance, the Group focused on promoting platform capabilities in key areas, continuously expanded new business and operating models by relying on technological empowerment, built an open technological cooperation ecosystem, actively explored the application of AI technology in professional financial service scenarios, and unleashed new momentum created by the integration of “business + technology”. Meanwhile, the Group further promoted comprehensive risk management and full compliance management, implemented intensive and refined operation and management, and continuously consolidated the foundation for higher quality and efficiency and steady development. During the Reporting Period, the Group’s operation results and overall strength continued to rank among the top in the industry, with high-quality development continuing to deepen.

(II) *Wealth management business*

1. *Market environment*

As affected by changes in the macro economy and the market operation environment, the bottom logic of the allocation of major assets is experiencing profound changes. With the constant transition and upgrading of residents' demand for wealth allocation, the Group adhered to the investor-oriented concept, and moved towards standard operation, professional management and customer experience upgrades with providing better products and longer stable returns for residents' asset allocation as an important mission of the wealth management industry. Amid increased periodic fluctuations in the securities markets, wealth management institutions are more required to focus on differentiated and personalized wealth management demands of clients and build classified and stratified client service system based on the logic of buyer-side services and its own resources endowment to enhance professional asset allocation capabilities, strengthen refined customer operations, and provide full-process companion services and comprehensive wealth management solutions.

In the first half of 2024, the A share market saw volatile adjustments, with market transaction amounts declining. According to the statistics from Wind Information, the total turnover in the A share market was RMB100.94 trillion, representing a year-on-year decrease of 9.26%. As the development of margin financing and securities lending business became increasingly standardized, the balance of margin financing and securities lending business across the market was RMB1,480.899 billion, representing a year-on-year decrease of 6.77% according to the statistics from Wind Information. For fund investment advisory business, with continual improvements in the management system, and more diversified business models, the business enjoyed a considerable development potential, aiming at providing investors with diversified buyer-side asset allocation services. The overall domestic futures market remained steadily active, with market tools and strategies continuously enriched. According to the statistics from China Futures Association (中國期貨業協會), the total turnover of the futures markets across the country was RMB281.51 trillion, representing a year-on-year increase of 7.40%. Amid the complicated and changeable market environment and the increasingly intensified competition pattern, wealth management institutions which rely on advanced digital platforms, focus on building refined customer operating systems, branded product operation systems and professional investment advisory service systems, continuously improve professional capabilities on trading and wealth management and value creation capability on continuously accompanying customers, and provide customers with one-stop, all-asset-category and full-cycle comprehensive services will gain more extensive development space.

2. *Operational measures and achievements*

(1) Securities, futures and options brokerage business and wealth management service

During the Reporting Period, the Group proactively adapted to market changes, established and improved the integrated operation of wealth management business systems driven by the headquarters with the coordination of the headquarters and branches, focused on building a classified and stratified customer operating system, continuously innovated and optimized its service models to enhance service efficiency and experience. The Group aimed to foster an endogenous business growth mechanism through deep client engagement, accumulate new momentum for business growth, and shape differentiated advantages in inclusive financial services. The Group implemented an integrated operation service for client growth, leveraged comprehensive financial service to constantly promote customer service coverage, deeply dig and convert client value, and actively promote sustainable growth in client scale. Fully leveraging its financial expertise and FINTECH advantages, the Group established and improved a digital and intelligent platform infrastructure, continuously optimized platform-based operational strategies and service systems. Relying on the operation of “ZhangLe Fortune Path” (漲樂財富通) platform and “AORTA” (聊TA) platform, the Group strengthened the construction of middle platform of finance such as investment research, operation management, and content capabilities, continuously empowered clients and investment advisors, enhanced the professional abilities to create value for clients, and strengthened clients’ service perception and brand loyalty. The Group established and improved a training and evaluation and authentication system for the professional competence of investment advisors, built and improved an integrated team mechanism, fostered a professional and high-quality investment advisory team, and promoted mutual growth between client upgrades and employee development. According to internal statistics, as of the end of the Reporting Period, the number of the Company’s staff registered for carrying out securities investment consultancy (investment advisory) with the Securities Association of China (中國證券業協會) was 3,311.

The Group continuously promoted innovation in products and services on “ZhangLe Fortune Path” (漲樂財富通) platform, and it leveraged its AI technologies and big data analytics capabilities to continuously expand characteristic trading tools, improve its core account service capabilities, and constantly optimize client experience. The Group built the branded financial content platform, being “i Kan” (i看), established a trading and wealth management content matrix, and upgraded and refined operation models. At the same time, the Group continuously optimized the function and operation capability of “ZhangLe Global” (漲樂全球通) platform and was committed to providing one-stop investment management services for global assets.

The Group continued to maintain its advantages in trading services based on advanced platforms. In terms of stock options brokerage business, the Group continued to improve its trading support capabilities, cultivate qualified investors, and strengthen risk prevention, thus maintaining its leading position of this business in the market. For the ETF business, the Group continuously diversified trading strategies and instruments and relied on the investment research capability and platform-based operation systems of the Company to practically meet customers’ differentiated investment demands.

For the futures brokerage business, as of the end of the Reporting Period, Huatai Futures had 9 futures branches and 42 futures branch offices in total covering 4 municipalities directly under the Central Government and 17 provinces in China, being the agent of 133 types of futures. During the Reporting Period, Huatai Futures realized an agency trading volume of 244.2745 million lots with a transaction amount of RMB21,299,217 million. The Group had efficient synergy of its securities and futures businesses, with a total of 241 securities branch offices permitted to be engaged in futures IB business and the total number of futures IB business customers reaching 60,300 as of the end of the Reporting Period.

(2) Financial product sales and fund investment advisory business

During the Reporting Period, the Group proactively constructed an integrated asset allocation service system based on buyers' perspective with asset allocation and investment and research of financial products as the core business drivers and platform-based and professional services as the traction, coordinated and promoted the development of financial product sales, allocations, fund investment advisory and other business and provided customers with diverse portfolio strategies and allocation solutions to meet customers' diversified demands for wealth management. According to internal statistics, during the Reporting Period, the number of financial products held (except for the cash management product "Tian Tian Fa" (天天發)) was 14,190, and their sales scale (except for the cash management product "Tian Tian Fa" (天天發)) was RMB227.748 billion.

During the Reporting Period, with the focus on the differentiated demands of classified and stratified customers and the investment advisory business for buyers as the core, the Group continued to enrich and improve the supply system of financial products. It established the product supply matrix based on various dimensions, provided multi-dimensional solutions from the selection of single products to the allocation of strategies and tailor-made allocation, and continued to enhance the product selection and risk prevention and control capabilities to satisfy the multi-layered asset allocation demands of customers. It further improved the buyer-side investment advisory strategy system and optimized the "Worry-free Families" (省心家族) allocation service, providing white-box selection service for publicly offered products through "Worry-free Choice" (省心選), strategy service based on publicly offered funds through "Worry-free Investment" (省心投), and personalized allocation solutions for customers through "Worry-free Enjoyment" (省心享). It continuously optimized the advisory service system of buyer-side investment advising, provided professional support with the asset allocation service platform as the base, and continuously improved its ability in three-dimensional companion services covering the entire business cycle to enhance customer experience. It enhanced the construction of digital platforms, continued to build the core middle-platform system for financial products, strengthened the research module function and strategy support capability, and continuously optimized the quantitative factor research system, effectively improving the professional investment research capability, empowering the strategic investment, production and operation of the fund investment advisory business and enhancing the overall efficiency and capability of the business.

(3) Capital-based intermediary business

During the Reporting Period, for its capital-based intermediary business, the Group actively responded to changes in business rules and market environment, made forward-looking adjustments to its strategic layout, deepened cooperation and coordination across the entire business chain, optimized the risk monitoring mechanism and conducted its business in a compliant and prudent manner; it also actively built a multi-layered and differentiated customer service system and continued to deepen the content of its services in order to promote high-quality development of business. For its financing business, the Group pursued product innovation and digital transformation to drive business growth, enhanced differentiated competitiveness through product iteration, deepened customer service capability through operational analysis, and achieved steady growth in business market share; for its securities lending business, it fully implemented the requirements of the regulatory policies, strengthened the awareness of compliance throughout the entire business process and in all aspects, continuously improved the internal control mechanism, and strictly held the bottom line of compliance. According to the regulatory statement data, as of the end of the Reporting Period, the balance of margin financing and securities lending business of the Parent Company was RMB105.554 billion, with a market share of 7.13%, and the integral maintenance guarantee ratio was 244.30%. The pending repurchase balance of stock pledged repurchase business was RMB21.617 billion, with an average fulfillment guarantee ratio of 222.81%, among which, the pending repurchase balance of on-balance-sheet business was RMB4.472 billion, with an average fulfillment guarantee ratio of 237.07%; while the pending repurchase balance of off-balance-sheet business was RMB17.145 billion.

3. *Prospect for the second half of 2024*

For wealth management business, the Group will adhere to the core of “creating value for customers”, uphold the concept of becoming “digital, platform-based and ecological”, and continue to build a middle-platform system for financial capabilities with the output of buyer-side investment and research capabilities as the core and the enhancement of operation and service efficiency as the foundation. It will also deepen the integration and innovation of finance and digital technology, actively create differentiated competitiveness, and effectively improve customer service experience. It will continue to improve and perfect the classified and stratified customer service system, constantly strengthen the integrated customer service and operation model and supporting operation capabilities, build the matrix of contents and services covering the multi-layered demands of customers and promote the transformation of wealth management business towards a full lifecycle service model for customers. Based on professional division of work and systematic cultivation, it will focus on building a professional customer-oriented investment advisory team, continuously enhancing the professional service capability of creating value for customers, and effectively improving the effectiveness of wealth management services. It will give full play to its financial expertise and FINTECH advantages, optimize and improve the empowerment middle platform of finance, effectively identify customer needs through data mining and analysis, and continue to innovate and optimize its service model to support the coverage and in-depth operation of wealth management services.

For the financial product sales and the fund investment advisory businesses, the Group will integrate resources in the entire business chains, continuously strengthen the business risk prevention capability and continue to strengthen the construction of digital platform clusters. It will actively develop a buyer-side investment advisory business system with the integration of the headquarters and branches, continue to optimize strategy functions, enrich customer service scenarios, and iterate and upgrade allocation models. It will strengthen professional capabilities on investment and research, provide customers with diversified solutions for the allocation of financial products and intensify customer companion services to improve customers’ investment experience.

For the capital-based intermediary business, the Group will closely follow changes in policies and the market. As long as risks are controllable, it will continue to enrich the contents of products and services through a scientific pricing system and diversified marketing tools, continuously expand the space for business development and effectively integrate internal and external resources to meet customers’ diversified business demands. It will continue to strengthen the synergy advantages on the entire business chains, improve and perfect professional service systems matching customers’ demands from trading services, comprehensive services, customer operation and other dimensions and continuously improve the brand effect of businesses.

(III) Institutional services business

1. Market environment

In the first half of 2024, major indexes in the domestic stock market experienced uneven ups and downs. The Wind All China Index dropped by 8.01%, CSI 300 rose by 0.89%, the Shanghai Composite Index dropped by 0.25% and the Shenzhen Component Index dropped by 7.10%; the bond market continued the upward trend amid fluctuations, with the CSI Aggregate Bond Index and the China Bond Composite Full-price (Aggregate) Index jumped by 4.30% and 2.42%, respectively. In the face of the new changes in the market environment, with the effective implementation of the new guideline on strengthening regulation, forestalling risks and promoting the high-quality development of the capital market (國九條) and the “1+N” policy system of the capital market, the development and growth of patient capital and the promotion of medium- and long-term funds to the market, the basic institutional system of the capital market continued to be improved. The ecosystem of market development has been reshaped and optimized, with institutionalization continued to increase, leaving considerable room for the institutional service business to develop, while at the same time, the integrated, differentiated and cross-border clients’ demand has also put forward higher requirements on the development of the institutional service business.

During the first half of 2024, China’s equity financing market continued the slow pace of issuance. According to the statistics from Wind Information, fund raised on the full caliber, including IPOs, additional offering and share allotment, totaled RMB135,385 million, representing a year-on-year decrease of 78.28%, among which, funds raised from IPOs were RMB30,272 million, representing a year-on-year decrease of 86.16%; and funds raised from refinancing were RMB105,113 million, representing a year-on-year decrease of 74.02%. The bond financing market maintained a growth momentum with the total amount of bond issuance of RMB38,326,403 million, representing a year-on-year increase of 10.82%, among which, medium-term note issuance was RMB2,331,461 million, representing a year-on-year increase of 71.97%. M&A market transaction activity declined. According to the statistics from Zero2IPO Research Center private placement department (清科研究中心私募通), the number of M&A cases in the M&A market in China was 952, representing a year-on-year decrease of 29.06% and the amount of transactions was RMB280,450 million, representing a year-on-year decrease of 42.64%. Under the market environment with new policies, securities companies which grasp economic and industrial development trends, take customers’ needs as the guide, actively expand the breadth and depth of business and services, transform to an all-round integrated financial service provider with a complete business chain, industrial chain and service chain, and give full play to full products and high-efficiency services in serving the transformation and upgrading of the real economy and the development of new quality productive forces, will gain more significant competitive advantages.

2. Operational measures and achievements

(1) Investment banking business

During the Reporting Period, the Group regarded serving the high-quality development of the real economy and supporting the accelerated development of new quality productive forces as its mission and responsibility, actively promoted and participated in the innovation of FINTECH and green finance, gave full play to the leading role of the investment banking business as flow inlet for quality assets, strengthened the coordination and cooperation of all business lines and continuously promoted financial services covering the full chains and products covering the full cycle to improve the overall market competitiveness in an all-round manner and actively build first-class investment banking service systems with local advantages and international horizon.

Consolidated data

Currency: RMB

Categories of Issuance	January-June 2024		January-June 2023	
	Times of lead- underwriting (time)	Lead- underwriting amount (in RMB10 thousand)	Times of lead- underwriting (time)	Lead- underwriting amount (in RMB10 thousand)
Issue of new shares	4	503,273.16	10	990,084.34
Additional issue of new shares	6	648,861.94	16	2,167,061.38
Allotment of shares	–	–	1	–
Issue of bonds	1,066	28,803,473.37	1,165	22,883,607.87
Total	1,076	29,955,608.47	1,192	26,040,753.59

Note: The above data are from the regulatory statements, while the statistical caliber is the issuance completion date of the project; preferred shares are included in the additional newly issued shares; bonds issuance includes treasury bonds, enterprise bonds, corporate bonds (including exchangeable bonds), convertible bonds, short-term financing bonds and medium-term notes, etc., but it excludes asset-backed securitization projects.

① Equity financing business

During the Reporting Period, the equity financing business adhered to the entire business chain strategy of focusing on industries, making regional layout and deeply exploring customers, maintaining its leading position in terms of the ranking and market share in the industry. Focusing on serving the real economy and technological innovation, it has completed a number of financing projects with market influence and participated in 3 of the top 10 IPOs and 3 of the top 10 refinancing projects in the whole market. According to the statistics from Wind Information, the Group's equity lead-underwriting amount (including IPOs, additional offerings, allotment of shares, preferred shares, convertible bonds and exchangeable bonds) was RMB19,545 million, ranking the second in the industry; and the number of IPO sponsorship projects was 4, ranking the first in the industry.

② Bonds financing business

During the Reporting Period, the bonds financing business, on the basis of strict risk control, fully utilized its full license advantage, actively cultivated core customer groups and maintained its position in the industry. The Group actively practiced national strategies, focused on leading quality clients, promoted the issuance of green bonds and technological innovation bonds, and underwrote a total of 24 green bonds with RMB6,307 million and 41 technological innovation bonds with RMB10,015 million. According to the statistics from Wind Information, the Group's lead-underwriting amount of full variety bonds was RMB536,099 million, ranking the third in the industry.

③ Financial advisory business

During the Reporting Period, the Group actively seized the opportunities of industrial consolidation, supported listed companies for quality development, insisted on serving technological innovation and new quality productive forces, practically carried out diversified financial advisory business, and served leading enterprises to make use of M&A and restructuring to become better and stronger and to enhance the value of investment. According to the statistics from the information publicly disclosed by listed companies, the Group served as an independent financial advisor for 3 review reorganisation transactions disclosed for the first time, ranking the first in the industry. During the Reporting Period, the Group acted as an independent financial advisor to serve United Nova to inject quality assets, which became the first disclosure project of share issuance M&A pre-proposal on the STAR Market after the release of the eight measures to deepen reform of the STAR Market.

④ OTC business

During the Reporting Period, the Group actively leveraged on the connection path between the NEEQ and the Beijing Stock Exchange, fully displayed the integrated advantage as a large investment bank and continued to provide technological innovation-based growth enterprises with multi-layered capital market services. During the Reporting Period, the Group completed one project listing on the NEEQ, one project receiving consent letter for listing and four projects under review for listing. Jiangsu Equity Exchange, a holding subsidiary of the Company, continued to strengthen compliance and risk management, actively built a comprehensive investment and financing service platform, further promoted the establishment of the special column of “specialized and sophisticated enterprises that produce new and unique products”, obtained approval to carry out the regional equity market systems and business innovation pilots, and facilitated the transfer of shares of private equity and venture capital, comprehensive service for stock options and other innovative businesses. The business system and service scenarios have been continuously improved, and so have the diversified and comprehensive financial service capabilities. As of the end of the Reporting Period, 16,402 enterprises have been listed and displayed (of which 630 were on the special column of “specialized and sophisticated enterprises that produce new and unique products”). It had 81,137 investors of all types, and it raised RMB10,848 million for enterprises through financing during the Reporting Period.

(2) Prime brokerage (PB) business

During the Reporting Period, the Group efficiently integrated the resources of the entire business chain, enhanced technological empowerment by relying on the digital and platform-based development strategy, provided the institutional customer groups with integrated and whole lifecycle comprehensive financial services, and endeavored to build up the core competitiveness for “operation services, compliance risk control”. As of the end of the Reporting Period, the Group had 12,759 fund products in custody and the total size of fund in custody reached RMB399.865 billion. We provided administration services to 18,210 fund products (including 1,115 products from Huatai Asset Management), of which the service scale reached RMB1,112.460 billion (including the business scale of Huatai Asset Management of RMB395.162 billion). According to the statistics from the Asset Management Association of China (中國證券投資基金業協會) as of the second quarter of 2024, the Group ranked the fourth in the industry in terms of the number of products filed under the private fund custody business.

(3) Research and institutional sales business

During the Reporting Period, in terms of research business, the Group firmly promoted the transformation of business models and continued to improve the research team allocation and the research service system, continuously deepened the cooperation efficiency of the entire business chain, and promoted the layout of overseas research services in multiple dimensions, so as to build a new competitive advantage in the research business. Focusing on leading institutional customers, through strengthening the connection of multi-industrial research, domestic and overseas industry comparative research and deeply tapping into the research value, the Group carried out research and service activities through various channels, platforms and manners to satisfy professional research service demands of internal and external customers. It continuously upgraded and iterated the digital platform, consolidated the application of investment and research foundation and better extended the research capability to multiple business lines, continuously improved the quality and efficiency of research work through the intelligent research report function, constantly improved the product production and management process, and strove to enhance the platform's production efficiency and digital operation capability. The Group has actively carried out various forms of research service activities, including releasing 5,656 research reports, organising 24,698 research roadshow services and 420 thematic teleconferences, and holding spring investment strategy summit, interim investment strategy summit and other featured and thematic meetings. In terms of the institutional sales business, the Group deeply aligned it to the diversified needs of institutional investors, continuously promoted the construction and functional iteration of the institutional investor work platform and the service platform, optimized and improved the classified, stratified and integrated institutional service system covering the full business chain, continuously enriched the products and contents of institutional services, and made sustained progress in the services for mainstream institutional customer groups, with the industry status and market influence continuously improved. During the Reporting Period, the volume of sub-position transactions for the public fund was RMB598.633 billion.

(4) Investment and trading business

① Equity trading business

During the Reporting Period, the Group actively adapted to changes in the market and regulatory environment, continuously strengthened its risk management mechanism, and endeavored to build a multi-level, specialized and multi-strategy investment and trading system on absolute gains; iterated and upgraded its platform-based business model with big data trading, macro-hedging and innovative investment as the core, so as to effectively enhance its integrated and professional investment and trading capabilities. It adjusted and improved its investment strategy system in a timely manner, enhanced the adaptability and risk-resistant capability of its strategies, and actively grasped the investment and trading opportunities in the market; it continued to polish its core investment and research capabilities through the multi-wheel-driven business model of “fundamental research + trading capability + platform construction”. It continued to enhance the effectiveness of the investment and trading business platform, optimized and improved the investment and trading link, strengthened the dynamic supervision and analysis capabilities and facilitated the accumulation of investment and research capability and the improvement of process management. In terms of the market making and trading business, the Group focused on the updating and iteration of market making and trading strategies and systems, actively explored business coordination models and continuously improved risk control systems, and maintained sound business operation and orderly expansion of business scale. As of the end of the Reporting Period, the Group has filed a total of 123 market-making stocks for the market making of stocks on the STAR Market and provided liquidity services for a total of 556 funds for the market making of listed funds, both ranking the top in the market.

② FICC trading business

During the Reporting Period, the Group actively built a FICC full variety investment management and comprehensive trading platform, continued to explore business models and enriched the product issuance system, and assisted in the transformation and upgrading of the real economy. In terms of the fixed-income proprietary investment business, the Group practiced the hedge fund portfolio management mode under the rotation of major assets in a de-directionalized manner, actively grasped the market opportunities and effectively controlled the risk exposure, and obtained stable yields with low volatility and low withdrawal with leading pricing capabilities and platform empowerment, thus realizing good investment performance. In terms of market-making business, it focused on building a “systematic, automated and strategic” market making system for spot bonds, continuously enriched quoting strategies for spot bonds market making, obtained the qualification as a preferred quoter in iDeal and an auto market maker in Xbond for spot bonds, achieving breakthroughs in the

trading volume of market making, the coverage of categories and other dimensions, with the scale of market making for major varieties ranking at the forefront of the industry. As for bulk commodity and foreign exchange business, the Group continuously strengthened research on strategies and transactions, continuously promoted the settlement and sale of foreign exchange business required by customers, and steadily carried out trading services for carbon financial products, with the foundation for diversified development continuously strengthened. The FICC Da Xiang Trading Platform (FICC 大象交易平台) continued to be refined and polished, and an integrated framework integrating research, model strategy, trading risk control and customer service was actively built, with the efficiency of strategy research and development continuously improved and the FICC trading model reshaped and optimized.

③ OTC derivatives trading business

During the Reporting Period, the Group adhered to the principle of “aiming at serving the real economy and being guided by customers’ risk management needs” in conducting its OTC derivatives trading business, steadily improved its business innovation capability and trading pricing capability, continuously expanded the depth and breadth of customer coverage, upgraded and optimized its product structure, and provided customers with all-dimensional derivative trading services through more diversified investment and risk management instruments. Taking professional capacity building as the root, the Group continued to cultivate its core competencies in hedging transactions, product design and pricing, and customer service, constantly consolidated the foundation of its main responsibilities and business. It continuously promoted the construction of the digital platform, facilitated the accumulation, upgrading and transformation of core business capabilities, and comprehensively enhanced the comprehensive value creation ability of customers. According to the data in the regulatory statement SAC agreement, as of the end of the Reporting Period, the Group had 9,326 income swap transaction business contracts with an ongoing size of RMB86.906 billion; the Group had 1,872 OTC option trading business contracts with an ongoing size of RMB142.545 billion. During the Reporting Period, the Group issued 1,707 private placement products through the China Securities Internet System and OTC market, with a total amount of RMB11.470 billion.

3. *Prospect for the second half of 2024*

For investment banking business, we will continue to serve the high-quality development of the real economy, regard the support for the self-reliance in advanced technology and the development of new quality productive forces as the ultimate objectives of our business development, insist on focusing on high-quality customers, fully display the core competitive advantages in market-based innovation and integrated coordination, comprehensively improve the quality and level of services, duly perform the responsibilities as a “watchman” of the capital market and provide customers with cross-market comprehensive financial services covering all products and cycles. In terms of equity financing business, the Group will actively follow the trends of industries and policies, focus on key industries and areas and continue to improve the recognition over industries and the integrated service capabilities both at home and abroad. In terms of the bond financing business, the Group will further boost efforts in the coverage of high-quality customers and areas, continuously promote the optimization of the business structure and strictly control business risks. For the M&A and restructuring financial advisory business, the Group will do its utmost to respond to the needs of customers, give full play to its business advantages, and actively expand business opportunities such as industrial consolidation and cross-border M&A, so as to empower the industrial transformation and upgrading of customers.

For prime brokerage business, we will fully explore and accumulate data value based on customers’ comprehensive financial service needs, display the information advantage of companion operation, empower platform operation with financial technology, and continuously improve service effectiveness and compliance risk control levels to develop differentiated competitive advantages.

For research and institutional sales business, we will focus on the changing needs of key institutional clients, actively build an all-dimensional and one-stop financial service ecosystem, continuously expand the content of our products and services through platform-based empowerment and systematic division of work, continuously enhance our comprehensive services and professional capabilities, focus on risk management and control, and strive to build core competitiveness of domestic and overseas integration and efficient synergy of the entire business chain, so as to further enhance our industry position and market influence.

For investment trading business, we will continue to build platform-based and systematic investment and trading capabilities, improve the customer-oriented business structure and service system, practically upgrade and transform toward the orientation of enhancing asset pricing rights and productization of trading capabilities and constantly boost the core competitiveness. For the equity trading business, the Group will iterate and upgrade the system of big data trading business strategies, continue to improve the investment system on absolute gains of the macro hedging business, optimize and expand the investment models of innovative investment businesses, continuously enhance the efficiency of the investment trading business platform and effectively improve professional investment capabilities and risk control capabilities. For FICC trading business, the Group will continue to strengthen the systematic construction and development of business, continuously improve the transaction pricing capabilities and investment research capabilities, constantly enrich its strategy reserves, strengthen risk control and compliance management, actively expand the boundaries of its business capabilities, promote the diversification of profit models, and better serve the real economy. For OTC derivatives trading business, the Group will continue to enhance transaction hedging capabilities based on digital and platform-based development, upgrade and optimize its whole-chain operation and service capabilities, and actively broaden its business development space by focusing on the changes in demand from both domestic and overseas clients, so as to increasingly consolidate and enhance its differentiated competitive advantages.

(IV) Investment management business

1. Market environment

With the comprehensive deepening of financial reform in China, the constant improvement of the capital market system, the increasing improvement of supporting asset management business systems, the further promotion of the reform of fees for public funds and the gradual optimization of the pension system, the asset management business ecosystem is transforming towards high-quality development. The asset management business is speeding up in shaping a new development pattern with in-depth competition and cooperation and improved quality and efficiency. According to the statistics from Asset Management Association of China (中國證券投資基金業協會), as of the end of the first quarter of 2024, the total amount of asset management business of fund management companies and their subsidiaries, securities companies and their subsidiaries, futures companies and their subsidiaries and private fund management institutions was RMB68.10 trillion, among which, the amount of public funds was RMB29.20 trillion and the amount of private asset management business of securities companies and their subsidiaries was RMB5.98 trillion. Under the background of professional and diversified development in the asset management market, it is more important for asset management institutions to focus on the construction of active management capability and core competence of investment and research, and to provide quality products and portfolios with more comprehensive risk allocations and richer categories for the preservation and appreciation of clients' assets by leveraging on diversified investment strategies, well-established product line layouts and professional investor services.

Under the background of the complicated market environment and the increasingly strict industrial regulation, China's equity investment market faces ordeals. The overall size of the fundraising market shrank, the investment market continuously slowed down its pace and the number of transactions on market withdrawal decreased, resulting in an overall downward trend in the market. Capitals further gathered in strategic emerging industries and technology-based enterprises. According to the statistics from Zero2IPO Research Center private placement department, in the first half of 2024, 1,817 new funds were raised in China's equity investment market, with a total fundraising amount of RMB622.939 billion, representing a year-on-year decrease of 22.63%; and there were 3,032 investment cases (after eliminating cases with extreme value) in China's equity investment market, with a total investment amount of RMB196.703 billion, representing a year-on-year decrease of 38.66%. With the increasing improvement of regulatory rules on private fund and the comprehensive and standard requirements on the whole process of fundraising and investment operation, institutions with excellent investment and research capabilities, sound internal control and governance and the ability to create long-term value for investors will embrace opportunities for growth.

2. *Operational measures and achievements*

(1) Asset management business of securities companies

During the Reporting Period, Huatai Asset Management, a wholly-owned subsidiary of the Group, actively adapted to changes in market and regulatory environment. Always adhering to the customer-oriented philosophy and the industrial mission of providing quality service to the real economy, with the investment asset management and the asset management services of investment bank as drivers, it provided one-stop diversified investment products, asset allocation and overall financial service solutions to meet the customers' asset management demand for the whole lifecycle and cultivate differentiated core competitiveness. It firmly advanced the platform-based and differentiated development strategies on business, made good use of the Group's advantages in customer resources, continued to enrich the product layout of the investment asset management business and constantly deepened the construction of the investment and research system, which has empowered the whole business chain to explore and transform customer value; in terms of investment bank asset management business, it improved the business connection mechanism and jointly built up the service capacity with the entire industrial chain to provide customers with comprehensive allocation solutions. According to the regulatory statement data, as of the end of the Reporting Period, the total asset management scale of Huatai Asset Management was RMB505.983 billion. According to statistics from Wind Information, during the Reporting Period, Huatai Asset Management issued 60 enterprises' ABS (asset-backed securitization), ranking the second in the industry; and the issuance scale was RMB42.428 billion, ranking the third in the industry.

During the Reporting Period, for asset management business of securities companies, we strictly controlled risks and continued to enhance our active investment management capability and client service capability by continuously developing core competitiveness on platform-based operation and integration. We actively built scaled and differentiated product systems covering different risk-return characteristics. For the collective asset management business, a total of 235 collective asset management plans were under management and the total management scale was RMB59.133 billion. In respect of the single asset management business, a total of 628 single asset management plans were under management and the total management scale was RMB160.336 billion. In respect of specialized asset management business, a total of 252 specialized asset management plans were under management and the total management scale was RMB175.693 billion. In respect of the public fund management business, we managed 44 public fund products in total with aggregated management scale of RMB110.821 billion.

The table below sets forth the scale and income of the securities companies' asset management business:

Currency: RMB

Item	January – June 2024		January – June 2023	
	Entrusted scale (in RMB100 million)	Net income (in RMB10 thousand)	Entrusted scale (in RMB100 million)	Net income (in RMB10 thousand)
Collective asset management business	591.33	5,181.00	566.47	5,689.56
Single asset management business	1,603.36	7,217.59	1,134.69	14,200.17
Specialized asset management business	1,756.93	6,173.78	1,929.57	6,623.30
Public fund management business	1,108.21	39,996.23	939.28	43,080.13

Note: The above data are from the regulatory statements.

(2) Private equity fund management business

During the Reporting Period, for the private equity fund management business, the Group focused on key industry research based on its advantages, appropriately adjusted the principle of fund allocation, raised the standards on the selection of projects and actively sought diversified withdrawal paths from invested enterprises. Meanwhile, it continued to explore cooperation opportunities within the ecosystem, strengthened the partnership with large SOEs and leading enterprises in the industries to steadily expand the scale of fund management, increasingly improve the market influence and guide more resource elements to concentrate on new quality productive forces. As of the end of the Reporting Period, Huatai Purple Gold Investment and its secondary subsidiaries as managers have filed a total of 30 private equity investment funds with the Asset Management Association of China (中國證券投資基金業協會), with a total subscription amount of RMB62.178 billion and a total paid-up capital of RMB46.262 billion. During the Reporting Period, the above-mentioned private equity investment funds implemented a total of 15 investment projects with a total investment amount of RMB0.317 billion. According to the statistics of the Asset Management Association of China, as of the second quarter of 2024, Huatai Purple Gold Investment ranked the fourth in the industry in terms of average monthly scale of private fund.

(3) Asset management business of fund companies

During the Reporting Period, with adherence to equal emphasis on compliance management and business development, fund companies under the Group continuously stepped up efforts on product research and business innovation, strengthened the forward-looking layout on featured products, optimized customer insight and response and fully displayed the advantages in the integration of all businesses under the investment and research system to increasingly enhance the comprehensive capabilities on cross-cycle asset management in multiple categories and continue to maintain the increase in the total scale of assets under management. China Southern Asset Management continuously optimized product layout and business system, proactively established value-creating capabilities supported by intelligent and platform-based operation. As of the end of the Reporting Period, the total assets under its management amounted to RMB2,172.429 billion, among which China Southern Asset Management managed a total of 370 funds in its mutual funds business, the total asset size of which amounted to RMB1,240.381 billion, and the total asset size of non-public funds business amounted to RMB932.048 billion. Huatai-PineBridge persisted in featured development with increasingly enriched product line categories and significant growth in the size of index funds and monetary funds. As of the end of the Reporting Period, the total assets under its management amounted to RMB504.512 billion. Specifically, Huatai-PineBridge managed a total of 156 funds in its mutual funds business, the total asset size of which amounted to RMB484.92 billion, and the total asset size of non-public funds business amounted to RMB19.592 billion. According to the statistics of the Shanghai and Shenzhen Stock Exchanges, as of the end of the Reporting Period, the scale of the broad-based index fund CSI 300ETF under Huatai-PineBridge was RMB211.799 billion, ranking the first among all non-monetary ETFs on the Shanghai and Shenzhen Stock Exchanges. During the Reporting Period, China Southern Asset Management and Huatai-PineBridge were approved to issue the first batch of Saudi ETFs in the PRC to track the FTSE Saudi Arabia Index in the form of ETF cross-listing. (The profit or loss from equity investments of China Southern Asset Management and Huatai-PineBridge were included under other segments in the segment report)

(4) Asset management business of futures companies

During the Reporting Period, Huatai Futures, a wholly-owned subsidiary of the Group, constantly improved the effectiveness of compliance risk control and management, actively promoted the technology-led digital transformation and the innovation-led business transformation, continuously diversified product portfolio and customer base, focused on the establishment of core competitive advantages of the investment research team featured with derivatives to meet the differentiated risk appetites and asset allocation demands of customers and practically enhance the quality and efficiency of serving the real economy. As of the end of the Reporting Period, Huatai Futures managed a total of 27 asset management plans which were in the duration period. The total asset management scale was RMB886.4746 million, and the futures equity scale was RMB551.6838 million.

(5) Alternative investment business

The Group carried out alternative investment business through its wholly-owned subsidiary Huatai Innovative Investment. During the Reporting Period, Huatai Innovative Investment fully improved business synergy and efficiency, focused on the development of FINTECH equity investment and the co-investment business of the STAR Market, and steadily explored the co-investment business of the ChiNext and the strategic placement business of the Beijing Stock Exchange according to regulatory policies and the Group's business layout. As of the end of the Reporting Period, there were 38 subsisting investment projects with an investment scale of RMB1,695.0121 million. The investment attributes mainly include co-investment on the STAR Market and equity investment.

3. *Prospect for the second half of 2024*

The asset management business of securities companies will continue to rely on the system of the entire business chain of the Group. With the concept of high-quality development, the Group will advance the capability building and management evolution in asset management of investment bank, investment asset management and digitalization, establish competition barriers with differentiated businesses and achieve hardcore breakthroughs with platform-based operation to fully display the advantages of featured resources of securities companies in asset management and facilitate the achievement of ecological synergy and business transformation. In respect of the asset management business of investment bank, the Group will focus on high-quality development and actively leverage new development landscape to transit to quality asset allocation. In respect of the investment asset management business, the Group will take into account its market analysis as well as customers' needs to continuously market its existing products and launch new products, which cover various strategies and cater for various risk appetites.

In respect of the private equity fund management business, the Group will proactively leverage the guiding effect of patient capital, continue to promote the investment layout on strategic emerging industries, dynamically adjust the investment orientation and the principle of fund allocation, constantly strengthen professional investment management capabilities, actively seek diversified withdrawal paths from investment projects and enhance the active empowerment awareness and value-added service capability on post-investment management. It will leverage advantages in entire business chains of the Group and continue to exploit and explore new businesses to facilitate the diversification of business structure and profit models.

In respect of the asset management business of fund companies, we will continue to strengthen compliance risk control and management and talent team building. We will continue to maintain the exploration of new businesses and the development of new products, fully advance the empowerment system with products as the leading role, continuously optimize all-process and refined customer companion service systems and actively establish digital and intelligent systems and platforms to constantly deepen its research, specialize its investment and comprehensively empower business development.

In respect of the asset management business of futures companies, we will continue to improve the level of compliance risk control and management, comprehensively deepen the establishment of the digital platform system, strengthen the composition of investment teams covering all assets, all strategic lines and all investment instruments based on big platforms, and actively forge a classified and stratified customer service system that is customer-oriented, with an aim to establish a unique product system and management capabilities with differentiated competitiveness.

In respect of the alternative investment business, we will constantly improve system, mechanism and operational process, deepen the construction of the FINTECH ecosystem, and prudently promote the development of equity investment, the follow-on investment on the STAR Market, and other new businesses, and improve capital usage efficiency and return on assets.

(V) *International business*

1. Market environment

In the first half of 2024, the global economy continued to fluctuate with sluggish recovery and insufficient momentum of growth. The performance of the Hong Kong secondary market polarized, with the Hang Seng Index up by 3.94% and the Hang Seng Tech Index down by 5.57%. According to the statistics from Wind Information, the turnover in the Hong Kong stock market was HK\$10.33 trillion, representing a year-on-year decrease of 2.82%. The scale of equity financing in the Hong Kong primary market shrank. The funds raised through IPOs in the market were HK\$13,533 million, representing a year-on-year decrease of 24.21%. The funds raised upon listing were HK\$46,285 million, representing a year-on-year decrease of 13.08%. The US secondary market recorded a strong performance with the Dow Jones Industrial Average, the S&P 500 and the Nasdaq up by 3.79%, 14.48% and 18.13%, respectively. According to the statistics from Wind Information, the turnover in the US stock market was USD54.69 trillion, representing a year-on-year increase of 24.86%. The US primary market showed vitality and an increasing trend of the financing scale. The size of funds raised through IPOs in the market was USD19,375 million, representing a year-on-year increase of 65.51%. The scale of additional offerings was USD63,254 million, representing a year-on-year increase of 40.10%. The funds from investors in the US TAMP market showed a trend of transferring to investment products with lower costs and rates. The TAMP industry can keep empowering and fueling the wealth management business through leading FINTECH development, which can bring the cost advantage of scale to customers and help them grasp development opportunities.

With the deepening of measures on the high-level institutional and systemic opening up of the capital market in China, the cross-border interconnection mechanism of capital market was continuously expanded and optimized, the varieties of cross-border products were increasingly diversified and the facilitation of cross-border investment and financing was increasingly improved, which expanded the room for the development of cross-border businesses and the international layout of securities companies and raised higher requirements on the integrated risk control capability covering different regions, markets and varieties.

2. *Operational measures and achievements*

During the Reporting Period, as the Group's holding platform for international business, Huatai International fully seized the strategic opportunities brought by the deepening interconnection of capital market and was fully integrated into the full business chain system of the Group. It consolidated its intermediary positioning in the capital market, deeply explored the customer-oriented, integrated and platform-based cross-border service ecosystem, so as to better serve Chinese customers to "go global" and "bring in" overseas customers. It strictly controlled risks, diversified product categories, expanded market channels and improved customer experience to meet customers' demands for global asset allocation. It remained stable and orderly business operation with its influence in overseas markets continuously enhancing. As of the end of the Reporting Period, Huatai International recorded an improvement in its overall performance against the sluggish market, ranking it among the leading Chinese-funded securities firms in Hong Kong in terms of various financial indicators.

(1) Business in Hong Kong

In terms of business in Hong Kong, the Group adhered to its origins as a brokerage firm, with cross-border business as the leverage, built all-dimensional and comprehensive cross-border financial service platform systems and remained stable in terms of its business scale in the volatile market environment with its advanced platform strength and effective risk control capabilities. During the Reporting Period, the business systems including the equity business platform, fixed-income business platform, wealth management platform, fund management platform and flagship investment banking business continued to deepen with enhancing differentiated competitive advantages. For the equity derivatives business, the Group has fully utilized the advantages of the Group's platforms to continuously diversify product categories, hedge risk fluctuations in an effective and timely manner, steadily develop its business, and constantly consolidate its leading position in the industry; for the stock sales and transactions business, the Group focused on one-stop and comprehensive cross-border financial services on "spot equities + cross-border prime brokerage + QFII" to proactively expand customer bases in overseas markets and optimize business strategies. The market share of its RMB-HKD dual-currency counter market making and trading businesses continuously improved, covering all 24 subjects; for FICC business, the Group strictly controlled risks, deepened the adjustment of strategies, adhered to the core and customer-oriented agency business, leveraged the platform to improve the cross-border sales and trading systems; for the wealth management business, the Group continuously improved online and offline platform-based and integrated operation, constantly optimized the functions and operating capability of the "ZhangLe Global" (漲樂全球通) platform and significantly boosted the sales volume of wealth products through enhancing product strength, deepening business linkage and improving sales management systems; for the fund business, the Group strictly controlled risks for the

private equity investment business and proactively deployed international business based on customer demands and continuously promoted business transformation of the asset management business, continuously improved proactive management capabilities and product design and supply capabilities; for the investment banking business, the Group practically strengthened cross-market execution and service capabilities and continuously improved the client-centric and comprehensive cross-border investment banking service platform and systems, maintaining sufficient pipeline projects.

During the Reporting Period, the Group's business in Hong Kong maintained healthy and balanced development. As for securities trading, Huatai Financial Holdings (Hong Kong) achieved the total assets under custody of HK\$83.428 billion and the total stocks trading volume of HK\$172.343 billion; as for advising on securities, it actively provided research reports and advisory services for customers; as for advising on corporate finance, it participated in completion of 5 listing, placement, re-financing and GDR projects and 114 bond issue projects with the total amount of trading and issuance of HK\$11.299 billion; as for financing for securities deposits, the accumulated credit amount was HK\$1.862 billion. During the Reporting Period, Huatai Financial Holdings (Hong Kong) registered as a lead underwriter in the Tokyo PRO-BOND market.

(2) AssetMark

AssetMark's mission is to make a difference in the lives of independent investment advisors and the investors they serve. The advantages of AssetMark's core business include a fully integrated platform with compelling technology, personalized and scalable services and curated investment management function. Such clear business strategies guided AssetMark to define its short-term and long-term goals. AssetMark designs and aligns its strategies to things that matter most to advisors and that differentiate it in the TAMP marketplace.

During the Reporting Period, AssetMark maintained its leading position in the industry through leading business models and advanced technology platforms, steadily expanded the scale of the platform assets and constantly increased the business revenue. As of the end of the Reporting Period, the total platform assets of AssetMark reached USD119.387 billion, representing an increase of 9.60% from the end of 2023 and ranking among the top in the industry; the AssetMark platform served an aggregate of 9,245 independent investment advisors, of whom, 3,238 active investment advisors manage assets of more than USD5 million, representing an increase of 3.68% from the end of 2023; the total investor households served by the AssetMark platform reached 261,341, representing an increase of 2.85% from the end of 2023. During the Reporting Period, 164 new investment advisors signed contracts with AssetMark.

(3) Huatai Securities (USA)

With the approval of the US Financial Industry Regulatory Authority, Huatai Securities (USA) obtained the broker-dealer license in 2019 and obtained the license for proprietary trading in 2020. It obtained the business qualification for securities trading with institutional investors in Canada in 2021, obtained market access to major stock exchanges in Europe in 2022, became an introducing broker for US futures products in 2023, and was qualified as a broker and dealer for US Treasuries during the Reporting Period. During the Reporting Period, Huatai Securities (USA) officially launched its FICC business, constantly expanded the variety of products and market channels of FICC trading as an agency for customers and continuously optimized the cross-border linkage and coordination mechanism of US local businesses with domestic and Hong Kong businesses, providing integrated services to global investors. During the Reporting Period, as a lead underwriter, Huatai Securities (USA) successfully assisted a subsidiary of Haidilao (海底撈) in its listing on the Nasdaq in the US.

(4) Singapore Subsidiary

Singapore Subsidiary obtained the licenses on capital market services and the qualification as an exempt financial advisor issued by Monetary Authority of Singapore in September 2023 and conducts securities trading and corporate financing businesses in Singapore in compliance with laws and regulations. During the Reporting Period, Singapore Subsidiary actively advanced the establishment of its trading platform, continued to build an ecosystem of “investment bank + wealth management + institutional trading”, focused on the development of Southeast Asian capital market service and investment banking business based in Singapore, dedicated to providing one-stop trading services with Chinese characteristics for investors to fully support the overseas strategic development of the Group. Singapore Subsidiary deeply explored customers’ demands, carried out equity derivatives and fixed-income businesses, and proactively sought new business breakthroughs.

3. *Prospect for the second half of 2024*

Huatai International will proactively seize the strategic opportunities brought by the high-level opening up, continue to deepen its global layout, constantly tap into customer demands, and develop and optimize classified and stratified integrated service systems. Relying on the platform-based operation, it will effectively improve the synergy and efficiency in the full business chain and strictly control risks to increasingly improve the market competitiveness and the position in the industry.

For the business in Hong Kong, the Group will continue to consolidate its intermediary positioning in the cross-border capital market and provide customers with one-stop financial services. For equity derivatives business, the Group will continue to solidify its business strengths, and leverage its platform to strengthen the levels of customer services in all aspects; for stock sales and trading business, the Group will focus on customers' demands, build and optimize a classified and stratified integrated service system and continue to rely on its platform-based strategy to effectively improve the synergy and efficiency in the full business chain; for FICC business, the Group will deeply tap into customers' demands, enhance the capability on integrated sales and transactions based on the upgrading and iteration of platforms and match multi-layered onshore and offshore investment and transaction demands of customers; for wealth management business, the Group will optimize the fundamental functions of its platform and diversify its product trading services with the orientation of improving customers' core experience, improve its client classification and stratification and domestic and overseas linkage and coverage and further improve its service levels; for fund business, the Group will continue to strictly control risks, implement the fund-based business operation, expand fees-based businesses, actively seize market opportunities and leverage on the resources advantage across the entire industrial chain to empower customers; for investment banking business, the Group will fully display the advantages in onshore and offshore integration, expand the coverage of customers and projects in key areas, deeply explore business opportunities in advantageous regions and continuously improve the quality and efficiency in the execution of projects.

AssetMark will continue to rely on the advantages of the core business, optimize the integrated technology platform, improve customizable and scaled services, strengthen advanced investment management capabilities and cultivate a flexible and professional wealth management ecosystem. AssetMark will continue to deepen its corporative relationship with existing investment advisory customers and further expand its investment advisory customer base by focusing on customers' needs, providing differentiated services and helping customers grow and develop their businesses. AssetMark will continue to upgrade its digital tools and platforms to empower investment advisors, improve interaction experience and office collaboration, and help investment advisors navigate their clients' financial health plans. It will vigorously expand customer channels and devote itself to improving the operation efficiency and reducing operational risks through promoting scale-based business and the practice of the listed company in performing social responsibilities.

Huatai Securities (USA) will actively seize cross-border business opportunities, continuously expand business layout, constantly improve the business collaboration capabilities and expand the depth and breadth of the coverage over global institutional investors. It will continuously improve stocks and the platform and product systems of the FICC cross-border trading for customers as an agent, actively broaden service radiation channels and provide all-round services to meet the asset allocation and risk hedging needs of global investors.

Singapore Subsidiary will seize the international development opportunities of the enterprise and provide services to customers based on the underwriting qualification on the Singapore Exchange. It will build an all-round wealth management ecosystem, continuously enrich the varieties of products and enhance the ability of asset allocation. It will actively build an institutional business platform, constantly expand its business layout, keep improving its service system and enhance its ability to provide lifecycle services for cross-border products and businesses.

(VI) Digital development

1. Digital finance development strategy

The Group is committed to building technology as one of the core competencies of the Company, expanding the application of digital finance, consolidating the base of FINTECH and promoting digital transformation across the board. The Group will give further play to the critical role of technology in business development to unleash the value of “business + technology” integration. While pursuing platform-based and intelligent integration, the Group will take into account the current situation and make concrete efforts in promoting platform-based business, through which it is eager to effectively improve customer service experience and business operation efficiency. For long-term development, it endeavors to build key capability in FINTECH by taking advantage of big data and AI technology and consolidate its core business ability by innovating new business models. By strengthening the guarantee in organisational mechanism and optimizing the metrics-based appraisal system, the Group is doing more work in the cultivation of versatile talents and the creation of an innovative atmosphere, hoping to fully transform its technological advantages into leading value creativity in its core business and first-class competitive advantages in the market.

2. Major measures and results in digital transformation during the Reporting Period

During the Reporting Period, focusing on the four overall targets of digital transformation, namely to achieve “client’s success, business innovation, operation optimization and employee empowering”, the Group has built differentiated competitive advantages by building platform-based capabilities, depositing data assets and implementing organisational mechanisms with OKR management mechanism as the leverage to make solid progress in various works, practically enhance business value and increase the sense of gain for customers and employees.

In terms of “client’s success”, “ZhangLe Fortune Path” (漲樂財富通) continued to build the middle platform with financial capabilities, empower content operation and improve its case-by-case service capabilities to comprehensively enhance customer services and experience. In terms of the one-stop institutional client service platform of “Xingzhi” (行知), for institutional investment managers and analysts, the Group has built an overseas research zone to provide in-depth research on overseas markets based on the global interconnection; for corporate clients, it has launched the strategic placing module, roadshow arrangements for investment banking equity projects, industry chain mapping and other key functional modules. In terms of the Onboarding Platform, it continued to promote the unified management and service capabilities for institutional clients, accounts and users.

In terms of “business innovation”, the global trading platform was put into formal operation, creating one-stop service solutions for trading, risk control, execution algorithms, and clearing and settlement, which would help shape the Company’s differentiated core competitiveness. The AI market-making platform supported major businesses to enhance market-making capability, made full use of technological empowerment to form differentiated competitiveness and upgraded the AI signaling and forecasting capabilities on market-making to strengthen the construction of high-performance market-making strategy platform and further enhance the core performance of self-developed market-making transactions.

In terms of “operation optimization”, the investment banking cloud platform was optimized and upgraded in four directions, namely, solicitation, operation, sales and collaboration, and the online and automated anti-money laundering verification of all types of clients in investment banking business was completed, which was the first of its kind in the investment banking business. The risk control platform focused on enhancing the ability of unified risk measurement and closed-loop control, enriching and upgrading the measurement tool model and continuously consolidating the data base.

In terms of “employee empowering”, “AORTA” (聊TA), the intelligent investment consulting platform, continued to build business tools to empower investment advisors, optimized the ability of allocation services and enhanced the ability of trading services. “Qing Cloud” (青雲), the sales management platform for institutional customers, actively expanded the synergy of the whole business chain, improved the collaboration process of research and study, expert roadshow, etc., and continued to improve the AI capability and optimized the intelligent application scenarios.

(VII) Business innovation and its effects on the Company's business performance, future development and risk control

During the Reporting Period, the Company continued to carry out business innovation activities, promoted the innovation of business, products, services and management modes, and constantly improved its innovation ability. The development of innovative business is a supplement to the existing product lines and business scope, which can effectively release business space, expand client resources and revenue sources, enhance profitability, as well as improve customer structure and business model, meet customers' full and diversified business needs, and further enhance brand influence.

During the Reporting Period, the Company continued to improve the management mechanism on new businesses, improved the new business evaluation quality and strengthened risk management, paid closer attention to the backtracking and the implementation of control measures, guided its subsidiaries to optimize the risk evaluation and management system of new business, improve the evaluation model of cross-border business and enhance the evaluation adequacy and compliance of new business.

(VIII) There were no significant changes in the Company's operation status during the Reporting Period and there were no matters that had or expected to have significant influence in the future on the Company's operation during the Reporting Period

V. MAJOR OPERATIONS DURING THE REPORTING PERIOD

(I) Main businesses analysis

1. Analysis table of the changes in relevant items of the income statement and the cash flow statement

Unit: Thousand Yuan Currency: RMB

Item	Amount for the current period	Amount for the same period of last year	Change percentage (%)
Total revenue, other income and gains	24,878,295	25,952,554	(4.14)
Total expenses	(19,928,845)	(19,203,039)	3.78
Profit before income tax	5,576,128	7,997,428	(30.28)
Profit for the current period attributable to the shareholders of the Company	5,310,704	6,555,640	(18.99)
Net cash generated from/(used in) operating activities	37,605,298	(13,683,077)	N/A
Net cash generated from/(used in) investing activities	6,730,216	(6,228,242)	N/A
Net cash (used in)/generated from financing activities	(43,095,623)	5,981,043	N/A
Net increase/(decrease) in cash and cash equivalents	1,239,891	(13,930,276)	N/A

2. Revenue, other income and gains

As of June 30, 2024, the Group recorded total revenue, other income and gains of RMB24,878 million, representing a year-on-year decrease of 4.14%, in which:

- (1) Fee and commission income recorded a year-on-year decrease of 13.89% to RMB8,374 million, accounting for 33.66%, mainly due to the decrease in income from securities brokerage and advisory business.
- (2) Interest income recorded a year-on-year decrease of 5.57% to RMB6,858 million, accounting for 27.57%, mainly due to the decrease in interest income from margin financing and securities lending and interest income from financial institutions.
- (3) Net investment gains recorded a year-on-year decrease of 27.57% to RMB4,214 million, accounting for 16.94%, mainly due to the decrease in revenue from the Group's investment business.
- (4) Other income and gains recorded a year-on-year increase of 72.66% to RMB5,431 million, accounting for 21.83%, mainly due to the increase in income from sales of bulk commodity of the Group.

Unit: Thousand Yuan Currency: RMB

Item	From January 1 to June 30, 2024		From January 1 to June 30, 2023		Increase/decrease	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Fee and commission income	8,374,416	33.66%	9,725,697	37.47%	(1,351,281)	(13.89)%
Interest income	6,858,494	27.57%	7,262,841	27.99%	(404,347)	(5.57)%
Net investment gains	4,214,424	16.94%	5,818,466	22.42%	(1,604,042)	(27.57)%
Other income and gains	5,430,961	21.83%	3,145,550	12.12%	2,285,411	72.66%
Total revenue, other income and gains	<u>24,878,295</u>	<u>100.00%</u>	<u>25,952,554</u>	<u>100.00%</u>	<u>(1,074,259)</u>	<u>(4.14)%</u>

3. Total expenses

As of June 30, 2024, the Group's total expenses were RMB19,929 million, representing a year-on-year increase of 3.78%, mainly due to the increase in other operating expenses, in which:

- (1) Fee and commission expenses amounted to RMB1,913 million, representing a year-on-year decrease of 12.17%, mainly due to the decrease in expenses of securities brokerage business.
- (2) Interest expenses amounted to RMB6,148 million, representing a year-on-year decrease of 7.15%, mainly due to the decrease in interest expenses of debt financing.
- (3) Staff costs amounted to RMB3,880 million, representing a year-on-year decrease of 21.58%, mainly due to the decrease in accrued staff costs of the Group.
- (4) Other expenses mainly include depreciation and amortisation expenses, tax and surcharges as well as impairment losses under expected credit loss model, net of reversal and other operating expenses.

Unit: Thousand Yuan Currency: RMB

Item	From January 1 to June 30, 2024		From January 1 to June 30, 2023		Increase/decrease	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Fee and commission expenses	(1,912,923)	9.60%	(2,177,899)	11.34%	264,976	(12.17)%
Interest expenses	(6,147,948)	30.85%	(6,621,612)	34.49%	473,664	(7.15)%
Staff cost	(3,880,037)	19.47%	(4,947,559)	25.76%	1,067,522	(21.58)%
Depreciation and amortisation expenses	(948,614)	4.76%	(910,885)	4.74%	(37,729)	4.14%
Tax and surcharges	(75,930)	0.38%	(97,440)	0.51%	21,510	(22.08)%
Other operating expenses	(7,480,103)	37.53%	(4,865,656)	25.34%	(2,614,447)	53.73%
Impairment losses under expected credit loss model, net of reversal	516,710	(2.59)%	418,012	(2.18)%	98,698	23.61%
Total expenses	<u>(19,928,845)</u>	<u>100.00%</u>	<u>(19,203,039)</u>	<u>100.00%</u>	<u>(725,806)</u>	<u>3.78%</u>

4. Analysis of segment revenue, other income and gains and segment expenses

(1) Analysis of segment revenue, other income and gains

Unit: Thousand Yuan Currency: RMB

Business segment	Segment revenue, other income and gains for the current period	Percentage of total segment revenue, other income and gains for the current period (%)	Segment revenue, other income and gains for the same period of last year	Percentage of total segment revenue, other income and gains for the same period of last year (%)	Increase or decrease in percentage of total segment revenue, other income and gains as compared to the same period of last year
Wealth management business	10,487,535	42.16	10,741,998	41.39	Increase of 0.77 percentage point
Institutional services business	3,241,111	13.03	5,948,069	22.92	Decrease of 9.89 percentage points
Investment management business	1,088,046	4.37	1,973,923	7.61	Decrease of 3.24 percentage points
International business	8,823,779	35.47	6,092,327	23.47	Increase of 12.00 percentage points
Others (including offset)	1,237,824	4.97	1,196,237	4.61	Increase of 0.36 percentage point

During the Reporting Period, on a consolidated basis, the Group recorded revenue, other income and gains of RMB24,878 million in total, representing a year-on-year decrease of 4.14%. Among the principal business segments, as influenced by the market, segment revenue from wealth management business, institutional services business and investment management business of the Group decreased by RMB254 million, RMB2,707 million and RMB886 million as compared to the same period of last year, respectively, international business segment maintained a favorable growth, with revenue increasing by RMB2,731 million as compared to the same period of last year.

(2) Analysis on segment expenses

Unit: Thousand Yuan Currency: RMB

Business segment	Segment expenses for the current period	Percentage of total segment expenses for the current period (%)	Segment expenses for the same period of last year	Percentage of total segment expenses for the same period of last year (%)	Increase or decrease in percentage of total segment expenses as compared to the same period of last year
Wealth management business	(6,595,415)	33.09	(6,877,949)	35.82	Decrease of 2.73 percentage points
Institutional services business	(2,898,556)	14.54	(4,014,967)	20.91	Decrease of 6.37 percentage points
Investment management business	(644,099)	3.23	(781,979)	4.07	Decrease of 0.84 percentage point
International business	(7,807,619)	39.18	(5,286,316)	27.53	Increase of 11.65 percentage points
Others (including offset)	(1,983,156)	9.96	(2,241,828)	11.67	Decrease of 1.71 percentage points

In terms of expenses of each business segment as a percentage of total expenses of the Group, expenses of wealth management business, institutional services business and investment management business segments decreased by 2.73 percentage points, 6.37 percentage points and 0.84 percentage point, respectively, and the international business segment increased by 11.65 percentage points.

5. Analysis on cash flow

Unit: Thousand Yuan Currency: RMB

Item	Amount for the current period	Amount for the same period of last year	Amount of increase or decrease	Percentage of increase or decrease (%)
Net cash generated from/(used in) operating activities	37,605,298	(13,683,077)	51,288,375	N/A
Net cash generated from/(used in) investing activities	6,730,216	(6,228,242)	12,958,458	N/A
Net cash (used in)/generated from financing activities	(43,095,623)	5,981,043	(49,076,666)	N/A
Net increase/(decrease) in cash and cash equivalents	1,239,891	(13,930,276)	15,170,167	N/A

During the Reporting Period, the net increase in cash and cash equivalents of the Group was RMB1,240 million, in which:

- (1) Net cash generated from operating activities was RMB37,605 million, representing an increase of RMB51,288 million as compared to the same period of last year, mainly due to the decrease in financial instruments at fair value through profit or loss for the current period.
- (2) Net cash generated from investing activities was RMB6,730 million, representing an increase of RMB12,958 million as compared to the same period of last year, mainly due to the decrease in the amount used for purchase of financial assets at fair value through other comprehensive income and debt instruments at amortised cost for the current period.
- (3) Net cash used in financing activities was RMB43,096 million, representing a decrease of RMB49,077 million as compared to the same period of last year, mainly due to the decrease in proceeds from the issuance of short-term debt instruments and long-term bonds for the current period.

6. *Detailed description of significant changes in the Group's business types, components or sources of profit*

Unit: Thousand Yuan Currency: RMB

Item	Amount for the current period	Amount for the same period of last year	Year-on-year change (%)	Principal reason
Total revenue, other income and gains	24,878,295	25,952,554	(4.14)	Decrease in fee and commission income and net investment gains
Total expenses	(19,928,845)	(19,203,039)	3.78	Increase in other operating expenses
Operating profit	4,949,450	6,749,515	(26.67)	Decrease in total revenue, other income and gains
Profit before income tax	5,576,128	7,997,428	(30.28)	Decrease in total revenue, other income and gains
Profit for the period	5,472,293	6,662,478	(17.86)	Decrease in total revenue, other income and gains
Among which: profit for the current period attributable to shareholders of the Company	5,310,704	6,555,640	(18.99)	Decrease in total revenue, other income and gains

Item	Balance as at the end of the period	Balance as at the beginning of the period	Year-on-year change (%)	Principal reason
Total assets	834,581,631	905,508,389	(7.83)	Decrease in financial assets
Total liabilities	651,153,344	723,290,957	(9.97)	Decrease in debt financing
Total shareholders' equity	183,428,287	182,217,432	0.66	Realization of profit for the year

(II) Analysis of key items of consolidated statement of financial position

1. General description of consolidated statement of financial position

Unit: Thousand Yuan Currency: RMB

Item	As at June 30, 2024		As at December 31, 2023		Increase/decrease	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Non-current assets						
Property and equipment	6,347,539	0.76%	6,519,710	0.72%	(172,171)	(2.64)%
Investment properties	132,730	0.02%	136,284	0.02%	(3,554)	(2.61)%
Goodwill	51,342	0.01%	3,419,332	0.38%	(3,367,990)	(98.50)%
Land use rights and other intangible assets	2,061,120	0.25%	7,515,260	0.83%	(5,454,140)	(72.57)%
Interest in associates	19,994,160	2.40%	19,496,027	2.15%	498,133	2.56%
Interest in joint ventures	1,225,153	0.15%	1,299,405	0.14%	(74,252)	(5.71)%
Debt instruments at amortised cost	45,477,986	5.45%	45,404,582	5.01%	73,404	0.16%
Debt instruments at fair value through other comprehensive income	10,118,390	1.21%	15,207,952	1.68%	(5,089,562)	(33.47)%
Equity instruments at fair value through other comprehensive income	157,194	0.02%	124,506	0.01%	32,688	26.25%
Financial assets at fair value through profit or loss	6,637,522	0.80%	7,952,021	0.88%	(1,314,499)	(16.53)%
Refundable deposits	36,111,233	4.33%	40,544,278	4.48%	(4,433,045)	(10.93)%
Deferred tax assets	761,121	0.09%	702,722	0.08%	58,399	8.31%
Other non-current assets	273,723	0.03%	311,789	0.03%	(38,066)	(12.21)%
Total non-current assets	129,349,213	15.50%	148,633,868	16.41%	(19,284,655)	(12.97)%

Item	As at June 30, 2024		As at December 31, 2023		Increase/decrease	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Current assets						
Accounts receivable	5,961,724	0.71%	9,743,761	1.08%	(3,782,037)	(38.81)%
Other receivables, prepayments and other current assets	3,452,277	0.41%	2,539,985	0.28%	912,292	35.92%
Margin accounts receivable	103,558,948	12.41%	112,341,094	12.41%	(8,782,146)	(7.82)%
Debt instruments at amortised cost	3,408,517	0.41%	4,712,230	0.52%	(1,303,713)	(27.67)%
Financial assets held under resale agreements	18,046,387	2.16%	12,460,232	1.38%	5,586,155	44.83%
Debt instruments at fair value through other comprehensive income	1,307,935	0.16%	1,054,048	0.12%	253,887	24.09%
Financial assets at fair value through profit or loss	357,310,363	42.81%	405,127,363	44.74%	(47,817,000)	(11.80)%
Derivative financial assets	16,722,487	2.00%	16,259,881	1.80%	462,606	2.85%
Clearing settlement funds	5,507,664	0.66%	9,129,266	1.01%	(3,621,602)	(39.67)%
Cash held on behalf of brokerage clients	136,526,473	16.36%	137,210,295	15.15%	(683,822)	(0.50)%
Cash and bank balances	41,935,737	5.02%	46,296,366	5.11%	(4,360,629)	(9.42)%
Held-for-sale assets	11,493,906	1.38%	–	–	11,493,906	–
Total current assets	705,232,418	84.50%	756,874,521	83.59%	(51,642,103)	(6.82)%
Total assets	834,581,631	100.00%	905,508,389	100.00%	(70,926,758)	(7.83)%
Current liabilities						
Short-term bank loans	5,981,886	0.92%	11,478,573	1.59%	(5,496,687)	(47.89)%
Short-term debt instruments issued	16,722,439	2.57%	25,475,507	3.52%	(8,753,068)	(34.36)%
Placements from other financial institutions	36,138,245	5.55%	39,536,527	5.47%	(3,398,282)	(8.60)%
Accounts payable to brokerage clients	151,215,299	23.22%	144,701,360	20.01%	6,513,939	4.50%
Employee benefits payable	3,901,991	0.60%	4,151,439	0.57%	(249,448)	(6.01)%
Other payables and accruals	93,379,915	14.34%	113,884,799	15.75%	(20,504,884)	(18.00)%
Contract liabilities	374,422	0.06%	177,500	0.02%	196,922	110.94%
Current tax liabilities	336,614	0.05%	493,520	0.07%	(156,906)	(31.79)%
Financial assets sold under repurchase agreements	134,418,684	20.64%	144,056,149	19.92%	(9,637,465)	(6.69)%
Financial liabilities at fair value through profit or loss	39,237,346	6.03%	43,710,135	6.04%	(4,472,789)	(10.23)%
Derivative financial liabilities	15,986,446	2.46%	16,848,878	2.33%	(862,432)	(5.12)%
Long-term bonds due within one year	43,992,419	6.76%	44,803,489	6.19%	(811,070)	(1.81)%
Held-for-sale liabilities	1,910,390	0.29%	–	–	1,910,390	–
Total current liabilities	543,596,096	83.48%	589,317,876	81.48%	(45,721,780)	(7.76)%

Item	As at June 30, 2024		As at December 31, 2023		Increase/decrease	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Net current assets	161,636,322	–	167,556,645	–	(5,920,323)	(3.53)%
Total assets less current liabilities	<u>290,985,535</u>	<u>–</u>	<u>316,190,513</u>	<u>–</u>	<u>(25,204,978)</u>	<u>(7.97)%</u>
Non-current liabilities						
Derivative financial liabilities	110,198	0.02%	32,763	–	77,435	236.35%
Long-term bonds	91,369,725	14.03%	115,012,512	15.90%	(23,642,787)	(20.56)%
Long-term bank loans	–	–	647,052	0.09%	(647,052)	(100.00)%
Non-current employee benefits payable	6,524,305	1.00%	6,431,780	0.89%	92,525	1.44%
Deferred tax liabilities	520,859	0.08%	1,960,663	0.27%	(1,439,804)	(73.43)%
Financial liabilities at fair value through profit or loss	8,298,877	1.27%	8,961,031	1.24%	(662,154)	(7.39)%
Other payables and accruals	<u>733,284</u>	<u>0.11%</u>	<u>927,280</u>	<u>0.13%</u>	<u>(193,996)</u>	<u>(20.92)%</u>
Total non-current liabilities	<u>107,557,248</u>	<u>16.52%</u>	<u>133,973,081</u>	<u>18.52%</u>	<u>(26,415,833)</u>	<u>(19.72)%</u>
Net assets	<u>183,428,287</u>	<u>–</u>	<u>182,217,432</u>	<u>–</u>	<u>1,210,855</u>	<u>0.66%</u>
Shareholders' equity						
Share capital	9,029,385	4.92%	9,074,663	4.98%	(45,278)	(0.50)%
Other equity instruments	25,700,000	14.01%	25,700,000	14.10%	–	–
Treasury shares	(117,982)	(0.06)%	(1,064,173)	(0.58)%	946,191	(88.91)%
Reserves	102,592,836	55.93%	102,967,146	56.51%	(374,310)	(0.36)%
Retained profits	42,883,098	23.38%	42,430,731	23.29%	452,367	1.07%
Total equity attributable to shareholders of the Company	180,087,337	98.18%	179,108,367	98.29%	978,970	0.55%
Non-controlling interests	<u>3,340,950</u>	<u>1.82%</u>	<u>3,109,065</u>	<u>1.71%</u>	<u>231,885</u>	<u>7.46%</u>
Total shareholders' equity	<u>183,428,287</u>	<u>100.00%</u>	<u>182,217,432</u>	<u>100.00%</u>	<u>1,210,855</u>	<u>0.66%</u>

As of June 30, 2024, total non-current assets of the Group amounted to RMB129,349 million, representing a decrease of RMB19,285 million as compared to the beginning of the year, which was mainly due to the decrease in land use rights and other intangible assets, debt instruments at fair value through other comprehensive income, refundable deposits and goodwill of RMB5,454 million, RMB5,090 million, RMB4,433 million and RMB3,368 million, respectively.

As of June 30, 2024, total non-current liabilities of the Group amounted to RMB107,557 million, representing a decrease of RMB26,416 million as compared to the beginning of the year, which was mainly due to the decrease in long-term bonds of RMB23,643 million.

As of June 30, 2024, total current assets of the Group amounted to RMB705,232 million, representing a decrease of RMB51,642 million as compared to the beginning of the year, which was mainly due to the decrease in financial assets at fair value through profit or loss and margin accounts receivable of RMB47,817 million and RMB8,782 million, respectively.

As of June 30, 2024, total current liabilities of the Group amounted to RMB543,596 million, representing a decrease of RMB45,722 million as compared to the beginning of the year, which was mainly due to the decrease in other payables and accruals, financial assets sold under repurchase agreements and short-term debt instruments issued of RMB20,505 million, RMB9,637 million and RMB8,753 million, respectively.

2. *Major restricted assets as of the end of the Reporting Period*

As of the end of the Reporting Period, major restricted assets of the Group totaled RMB182,513,852 thousand, including cash and bank balances, financial assets at fair value through profit or loss, debt investment at amortised cost, debt instruments at fair value through other comprehensive income and interest in associates. Except for the above assets, no major assets of the Group were seized, detained, frozen, mortgaged or pledged so that they could or could not be realized, or could not be used to pay the debts only under a certain condition. There was no circumstance or arrangement under which the major assets were occupied, used or benefited or the disposal of them was limited.

3. *Contingent liabilities*

For contingent liabilities during the Reporting Period, please refer to “56. Outstanding litigations” of “Notes to the Condensed Consolidated Financial Statements” in “Interim Financial Report” of this report.

4. *Structure and quality of assets*

As of June 30, 2024, total shareholders’ equity of the Group amounted to RMB183,428 million, representing an increase of RMB1,211 million or 0.66% as compared to that as of the end of 2023, which was mainly due to the realization of profit retention by the Group during the Reporting Period.

The asset structure of the Group continued to be optimized and the assets maintained good quality and liquidity. As of June 30, 2024, total assets of the Group amounted to RMB834,582 million, representing a decrease of RMB70,927 million or 7.83% as compared to the beginning of the year. Specifically, cash and bank balances, cash held on behalf of brokerage clients and clearing settlement funds of the Group amounted to RMB183,970 million, accounting for 22.04% of the total assets; margin accounts receivable amounted to RMB103,559 million, accounting for 12.41% of the total assets; financial assets at fair value through profit or loss amounted to RMB363,948 million, accounting for 43.61% of the total assets; debt instruments at amortised cost and financial assets at fair value through other comprehensive income amounted to a total of RMB60,470 million, accounting for 7.25% of the total assets; property and equipment, investment properties and other intangible assets accounted for 1.02% of the total assets. Most of the assets have strong cashability. The Group’s assets have strong liquidity and the asset structure is reasonable.

During the Reporting Period, the Group's debt-to-assets ratio decreased. As of June 30, 2024, the liabilities of the Group amounted to RMB651,153 million, representing a decrease of RMB72,138 million or 9.97% as compared to the beginning of the year. The debt-to-assets ratio was 73.16% (excluding the impact of customer funds), representing a decrease of 2.89 percentage points as compared to the beginning of the year.

As of June 30, 2024, the Group obtained funds through borrowings and debt financing instruments. As of the end of the Reporting Period, total principal of the placements from other financial institutions of the Group amounted to RMB194,205 million. Details are shown as follows:

Unit: Thousand Yuan Currency: RMB

	As of June 30, 2024
Borrowings and debt financing plans	
Placement from China Securities Finance Corporation Limited	—
Placement from other financial institutions	36,138,245
Short-term borrowings	5,981,886
Short-term financing funds payable	16,722,439
Long-term borrowings	—
Bonds payable	135,362,144
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Total principal amount	194,204,714
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Borrowings and debt financing with a financing maturity of more than one year were RMB138,591 million, accounting for 71.36%. Among them, programs with a financing maturity of one to two years were RMB3,228 million, those with a financing maturity of two to five years were RMB80,345 million, and those with a financing maturity of over five years were RMB55,018 million. Borrowings and debt financing with a financing maturity of less than one year were RMB55,614 million, accounting for 28.64%.

As of June 30, 2024, the Group's borrowings and debt financing with fixed interest rate were RMB188,120 million. In particular, the balance of short-term borrowings was RMB5,982 million, the balance of placements from other financial institutions was RMB36,138 million, the balance of income receipts with fixed interest rate was RMB4,321 million, the balance of corporate bonds was RMB104,520 million, the balance of subordinated debts was RMB14,310 million, and the balance of foreign debts was RMB22,849 million.

As of June 30, 2024, cash and cash equivalents of the Group amounted to RMB61,371 million, of which RMB cash and cash equivalents accounted for 71.48%.

As of June 30, 2024, the Group's short-term bank borrowings included balance of credit borrowings of RMB5,236 million, and that of pledge borrowings of RMB746 million.

As of June 30, 2024, the Group had no long-term bank borrowings.

5. *Analysis of profitability*

In the first half of 2024, the Group firmly implemented the “two-pronged” (雙輪驅動) core strategy of wealth management and institutional services under technology empowerment, and constantly unleashed development momentum. Its comprehensive strength soundly ranked in the forefront of the industry.

6. *Explanations on the changes in the scope of consolidation of the statements*

The Group consolidated the structured entities where the Group serves as the manager and/or as the investor, and where the Group will be, upon comprehensive assessment, significantly affected by variable returns due to the returns attributable to it for its investment and remuneration as the manager of the structured entities (mainly refers to asset management plan). The structured entities of the Group, which were included in the consolidated statement scope during the period, decreased by 7 with another 7 added as compared with last year.

7. *Analysis of income tax policy*

During the Reporting Period, the Company's income tax was subject to the Corporate Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) and the Enforcement Regulations of Corporate Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》). The calculation and payment methods of the income tax shall be subject to the Announcement of the State Administration of Taxation on Issuing the Measures for the Consolidated Collection of Corporate Income Tax on Trans-regional Business Operations (Announcement [2012] No. 57 of the State Administration of Taxation) (《國家稅務總局關於印發〈跨地區經營匯總納稅企業所得稅徵收管理辦法〉的公告》(國家稅務總局公告[2012]57號)). The income tax rate applicable to the Company and its domestic subsidiaries is 25%. The Company enjoys the preferential policy of calculating and deducting research and development expenses, and the profit tax rate applicable to the Hong Kong subsidiary of the Company is 16.5%. Other overseas subsidiaries of the Company are subject to income taxes at tax rates applicable in their jurisdictions.

8. *Analysis of financing channels and financing capacity*

Financing channels	The Company, taking into account the market environment and its own demand, carried out financing in the domestic through stock exchanges, interbank market, counter market and other markets according to relevant policies and regulations. The Company's short-term financing channels included credit lending, bond repurchasing, short-term corporate bonds, income credential and margin refinancing, etc. The Company's medium and long-term financing channels included issuing corporate bonds, non-public corporate bonds, subordinated bonds and perpetual subordinated bonds, etc. Meanwhile, the Company can also introduce offshore funds through the issuance of overseas bonds and medium-term notes as well as bank loan to support the business development of the Company.
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Liquidity
management
policies and
measures

The Company has always attached great importance to liquidity management. As for funds management, it adhered to the principle of “full amount concentrated, allocated in a unified way, valued by classification and monitored timely”. In terms of management and development strategies, it paid attention to matching business scale with liabilities. Based on reasonable asset allocation and diversified debt financing, the Company ensured reasonable matching of duration, scale of assets and liabilities and proper liquidity.

The Company followed the general principles of comprehensiveness, prudence, predictiveness for liquidity risk management according to the centralized management and stratified prevention and control management model, established a liquidity risk management system based on comprehensive risk management framework, set up and improved the liquidity risk management system in line with the Company’s strategy, and implemented liquidity risk management policy with the preference for “steadiness and safety”. The Company ensured there is no liquidity risk that would cause significant impacts on sustainable operation, so as to fully guarantee the steady and safe development of the business of the Company.

To ensure its liquidity safety, the Company has adopted various measures mainly including: 1) constantly improving the capital position management, strengthening the daytime liquidity monitoring system, and enhancing daytime liquidity risk control by keeping abreast of capital usage in business and day-time payment progress in a timely manner, so as to further strengthen liquidity risk prevention and control; 2) strengthening the management for the matching between durations of assets and liabilities and establishing high-quality current asset reserves, ensuring financing to be more diverse and stable; 3) consolidating the construction of the treasury management platform, and strengthening the capabilities of the information system to identify, measure, monitor and control liquidity risks, in order to ensure that the liquidity risks are measurable, controllable and tolerable; 4) analyzing supervisory indicators of cash flow and liquidity risk under certain stress scenarios to evaluate the tolerance level of the Company for liquidity risks and analyzing the stress test results to constantly improve the Company’s response capacity to liquidity risks; 5) continuously strengthening the management on the liquidity risk of subsidiaries and the vertical management on the liquidity risk of overseas subsidiaries to improve subsidiaries’ response capacity to liquidity risks and the Group’s prevention and control of liquidity risks; 6) organising the formulation, exercise and evaluation of a liquidity risk contingency plan, in order to improve the Company’s emergency capacity for liquidity risks; and 7) improving the liquidity risk reporting system, so as to ensure that the management is able to keep abreast of the Group’s liquidity risk level and management situation.

During the Reporting Period, the Company's liquidity coverage ratio (LCR) and net stable funding ratio (NSFR) continued to meet regulatory requirements and maintained enough safe space.

Analysis of financing capability and financing strategy

The Company has operated in compliance with regulations, enjoyed sound reputation as well as strong capital strength, profitability and debt repayment ability, maintained good cooperation relationships with commercial banks, and had sufficient bank credit. As of the end of the Reporting Period, the total credit line obtained by the Company from commercial banks amounted to approximately RMB680 billion, demonstrating a strong short-term and medium-to-long term financing abilities. As of the end of the Reporting Period, after assessment by China Lianhe Credit Rating Co., Ltd., the credit rating of the Company was AAA and the credit rating outlook is stable. After comprehensive assessment by Shanghai Brilliance Credit Rating & Investors Service Co., Ltd., the credit rating of the Company was AAA and the credit rating outlook is stable. After comprehensive assessment by Standard & Poor's, the long-term credit rating of the Company was BBB+ and the credit rating outlook is stable. After comprehensive assessment by Moody's, the long-term credit rating of the Company was Baa1 and the credit rating outlook is stable.

The Company carried out and continuously optimized and adjusted its financing planning by taking into account the market environment and its business demands, to ensure the balance of the Company's assets and liabilities structure and improve the overall efficiency of capital allocation. Meanwhile, the Company maintained the research on the interest rate and exchange rate markets and utilized corresponding financial instruments to avoid risks.

(III) Analysis of investments

1. Overall analysis of external equity investments

As of the end of the Reporting Period, the Group's investment in associates amounted to RMB19,994 million, representing an increase of RMB498 million or 2.55% as compared to RMB19,496 million at the beginning of the period; and the investment in joint ventures amounted to RMB1,225 million, representing a decrease of RMB74 million or 5.70% as compared to RMB1,299 million at the beginning of the period. For the overall situation of the Group's external equity investment, please refer to "20. Interest in associates" and "21. Interest in joint ventures" of "Notes to the Condensed Consolidated Financial Statements" in "Interim Financial Report" of this report.

(1) Significant equity investment of the Company

For significant equity investment of the Company, please refer to “4. Analysis of key subsidiaries” under “(III) Analysis of investments” under “V. Major Operations during the Reporting Period” in “Management discussion and analysis” of this report.

(2) The Company had no significant non-equity investment

(3) Financial assets measured at fair value

Unit: Thousand Yuan Currency: RMB

Item	Balance at the end of last period	Balance at the end of current period	Investment gains during the Reporting Period	The changed amount of fair value during the Reporting Period
Debt instruments at fair value through other comprehensive income	16,262,000	11,426,325	59,511	91,311
Equity instruments at fair value through other comprehensive income	124,506	157,194	—	31,984
Financial assets at fair value through profit or loss	413,079,384	363,947,885	(7,266,345)	(205,279)
Derivative financial instruments	(621,760)	625,843	11,864,743	284,777

(4) There was no major asset restructuring and integration by the Company during the Reporting Period

2. *Sales of significant assets and equities by the Company during the Reporting Period*

During the Reporting Period, the Resolution on the Disposal of the Entire Equity Interests in a Controlled Subsidiary in the United States, AssetMark Financial Holdings, Inc., by Way of Direct Agreement was considered and approved at the ninth meeting of the sixth session of the Board of the Company. The Company proposed to dispose of the entire 50,873,799 ordinary shares of AssetMark held by Huatai International Investment Holdings Limited, an overseas wholly-owned subsidiary of the Company, by way of overall disposal through direct agreement, representing approximately 68.4% of the issued shares of common stock of AssetMark. By way of merger of AssetMark with GTCR Everest Merger Sub, Inc., the special purpose vehicle established by the counterparty GTCR Everest Borrower, LLC, all of AssetMark's issued shares (subject to special circumstances as set out in the Merger Plan and Agreement) will be sold to the counterparty for a consideration of USD35.25 per share (non-interest-bearing), in which, all of the shares of common stock held by Huatai International Investment Holdings Limited in AssetMark will be sold for a consolidated consideration of USD35.25 per share (non-interest-bearing), and the Company will receive approximately USD1.793 billion in cash based on the share in AssetMark held by Huatai International Investment Holdings Limited. Upon the completion of the transaction, the Company will no longer hold any equity interests in AssetMark through Huatai International Investment Holdings Limited, and AssetMark will cease to be consolidated into the consolidated statements of the Company. Please refer to the relevant announcement of the Company published in April 2024 for details of the above transaction.

As of the end of the Reporting Period, the closing of the transaction was subject to the consent, approval or notice of or filing with particular government authorities. The work related to the transaction is progressing normally as planned.

3. *There was no other major disposal, acquisition, replacement or stripping of assets, or bankruptcy or reorganisation, merger or division, restructuring or other similar situations of the Company during the Reporting Period*

4. Analysis of Key Subsidiaries

Unit: Ten Thousand Yuan Currency: RMB

Company name	Shareholding percentage of the Company	Address	Date of establishment	Registered capital	Total assets	Net assets	Operating revenue	Total profit	Net profit
Huatai United Securities Co., Ltd.	100%	401, Building B7, Qianhai Shenzhen-Hong Kong Fund Town, No. 128 Guiwan Fifth Road, Nanshan Street, Qianhai Shenzhen-Hong Kong Cooperation Zone, Shenzhen, the PRC	September 5, 1997	99,748.00	689,018.33	477,435.64	77,609.69	4,389.28	3,291.96
Main businesses: securities underwriting and sponsorship (excluding treasury bonds, non-financial corporate debt financing instruments and financial bond underwriting); financial advisory for securities trading and investment related activities; other businesses approved by the CSRC.									
Huatai Securities (Shanghai) Asset Management Co., Ltd.	100%	Room 1222, 6 Jilong Road, China (Shanghai) Pilot Free Trade Zone	October 16, 2014	260,000.00	1,010,599.14	906,673.36	87,823.02	62,928.03	48,439.35
Main businesses: securities asset management; publicly offered securities investment funds management. (Businesses that need to be approved by law shall be carried out upon the approval of relevant authorities)									
Huatai International Financial Holdings Company Limited	100%	62/F, The Center, 99 Queen's Road Central, Hong Kong, the PRC	April 5, 2017	HK\$10,200,000,002.00	HK\$163,972,8712 million	HK\$21,427,7558 million	HK\$9,698,7075 million	HK\$1,123,4656 million	HK\$911,9611 million

Company name	Shareholding percentage of the Company	Address	Date of establishment	Registered capital	Total assets	Net assets	Operating revenue	Total profit	Net profit
Main business: holding company.									
Huatzi Purple Gold Investment Co., Ltd.	100%	180 Hanzhong Road, Nanjing, Jiangsu Province, the PRC	August 12, 2008	600,000.00	1,191,710.66	948,928.34	(84,046.33)	(87,470.65)	(65,210.08)
Main businesses: equity investment, debt investment, other fund investments associated with equity investment and debt investment; investment consulting and investment management for equity investment and debt investment, and financial consulting. (Businesses that need to be approved by law shall be carried out upon the approval of relevant authorities)									
Huatzi Innovative Investment Co., Ltd.	100%	No. 234 Wuyi Road, Changning District, Shanghai, the PRC	November 21, 2013	330,000.00	416,047.75	379,038.54	(5,724.62)	(11,508.94)	(8,206.13)
Main businesses: General items: investment activities with own capital; investment management; hotel management branch operation; fitness and leisure activities branch operation; laundry services branch operation; typing and copying service branch operation; parking lot service branch operation; conference and exhibition service branch operation; tourism development project planning and consultation branch operation; ticketing agency service branch operation. (Except for items subject to approval in accordance with the law, the business activities shall be carried out on their own in accordance with the business license). Permitted items: accommodation service branch operation; catering service branch operation; food sales branch operation; high-risk sports (swimming) branch operation. (Businesses that need to be approved by law shall be carried out upon the approval of relevant authorities, and specific business items shall be subject to the approval documents or permits of the relevant departments)									
Huatzi Futures Co., Ltd.	100%	10/F (whole floor), No.1 Mingzhu Third Street, Hengli Town, Nansha District, Guangzhou, the PRC	July 10, 1995	393,900.00	6,567,578.40	500,334.37	236,611.11	10,220.88	6,778.79
Main businesses: commodities futures brokerage, financial futures brokerage, futures investment consultancy, asset management and fund sales. (Businesses that need to be approved by law shall be carried out upon the approval of relevant authorities)									
Jiangsu Equity Exchange Co., Ltd.	52%	3/F, Building 10, Financial City, No. 377 Middle Jiangdong Road, Jianye District, Nanjing, Jiangsu Province, the PRC	July 4, 2013	20,000.00	55,133.77	47,625.38	973.17	(346.69)	698.06
Main businesses: provision of premises, facilities and services for approved listing, registration, custody, trading, financing, settlement, transfer, dividend distribution and pledge of equity interests, bonds, assets and related financial products and financial derivatives of unlisted companies, organisation and monitoring of trading activities, issuance of market information, trading of listed products in the trading market as an agent, and provision of consultation services for market participants. (Businesses that need to be approved by law shall be carried out upon the approval of relevant authorities)									

Company name	Shareholding percentage of the Company	Address	Date of establishment	Registered capital	Total assets	Net assets	Operating revenue	Total profit	Net profit
China Southern Asset Management Co., Ltd.	41.16%	32-42/F, Fund Mansion, 5999 Yitian Road, Lianhua Street, Futian District, Shenzhen, the PRC	March 6, 1998	36,172.00	1,572,414.46	1,054,363.97	340,068.19	141,313.26	103,630.46
Main businesses: fundraising, fund sales, asset management and other businesses approved by the securities regulatory authority under the State Council.									
Huatai-PineBridge Fund Management Co., Ltd.	49%	17/F, Building 1, Shanghai Zenda Wudaokou Square, Lane 1199, Minsheng Road, China (Shanghai) Pilot Free Trade Zone	November 18, 2004	20,000.00	284,004.86	186,492.62	100,167.64	42,410.80	32,015.21
Main businesses: fundraising, fund sales, asset management and other businesses approved by the CSRC.									
Bank of Jiangsu Co., Ltd.	5.03%	26 Zhonghua Road, Nanjing, Jiangsu Province, the PRC	January 22, 2007	1,835,132,446.3	377,083,384.90	29,223,357.50	4,162,495.70	2,445,519.70	1,941,107.50
Main businesses: deposits taking from the general public; granting short-term, medium-term and long-term loans; handling domestic settlements; handling acceptance and discounting of negotiable instruments; issuing financial bonds; acting as an agent for the issue, honoring and underwriting of government bonds and underwriting of short-term financing bonds; buying and selling government bonds, financial bonds, corporate bonds; engaging in interbank lending; providing letter of credit services and guaranty; acting as an agent for receipts/payments and insurance business, wealth management products sales, fund sales, precious metal sales, receipts/payments and custody of collective fund trust scheme; provision of safe deposit boxes; handling entrusted deposits and loans; bank card services; foreign currency deposits; foreign currency loans; foreign exchange remittances; currency exchange; settlement and sales of foreign exchange, acting as an agent for forward settlement and sales of foreign exchange; international settlement; proprietary trading and agency for trading of foreign exchange; interbank foreign exchange lending; trading or acting as an agent for trading in foreign currency securities other than stocks; credit investigation, consultation and witness services; online banking, and other services approved by the banking regulatory bodies and relevant authorities. (Businesses that need to be approved by law shall be carried out upon the approval of relevant authorities)									

5. Acquisition and disposal of subsidiaries during the Reporting Period

For details of the acquisition and disposal of subsidiaries during the Reporting Period, please refer to “6. Explanations on the changes in the scope of consolidation of the statements” under “(II) Analysis of key items of consolidated statement of financial position” under “V. Major Operations during the Reporting Period” in “Management discussion and analysis” of this report.

6. Structured entities controlled by the Company

The structured entities consolidated by the Group mainly refer to the asset management plans with the Group as the manager and/or the investor. The Group carries out a comprehensive assessment of whether the Group will be significantly affected by variable returns due to the return which the Group is entitled to for the shares held by it and its remuneration as the manager of the asset management plan, and according to which, determines whether the Group is the main responsible party for the asset management plan. As at June 30, 2024, the Group had consolidated 56 structured entities with their total assets reaching RMB40,279,225,094.67. The Group’s interests held in the above consolidated structured entities and reflected in the amount of trading financial assets in the balance sheet was RMB38,292,715,428.99.

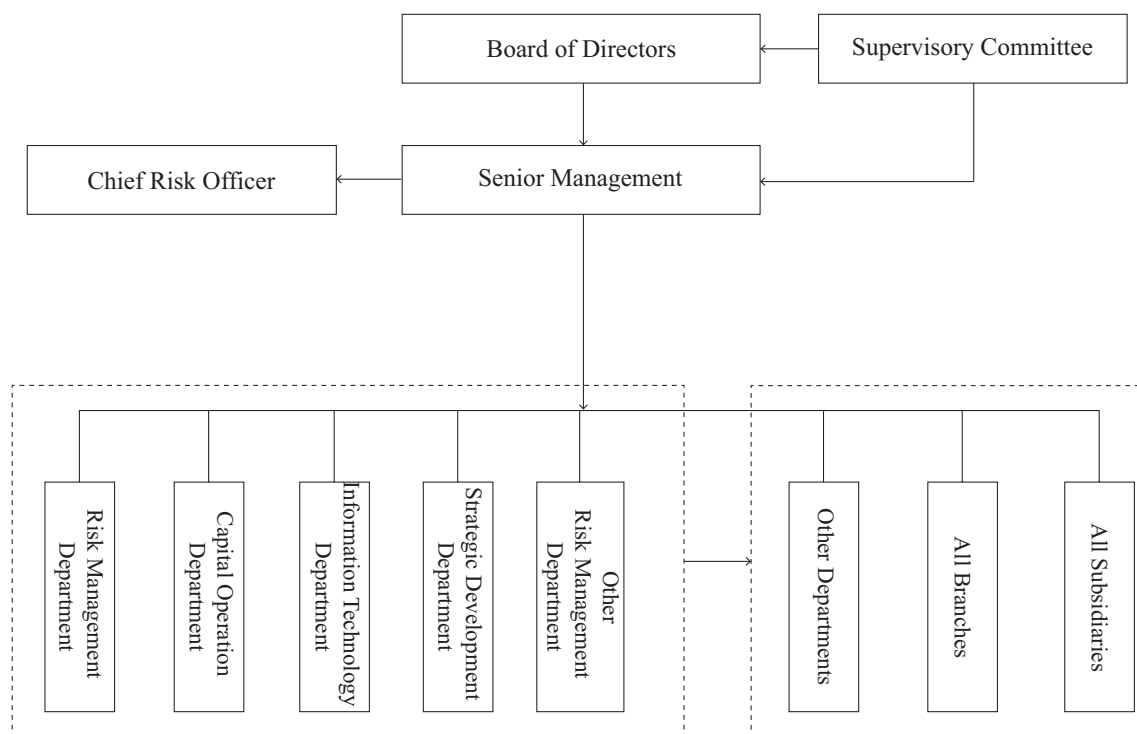
VI. POTENTIAL RISKS AND RISK PREVENTION MEASURES

1. Overview of risk management

The Company attached great importance to risk management. According to regulatory policies and the actual situation of business development, the Company established a relatively comprehensive overall risk management system based on the core concepts of full staff engagement, full coverage and full penetration. The Company has a solid and effective risk management organisation framework with clearly defined responsibilities and staff at all levels performing their duties effectively; the Company worked out a risk appetite and tolerance system, which is organically integrated with the development strategy of the Company, and established a multi-level comprehensive risk management system covering all aspects of business operation and management; in addition, the Company vigorously promoted the construction of a group-wide risk management technology system, constructed a centralized, timely, quantitative and penetrating risk management technology pillar, enhanced the effectiveness of the Group’s risk management and further strengthened the Group’s overall risk identification, quantitative assessment and control capabilities. The Company incorporated its subsidiaries into the overall risk management system of the Group, and explored the construction of effective risk management models for subsidiaries. The overall risk management system of the Company ran effectively, which practically guaranteed the continuous and healthy development of the Company’s businesses.

During the Reporting Period, the Company comprehensively promoted its risk management efforts by focusing on in-depth penetration of business risk control, continuous consolidation of the overall risk management system, and promotion of digitization-enabled risk management. The Company strengthened the assessment and control of key businesses and risk-involving sectors, built up risk management capabilities that penetrate the essence of the business, and enhanced forward-looking prevention and control of risks. The Company improved and perfected various special risk management systems and mechanisms to strengthen the risk management abilities of the whole business process. The Company comprehensively upgraded the digital risk management platform and consolidated the foundation of data and measurement capabilities, to achieve the dynamic monitoring and accurate measurement of risks.

2. Risk management structure



The risk management organisational structure of the Company covers five major parts: the Board and Compliance and Risk Management Committee; Supervisory Committee; the Senior Management and Risk Control Committee; Risk Management Department and other various risk management departments; other departments, branches and subsidiaries.

The Board is ultimately responsible for the overall risk management and is responsible for reviewing and approving the basic system relating to the overall risk management of the Company, approving the risk appetite, risk tolerance and major risk limits of the Company, and reviewing periodic risk assessment reports of the Company. The Compliance and Risk Management Committee is set up by the Board to undertake risk management responsibilities including reviewing and making recommendations on overall risk management targets and fundamental policies; evaluating and making recommendations on the risks of major decisions which require the Board's review, as well as the solutions to these risks; reviewing and making recommendations on risk assessment reports which require the Board's review.

The Supervisory Committee of the Company is responsible for supervising overall risk management, supervising and inspecting the Board and the senior management on the performance of their duties of risk management, and urging them to make rectifications. Based on the authorization and approval of the Board and the operation objectives of the Company, the senior management of the Company is specifically responsible for the implementation of risk management and assumes the primary responsibility for overall risk management. Upon authorization of the senior management, the Risk Control Committee under the senior management is mainly responsible for the decision-making on risk management matters in the course of operation and authorizing on risk undertakings in various business lines. Chief risk officer of the Company is responsible for leading the overall risk management of the Company.

The Company appoints the risk management department to perform the overall risk management duties and take the lead in managing the market risk, credit risk and operational risk of the Company; appoints the capital operation department to take the lead in managing the liquidity risk of the Company; appoints the information technology department to take the lead in managing the information technology risk of the Company; and appoints the strategic development department to take the lead in managing the reputation risk of the Company. Other departments, branches and subsidiaries of the Company are responsible for the management of various risks in their respective lines, implementing various policies, procedures and measures formulated by the Company and various risk management departments, accepting guidance from various risk management departments and assigning the risk management duties and implementation responsibilities. The audit department incorporates overall risk management into the audit scope, makes independent and objective review and evaluation on the adequacy and effectiveness of overall risk management, and is responsible for taking the lead or entrusting external professional institutions to evaluate the overall risk management system of the Company regularly.

3. *Market Risk*

Market risk refers to the risk of asset loss of the Company resulting from fluctuations in risk factors, including stock prices, interest rates, exchange rates and commodities.

During the Reporting Period, the domestic and overseas financial market fluctuated significantly due to the slower global economic recovery, the expected changes in the interest rate cut by the Federal Reserve, the political battles in an election year and other factors. The Company adhered to the concept of value creation through trading and risk control through hedging, actively controlled its risk exposure and managed the market risk of holding assets through various risks control measures. The Company continued to optimize its unified risk limitation system to control each business from various aspects, such as Market Value at Risk (VAR), stop-loss, stress testing, sensitivity, etc. The Company continued to improve its stress testing system and regularly calculated the impacts of various extreme risks, to timely identify and evaluate its capacity to withstand tail risk. In respect of investments in equity securities, faced with market fluctuations, the Company managed market risks through control on risk exposure, hedging of derivatives, diversification of investment targets and various other manners. Under the premise of portfolio risk control, the Company actively explored trading opportunities. In respect of fixed-income securities investment, the Company effectively hedged market risk with interest rate derivatives and adjusted the position structure to respond to the impacts of interest rate fluctuations on the term and structure of investment portfolios, and actively sought opportunities for pricing deviations to enhance overall income while controlling overall duration, basis point value and VAR value. In respect of derivatives business, the Company adopted market neutral strategy for the OTC derivatives business and controlled the Greeks values (such as Delta, Gamma, Vega, etc.) exposure risks within acceptable limits. It created profit opportunities with risks under control.

Market Value at Risk (VAR) of the Company

Currency: RMB

**Forward-looking Period: 1 day; Confidence: 95%; Historical Analogical Method;
Unit (Ten Thousand Yuan)**

	The Company		The Group	
	As at the end of mid-2024	As at the end of mid-2023	As at the end of mid-2024	As at the end of mid-2023
Equity-sensitive Financial Instruments	9,145	7,453	15,862	13,009
Interest-sensitive Financial Instruments	5,450	5,106	5,774	5,124
Commodity-sensitive Financial Instruments	988	200	995	127
Overall Portfolio Risk Value	10,025	9,246	15,431	13,401

Source: Internal statistics of the Company.

During the Reporting Period, Sequence Descriptive Statistics of Market Value at Risk (VAR) of the Company

Currency: RMB

Forward-looking Period: 1 day; Confidence: 95%; Historical Analogical Method;
Unit (Ten Thousand Yuan)

	At the beginning of the period	At the end of the period	Maximum value	Minimum value
The Group	13,256	15,431	17,008	8,358
The Company	9,267	10,025	14,038	5,983

Source: Internal statistics of the Company.

4. *Credit risk*

Credit risk refers to the risk of loss of the Company that may result from the default of a financing party or issuer or counterparty in financing, investment, trading and other businesses.

During the Reporting Period, the Company continued to optimize and improve its unified credit risk management system and deepened the control over the whole process of business, enhancing its ability to cope with the complex external credit environment. With respect to financing business, the Company kept abreast of regulatory policy developments, implemented stringent management measures through continuous monitoring over risky customers and risky assets and timely risk mitigation. The Company intensified the dynamic counter-cyclical adjustment mechanism, so as to control routine business risks, prevent bottom-line risks and flexibly adjust the business structure. With respect to investment business, the Company continuously optimized the unified control system of credit bond subjects for the Group's various business lines. In the meantime, the Company deepened the credit bonds' risk management framework in the whole process, improved access management, established a normalized screening and disposal mechanism for risky securities, and continuously strengthened the analysis and pre-warning mechanism of bond positions. With respect to trading business, the Company constantly promoted the optimization and construction of the unified management system of counterparties, further strengthened counterparties' credit management and carried out continuous monitoring in accordance with internal and external public opinion to strictly control tail risks. With respect to guaranteed settlement business, the Company continued to improve the front-end management and control of risk indicator design and promoted the systematic construction, as well as strengthened the management and control capabilities of risk event handling and risk transmission.

5. *Liquidity risk*

Liquidity risk refers to the risk that the Company cannot obtain sufficient funds at reasonable costs in time to repay due debts, perform other payment obligations and meet the capital requirements for carrying out businesses as normal.

The Company has always attached importance to liquidity safety, preferred a “sound and safe” liquidity risk preference, followed the general principle of comprehensiveness, importance, applicability, effectiveness, prudence and foresight, and continued to strengthen the identification, measurement, monitoring and control mechanisms of liquidity risks through a management model of centralized management and stratified prevention and control, to improve the Company’s liquidity risk management level. On the basis of controlling overall liquidity risks, the Company identified potential liquidity risks of all business lines from the source by new business evaluation process and regular analysis of existing liquidity risk, kept abreast of changes in the liquidity risk characteristics of business due to changes in factors such as market environment and business strategies in a timely manner, and proposed targeted control measures. The Company has established a liquidity indicator analysis framework including cash flow, and appropriately set risk limits and implemented daily monitoring through the information technology system, to improve the monitoring frequency and control level of liquidity risks. At the same time, the Company continued to improve the capital planning system by strengthening capital position management and establishing a liquidity daytime monitoring system to keep abreast of capital usage in business, day-time payment progress and so on in a timely manner, aiming to enhance day-time liquidity risk management and control, and continue to strengthen the frontline of liquidity risk prevention and control. The Company regularly and occasionally conducted special stress tests on liquidity risks to assess the Company’s liquidity risk tolerance under stress from the perspective of cash flow and liquidity indicators, and took targeted measures to improve the Company’s liquidity risk resilience. In order to ensure that liquidity needs can be met in a timely manner under stress, the Company has established high-quality liquid asset reserve of an appropriate scale based on risk preferences. At the same time, it has expanded its debt financing channels and quotas from multiple perspectives, continued to expand the range of counterparties and optimize the investor structure of bonds, and continued to improve the Company’s general and emergency financing capabilities. The Company established liquidity risk emergency plans, carried out regular drills and continuously improved its liquidity risk emergency managing mechanism according to the Company’s condition. In addition, the Company constantly strengthened its subsidiary liquidity risk management with the consolidation supervision pilot as an effective means, in particularly to conduct vertical management on its Hong Kong subsidiaries with emphasizes on their liquidity management, to improve the subsidiaries’ response capability to liquidity risks and the Group’s prevention and control level of overall liquidity risks. During the Reporting Period, the Company’s liquidity coverage ratio (LCR) and net stable funding ratio (NSFR) continued to remain at a level that can meet regulatory requirements and far beyond the safety requirements.

6. *Operational risk*

Operational risk refers to risk on the Company's losses caused by inadequate or problematic internal procedures, personnel, systems or external events.

The Company continued to strengthen the identification delicacy and detection accuracy of operational risks, deepened and promoted the effective operation of the entire process of operational risk identification, assessment, monitoring, response and reporting. During the Reporting Period, the Company comprehensively promoted the implementation of the Guidelines on Operational Risk Management for Securities Companies within the Group, revised internal systems, optimized and improved the supporting management mechanism, strengthened collaborative management of operational risks and internal information sharing, and continued to improve the operational risk management system. The Company continued to sort out and optimize the management measures of operational risks based on the Company's principal business, and strengthened the internal control process and measure implementation within key business areas. In addition, the Company continued to optimize the platform-based construction of the system and promote the effective linkage of operational risk management tools with the platform-based control capability.

7. *Compliance risk*

Compliance risk refers to risk that the securities company being investigated for legal responsibility, taken regulatory measures, given disciplinary sanctions, loss of property or business reputation due to violation of laws, regulations and standards by operational management or professional conduct performed by the securities companies or their employees.

During the Reporting Period, the Company further implemented the guideline on strengthening regulation, forestalling risks and promoting the high-quality development of the capital market (“國九條”) and its supporting policies and rules, continued to optimize its compliance management system, and endeavored to build up a core competitive advantage in compliance. The Company adhered to the principle of “not carrying out business until fully understanding policies and ensuring compliance”, facilitating the high-quality development of the business on the basis of risk prevention. The Company set up requirements for all employees for compliance management and implemented unified compliance control over the parent company and subsidiaries. The Company strengthened compliance inspections, carried out warning education, continued to regulate the management of securities investment conduct of employees, and stepped up to promote a “rigorous” atmosphere. In addition, the Company deepened the digital compliance construction, enhanced the proprietary control ability of core systems, and iterated digital compliance abilities covering the dimensions of customers, capital and trading.

8. *Money laundering risk*

Money laundering risk refers to the risk from the utilization of the Company's products or services by criminals to engage in money laundering activities, terrorist financing and other activities, which leads to adverse impact on the Company's reputation, compliance, operation and other aspects.

During the Reporting Period, based on the principle of "risk-based approach", the Company further optimized its anti-money laundering workflow, system and monitoring indicators, continuously improved its customer due diligence management, suspicious transaction monitoring and list monitoring mechanism, and implemented the requirements of the new regulations on the identification of beneficial owners, in order to comprehensively enhance the standardization and digitalization level of anti-money laundering.

9. *Information technology risk*

Information technology risk refers to exposure to losses caused by the failure of the Company's network and information system to ensure the stable, efficient and safe operation of transaction and business management in terms of business realization, timely response, solving capacity and network and data security, resulting from service capability abnormality or data damage and leakage out of internal or external reasons.

The Company establishes and improves its information technology risk management system, and continues to improve the information technology risk management mechanism. During the Reporting Period, the Company strengthened risk prevention and control in key areas, carried out in-depth investigation and remediation of hidden dangers, continuously enhanced risk monitoring and early warning, and solidly promoted the publicity of risk culture to further enhance its information technology risk management capability and effectiveness. The Company implemented the network security accountability system and established and improved network and information security technology guarantee system. The Company formulated an emergency management system for network security incidents, established and continuously improved the contingency plan for information system emergencies, and regularly organised drills. During the Reporting Period, the Company stuck to the bottom-line thinking, the network and data security risks were generally controllable, and important information systems were operated safely and stably, thus providing strong support for the orderly development of the Company's businesses.

10. *Reputational risk*

Reputational risk refers to the risk of negative publicity from investors, issuers, regulators, self-regulatory organisations, the public and the media on the Company due to its actions or external events and violations of integrity regulations, professional ethics, business norms and conventions by its staff, thereby damaging the brand value, disadvantaging the normal operation, and even affecting the market stability and social stability.

During the Reporting Period, the Company's reputational risk management mechanism was running steadily without occurrence of any significant reputational risk events. Focusing on its strategy and key business, the Company continued to intensify its precaution, monitoring and handling of reputational risks, which created a good media sentiment for the Company's development. At the same time, the Company continued to strengthen collective management, prior management and fast response mechanisms, further enhancing its awareness on preventing and the ability on response to reputational risk.

11. *Model risk*

Model risk refers to the risk of adverse consequence or loss to the Company's businesses resulting from incorrect or inappropriate model design, development or use.

During the Reporting Period, the Company comprehensively and proactively managed the life cycle of model and constantly promoted model risk management and control by approaches and measures including model validation, assessment and monitoring during events. The Company continuously developed and improved the model risk management system adaptive to its own business development while optimizing management system and organisational structure, and improving the functions of the model's information database.

CORPORATE GOVERNANCE

I. INTRODUCTION TO SHAREHOLDERS' GENERAL MEETINGS, MEETINGS OF THE BOARD OF DIRECTORS AND MEETINGS OF THE SUPERVISORY COMMITTEE

(I) Shareholders' General Meetings Convened during the Reporting Period

Meeting	Convening date	Resolutions	Inspection indexes of the websites designated for publishing the resolutions	Date of disclosure for publishing the resolutions	Status
2023 Annual General Meeting	June 20, 2024	<ol style="list-style-type: none"> To consider the 2023 Work Report of the Board of the Company; To consider the 2023 Work Report of the Supervisory Committee of the Company; To consider the 2023 Final Financial Report of the Company; To consider the Resolution on the 2023 Annual Report of the Company; To consider the Resolution on the 2023 Profit Distribution Plan of the Company; To consider the Resolution on Proposal to the General Meeting to Authorize the Board to Decide on the Interim Profit Distribution for 2024; To consider the Resolution on the Estimated Ordinary Transactions with Related Parties of the Company for 2024; To consider the Resolution on the Estimated Investment Amount for the Proprietary Business of the Company for 2024; To consider the Resolution on the Re-appointment of the Accounting Firms of the Company for 2024; To consider the Report on Performance of Duties of the Independent Non-executive Directors of the Company for 2023; To consider the Resolution on the Election of Mr. Lo Kin Wing Terry as an Independent Non-executive Director of the Sixth Session of the Board of the Company; To consider the Resolution on the Election of Mr. Lv Wei as a Non-employee Representative Supervisor of the Sixth Session of the Supervisory Committee of the Company; To consider the Resolution on Repurchase and Cancellation of Part of the Restricted A Shares by the Company; Debriefing of the Report on Performance Assessment and Remuneration of the Directors of the Company for 2023; Debriefing of the Report on Performance Assessment and Remuneration of the Supervisors of the Company for 2023; Debriefing of the Report on Performance of Duties, Performance Assessment and Remuneration of the Senior Management of the Company for 2023. 	https://www.sse.com.cn https://www.hkexnews.hk https://www.londonstockexchange.com https://www.htsc.com.cn	June 21, 2024	All resolutions were considered and approved.

Meeting	Convening date	Resolutions	Inspection indexes of the websites designated for publishing the resolutions	Date of disclosure for publishing the resolutions	Status
2024 First A Share Class Meeting	June 20, 2024	To consider the Resolution on Repurchase and Cancellation of Part of the Restricted A Shares by the Company.	https://www.sse.com.cn https://www.hkexnews.hk https://www.londonstockexchange.com https://www.htsc.com.cn	June 21, 2024	The resolution was considered and approved.
2024 First H Share Class Meeting	June 20, 2024	To consider the Resolution on Repurchase and Cancellation of Part of the Restricted A Shares by the Company.	https://www.sse.com.cn https://www.hkexnews.hk https://www.londonstockexchange.com https://www.htsc.com.cn	June 21, 2024	The resolution was considered and approved.

(II) Meetings of the Board Convened during the Reporting Period

Meeting	Convening date	Meeting form and place	Resolutions	Status
The Seventh Meeting of the Sixth Session of the Board	March 28, 2024	By means of onsite & video meetings. Address: Large Conference Room, Floor 12, Building 1, Huatai Securities Square, No. 228 Middle Jiangdong Road, Nanjing; Conference Room 6, Floor 18, Building A, China Pacific Insurance Plaza, No. 28 Fengsheng Alley, Xicheng District, Beijing; Simulated Video Conference Room, Shanghai Branch Office of Huatai Securities, Floor 25, Poly Plaza, No. 18, Dongfang Road, Pudong New Area, Shanghai; Simulated Video Beijing Conference Room, Huatai Financial Holdings (Hong Kong) Limited, 62/F, The Center, 99 Queen's Road Central, Hong Kong.	<ol style="list-style-type: none"> 1. To consider the 2023 Work Report of the Senior Management of the Company; 2. To consider the 2023 Final Financial Report of the Company; 3. To consider the 2024 Financial Budget Report of the Company; 4. To consider the Proposal on the 2023 Profit Distribution of the Company; 5. To consider the 2023 Work Report of the Board of the Company; 6. To consider the Resolution on the 2023 Annual Report of the Company; 7. To consider the Resolution on the 2023 Annual Compliance Report of the Company; 8. To consider the Resolution on the 2023 Annual Risk Management Report of the Company; 9. To consider the Resolution on the 2023 Annual Internal Control Evaluation Report of the Company; 10. To consider the Resolution on the Special Report on Information Technology Management and Network and Information Security Management of the Company for 2023; 11. To consider the Resolution on the 2023 Corporate Social Responsibility Report of the Company; 12. To consider the Proposal on the Estimated Ordinary Transactions with Related Parties of the Company for 2024; 13. To consider the Proposal on the Estimated Investment Amount for the Proprietary Business of the Company for 2024; 	All resolutions were considered and approved.

Meeting	Convening date	Meeting form and place	Resolutions	Status
			<ul style="list-style-type: none"> 14. To consider the Internal Audit Work Plan of the Company for 2024; 15. To consider the Resolution on the Re-appointment of the Accounting Firms of the Company; 16. To consider the Resolution on Amendments to the Administrative Measures for System Construction of Huatai Securities Co., Ltd.; 17. To consider the Resolution on Amendments to the System regarding Insider Registration, Management and Confidentiality of Huatai Securities Co., Ltd.; 18. To consider the Report on Performance Assessment and Remuneration of the Directors of the Company for 2023; 19. To consider the Report on Performance of Duties, Performance Assessment and Remuneration of Senior Management of the Company for 2023; 20. To consider the Report on Performance of Duties of the Independent Directors of the Company for 2023; 21. To consider the Resolution on Convening the 2023 Annual General Meeting of the Company; 22. Debriefing of the Report on Independence Self-examination by the Independent Directors of the Company; 23. Debriefing of the Special Opinions of the Board of the Company on Independence of the Independent Directors; 24. Debriefing of the Report on Performance of Duties by the Audit Committee of the Board of the Company for 2023; 25. Debriefing of the Evaluation Report on Performance of Duties by the Annual Audit Accounting Firm for 2023 of the Company; 26. Debriefing of the Report on Performance of Supervisory Duties by the Annual Audit Accounting Firm for 2023 of the Audit Committee of the Board of the Company; 27. Debriefing of the Work Report of the Chief Compliance Officer of the Company for 2023; 28. Debriefing of the Work Report on Anti-money Laundering of the Company for 2023; 29. Debriefing of the Report on Internal Audit of the Company for 2023; 30. To review the Report on Net Capital and Other Risk Control Indicators of the Company for 2023. 	

Meeting	Convening date	Meeting form and place	Resolutions	Status
The Eighth Meeting of the Sixth Session of the Board	April 12, 2024	By means of teleconference.	<ol style="list-style-type: none"> 1. To consider the Resolution on Fulfilment of Conditions for Release from Selling Restriction of the Second Lock-up Period under the Restricted Share Incentive Scheme of A Shares of the Company; 2. To consider the Resolution on Repurchase and Cancellation of Part of the Restricted A Shares by the Company; 3. To consider the Resolutions on Addition to Agenda of the 2023 Annual General Meeting of the Company and Convening the 2024 First A Share Class Meeting and the 2024 First H Share Class Meeting. 	All resolutions were considered and approved.
The Ninth Meeting of the Sixth Session of the Board	April 25, 2024	By means of onsite & video meetings. Address: Large Conference Room, Floor 12, Building 1, Huatai Securities Square, No. 228 Middle Jiangdong Road, Nanjing; Conference Room 6, Floor 18, Building A, China Pacific Insurance Plaza, No. 28 Fengsheng Alley, Xicheng District, Beijing; Simulated Video Conference Room, Shanghai Branch Office of Huatai Securities, Floor 25, Poly Plaza, No. 18, Dongfang Road, Pudong New Area, Shanghai; Simulated Video Beijing Conference Room, Huatai Financial Holdings (Hong Kong) Limited, 62/F, The Center, 99 Queen's Road Central, Hong Kong.	To consider the Resolution on Disposal of the Entire Equity Interests in AssetMark Financial Holdings, Inc. (a Holding Subsidiary in the United States) through Direct Agreement.	The resolution was considered and approved.
The Tenth Meeting of the Sixth Session of the Board	April 29, 2024	By means of onsite & video meetings. Address: Large Conference Room, Floor 12, Building 1, Huatai Securities Square, No. 228 Middle Jiangdong Road, Nanjing; Conference Room 6, Floor 18, Building A, China Pacific Insurance Plaza, No. 28 Fengsheng Alley, Xicheng District, Beijing; Simulated Video Conference Room, Shanghai Branch Office of Huatai Securities, Floor 25, Poly Plaza, No. 18, Dongfang Road, Pudong New Area, Shanghai; Simulated Video Beijing Conference Room, Huatai Financial Holdings (Hong Kong) Limited, 62/F, The Center, 99 Queen's Road Central, Hong Kong.	<ol style="list-style-type: none"> 1. To consider the Resolution on the First Quarterly Report of the Company for 2024; 2. To consider the Proposal on the Election of an Independent Non-executive Director of the Sixth Session of the Board of the Company; 3. To consider the Resolution on Proposal to the General Meeting to Authorize the Board to Decide on the Interim Profit Distribution for 2024; 4. To consider the Resolution on Addition to Agenda of the 2023 Annual General Meeting of the Company. 	All resolutions were considered and approved.

Meeting	Convening date	Meeting form and place	Resolutions	Status
The Eleventh Meeting of the Sixth Session of the Board	June 20, 2024	By means of teleconference.	<ol style="list-style-type: none"> 1. To consider the Resolution on the 2024 Action Plan of “Corporate Value and Return Enhancement” of the Company; 2. To consider the Resolution on the Formulation of the Internal Audit Management System of Huatai Securities Co., Ltd.; 3. To consider the Resolution on the Adjustment to the Composition Plan of Certain Special Committees of the Sixth Session of the Board of the Company. 	All resolutions were considered and approved.

(III) Meetings of the Supervisory Committee Convened during the Reporting Period

Meeting	Convening date	Meeting form and place	Resolutions	Status
The Sixth Meeting of the Sixth Session of the Supervisory Committee	March 28, 2024	By means of on-site meeting. Address: Small Conference Room, Floor 12, Building 1, Huatai Securities Square, No. 228 Middle Jiangdong Road, Nanjing.	<ol style="list-style-type: none"> 1. To consider the 2023 Work Report of the Supervisory Committee of the Company; 2. To consider the Proposal on the 2023 Profit Distribution of the Company; 3. To consider the Resolution on the 2023 Annual Report of the Company; 4. To consider the Resolution on the 2023 Annual Internal Control Evaluation Report of the Company; 5. To consider the Report on Performance Assessment and Remuneration of the Supervisors of the Company for 2023; 6. Debriefing of the Report on Internal Audit of the Company for 2023; 7. Debriefing of the Internal Audit Work Plan of the Company for 2024. 	All resolutions were considered and approved.
The Seventh Meeting of the Sixth Session of the Supervisory Committee	April 12, 2024	By means of teleconference.	<ol style="list-style-type: none"> 1. To consider the Resolution on Fulfilment of Conditions for Release from Selling Restriction of the Second Lock-up Period under the Restricted Share Incentive Scheme of A Shares of the Company; 2. To consider the Resolution on Repurchase and Cancellation of Part of the Restricted A Shares by the Company. 	All resolutions were considered and approved.
The Eighth Meeting of the Sixth Session of the Supervisory Committee	April 29, 2024	By means of on-site meeting. Address: Small Conference Room, Floor 12, Building 1, Huatai Securities Square, No. 228 Middle Jiangdong Road, Nanjing.	<ol style="list-style-type: none"> 1. To consider the Resolution on the First Quarterly Report of the Company for 2024; 2. To consider the Proposal on the Election of a Supervisor of the Sixth Session of the Supervisory Committee of the Company. 	All resolutions were considered and approved.

II. AUDIT COMMITTEE OF THE BOARD AND AUDITING

The Audit Committee was established under the Board of the Company in accordance with the requirements of the CSRC and the Shanghai Stock Exchange, and the Listing Rules on the Hong Kong Stock Exchange. The Audit Committee of the sixth session of the Board of the Company is composed of independent Directors and Directors assigned by the Shareholders. As of the end of the Reporting Period, the Audit Committee of the Company is composed of three members, namely Mr. Wang Bing, Mr. Ding Feng and Mr. Lo Kin Wing Terry, most of whom are independent Directors and Mr. Wang Bing is the chairman (convener) of the Audit Committee. The Audit Committee is primarily responsible for the communication, supervision and verification of internal and external audits of the Company and the provision of professional advice to the Board.

During the Reporting Period, the Audit Committee of the Board of the Company convened five meetings, as detailed below:

1. The first meeting of the Audit Committee of the sixth session of the Board of the Company for 2024 was convened by way of on-site and video meetings on January 18, 2024, at which relevant personnel from Deloitte introduced the annual audit work arrangement of A+H+G Share and pre-audit work for 2023 of the Company.
2. The second meeting of the Audit Committee of the sixth session of the Board of the Company for 2024 was convened by means of teleconference on February 28, 2024, which considered and approved the Resolution on the Auditing Plan of the Company for 2023.
3. The third meeting of the Audit Committee of the sixth session of the Board of the Company for 2024 was convened by way of on-site and video meetings on March 26, 2024, at which the 2023 Final Financial Report of the Company, the 2024 Financial Budget Report of the Company, the Proposal on the 2023 Profit Distribution of the Company, the Resolution on the Annual Financial Statements of the Company for 2023, the Proposal on the 2023 Annual Report and Its Summary of the Company, the Resolution on the 2023 Annual Internal Control Evaluation Report of the Company, the Proposal on the Estimated Ordinary Transactions with Related Parties of the Company for 2024, the Proposal on the Re-appointment of the Accounting Firms of the Company, the Report on Performance of Duties by the Audit Committee of the Board of the Company for 2023, the Evaluation Report on Performance of Duties by the Annual Audit Accounting Firm for 2023 of the Company, the Report on Performance of Supervisory Duties by the Annual Audit Accounting Firm for 2023 of the Audit Committee of the Board of the Company, the Special Audit Report on Related Party Transactions of the Company for 2023, the Special Audit Report on the Use of Proceeds, Provision of Guarantees and Related-party Transactions and Other Major Events of the Company in 2023, the Report on Internal Audit of Anti-money Laundering of the Company for 2023 and the Internal Audit Work Plan of the Company for 2024 were considered and approved, and the Audit Committee reviewed the important matters involved in the “Key Audit Matters” and other sections as set out in the Annual Audit Report of the Company for 2023, and debriefed the Report on Internal Audit of the Company for 2023.

4. The fourth meeting of the Audit Committee of the sixth session of the Board of the Company for 2024 was convened by way of on-site and video meetings on April 26, 2024, at which the Resolution on the Financial Statements for January to March 2024 of the Company and the Resolution on Proposal to the General Meeting to Authorize the Board to Decide on the Interim Profit Distribution for 2024 were considered and approved.
5. The fifth meeting of the Audit Committee of the sixth session of the Board of the Company for 2024 was convened by means of teleconference on June 19, 2024, at which the Resolution on the Formulation of the Internal Audit Management System of Huatai Securities Co., Ltd. was considered and approved.

The interim financial report of the Company for 2024 prepared according to the IFRSs has been reviewed by Deloitte Touche Tohmatsu in accordance with the International Standard on Review Engagements. On August 28, 2024, the Audit Committee reviewed and confirmed the Interim Results Announcement of the Group for the six months ended June 30, 2024, the Interim Report for 2024 and unaudited interim financial statements for the six months ended June 30, 2024 prepared according to the requirements of International Accounting Standard (IAS) 34 “Interim Financial Reporting”.

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

Name	Position	Change
Lo Kin Wing Terry	Independent Non-executive Director	Elected
Lv Wei	Supervisor	Elected
Tse Yung Hoi	Independent Non-executive Director	Resigned
Li Chongqi	Supervisor	Resigned

Explanation on Changes in Directors, Supervisors and Senior Management of the Company

On April 29, 2024, the Board of the Company received a written resignation report from Mr. Tse Yung Hoi, an independent non-executive Director. Mr. Tse Yung Hoi has proposed to resign as an independent non-executive Director of the sixth session of the Board of the Company and a member of the Audit Committee of the Board due to work reasons. As the resignation of Mr. Tse Yung Hoi will cause the proportion of independent non-executive Directors of the Company to the total members of the Board being less than one-third, Mr. Tse Yung Hoi has promised to continue to perform his duties until the date when a new independent non-executive Director is appointed. There is no disagreement between Mr. Tse Yung Hoi and the Board of the Company, and there is no matter in relation to his resignation that needs to be brought to the attention of the shareholders of the Company. Mr. Tse Yung Hoi has also confirmed that he is not a party involved in any on-going or pending litigation or dispute against the Company.

According to the relevant requirements of the Rules for Governance of Securities Companies (《證券公司治理準則》) promulgated by the CSRC and the Articles of Association, Shareholder(s) severally or jointly holding no less than 3% of the outstanding voting shares of the Company may recommend candidates for Supervisors (non-employee representative Supervisors) to the Supervisory Committee.

As Guoxin Group, a shareholder holding more than 3% of the outstanding voting shares of the Company, has nominated Mr. Lv Wei as a candidate for non-employee representative Supervisor of the sixth session of the Supervisory Committee, Ms. Li Chongqi will cease to be a non-employee representative Supervisor of the sixth session of the Supervisory Committee due to business commitments. There is no disagreement between Ms. Li Chongqi and the Supervisory Committee, and there is no matter in relation to her resignation that needs to be brought to the attention of the shareholders of the Company.

On June 20, 2024, the Resolution on the Election of Mr. Lo Kin Wing Terry as an Independent Non-executive Director of the Sixth Session of the Board and the Resolution on the Election of Mr. Lv Wei as a Non-employee Representative Supervisor of the Sixth Session of the Supervisory Committee were considered and approved at the 2023 Annual General Meeting of the Company. From June 20, 2024, Mr. Lo Kin Wing Terry performed his duty as an independent non-executive Director of the sixth session of the Board of the Company succeeding Mr. Tse Yung Hoi for a term until the end of the term of the current session of the Board; Mr. Lv Wei performed his duty as a Supervisor of the sixth session of the Supervisory Committee of the Company succeeding Ms. Li Chongqi for a term until the end of the term of the current session of the Supervisory Committee.

Save as disclosed above, the Company did not appoint or dismiss any Director, Supervisor or senior management during the Reporting Period. Meanwhile, there is no change of information about the Directors, Supervisors and chief executives which shall be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

IV. PROPOSAL OF PROFIT DISTRIBUTION OR CAPITALIZATION FROM CAPITAL RESERVE

Proposal of profit distribution or capitalization from capital reserve to share capital for the first half of the year

Currency: RMB

Whether to make profit distribution or capitalization of capital reserve into share capital	Yes
Number of bonus share per 10 shares (share)	—
Amount of cash dividend per 10 shares (Yuan) (including tax)	1.50
Number of shares converted per 10 shares (share)	—

Description of proposed profit distribution or capitalization from capital reserves

The Company attaches great importance to its return to investors and adheres to a sustainable and stable profit distribution policy. In order to better giveback to investors for their support to the Company, after comprehensive consideration of factors such as the interests of shareholders and the development of the Company, the 2024 interim profit distribution proposal of the Company is as follows:

1. The Company will distribute cash dividend of RMB0.15 (tax inclusive) per share based on the Company's existing total share capital of 9,029,384,840 shares after deducting 2,082,559 A Shares to be repurchased and cancelled (i.e. on the basis of 9,027,302,281 shares), with the total cash dividend of RMB1,354,095,342.15 (tax inclusive), representing 25.50% of net profit attributable to the shareholders of the Parent Company on a consolidated basis for the half year of 2024.

If the total share capital of the Company changes as a result of repurchase and cancellation of shares granted in the equity incentive during the period from the disclosure date of this proposal to the record date of the implementation of the dividend distribution, the Company intends to maintain the distribution ratio per share unchanged and adjust the total distribution accordingly. The remaining profits available for distribution to investors will be carried forward to the next accounting period.

2. Cash dividend is denominated and declared in RMB and paid to holders of A Shares (including the depositary of GDRs) and the investors of Hong Kong Stock Connect in RMB and to holders of H Shares (excluding the investors of Hong Kong Stock Connect) in HKD. The actual distribution amount in HKD shall be calculated at the average basic exchange rate of RMB against HKD issued by the PBOC five business days prior to the date of the twelfth meeting of the sixth session of the Board of the Company.

Pursuant to the resolution of the 2023 Annual General Meeting of the Company, the general meeting agreed to authorize the Board to deal with matters in relation to the interim profit distribution with its full discretion. The Board shall, based on the Company's profitability, capital position and the requirements of relevant risk control indicators, formulate the Company's 2024 interim profit distribution proposal and implement it within the prescribed period on the premise that the proportion of cash dividend shall not exceed 30% of the net profit attributable to shareholders of the Parent Company for the current period. The profit distribution proposal is not required to be submitted to the general meeting for consideration.

V. EQUITY INCENTIVE SCHEME, EMPLOYEE STOCK OWNERSHIP PLAN OR OTHER EMPLOYEE INCENTIVES MEASURES AND THEIR IMPLICATION

(I) *Equity incentives disclosed in ad hoc announcements and without subsequent development or changes*

On February 8, 2021, a series of resolutions including the Resolution on the Restricted Share Incentive Scheme of A Shares of Huatai Securities Co., Ltd. (Draft) and its Summary was considered and approved at the Company's first extraordinary general meeting of 2021. On March 23, 2021, upon consideration and approval at the fourteenth meeting of the fifth session of the Board of Directors of the Company, the Company made adjustment to the Restricted Share Incentive Scheme of A Shares and agreed to grant restricted A Shares to the incentive participants, and the grant date was determined to be March 29, 2021. For details, please refer to the announcements of the Company dated December 31, 2020 and March 23, 2021.

Summary of event

Inspection indexes

1. Release from Selling Restriction of the Second Lock-up Period under the Restricted Share Incentive Scheme of A Shares of the Company and Listing of Relevant Shares

Announcement No.:

Lin 2024-022

Announcement No.:

Lin 2024-023

On April 12, 2024, the eighth meeting of the sixth session of the Board and the seventh meeting of the sixth session of the Supervisory Committee of the Company considered and approved the Resolution on Fulfilment of Conditions for Release from Selling Restriction of the Second Lock-up Period under the Restricted Share Incentive Scheme of A Shares of the Company respectively. The Company has completed the relevant procedures for release from selling restriction of 13,269,954 restricted shares held in aggregate by 731 incentive participants in accordance with relevant regulations, the above-mentioned Shares were released from selling restriction and were listed for trading on May 16, 2024.

Announcement No.:

Lin 2024-024

Announcement No.:

Lin 2024-032

2. Proposed Repurchase and Cancellation of Part of the Restricted A Shares	Announcement No.: Lin 2024-022
During the Reporting Period, the eighth meeting of the sixth session of the Board, the seventh meeting of the sixth session of the Supervisory Committee of the Company and the 2023 Annual General Meeting, the 2024 First A Share Class Meeting, and the 2024 First H Share Class Meeting of the Company considered and approved the Resolution on Repurchase and Cancellation of Part of the Restricted A Shares of the Company, respectively. The Company will repurchase and cancel part or all of the restricted shares granted to 175 persons but subject to selling restriction due to non-fully fulfillment of condition of individual performance by incentive participants, release or termination of employment with the Company and other circumstances, 2,082,559 shares in total.	Announcement No.: Lin 2024-023 Announcement No.: Lin 2024-025 Announcement No.: Lin 2024-037 Announcement No.: Lin 2024-038

(II) Other incentives

For the employee incentives adopted by AssetMark (not a principal subsidiary of the Company within the meaning of the Hong Kong Listing Rules), a controlled company of the Group, please refer to “(b) Share-based payments of subsidiaries” under “57. Share-based payments” under “Notes to the Condensed Consolidated Financial Statements” of “Interim Financial Report” in this report.

VI. EMPLOYEES AND REMUNERATION POLICY

(I) Remuneration policy

The Company actively carries forward the financial culture with Chinese characteristics, takes solid steps in practicing cultural concepts of the securities industry, improves the remuneration management system in line with the operation performance, nature of business, level of contribution, compliance and risk control, and social culture, and establishes a sound remuneration incentive mechanism for long-term development, taking into full account the impact of the market cycle fluctuations, the characteristics of the industry and the trend of business development, so as to promote high-quality and sustainable development of the Company.

The Company implements total remuneration management, emphasizes the linkage of remuneration and benefits, takes into account both internal fairness and external competitiveness of incentives, and establishes a remuneration incentive distribution mechanism that is related to overall benefits, oriented by comprehensive assessment results and matched with compliance and risk management. The remuneration system for employees consists of basic salary, performance bonus, equity incentives and welfare.

Pursuant to relevant laws and regulations, the Company makes full payments to different types of social insurances and housing fund accounts for its employees. Meanwhile, the Company has established the supplementary medical insurance plan and enterprise annuity plan to enhance the level of supplemental medical protection and retirement benefits for employees, encouraging employees to serve the Company on a long-term basis.

(II) Training

In line with the development trend of industry innovation and transformation, the Company continued to centralize its training on the aspects including ideology and politics, strategic culture, comprehensive quality, professional ability, professional ethics, technology empowerment and international vision and its annual training plan was implemented smoothly. The Company organised ideological and political study and training on securities industry culture to promote the integration of theory learning, culture building and talent cultivation; formulated education and training programs for cadres, and carried out in-depth training in three categories to enhance theoretical literacy, political competence and performance of obligations; and launched a series of career development training programs such as the “BAL” project for managers, the “HIPO” project for senior employees and the “STAR” project for new employees, to support the career growth of the employees. It implemented business trainings on wealth management, institutional business, financial technology, compliance and risk control and etc. to improve employees’ professional capabilities and strengthen their professional ethics. In addition, the Company effectively utilized the cloud learning platform and continuously optimized its functions to improve employees’ user experience. During the Reporting Period, the Company organised 282 live broadcast training sessions on the platform. 368,000 participants studied through the platform and completed 223,000 hours of learning with an average of 15.8 hours for each participant.

(III) Number of Employees

As of the end of the Reporting Period, there were 16,605 employees in the Group, of which 11,288 were from the Parent Company¹.

VII. OTHER DESCRIPTION OF CORPORATE GOVERNANCE

As a public company listed in both domestic and overseas markets, the Company has standardized its operation in strict compliance with the requirements of relevant laws, regulations and normative documents applicable in places where the shares of the Company are listed. The Company is committed to continuously maintaining and improving corporate image in the market. During the Reporting Period, the Company was in strict compliance with the requirements of the Company Law (《公司法》), the Securities Law (《證券法》), the Code of Corporate Governance for Listed Companies (《上市公司治理準則》), the Rules for Governance of Securities Companies (《證券公司治理準則》), and the Regulations on Supervision and Administration of Securities Companies (《證券公司監督管理條例》), together with the Corporate Governance Code (《企業管治守則》) set out in Appendix C1 to the Hong Kong Listing Rules, and other relevant laws and regulations as well as the Articles of Association. In order to establish a modern corporate system, the Company has strengthened and refined its corporate governance structure, compliance and risk control

¹ Note: Number of employees in the Group and from the Parent Company include dispatched workers, brokers and etc.

system and internal control management system. A corporate governance structure with checks and balances has been formed, which features the separation among the shareholders' general meeting, the Board, the Supervisory Committee and Senior Management. Under such structure, each of the parties at various levels performs their respective functions and is held accountable for their respective responsibilities and authorization, ensuring the robust and standardized operation of the Company.

(I) Corporate governance policies and the Board's responsibilities for corporate governance

The Company strictly followed the Hong Kong Listing Rules and adopted all the principles in the Corporate Governance Code (《企業管治守則》) as its own corporate governance policies. In respect of the corporate governance function, the terms of reference of the Board shall at least include:

- (1) to formulate and review the corporate governance policies and practices of the Company;
- (2) to review and monitor the training and continuous professional development of the Directors and the senior management;
- (3) to review and monitor the Company's policies and practices on compliance with laws and regulatory requirements;
- (4) to formulate, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors;
- (5) to review the Company's compliance with the Corporate Governance Code (《企業管治守則》) and disclosure in the Corporate Governance Report (《企業管治報告》).

(II) Compliance with the provisions under the Corporate Governance Code set out in Appendix C1 to the Hong Kong Listing Rules

During the Reporting Period, the Company convened 3 shareholders' general meetings, 5 meetings of the Board of Directors, 3 meetings of the Supervisory Committee, 2 meetings of the Development Strategy Committee, 1 meeting of the Compliance and Risk Management Committee, 5 meetings of the Audit Committee, 1 meeting of the Nomination Committee, 2 meetings of the Remuneration and Appraisal Committee and 1 special meeting of independent Directors. The total number of meetings convened was 23. The convening, holding and voting procedures of the general meetings, meetings of the Board of Directors and its special committees, Supervisory Committee, and special meeting of independent Directors were legal and valid. During the Reporting Period, the Company continuously strengthened its investor relations management and information disclosure practices. The Company applied standardised and professional investor relationship management, disclosed truthful and accurate information in a complete, timely and fair manner and its transparency continued to improve.

According to provision of C.1.6 of the Corporate Governance Code (《企業管治守則》), independent non-executive directors and other non-executive directors should attend general meetings. Some of the non-executive Directors of the Company were unable to attend the 2023 Annual General Meeting, 2024 First A Share Class Meeting and 2024 First H Share Class Meeting of the Company held on June 20, 2024 due to their business engagements. However, there were sufficient Directors (including executive Directors, independent non-executive Directors and non-executive Directors), present at the above-mentioned meetings to enable the Board to gain and develop a balanced understanding of the views of the shareholders, and any Directors who were absent from the meetings were able to obtain an understanding of views expressed by shareholders (if any) at the meetings from the attending Directors.

The Company has been striving for continuous improvement of corporate governance structure and system establishment. The Company has enhanced the level of its corporate governance with gradual standardization of corporate governance structure. There is no deviation of the actual performance of its corporate governance from the Company Law (《公司法》) and relevant requirements of the CSRC. Meanwhile, save as disclosed above, the Company was in full compliance with all code provisions of the Corporate Governance Code (《企業管治守則》), and has met the requirements of most of the recommended best practice provisions set out in the Corporate Governance Code (《企業管治守則》).

(III) Securities transactions by Directors, Supervisors and relevant employees

During the Reporting Period, the Company adopted the Model Code as the code of conduct for securities transactions by Directors, Supervisors and relevant employees of the Company. According to the domestic regulatory requirements, the Company convened the thirteenth meeting of the third session of the Board on November 25, 2014 to consider and approve the Administrative System Regarding the Shares of the Company Held by Directors, Supervisors and Senior Management (the “Administrative System”) in order to regulate the holding and trading in the shares of the Company by Directors, Supervisors and Senior Management. On March 6, 2015, in order to meet the relevant regulatory requirements regarding the listing of the H Shares of the Company, the Company made amendments to the Administrative System, which were considered and approved at the sixteenth meeting of the third session of the Board. On October 28, 2022, in order to strengthen the management of the shares of the Company held by Directors, Supervisors and senior management of the Company and their changes, the Company revised the Administrative System, which was considered and approved at the twenty-seventh meeting of the fifth session of the Board of the Company. The compulsory provisions contained in the Administrative System are stricter than those under the Model Code. Having made specific enquiries with Directors, Supervisors and Senior Management, all Directors, Supervisors and Senior Management of the Company confirmed that they had strictly complied with the relevant requirements under the Administrative System and Model Code during the Reporting Period. The Board of the Company will, from time to time, carry out inspection on corporate governance and operation of the Company in order to ensure that the relevant provisions under the Hong Kong Listing Rules are well observed and to protect the interests of the shareholders. There was also no breach of guidelines by relevant employees during the Reporting Period to the knowledge of the Company.

(IV) Independent non-executive Directors

The Company has appointed a sufficient number of independent non-executive Directors with appropriate professional qualifications, or with appropriate accounting or related financial management expertise, in accordance with the Hong Kong Listing Rules. As of the end of the Reporting Period, the Company has appointed five independent non-executive Directors, namely Mr. Wang Jianwen, Mr. Wang Quansheng, Mr. Peng Bing, Mr. Wang Bing and Mr. Lo Kin Wing Terry.

(V) Service contract of Directors and Supervisors

The Company has not entered into and does not propose to enter into any service contract with any of the Directors or Supervisors in respect of their capacities as Directors or Supervisors which is not determinable by the Company within one year without the payment of compensation (other than statutory compensation).

(VI) Change in the management system of information disclosure during the Reporting Period

During the Reporting Period, according to the regulatory requirements of the CSRC and the SSE, the Company amended some provisions under the Registration Management and Confidentiality System for Insiders with Inside Information of Huatai Securities Co., Ltd. The amended Registration Management and Confidentiality System for Insiders with Inside Information of Huatai Securities Co., Ltd. mainly includes the scope of inside information, the scope of insider with inside information, the registration of insider with inside information, the confidentiality management of inside information and penalties, etc. The change in the management system of information disclosure will not have adverse impact on the interests of investors.

ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

I. ENVIRONMENTAL INFORMATION

(I) The Company and its major subsidiaries are not attention units discharging pollutants announced by environmental authority

(II) Description of the environmental protection of enterprises excluding attention units discharging pollutants

- 1. During the Reporting Period, the Company was not subject to any administrative penalty arising from environmental issues.*
- 2. Other environmental information with reference to disclosures of attention units discharging pollutants*

The Company entrusts qualified third-party organisations to conduct inspections for the wastewater, exhaust gases and noises of the headquarters office every year. All inspections are in line with the national standards.

For possible rainstorms, typhoons and other extreme weather events as a result of climate change, the Company issues pre-warning alerts and notices to all departments and branches in time and relevant staff immediately adopt measures on preventing wind and water logging, inspect and clear flood-discharging facilities and prepare sandbags, raincoats and other emergency supplies. Under extreme weathers, relevant staff enhance inspections on key areas and parts in preventing wind and water logging and rectify equipment failure in time.

(III) Relevant information beneficial to protecting ecosystem, preventing pollution and performing environmental responsibilities

The Company actively responds to the Nanjing Municipal Domestic Waste Management Regulations and sets waste sorting points in office premises. It publicizes the concepts and practice on waste sorting among staff through pasting posters on waste sorting in striking parts of public places and playing videos on waste sorting repeatedly in elevators to create an atmosphere of “waste sorting with all participation” and form a habit of actively sorting and consciously putting waste. Office wastes of the Company are collected and transported by the property management company. Hazardous wastes such as electronic wastes, light pipes, toner cartridges and ink cartridges are recovered by qualified entities for further disposal or recycling.

As specified in the vehicle management system by the Company, new energy vehicles shall be given priority when purchasing vehicles for corporate affairs and operation of the Company to practice low-carbon and environmental operation. The underground garage of Huatai Securities Square is equipped with charging piles for new energy vehicles to encourage employees to practice green commuting and advocate green and environmental concepts.

For the decoration and renovation of business and office buildings of the Company, it takes measures such as setting the shortest decoration intervals (decoration and renovation are not allowed for those not exceeding the shortest decoration intervals except under special circumstances) and improving the quality of decoration and renovation projects to extend the life of decoration for business buildings, reduce the frequency of decoration and minimize pollution from decoration and renovation. The Company adopts new construction materials in decoration and renovation to achieve the integration of environmental protection and buildings. For curtain walls, interior furnishings and landscapes, it follows green, innovative and environmental concepts and focuses on the popularization of LED lighting with low energy consumption in office areas to save lighting power in daily office to the maximum extent. It significantly reduces the use of paint and other decoration materials and adopts environmental and paint-free materials instead. Panel furniture is widely adopted for office and it generally eliminates the use of paint furniture. Greater efforts are made in aerial detection and governance after decoration to improve the air quality in the office environment so as to create a safe and comfortable office environment for employees.

In January 2024, with collaborative support from the School of Life Sciences of Peking University, Huatai Foundation and Shan Shui Conservation Center, the “One Yangtze River” sustainable development talent workshop was officially started in Peking University, with a view to gather and cultivate young talents with a sense of economic, social and cultural equilibrium, and build a cross-border platform for long-term learning, exchanges and dialogues for sustainable development.

In February 2024, the “Natural Illustrations of Sanjiangyuan National Park” (三江源國家公園自然圖鑒) published with support from the “One Commonweal Heart of Huatai One Yangtze River” project of the Company outperformed more than 400 works and was successfully selected as one of the national excellent science popularization works for 2023 by the Ministry of Science and Technology, and was recommended to be read by the whole society. Previously, the “Natural Illustrations of Sanjiangyuan National Park” (三江源國家公園自然圖鑒) was selected into the list of 2023 Outstanding Science Popularization Books on Natural Resources by the Ministry of Natural Resources.

In June 2024, the Company and the Mangrove Wetland Conservation Foundation (MCF) officially initiated the demonstration project for coastal wetland conservation in Jiangsu. The project will carry out pilot work based on wetland conservation and administration as well as public education and promotion activities at Tiaozini Wetland in Yancheng (鹽城條子泥濕地), so as to contribute to the achievement of the 2030 sustainable development goal.

(IV) Measures adopted for reducing carbon emission during the Reporting Period and their effects

The Company closely followed the targeted mission of carbon peak and carbon neutrality, and implemented a comprehensive conservation strategy. The Company extensively conducted the promotion and education of energy-saving and carbon reduction through various events such as the Energy-saving Promotion Week, the Low Carbon Day and the “Earth Hour”, actively creating an intensive atmosphere of energy-saving and carbon reduction and further promoting the achievement of a social trend of due frugality and reasonable energy utilization.

Huatai Securities Square is equipped with a photovoltaic power generation system, which saved 45,586 kWh of electricity during the Reporting Period. In the operation of the office park, various measures such as the sunlight induced lighting device system, the ice storage air-conditioning system, the underfloor air distribution system and the intelligent lighting control in office areas were used to reduce carbon emission, which brought positive social benefits to the low-carbon economy.

The Company entrusted a service provider to conduct the “water balance test” on Huatai Securities Square, with a view to improve water-saving efficiency and achieve scientific water administration, reasonable water consumption and guided water saving. Through the water balance test, it can understand the water supply from sources and the current use of water, correctly appraise the water use, explore the potential in water saving, specify the orientation of water management and provide basis for further adopting water-saving technological measures and formulating water-saving plans.

The greening rate of Huatai Securities Square is 27.9%, which is higher than that of general business office areas. Around the concept of garden-like office, through creating a multi-level landscape including central greening, vertical greening and roof garden, the Company consistently expanded the plantation area of green plants to reduce carbon emission and contribute to carbon neutrality.

The Company proactively complied with greening construction indicators during the construction project of refurbishment and renovation, and promoted an approach of making use of old items, controlling the reasonable quantity and extent of renovation. While constructing beautiful and comfortable workplace for staff, the Company selected more environment-friendly refurbishing materials and reduced demolition of the original decorating and refurbishing materials to reduce the greenhouse gas emissions arising from the manufacturing, transportation and installation of new decorating and refurbishing materials.

In January 2024, the national greenhouse gas voluntary emission reduction trading market was officially launched, and the Company successfully participated in the trading on the first day. The greenhouse gas voluntary emission reduction trading market is an important component of national carbon market, which utilizes market mechanism to mobilize the strengths across the society to jointly participate in greenhouse gas emission reduction and provides support for the energy conservation and carbon reduction activities of various types of market players in different industries through China Certified Emission Reduction (CCER) trading. The Company will continuously and proactively participate in the construction of domestic and overseas carbon markets, improve its carbon-related financial products and service capabilities, practically serve the green and low-carbon development of the real economy, and contribute to the achievement of the national goals of carbon peak and carbon neutrality.

In May 2024, with vigorous support from the Shenzhen Stock Exchange, the “Huatai – Xinhua Hydropower Renewable Energy Electricity Price Additional Subsidy Phase 1 Carbon Neutrality Green Asset-backed Special Scheme (Sustainable)” was successfully established, with Xinhua Hydropower Company Limited as the original equity holder, Huatai United Securities acting as the overall coordinator and the independent financial advisor, and Huatai Asset Management acting as the scheme manager. The project is the first sustainable ABS in the energy sector (including new energy) on the Shenzhen Stock Exchange, marking an important innovation in domestic ABS product market.

In May 2024, the “Geely – Yiyi Internet Phase 1 Green Asset-backed Special Scheme” was successfully established on the Shenzhen Stock Exchange, with Huatai United Securities acting as the sole financial advisor and Huatai Asset Management acting as the scheme manager. The project is the first ABS of electricity exchange infrastructure in China, which will inject new vitality into transportation energy integration and green travel. The Company will take new quality productivity as the lead, duly develop its green financial business, continuously promote the upgrading and improvement of charging and electricity exchange infrastructure for new energy vehicles, and contribute green power to high-quality development.

In May 2024, the Company and Hubei Sanxia New Building Materials Co., Ltd. (湖北三峡新型建材股份有限公司) completed the carbon quota repurchase transaction in Hubei. The project was the first carbon quota repurchase transaction completed by a state-owned listed company in Hubei carbon market. The Company gave full play to the function of finance to serve the high-quality development of the real economy, so as to help entities effectively guide the green transition of capital investment by liquidizing existing carbon assets, expanding financing channels and reducing financing costs. The proceeds from the repurchase transaction will continue to be invested into energy conservation and carbon reduction and upgrading of environmental facilities, so as to achieve the synergistic efficiency improvement resulted from pollutant reduction and carbon reduction, and promote the deep integration of green low-carbon development and economic growth.

II. DETAILS ON CONSOLIDATION AND EXPANSION OF THE RESULTS OF POVERTY ALLEVIATION, RURAL REVITALIZATION AND OTHER WORK

The Company insisted on integrating its own development strategies with the concept of social responsibility, and wholeheartedly served the national strategy of rural revitalization. During the Reporting Period, the Company continued to deepen the “One Company Helps One County” assistance in pair with Jinzhai County, Anhui Province, organised voluntary party members to visit families with difficulties in Jinzhai, and carried out the “One Tomorrow” rural education program in Jinzhai Shuanghe Middle School. The Company actively participated in the new session of “Five-party Linkage” rural revitalization in Jiangsu Province, and designated young backbone employees with good political quality and strong working competence as the promotion members to serve as the “first secretary” stationed in the villages. The Company organised the party organisations of five subsidiaries to carry out collaborative construction with five schools in Feng County, in order to promote the construction of dream center program. The Company supported the East-west Collaboration and Support, implemented the two-year action plan for supportive consumption and support for targeted assistance areas from 2024 to 2025, and purchased supportive consumption products from targeted assistance areas in Jiangsu Province.

In six places of five provinces, including Suqian in Jiangsu Province, Jinzhai and Yuexi in Anhui Province, Enshi in Hubei Province, Lancang in Yunnan Province and Yushu in Qinghai Province, the Company carried out the “One Tomorrow” rural education program in a deep-going way, and conducted voluntary services and public welfare activities for visiting children in need to provide children in need in the project schools living allowance to improve their learning environment. At the same time, through funding schools with concentrated left-behind children, the Company carried out targeted volunteer services for left-behind children and teachers according to the characteristics and differentiated demands of the schools, and introduced psychology, pedagogy, sociology, ecology and other expert resources to cultivate children’s diversified interests and hobbies, and help left-behind children grow up.

MAJOR EVENTS

I. PERFORMANCE OF UNDERTAKINGS

(I) Undertakings of de facto controllers, shareholders, related parties, purchasers of the Company, the Company and other undertaking-related parties made or remained effective during the Reporting Period

Background of undertaking	Type of undertaking	Undertaking party	Content of undertaking	Date of undertaking	Any deadline for performance or not	Duration of undertaking	Strictly performed in a timely manner or not
Other undertakings made to minority shareholders of the Company	To solve horizontal competition	Guoxin Group	Guoxin Group and its subsidiaries or associated companies shall not engage in or conduct any business which may compete with the primary business of Huatai Securities in any way (including but not limited to self-operated, joint-ventured or associated) at any time in the future (except for Jintai Futures Co., Ltd.). For any opportunities to conduct, engage in or invest in any business that may compete with the business of Huatai Securities available to Guoxin Group and its subsidiaries or associated companies, Guoxin Group will give such opportunities to Huatai Securities (except for Jintai Futures Co., Ltd.).	June 27, 2014	No	Long term	Yes

II. THERE WAS NO NON-OPERATING MISAPPROPRIATION OF FUNDS OF THE COMPANY BY ANY CONTROLLING SHAREHOLDERS AND OTHER RELATED PARTIES DURING THE REPORTING PERIOD

III. THE COMPANY HAD NO GUARANTEES IN VIOLATION OF REGULATIONS DURING THE REPORTING PERIOD

IV. THE INTERIM REPORT OF THE COMPANY HAS NOT BEEN AUDITED

V. THERE WAS NO NON-STANDARD AUDIT OPINION ON THE ANNUAL REPORT OF THE COMPANY FOR THE PREVIOUS YEAR

VI. THERE WERE NO BANKRUPTCY AND RESTRUCTURING OF THE COMPANY DURING THE REPORTING PERIOD

VII. MATERIAL LITIGATIONS AND ARBITRATIONS

During the Reporting Period, there were no material litigation and arbitration of the Company with amount involving more than RMB10 million and accounting for more than 10% of the absolute value of the audited net assets of the Company for the latest period, which are required to be disclosed by the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange.

(I) Litigation and arbitration disclosed in ad hoc announcements without subsequent development

Summary and type of event	Query indexes
Debt dispute between the Company and Sichuan Shengda Group Co., Ltd. (四川聖達集團有限公司)	Retrievable in the 2021-2023 annual reports
Dispute over pledged securities repurchase between the Company, Chu Jinfu, Tang Fujun and Henan Senyuan Group Co., Ltd. (河南森源集團有限公司)	Retrievable in the 2023 annual report
Dispute over pledged securities repurchase between the Company, Henan Senyuan Group Co., Ltd. and Chu Jinfu	Retrievable in the 2023 annual report
Dispute over pledged securities repurchase between the Company, Han Hua and Yang Lijun	Retrievable in the 2023 annual report
Debt disputes between Huatai United Securities, Stone Group (四通集團) and Stone Group Financial Company (四通集團財務公司)	Retrievable in the 2011-2023 annual reports
Debt disputes between Huatai United Securities and Beijing Huazi Syndicated Group (北京華資銀團集團)	Retrievable in the 2011-2023 annual reports
Debt disputes between Huatai United Securities, China Huacheng Group Financial Co., Ltd. (中國華誠集團財務有限責任公司) and Huacheng Investment Management Co., Ltd. (華誠投資管理有限公司)	Retrievable in the 2011-2023 annual reports
Dispute over Meijite project between Huatai United Securities and Postal Savings Bank	Retrievable in the 2023 annual report
Bond default contract dispute under collective asset management program of Huatai Asset Management	Retrievable in the 2021-2023 annual reports
Stock pledged repurchase contract dispute under China Merchants Bank No. 3 Targeted Assets Management Plan on Capital Innovation of Huatai Asset Management	Retrievable in the 2022-2023 annual reports
Bill dispute of Huafu Xiamen Bank No. 1 Targeted Assets Management Plan of Huatai Securities (華泰證券華福廈門銀行 1 號定向資產管理計劃) in relation to Huatai Asset Management	Retrievable in the 2023 annual report
A considerable overloss in futures account of Zhang Xiaodong, a client of Huatai Futures	Retrievable in the 2013-2023 annual reports

(II) Litigation and arbitration not disclosed in ad hoc announcements or with subsequent development

The litigation or arbitration of the Company which was newly raised but has not been disclosed (with an involved amount of over RMB100 million) or has been disclosed but had progress during the Reporting Period:

1. Property damage dispute among the Company and Jinwei Company, etc.

In March 2024, the Company received a lawsuit document from Shanghai Financial Court. According to the lawsuit, since Jinwei Property Group Limited (金威物產集團有限公司) (“Jinwei Company”) suffered losses from its investment in “Wu Sheng • Runwu No. 1 Mixed Private Securities Fund (吳聲•潤物1號混合型私募證券基金)”, Jinwei Company sued to the court and demanded the fund manager, the fund custodian and relevant subjects of the underlying trust plan invested by the fund to jointly compensate for its losses totaling RMB179,774,725. The Company is the fund custodian. At present, Shanghai Financial Court has accepted the case and the Company has engaged a lawyer to represent it to respond to the lawsuit. The court organised a court session on April 10, 2024 and has not yet made a first-instance judgment ruling.

2. Securities investment fund transaction dispute among the Company and Zhaoxin Company, etc.

In March 2024, the Company received a lawsuit document from Shenzhen Intermediate People’s Court. According to the lawsuit, Zhejiang Zhaoxin Investment Management Co. Ltd. (浙江兆信投資管理有限公司) (“Zhaoxin Company”), as the manager of “Zhaoxin No. 15 Private Securities Investment Fund (兆信15號私募證券投資基金)”, suffered losses from its investment in “Jishifu Jinli No. 1 Private Securities Investment Fund (吉是福金利1號私募證券投資基金)” (“Jinli No. 1 Fund”), and Zhaoxin Company sued to the court and demanded Jinli No. 1 Fund’s manager, custodian and the product manager, product custodian of the underlying fund invested by Jinli No. 1 Fund to jointly compensate for its losses totaling RMB623,324,129.95. The Company is the product custodian of the underlying fund. At present, Shenzhen Intermediate People’s Court has accepted the case and the Company has engaged a lawyer to represent it to respond to the lawsuit. On April 17, 2024, the custodian of Jinli No. 1 Fund filed a jurisdictional objection, claiming that the case shall be transferred to the jurisdiction of Chengdu-Chongqing Financial Court. On July 1, 2024, Shenzhen Intermediate People’s Court made the first-instance ruling that the case shall be transferred to the jurisdiction of Chengdu-Chongqing Financial Court. Zhaoxin Company disagreed with the ruling and filed an appeal against the above ruling on the jurisdictional objection on July 10, 2024.

3. *Other tort liability disputes among the Company and Shanghai Shiling, etc.*

- (1) In May 2024, the Company received a lawsuit document from Shanghai Financial Court. According to the lawsuit, since Shanghai Shiling New Energy Co., Ltd. (上海石領新能源有限公司) (“Shanghai Shiling”) suffered losses from its investment in “Yunnan Trust – Tianpan Wenyi No. 26 Securities Investment Pooled Fund Trust Plan (雲南信託 – 天磐穩益26號證券投資集合資金信託計劃)”, Shanghai Shiling sued to the court and demanded the investment adviser of the trust plan and the product custodians of the underlying fund invested by the trust plan to jointly compensate for the loss of the principal, the loss of the trust income and the attorney’s fees, etc., totaling RMB607,846,630.14. The Company is one of the product custodians of the underlying fund. At present, Shanghai Financial Court has accepted the case and has not organised a court session. The Company has engaged a lawyer to represent it to respond to the lawsuit.

Since Shanghai Shiling had applied for preservation, Shanghai Financial Court ruled to freeze the bank deposits of the investment adviser of the trust plan and the product custodians of the underlying fund invested by the trust plan in the total amount of RMB607,846,630.14 or to seize or detain other properties and interests of the same value, and actually froze the interests held by the Company including equity interests in Huatai United Securities with a capital contribution of RMB307,846,630.14 and dividends. On August 15, 2024, Shanghai Financial Court ruled to release the preservation measures on the interests held by the Company including equity interests in Huatai United Securities and dividends.

- (2) In May 2024, the Company received a lawsuit document from Shanghai Financial Court. According to the lawsuit, since Shanghai Shiling suffered losses from its investment in “Yunnan Trust – Tianpan Wenyi No. 12 Securities Investment Pooled Fund Trust Plan (雲南信託 – 天磐穩益 12號證券投資集合資金信託計劃)”, Shanghai Shiling sued to the court and demanded the trustee of the trust plan, the investment adviser of the trust plan and the product custodian of the underlying fund invested by the trust plan to jointly compensate for its loss of the principal, the loss of the trust income and the attorney’s fee, etc., totaling RMB168,842,739.73. The Company is the product custodian of the underlying fund. At present, Shanghai Financial Court has accepted the case and has not organised a court session. The Company has engaged a lawyer to represent it to respond to the lawsuit.

Since Shanghai Shiling had applied for preservation, Shanghai Financial Court ruled to freeze the bank deposits of the trustee of the trust plan, the investment adviser of the trust plan and the product custodian of the underlying fund invested by the trust plan in the total amount of RMB168,842,739.73 or to seize or detain other properties and interests of the same value, and actually froze the Company’s two bank accounts in the total amount of RMB168,842,739.73. On August 15, 2024, Shanghai Financial Court ruled to release the preservation measures on the Company’s above two bank accounts.

4. *Tort liability disputes among the Company and Zhejin Company, etc.*

In June 2024, the Company received a lawsuit document from Hangzhou Intermediate People's Court. According to the lawsuit, Ningbo Zhejin Steel Co., Ltd. (寧波浙金鋼材有限公司) ("Zhejin Company") suffered losses from its investment in "Xizang Trust – Zhangjia No. 45 Single Fund Trust (西藏信託 — 章嘉45號單一資金信託)", thus Zhejin Company sued to the court and demanded the product service agency, fund manager and custodians of the underlying fund invested by the trust plan to jointly compensate for its loss of the principal, interest loss and the attorney's fee, etc., totaling RMB100,086,666.67. The Company is one of the product custodians of the underlying fund. At present, Hangzhou Intermediate People's Court has accepted the case and has not organised a court session. The Company has engaged a lawyer to represent it to respond to the lawsuit.

5. *Equity transfer dispute between the Company and Cheng Xi*

In 2016, the Company acquired the shares of Zhangzhou Sanlida Environmental Technology Corporation Limited (漳州三利達環保科技股份有限公司) (stock code: 833329, the "Lida Corporation") for market-making. In July 2018, Lida Corporation stated that it planned to delist from the National Equities Exchange and Quotations (NEEQ) with a view to overseas development, and its shareholder, Cheng Xi, agreed to be a transferee of all the shares of Lida Corporation held by the Company subsequent to the delisting. Lida Corporation and its shareholder, Cheng Xi (as the defendant), issued a "Letter of Undertaking" to the Company, in which they undertook to be transferred the entire 1,407,000 shares of Lida Corporation held by the Company by way of cash payment upon the delisting of Lida Corporation, with the total transfer amount being no less than RMB63,315,000. Upon the delisting of the Lida Corporation, Cheng Xi did not pay for the transfer price. And in that case, the Company filed a pleading with the Xiamen Intermediate People's Court on November 14, 2022, requesting the defendant to pay the equity transfer amount, liquidated damages and overdue interests in a total amount of RMB108,363,622.50 (as of October 20, 2022). The court filed a case on November 15, 2022. On June 5, 2023, the

Xiamen Intermediate People's Court made the first-instance judgment ruling that Cheng Xi shall pay the Company the equity transfer amount, liquidated damages and preservation fee of RMB63,315,000, RMB12,663,000 and RMB5,000, respectively. The Company has lodged an application to the Xiamen Intermediate People's Court for enforcement after the judgment becoming effective, and the court accepted and filed a case for execution on October 7, 2023, and there has been no enforcement payment. On March 29, 2024, Xiamen Intermediate People's Court ruled to conclude the enforcement proceedings.

6. *Performance dispute between Yili Fund, a fund under Huatai Purple Gold Investment, and Der Group and its de facto controller, Ru Jiyong*

Yili Su Xin Investment Fund Partnership (Limited Partnership) (伊犁蘇新投資基金合夥企業(有限合夥)) ("Yili Fund"), a fund under Huatai Purple Gold Investment, filed an application for arbitration with the Nanjing Arbitration Commission in June 2020, requesting Ru Jiyong, the de facto controller of Der Group Co. Ltd. (德爾集團有限公司) ("Der Group") to fulfil his obligation to repurchase the equity interest in Henan Yiteng New Energy Technology Co., Ltd. (河南義騰新能源科技有限公司) ("Henan Yiteng") held by Yili Fund pursuant to the agreement entered into between the parties in relation to the investment in Henan Yiteng. The Nanjing Arbitration Commission held hearings on August 19, 2022, February 24, 2023 and October 7, 2023. In light of the bankruptcy and the cancellation of industry and commerce registration of Henan Yiteng, Yili Fund filed a new application for arbitration with the Nanjing Arbitration Commission on February 7, 2024, demanding Ru Jiyong to undertake the corresponding payment obligations. On February 20, 2024, the Nanjing Arbitration Commission accepted the aforesaid arbitration application from Yili Fund. The Nanjing Arbitration Commission issued a decision letter on June 24, 2024, stating that the arbitration proceedings in this case were suspended due to Ru Jiyong's claim for confirmation of the validity of the arbitration agreement, which had been accepted by Suzhou Intermediate People's Court and no ruling had been made yet, and that the arbitration proceedings would be resumed when the reason for the suspension of the arbitration proceedings had been removed.

On November 11, 2022, Yili Fund filed a lawsuit against Der Group with the People's Court of Jianye District, Nanjing, requesting Der Group to be liable for the losses incurred by Yili Fund resulting from the invalid guarantee of pledge of shares of Der Future (with damages of RMB275,966,101, of which, the loss of investment principal amounted to RMB142,372,881 and the loss of interest amounted to RMB133,593,220). On November 28, 2022, the People's Court of Jianye District, Nanjing froze 54,919,622 shares of Der Future held by Der Group upon the application of Yili Fund. The case was then transferred to Ili Kazakh Autonomous Prefecture Branch of the High People's Court of Xinjiang Uygur Autonomous Region (the "Ili Court"), and the Ili Court held a hearing on September 8, 2023 and issued a civil ruling on October 18, 2023, holding that the case had to be based on the outcome of the Nanjing Arbitration Case, and ordered a stay of the litigation accordingly. Due to the requirements on time limits for case trial, Yili Fund filed an application for withdrawal of the case with the Ili Court, which issued a ruling agreeing to the withdrawal of the case on May 21, 2024. At the same time, Yili Fund applied to the Ili Court for pre-litigation preservation and resubmitted its application to file the case.

7. *Performance dispute between Yili Fund, a fund under Huatai Purple Gold Investment, and Su Yashuai*

The project of J-Tech CNC Technology Co., Ltd. (嘉泰數控科技股份有限公司) ("J-Tech CNC") invested by Yili Fund, a fund under Huatai Purple Gold Investment, has triggered the repurchase and cash compensation obligations of Su Yashuai, the de facto controller of J-Tech CNC, due to the failure to fulfill the performance commitments and listing targets as stipulated in the investment agreement, which has resulted in a performance dispute. In October 2023, Yili Fund filed an application for litigation to the People's Court of Jianye District, Nanjing. The People's Court of Jianye District has accepted the case and commenced the trial on January 15, 2024. On April 18, 2024, the People's Court of Jianye District issued a civil judgment in favor of Yili Fund's claim for the consideration for share repurchase, which consisted of the principal amount of RMB80,059,100 as well as the repurchase premium (calculated at an interest

rate of 10% per annum until the date of actual payment of the consideration for share repurchase); and adjusted the liquidated damages claimed by us, which was calculated on a base amount of RMB80,059,100 and at the one-year Loan Prime Rate standard published by the National Interbank Funding Center from September 13, 2022 until the date of actual settlement. By the expiration of the appeal period, the opponent had not filed an application for appeal and the first instance judgment had become effective. Yili Fund had submitted the filing materials with the Executive Bureau of People's Court of Jianye District on June 12, 2024 for compulsory execution.

(III) Punishment and public denouncement suffered by the Company during the Reporting Period

1. In March 2024, Huatai United Securities received the Decision on Taking Measures by Issuing a Warning Letter to Huatai United Securities Co., Ltd., Liu Wei and Zhang Zhanpei ([2024] No. 14) (《關於對華泰聯合證券有限責任公司、劉偉、張展培採取出具警示函措施的決定》([2024]14號)) issued by Hubei Securities Regulatory Bureau. The aforesaid warning letter determined that Huatai United Securities failed to carry out effective supervision over the financial accounting and funds raising of Hubei Huaqiang High-tech Co., Ltd. (湖北華強科技股份有限公司) (“Huaqiang High-tech”), and that the relevant descriptions in the report issued were not tally with the facts, and failed to reflect the non-compliance issues of Huaqiang High-tech in a true and accurate manner. Hubei Securities Regulatory Bureau took administrative supervisory measures by issuing a warning letter to Huatai United Securities and the relevant personnel in accordance with Article 64 of the Administrative Measures for the Sponsorship Business of the Issuance and Listing of Securities (《證券發行上市保薦業務管理辦法》).

Huatai United Securities has pursued corresponding internal accountability in accordance with its corporate system, and requested the responsible departments to conduct a comprehensive review on the continuous supervision and workflow of the sponsorship business projects, to perform their duties conscientiously and diligently, and to prevent the recurrence of similar incidents.

2. In April 2024, Jiangsu Securities Regulatory Bureau issued the Decision of Jiangsu Securities Regulatory Bureau on Ordering Huatai Securities Co., Ltd. to Take Rectification Regulatory Measures ([2024] No. 74) (《江蘇證監局關於對華泰證券股份有限公司採取責令改正監管措施的決定》([2024]74號)), pointing out that the Company failed to put in place compliance and risk control gatekeeping for part of its proprietary business, failed to fulfill its obligations of managing and supervising the appropriateness of some of its clients, failed to manage the qualifications of its practitioners and failed to improve the internal control over its follow-on investment business.

The Company has organised relevant departments to further regulate specific business links by revising systems and optimizing processes, and has submitted a written report on the implementation of rectifications to Jiangsu Securities Regulatory Bureau.

3. In April 2024, Shenzhen Securities Regulatory Bureau issued the Decision on Taking Measures by Issuing a Warning Letter to the Securities Branch of Huatai Securities Co., Ltd. in Shennan Avenue, Shenzhen (Decisions on Administrative Regulatory Measures [2024] No. 77) (《關於對华泰證券股份有限公司深圳深南大道證券營業部採取出具警示函措施的決定》(行政監管措施決定書[2024]77號)) to the Securities Branch in Shennan Avenue, Shenzhen, pointing out that the Securities Branch in Shennan Avenue, Shenzhen cooperated with external organisations to hold a customer training and exchange meeting in 2019, which involved explanations on the securities market trends and other related contents, yet the Branch failed to conduct compliance review on the activities, agenda, contents and qualifications of the lecturers. Shenzhen Securities Regulatory Bureau decided to take the administrative regulatory measures by issuing a warning letter to such Branch.

The Company has urged the Securities Branch in Shennan Avenue, Shenzhen to make rectifications in a timely manner, and to carry out assessment and accountability of relevant responsible parties.

4. In April 2024, Jiangsu Securities Regulatory Bureau issued the Decision of Jiangsu Securities Regulatory Bureau on Ordering Huatai Securities Co., Ltd. to Take Rectification Regulatory Measures ([2024] No. 85) (《江蘇證監局關於對华泰證券股份有限公司採取責令改正監管措施的決定》([2024]85號)) to the Company, pointing out that the Company failed to manage the trading behaviors of its clients in carrying out its margin financing and securities lending business; and failed to continuously supervise and urge its clients to standardize their issuance behaviors in the course of carrying out the business of non-financial corporate debt financing instruments in the inter-bank bond market.

The Company has organised relevant departments to carry out rectifications through system process modification and strengthening compliance advocacy, and has submitted a written report on the implementation of rectifications to Jiangsu Securities Regulatory Bureau.

5. In May 2024, Yunnan Securities Regulatory Bureau issued the Decision on Taking Measures by Issuing a Warning Letter to Huatai Securities Co., Ltd., Yunnan Branch (Decisions on Administrative Regulatory Measures [2024] No. 007) (《關於對华泰證券股份有限公司雲南分公司採取出具警示函措施的決定》(行政監管措施決定書[2024]007號)) to Yunnan Branch, pointing out that Yunnan Branch failed to deal with investor complaints and disputes in a timely and proper manner. Yunnan Securities Regulatory Bureau decided to take the administrative regulatory measures by issuing a warning letter to such Branch.

Yunnan Branch reached a settlement with the investors related to the dispute in April 2024, completed the handling of the complaint disputes and provided feedback on the dispute handling report in accordance with the requirements of Yunnan Securities Regulatory Bureau.

6. In May 2024, Shanghai Securities Regulatory Bureau issued the Decision on Taking Measures by Issuing a Warning Letter to Huatai Securities (Shanghai) Assets Management Co., Ltd. (Hu Zheng Jian Jue [2024] No. 213) (《關於對華泰證券(上海)資產管理有限公司採取出具警示函措施的決定》(滬證監決[2024]213號)) to Huatai Asset Management, in which Shanghai Securities Regulatory Bureau considered that Huatai Asset Management had following issues in the course of conducting its business:

Firstly, the funds invested for relief purposes under the asset management plan for supporting the development of private enterprises did not reach the prescribed proportion, which did not comply with Article 5(2) of the Guidelines on the Standardized Operation of Asset Management Plans of the Securities Industry for Supporting the Development of Private Enterprises (《證券行業支持民營企業發展資產管理計劃規範運作指引》), and violated Article 3(1) of the Measures for the Administration of the Privately Offered Asset Management Business of Securities and Futures Business Institutions (《證券期貨經營機構私募資產管理業務管理辦法》) of 2018 and Article 3(1) of the Measures for the Administration of the Privately Offered Asset Management Business of Securities and Futures Business Institutions of 2023.

Secondly, the due diligence on counterparties was inadequate, and there was a failure to conduct prudent investigation on counterparties in the process of handling the stock pledged repurchase business for individual clients, which violated the relevant provisions of Article 61(2) of the Measures for the Administration of the Privately Offered Asset Management Business of Securities and Futures Business Institutions of 2018.

In response to the above-mentioned issues, Huatai Asset Management has carried out special review and inspections on the stock pledged repurchase business in the early stage, comprehensively reviewing and screening from various aspects, such as due diligence, project evaluation, quality control, duration management and so on. At present, Huatai Asset Management has formulated practical rectification measures in accordance with the requirements, clearly defined the rectification timeframe and responsible departments, and submitted a rectification report to Shanghai Securities Regulatory Bureau in a timely manner.

7. In June 2024, Huatai United Securities received the Decision on Supervisory Warning to Huatai United Securities Co., Ltd., Sponsor Representatives Xia Junfeng and Wang Yi ([2024] No. 34) (《關於對華泰聯合證券有限責任公司、保薦代表人夏俊峰、汪怡予以監管警示的決定》([2024]34號)) issued by the SSE, which determined that Huatai United Securities failed to fulfill the obligation of prudent verification in respect of the flow of funds to overlapping supplier by the affiliated company of Zhejiang Arcana Power Sports Tech Co., Ltd. (浙江力玄運動科技股份有限公司), and failed to prudently assess the income-related verification opinions of the reporting accountant and other circumstances. The SSE, in accordance with the relevant provisions of the Rules Governing the Review of Issuance and Listing of Stocks on the Shanghai Stock Exchange (《上海證券交易所股票發行上市審核規則》), took the self-disciplinary measures of supervisory warning against Huatai United Securities and the relevant personnel.

Huatai United Securities pursued corresponding internal accountability in accordance with its corporate system and required the responsible departments to conduct comprehensive inspections on the project management, risk identification and control and other matters of sponsorship business, so as to further improve the adequacy and prudence of due diligence.

VIII. SUSPECTED VIOLATIONS OF LAWS AND REGULATIONS BY, PUNISHMENT ON AND RECTIFICATION OF THE LISTED COMPANY AND ITS DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT, CONTROLLING SHAREHOLDERS AND DE FACTO CONTROLLERS

During the Reporting Period, none of the Directors, Supervisors, senior management, shareholders holding over 5% of shares or de facto controllers of the Company were investigated by competent authorities, imposed with coercive measures by a judicial authority or disciplinary department, transferred to a judicial authority or held criminally liable, banned from accessing to the market, identified as unsuitable persons, punished by other administrative departments or publicly condemned by a stock exchange.

For details of the punishment imposed on the Company and its rectification during the Reporting Period, please refer to “(III) Punishment and Public Denouncement Suffered by the Company during the Reporting Period” under “VII. Material Litigations and Arbitrations” in this section of this report.

IX. INTEGRITY OF THE COMPANY AND ITS CONTROLLING SHAREHOLDERS AND DE FACTO CONTROLLERS DURING THE REPORTING PERIOD

During the Reporting Period, the Company and its de facto controllers maintained good faith with no cases such as non-performance of effective court judgment or overdue of relatively large liability.

X. MAJOR RELATED-PARTY TRANSACTIONS

Details on the related-party transactions under the relevant accounting standards can be found in “58. Related party relationships and transactions” under “Notes to the Condensed Consolidated Financial Statements” of “Interim Financial Report” in this report. The Company confirmed that the related-party transactions were not qualified as the “connected transactions” or the “continuing connected transactions” as defined in Chapter 14A of the Hong Kong Listing Rules (as the case may be), or were in compliance with the disclosure requirements under Chapter 14A of the Hong Kong Listing Rules.

XI. MATERIAL CONTRACTS AND PERFORMANCE THEREOF

(I) During the Reporting Period, the Company had no custody, contracting or leasing matters

(II) Material guarantees completed and not yet completed during the Reporting Period

Unit: 100 Million Yuan Currency: RMB

External guarantees of the Company (excluding the guarantees for subsidiaries)

Total amount of guarantees during the Reporting Period (excluding the guarantees for subsidiaries)	–
----------------------------------------------------------------------------------------------------	---

Total balance of guarantees at the end of the Reporting Period (A) (excluding the guarantees for subsidiaries)	–
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Guarantees of the Company for its subsidiaries

Total amount of guarantees for subsidiaries during the Reporting Period	38.03
-------------------------------------------------------------------------	-------

Total balance of guarantees for subsidiaries at the end of the Reporting Period	386.21
---------------------------------------------------------------------------------	--------

(B)

Total guarantee amount of the Company (including the guarantees for subsidiaries)

Total guarantee amount (A+B)	386.21
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Percentage of the total guarantee amount to net assets of the Company (%)	21.07
---------------------------------------------------------------------------	-------

Among which:

Amount of guarantees provided for shareholders, de facto controllers and their related parties (C)	–
----------------------------------------------------------------------------------------------------	---

Amount of debt guarantees provided directly or indirectly for the guaranteed objects with an asset-liability ratio of more than 70% (D)	336.06
-----------------------------------------------------------------------------------------------------------------------------------------	--------

Excess amount of the total guarantee over 50% of the net assets (E)	–
---------------------------------------------------------------------	---

Total amount of the three guarantees mentioned above (C+D+E)	336.06
--------------------------------------------------------------	--------

Description of possible joint and several liability for unexpired guarantees	Bearing the principal, interest and other expenses of the bonds
Conditions of guarantees	<p data-bbox="638 272 1485 304">1. Guarantees Provided by the Company</p> <p data-bbox="638 346 1485 602">(1) In 2017, as considered and approved at the fifth meeting of the fourth session of the Board and the 2016 Annual General Meeting of the Company, the Company provided a net capital guarantee with the maximum amount of RMB1.9 billion to Huatai Asset Management. The net capital guarantee of RMB1.9 billion has not been utilized during the Reporting Period.</p> <p data-bbox="638 644 1485 1091">(2) In 2018, as considered and approved at the sixteenth meeting of the fourth session of the Board, the Company provided a net capital guarantee with the maximum amount of RMB2.0 billion to Huatai United Securities. The net capital guarantee will be available from July 1, 2019. In 2022, Shenzhen Securities Regulatory Bureau approved the Company to adjust the amount of the net capital guarantee to Huatai United Securities in 2019 from RMB2.0 billion to RMB1.0 billion commencing from June 21, 2022. As at the end of the Reporting Period, the Company provided a net capital guarantee with a total amount of RMB1.0 billion to Huatai United Securities.</p> <p data-bbox="638 1134 1485 1315">(3) In 2020, as considered and approved at the seventh meeting of the fifth session of the Board, the Company provided a liquidity guarantee with a maximum amount of RMB2.0 billion to Huatai United Securities, which had not been utilized during the Reporting Period.</p> <p data-bbox="638 1357 1485 1879">(4) In 2021, as considered and approved at the eleventh meeting of the fifth session of the Board and the 2021 First Extraordinary General Meeting of the Company, the persons authorized by the general mandate to issue onshore and offshore debt financing instruments of the Company signed relevant agreements, and the Company (as the guarantor) has entered into a guarantee agreement with Citicorp International Limited (as the trustee), to provide an unconditional and irrevocable guarantee for USD1,300 million bonds and additional USD100 million bonds issued by Pioneer Reward Limited, a subsidiary of Huatai International. Among that, USD900 million bonds were due for repayment upon maturity in April 2024 and the corresponding guarantee terminated automatically.</p>

- (5) In 2022, the Company (as the guarantor) entered into a guarantee agreement with Citicorp International Limited (as the trustee), to provide an unconditional and irrevocable guarantee for USD1,000 million bonds and RMB5,000 million bonds issued by Pioneer Reward Limited, a subsidiary of Huatai International.
- (6) In 2023, the Company (as the guarantor) entered into a guarantee agreement with Hongkong and Shanghai Banking Corporation Limited (as the trustee), to provide an unconditional and irrevocable guarantee for USD1,600 million bonds issued by Pioneer Reward Limited, a subsidiary of Huatai International.

2. Guarantees Provided by the Subsidiaries

During the Reporting Period, Huatai International and its subsidiaries had provided guarantees for the benefits of their subsidiaries in connection with their business operations, which are mainly guarantees for corporate bonds, guarantees for medium-term notes, and guarantees for transactions with counterparties involving the signing of international derivatives framework agreements. The aggregate guaranteed amount was approximately RMB6.628 billion as of the end of the Reporting Period.

In addition, Huatai International and its subsidiaries provided guarantees, some of which were unlimited, for various International Swaps and Derivatives Association Agreements (ISDA), Global Master Repurchase Agreements (GMRA), Global Master Securities Lending Agreements (GMSLA) and Broker-Dealer Agreements. The above-mentioned unlimited guarantees were issued in accordance with normal international banking and capital market practices, which allowed the banks and other financial institutions which Huatai International and its subsidiaries deal with to support large market events and fluctuating requirements, therefore ensuring Huatai International and its subsidiaries not constrained in the normal course of business. Since Huatai International and its subsidiaries are limited companies, the absolute maximum exposure of these guarantees in aggregate would be limited to the respective net assets of Huatai International and its subsidiaries.

3. The aforesaid amount of debt guarantees provided directly or indirectly for the guaranteed objects with an asset-liability ratio of more than 70% was RMB33.606 billion, including: 1) guarantee provided by the Company to Pioneer Reward Limited, a subsidiary of Huatai International, for the issuance of USD3.1 billion bonds and RMB5.0 billion bonds; 2) the guarantee provided by Huatai International and its subsidiaries to meet the needs of the business operation of their subsidiaries.

(III) Other material contracts

1. According to the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and the Standards for the Contents and Formats of Information Disclosure by Companies Offering Securities to the Public No. 3 – Contents and Formats of Half-year Report (Revised in 2021) (《公開發行證券的公司信息披露內容與格式準則第3號－半年度報告的內容與格式(2021年修訂)》), the Company did not enter into material contracts during the Reporting Period.
2. There was no progress of relevant significant contract disclosed during the Reporting Period.

XII. EXPLANATION ON PROGRESS IN USE OF FUNDS RAISED

All funds raised by the Company have been used up before the Reporting Period.

XIII. DESCRIPTION OF OTHER MAJOR EVENTS

(I) New establishment, relocation and cancellation of securities branches and branches during the Reporting Period

1. New establishment of the Company's securities branches during the Reporting Period is as follows:

No.	Name	Location	Date of establishment	Business scope
1	Securities Branch in Dongguan International Trade Center	Room 3303, Building 2, International Trade Center, No. 1 Hongfu East Road, Dongcheng Street, Dongguan City, Guangdong Province	January 15, 2024	Securities brokerage; securities investment consulting; securities underwriting (limited to underwriting of government bonds, debt financing instruments of non-financial enterprises and financial bonds (including policy-bank bonds) only); margin financing and securities lending; agency sale of securities investment funds; agency sale of financial products.
2	Securities Branch in Zhongshan East Road, Ningbo	Room 1906, No. 1800 Zhongshan East Road, Yinzhou District, Ningbo City, Zhejiang Province	January 22, 2024	Securities brokerage; securities investment consulting; margin financing and securities lending; agency sale of securities investment funds; agency sale of financial products; securities underwriting (limited to underwriting of government bonds, debt financing instruments of non-financial enterprises and financial bonds (including policy-bank bonds) only).
3	Securities Branch in Jianguo Road, Beijing	Unit 02 in 501, 5/F, No. 77 Jianguo Road, Chaoyang District, Beijing	April 25, 2024	Securities brokerage; securities investment consulting; securities underwriting (limited to underwriting of government bonds, debt financing instruments of non-financial enterprises, financial bonds (including policy-bank bonds); limited to contracting only); margin financing and securities lending; agency sale of securities investment funds; agency sale of financial products.

2. *Relocation of the Company's securities branches during the Reporting Period is as follows:*

No.	Name before relocation	Name after relocation	Address after relocation	Issue date of license
1	Securities Branch in Wenyi North Road, Xi'an	Securities Branch in Zhuque Street, Xi'an	18/F, Xindi City, CapitaMall, No. 64 West Section of South Second Ring Road, Yanta District, Xi'an City, Shaanxi Province	January 8, 2024
2	Securities Branch in Zhenzhu South Road, Lishui	Securities Branch in Zhenzhu North Road, Lishui	No. 218-13, Zhenzhu North Road, Economic Development Zone, Lishui District, Nanjing City, Jiangsu Province	January 9, 2024
3	Securities Branch in Wenchang West Road, Yangzhou	Securities Branch in Changjian Center, Museum Road, Yangzhou	6-2001, 2002, 2019, 2020, 2021, 2022, 2023, 2024, 20/F, Changjian Center, No. 364 Museum Road, Hanjiang District, Yangzhou City	January 9, 2024
4	Securities Branch in Wulipai, Yueyang	Securities Branch in Yueyang Avenue, Yueyang	Rooms 1818, 1819, 1820, Building 4, Wanxiang Ruicheng, No. 219 Yueyang Avenue West, Yueyanglou District, Yueyang City	January 12, 2024
5	Securities Branch in Xinhua East Street, Saihan District, Hohhot	Securities Branch in Xinhua East Street, Hohhot	No. 1, 1-2/F, Orient Restaurant, West Area of Tuanjie Community, Xinhua East Street, Yingxin Road, Xincheng District, Hohhot City, Inner Mongolia Autonomous Region	February 1, 2024
6	Securities Branch in Taiping South Road, Taicang	Securities Branch in Taiping South Road, Taicang	1-2/F, Building 1, No. 36 Taiping South Road, Chengxiang Town, Taicang City	February 1, 2024
7	Securities Branch in Chengde North Road, Huaiyin, Huai'an	Securities Branch in Fuyu Road, Huai'an	Room 101, Block 1, No. 3 Fuyu Road, Economic and Technological Development Zone, Huai'an	February 1, 2024
8	Securities Branch in Yuncheng West Road, Guangzhou	Securities Branch in Yuncheng East Road, Guangzhou	Units 201, 202, 203, 204, 205, No. 561 Yuncheng East Road, Baiyun District, Guangzhou City	February 2, 2024
9	Securities Branch in Liuting Street, Ningbo	Securities Branch in Liuting Street, Ningbo	1-15, 3-29, 3-30, 3-31, 3-32, 3-33, 3-34 of No. 230, Liuting Street, Haishu District, Ningbo City, Zhejiang Province	April 16, 2024
10	Securities Branch in Zhongshan East Road, Ningbo	Securities Branch in Zhongshan East Road, Ningbo	Room 1906, No. 1800 Zhongshan East Road, Shops No. 223 and No. 225 on Songxia Street, Fuming Street, Yinzhou District, Ningbo City, Zhejiang Province	April 17, 2024

No.	Name before relocation	Name after relocation	Address after relocation	Issue date of license
11	Securities Branch in Supu Road, Nanchang	Securities Branch in Yanjiang North Avenue, Nanchang	2# Hotel of Peace International Hotel, Rooms 107, 803 and 804 of Office Building, No. 69, Yanjiang North Road, Donghu District, Nanchang City, Jiangxi Province	April 22, 2024
12	Securities Branch in Guangrong Street, Shenyang	Securities Branch in Guangrong Street, Shenyang	(0300) No. 23, Guangrong Street, Heping District, Shenyang City, Liaoning Province	April 22, 2024
13	Securities Branch in Qiushi Road, Hangzhou	Securities Branch in Xueyuan Road, Hangzhou	Units 02/03/04-1, 13/F above ground, Building 9, Huanglong International Center, No.77 Xueyuan Road, Cuiyuan Street, Xihu District, Hangzhou City, Zhejiang Province	April 23, 2024
14	Securities Branch in Changhong North Road, Xiangyang	Securities Branch in Hanjiang North Road, Xiangyang	Block 1, Wall Street, No. 115 Hanjiang North Road, Fancheng District, Xiangyang City, Hubei Province	May 20, 2024
15	Securities Branch in Xianxia Road, Changning District, Shanghai	Securities Branch in Rushan Road, Pudong New District, Shanghai	Area A of Ground Floor and Area B of Second Floor, Nos. 229, 231, Rushan Road, China (Shanghai) Pilot Free Trade Zone	June 7, 2024

(II) Description of major events of the subsidiaries

1. Huatai Purple Gold Investment

During the Reporting Period, Huatai Purple Gold Investment initiated the establishment of Nantong Huatai Intelligent Manufacture and Technology Industries Investment Partnership (Limited Partnership) (南通華泰智造科技產業投資合夥企業(有限合夥)). As of the end of the Reporting Period, the total subscription scale of such fund amounted to RMB800 million. Huatai Purple Gold Investment, as a fund manager, an executive partner and a general partner, contributed RMB250 million.

During the Reporting Period, Huatai Purple Gold Investment initiated the establishment of Chengdu Huatai Tianfu Digital Intelligence Venture Capital Partnership (Limited Partnership) (成都華泰天府數智創業投資合夥企業(有限合夥)). As of the end of the Reporting Period, the total subscription scale of such fund amounted to RMB501 million. Huatai Purple Gold Investment, as a fund manager, an executive partner and a general partner, contributed RMB1 million.

2. Huatai Asset Management

During the Reporting Period, the general manager of Huatai Asset Management changed from Mr. Nie Tingjin to Mr. Jiang Xiaoyang.

3. *Huatai International*

During the Reporting Period, Huatai Financial Holdings (Hong Kong) obtained the underwriting qualification for the TOKYO PRO-BOND Market issued by the Tokyo Stock Exchange of Japan.

4. *Jiangsu Equity Exchange*

During the Reporting Period, the chairman of Jiangsu Equity Exchange changed from Mr. Sun Hanlin to Mr. Zhang Anzhong.

(III) For other major events disclosed by the Company on China Securities Journal, Shanghai Securities News, Securities Times, Securities Daily and the website of the Shanghai Stock Exchange (www.sse.com.cn) during the Reporting Period, please refer to the appendix.

(IV) The Company's communication with its shareholders and the investor relations management during the Reporting Period

Investor relations management is one of the most important tasks for the normative development and legitimate operation of the Company, and is highly valued by the Board of the Company. The Company planned, arranged and organised various activities for the management of investor relations with a strong sense of responsibility, including coordinating on-site interviews to the Company, keeping in contact with regulatory authorities, investors, intermediary agencies and news media, etc.

During the Reporting Period, the Company updated in a timely manner information on the "Investor Relations" column on the Company's website, and answered inquiries from investors of the interactive E-platform on the website of the Shanghai Stock Exchange. The Company has received 21 batches of onsite investigations and surveys or telephone interviews conducted by around 110 researchers and investment professionals from a number of domestic and overseas brokers, fund companies and other organisations during the Reporting Period, and also has earnestly provided daily consulting services for investors and answered their questions in detail. Meanwhile, to assist the announcement of periodic reports, the Company held one results presentation and one online briefing on the results, and proactively attended strategy seminars and investment forums held by domestic or overseas securities institutions for five times in total during the Reporting Period. The Company had full communications with 50 investors and researchers on issues such as the development trend of the industry, and the operating results and business development strategy of the Company, which has effectively promoted the investors and researchers' indepth understanding of the business condition and performance of the Company, completely marketed the development advantages of the Company, and proactively guided the market expectations. The Company persisted in inducing and analysing various questions proposed by institutional investors and researchers, so as to continuously improve the professionalism, normalization and quality of the investor relations management of the Company.

The Company's reception of investigations and surveys, communications and interviews in the first half of 2024 is as follows:

No.	Date of reception	Name of meeting	Way of reception	Guests	Major topics discussed and information provided
1	January 5, 2024	Investigations and surveys by investors/analysts	Onsite interview	Guosen Securities (1 person-time)	Industry and market trends, the Company's development strategy and business development
2	January 8-9, 2024	Strategy forum of UBS Securities	Onsite interview	Principal Global Investors, Fullerton Investment Management, J.P. Morgan Asset Management, BlackRock, CPPIB, Infini Capital Management, China Investment Corporation, etc. (17 person-times)	
3	January 11, 2024	Investigations and surveys by investors/analysts	Onsite interview	Zheshang Securities, Harvest Fund, Huachuang Captive, China Asset Management, Starock Investment, Taikang Funds, etc. (11 person-times)	
4	January 11, 2024	Investigations and surveys by investors/analysts	Telephone interview	Founder Securities, Pengyang AMC, Zhong Ou AMC, Tianhong Asset Management, China Securities, CICC Fund, ICBCCS, China Asset Management, etc. (15 person-times)	
5	January 12, 2024	Investigations and surveys by investors/analysts	Telephone interview	BoFA Securities, Schroders, Citadel Investment, Pinpoint Fund, Marshall Wace, Ruitong Asset Management, Oaktree Capital Management (8 person-times)	
6	January 16, 2024	Investigations and surveys by investors/analysts	Telephone interview	Citibank, Abu Dhabi Investment Authority, AllianceBernstein, Mirae Asset, China Investment Corporation, Citadel International, Millennium Management, Nanshan Life (8 person-times)	
7	January 22, 2024	Investigations and surveys by investors/analysts	Telephone interview	HSBC, Bank of China (Hong Kong), Citadel Investment, China Investment Corporation, HSBC Jintrust, Pinpoint Asset Management, Met Life (9 person-times)	
8	January 30, 2024	Investigations and surveys by investors/analysts	Telephone interview	Fullgoal Fund (1 person-time)	
9	March 29, 2024	Presentation for 2023 Annual Results	Telephone interview	UBS Securities, CITIC Securities, CICC, Morgan Stanley, J.P. Morgan, HSBC, BoFA Securities, Citibank, Founder Securities, etc. (more than 800 person-times)	

No.	Date of reception	Name of meeting	Way of reception	Guests	Major topics discussed and information provided
10	April 3, 2024	Investigations and surveys by investors/analysts	Video interview	Wellington Assets Management (1 person-time)	Industry and market trends, the Company's development strategy and business development
11	April 9, 2024	Investigations and surveys by investors/analysts	Onsite interview	Cinda Securities (2 person-times)	
12	April 15, 2024	Investigations and surveys by investors/analysts	Telephone interview	GF Securities, HuaAn Funds (2 person-times)	
13	April 16, 2024	Investigations and surveys by investors/analysts	Telephone interview	GF Securities, Point72, M&G, HSBC Jintrust, Harvest Fund (5 person-times)	
14	April 17, 2024	Investigations and surveys by investors/analysts	Onsite interview	Hongsike Asset Management, Ningbo Zhiyuan Investment, Shenzhen Wanchuan Fund, Fanhai Investment (8 person-times)	
15	April 17, 2024	Investigations and surveys by investors/analysts	Telephone interview	GF Securities, Penghua Fund, E Fund, ICBCCS (4 person-times)	
16	April 18, 2024	Investigations and surveys by investors/analysts	Telephone interview	GF Securities, Guotai Fund (2 person-times)	
17	April 19, 2024	Investigations and surveys by investors/analysts	Telephone interview	GF Securities, BOC Investment Management (2 person-times)	
18	May 7, 2024	Investigations and surveys by investors/analysts	Telephone interview	GF Securities, Millennium Capital, HSBC Life Insurance, Industrial Bank, Chasing Securities, Kaiyuan Securities, Yuekai Securities, Manulife Fund, Rongtong Fund, etc. (23 person-times)	
19	May 8, 2024	2024 spring-summer strategy forum of Founder Securities	Onsite interview	Founder Securities, TF Asset Management, China Life Investment, etc. (7 person-times)	
20	May 9, 2024	2024 interim strategy forum of Changjiang Securities	Onsite interview	Changjiang Securities, BlackRock, China Universal Asset Management, etc. (8 person-times)	
21	May 13, 2024	Investigations and surveys by investors/analysts	Onsite interview	Zhong Ou AMC (2 person-times)	
22	May 14, 2024	Investigations and surveys by investors/analysts	Telephone interview	BlackRock, BoFA Securities (2 person-times)	
23	May 17, 2024	Investigations and surveys by investors/analysts	Onsite interview	CICC (2 person-times)	

No.	Date of reception	Name of meeting	Way of reception	Guests	Major topics discussed and information provided
24	June 4, 2024	Investigations and surveys by investors/analysts	Onsite interview	Sinolink Securities (1 person-time)	Industry and market trends, the Company's development strategy and business development
25	June 5, 2024	Investigations and surveys by investors/analysts	Onsite interview	Guotai Junan (1 person-time)	
26	June 6, 2024	CITIC Securities 2024 Capital Market Forum	Onsite interview	CITIC Securities, Zhida Asset Management, Taofu Asset Management, Harvest Fund, Zhong Ou AMC, Wealspring Asset, Caitong Asset Management, Yinhua Fund, etc. (14 person-times)	
27	June 14, 2024	Zheshang Securities 2024 Second Quarter Meeting of Exchange on Major Holdings of Institutions	Onsite interview	Zheshang Securities, Changjiang Asset Management, Zhongcai Merchants Investment, Hongchou Investment (4 person-times)	

CHANGES IN SHARES AND SHAREHOLDERS

I. CHANGES IN SHARE CAPITAL

(I) Statement of changes in shares

1. Statement of changes in shares

Unit: Shares

	Before the change		Increase/decrease (+, -) of the change					After the change	
	Number	Percentage (%)	New shares issued	Bonus shares	Shares converted from reserves	Others	Subtotal	Number	Percentage (%)
I. Shares subject to selling restrictions	29,278,392	0.32	–	–	–	-13,269,954	-13,269,954	16,008,438	0.18
1. Shares held by the state	–	–	–	–	–	–	–	–	–
2. Shares held by state-owned legal persons	–	–	–	–	–	–	–	–	–
3. Shares held by other domestic investors	29,278,392	0.32	–	–	–	-13,269,954	-13,269,954	16,008,438	0.18
Including: Shares held by domestic non									
– state-owned legal persons	–	–	–	–	–	–	–	–	–
Shares held by domestic natural persons	29,278,392	0.32	–	–	–	-13,269,954	-13,269,954	16,008,438	0.18
4. Shares held by foreign investors	–	–	–	–	–	–	–	–	–
Including: Shares held by overseas									
legal persons	–	–	–	–	–	–	–	–	–
Shares held by overseas natural persons	–	–	–	–	–	–	–	–	–
II. Tradable shares not subject to selling restrictions	9,045,384,943	99.68	–	–	–	-32,008,541	-32,008,541	9,013,376,402	99.82
1. Ordinary shares in RMB	7,326,339,263	80.73	–	–	–	-32,008,541	-32,008,541	7,294,330,722	80.78
2. Domestic listed foreign shares	–	–	–	–	–	–	–	–	–
3. Overseas listed foreign shares	1,719,045,680	18.94	–	–	–	–	–	1,719,045,680	19.04
4. Others	–	–	–	–	–	–	–	–	–
III. Total shares	9,074,663,335	100.00	–	–	–	-45,278,495	-45,278,495	9,029,384,840	100.00

2. *Information on changes in shares*

During the Reporting Period, the Company cancelled 45,278,495 A shares deposited in the repo-securities account. After the cancellation, the total share capital of the Company amounted to 9,029,384,840 shares, comprising 7,310,339,160 A shares, representing approximately 80.96% of the total number of shares, and 1,719,045,680 H shares, representing approximately 19.04% of the total number of shares.

During the Reporting Period, the conditions for release from selling restriction of the second lock-up period under the Restricted Share Incentive Scheme of A Shares of the Company have been fulfilled, and a total of 13,269,954 restricted Shares were released from selling restrictions.

3. *There were no changes in shares of the Company within the period from the end of the Reporting Period to the disclosure date of this report*

(II) *Changes in shares subject to selling restrictions*

Unit: Shares

Name of shareholder	Number of shares subject to selling restrictions at the beginning of the period	Number of shares released from selling restrictions during the Reporting Period	Increase in the number of shares subject to selling restrictions during the Reporting Period	Number of shares subject to selling restrictions at the end of the Reporting Period	Reasons for selling restrictions	Date of release from selling restrictions
Incentive participants of restricted A Shares	29,278,392	13,269,954	–	16,008,438	Incentive scheme of restricted A Shares	May 16, 2024
Total	29,278,392	13,269,954	–	16,008,438	/	/

Note:

Pursuant to the requirements under the Restricted Share Incentive Scheme of A Shares of Huatai Securities Co., Ltd., which was disclosed by the Company on February 9, 2021, if the restricted Shares granted under the incentive scheme meet the conditions of unlocking after 24 months from the date of completion of registration of the corresponding granted portion of shares, the incentive participants may release the restriction in three phases in 36 months in the proportion of 33%, 33% and 34%.

The registration date of the restricted Shares under the incentive scheme was April 6, 2021, and the second lock-up period expired on April 5, 2024. The number of the unlocked Shares was 13,269,954 Shares, and the listing and trading date of the unlocked Shares was May 16, 2024.

II. INFORMATION ON SHAREHOLDERS

(I) Total number of shareholders

Total number of shareholders of ordinary shares as of the end of the Reporting Period 250,824
 Total number of shareholders of preferred shares whose voting rights have been restored as of the end of the Reporting Period —

Among the total number of shareholders of ordinary shares as of the end of the Reporting Period, the number of shareholders of A Shares amounted to 244,003 and the number of registered shareholders of H Shares amounted to 6,821.

(II) Shareholdings of the top ten shareholders and the top ten holders of tradable shares (or holders of shares not subject to selling restrictions) as of the end of the Reporting Period

Unit: Shares

Shareholding of top ten shareholders (excluding lent shares by way of refinancing)						
Name of shareholder (in full)	Increase/ decrease during the Reporting Period	Number of shares held as at the end of the Reporting Period	Percentage (%)	Number of shares held subject to selling restrictions	Pledged, marked or frozen	
					Status of shares	Nature of shareholder
Jiangsu Guoxin Investment Group Limited	–	1,373,481,636	15.21	–	Nil	– State-owned legal person
HKSCC Nominees Limited	35,000	1,266,098,248	14.02	–	Nil	– Foreign legal person
Jiangsu Communications Holding Co., Ltd.	–	489,065,418	5.42	–	Nil	– State-owned legal person
Govtor Capital Group Co., Ltd.	318,000	356,233,206	3.95	–	Nil	– State-owned legal person
Jiangsu SOHO Holdings Group Co., Ltd.	–	277,873,788	3.08	–	Nil	– State-owned legal person
Hong Kong Securities Clearing Company Limited	-68,624,468	277,628,564	3.07	–	Nil	– Foreign legal person
Hangzhou Haoyue Enterprise Management Co., Ltd. ^{Note}	-28,401,192	239,798,041	2.66	–	Nil	– Domestic non-state-owned legal person
China Securities Finance Corporation Limited	–	152,906,738	1.69	–	Nil	– Unknown
Jiangsu SOHO International Group Corp.	–	135,838,367	1.50	–	Nil	– State-owned legal person
Jiangsu Hiteker High-tech Co., Ltd.	–	123,169,146	1.36	–	Unknown	123,169,146 Domestic non-state-owned legal person

**Shareholding of top ten holders of shares not subject to selling restrictions
(excluding lent shares by way of refinancing and executives' lock-up shares)**

Name of shareholder	Number of tradable shares held not subject to selling restrictions	Class and number of shares	
		Class	Number
Jiangsu Guoxin Investment Group Limited	1,373,481,636	Ordinary shares in RMB	1,271,072,836
		Overseas listed foreign shares	102,408,800
HKSCC Nominees Limited	1,266,098,248	Overseas listed foreign shares	1,266,098,248
Jiangsu Communications Holding Co., Ltd.	489,065,418	Ordinary shares in RMB	452,065,418
		Overseas listed foreign shares	37,000,000
Govtor Capital Group Co., Ltd.	356,233,206	Ordinary shares in RMB	342,028,006
		Overseas listed foreign shares	14,205,200
Jiangsu SOHO Holdings Group Co., Ltd.	277,873,788	Ordinary shares in RMB	76,460,788
		Overseas listed foreign shares	201,413,000
Hong Kong Securities Clearing Company Limited	277,628,564	Ordinary shares in RMB	277,628,564
Hangzhou Haoyue Enterprise Management Co., Ltd.	239,798,041	Ordinary shares in RMB	239,798,041
China Securities Finance Corporation Limited	152,906,738	Ordinary shares in RMB	152,906,738
Jiangsu SOHO International Group Corp.	135,838,367	Ordinary shares in RMB	41,132,567
		Overseas listed foreign shares	94,705,800
Jiangsu Hiteker High-tech Co., Ltd.	123,169,146	Ordinary shares in RMB	123,169,146
Description of special repurchase accounts for the top ten shareholders	There are no special repurchase accounts for the top ten shareholders.		
Description of the voting rights entrusted by the above shareholders, the voting rights the above shareholders are entrusted with and the voting rights the above shareholders abstained from	There are no voting rights entrusted by the above shareholders, the voting rights the above shareholders are entrusted with and the voting rights the above shareholders abstained from.		
Description of the related party relationships or acting in concert among the above shareholders	Guoxin Group, Communications Holding, Govtor Capital and Jiangsu SOHO Holdings Group Co., Ltd. are wholly owned by Jiangsu SASAC. Jiangsu SOHO Holdings Group Co., Ltd. is the controlling shareholder of Jiangsu SOHO International Group Corp. Apart from the above, the Company is not aware of any related party relationship among other shareholders or whether such shareholders are parties acting in concert as specified in the Regulations on the Takeover of Listed Companies.		
Description of shareholders of preferred shares with restored voting rights and the number of shares held by them	There are no shareholders of preferred shares of the Company.		

Notes:

1. The class of shareholders of ordinary shares in RMB (A Shares) represents the class of accounts held by them registered with Shanghai Branch of China Securities Depository and Clearing Corporation Limited.
2. Among the holders of overseas listed foreign shares (H Shares) of the Company, shares of non-registered shareholders are held by HKSCC Nominees Limited on their behalf. As of the end of the Reporting Period, Guoxin Group, Communications Holding, Govtor Capital, Jiangsu SOHO Holdings Group Co., Ltd. and Jiangsu SOHO International Group Corp. acquired, via Hong Kong Stock Connect, 102,408,800, 37,000,000, 14,205,200, 201,413,000 and 94,705,800 H Shares of the Company, respectively, which are also being held by HKSCC Nominees Limited. These shares are specifically and separately listed at the time of disclosure of this report; should such shares be included, the actual number of shares held by HKSCC Nominees Limited on their behalf would have been 1,715,831,048, representing approximately 19.00% of the Company's total shares.
3. Hong Kong Securities Clearing Company Limited is the nominal holder of the A Shares of the Company held by the investors in Northbound Trading under Shanghai Stock Connect.

4. Citibank, National Association is the depository of the Company's GDRs, and the domestic underlying A Shares represented by the GDRs are legally registered under its name. According to the statistics provided by the depository, the Company had a total of 133,845 GDRs in the duration period as of the end of the Reporting Period, accounting for approximately 0.16% of the approved number for issuance by the CSRC.
5. Alibaba (China) Technology Co., Ltd. held 268,199,233 A Shares of the Company as at the end of 2023 and reassigned the entire A Shares of the Company held by it into the name of Hangzhou Haoyue Enterprise Management Co., Ltd. (杭州灝月企業管理有限公司), a subordinate company of Alibaba Group Holding Limited, by way of spin-off and transfer in January 2024. During the Reporting Period, Hangzhou Haoyue Enterprise Management Co., Ltd. reduced its shareholdings by 28,401,192 A Shares of the Company.

Lent shares by way of refinancing by shareholders holding 5% or more of the shares, top ten shareholders and top ten shareholders of tradable shares not subject to selling restrictions are as follows:

Unit: Shares

Name of shareholder (in full name)	Lent shares by way of refinancing by shareholders holding 5% or more of the shares, top ten shareholders and top ten shareholders of tradable shares not subject to selling restrictions							
	Shares held through ordinary		Lent shares by way of		Shares held through ordinary		Lent shares by way of	
	account and credit account		refinancing and outstanding		account and credit account		refinancing and outstanding	
	as at the beginning of		as at the beginning of		as at the end of		as at the end of	
	the Reporting Period		the Reporting Period		the Reporting Period		the Reporting Period	
	Total	Percentage	Total	Percentage	Total	Percentage	Total	Percentage
	number	(%)	number	(%)	number	(%)	number	(%)
Govtor Capital								
Group Co., Ltd.	341,710,006	3.7655	318,000	0.0035	342,028,006	3.7879	-	-

Note: Total number of shares presented in the above table is the total number of shares held by such shareholder through A shares ordinary securities account and A shares credit securities account, excluding the number of H Shares of the Company held by it.

During the Reporting Period, there was no addition or withdrawal in the top ten shareholders and top ten shareholders of tradable shares not subject to selling restrictions due to shares lent or returned by refinancing.

Number of shares held by top ten shareholders subject to selling restrictions and selling restrictions:

Unit: Shares

Listing and trading of shares subject to selling restrictions					
No.	Name of shareholders subject to selling restrictions	Number of shares held subject to selling restrictions	Permitted time for listing and trading	Number of additional shares permitted to be listed and traded	Selling restrictions
1	Zhou Yi	244,800	See note for details	See note for details	See note for details
2	Han Zhencong	204,000	See note for details	See note for details	See note for details
3	Sun Hanlin	204,000	See note for details	See note for details	See note for details
4	Jiang Jian	204,000	See note for details	See note for details	See note for details
5	Zhang Hui	204,000	See note for details	See note for details	See note for details
6	Chen Tianxiang	204,000	See note for details	See note for details	See note for details
7	Jiao Xiaoning	170,000	See note for details	See note for details	See note for details
8	Jiao Kai	170,000	See note for details	See note for details	See note for details
9	Wang Chong	170,000	See note for details	See note for details	See note for details
10	Li Shiqian ^{Note}	402,000 ^{Note}	See note for details	See note for details	See note for details

Description of the related party relationships or acting in concert among the above shareholders

The Company is not aware of any related party relationship or acting in concert arrangement.

Notes:

1. The above-mentioned shares subject to selling restrictions represent the shares granted by the Company to the incentive participants due to the implementation of incentive scheme of restricted A Shares. Details of listing and trading of shares subject to selling restrictions and selling restrictions are available in the relevant content on the Incentive Scheme of Restricted A Shares disclosed by the Company on the website of the Shanghai Stock Exchange on February 9, 2021.
2. According to the Announcement by Huatai Securities Co., Ltd. on Notice to Creditors Regarding the Repurchase and Cancellation of Part of the Restricted A Shares to Reduce Registered Capital (Announcement No.: Lin 2024-038) disclosed by the Company on June 21, 2024, the 402,000 restricted A Shares held by Li Shiqian (resigned) will be repurchased and cancelled by the Company as required.

(III) A strategic investor or common legal person who became one of the top ten shareholders as a result of rights issue

During the Reporting Period, the Company did not have any strategic investor or common legal person who became one of the top ten shareholders as a result of rights issue.

III. INFORMATION ON DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

(I) During the Reporting Period, there was no change in shareholdings of current Directors, Supervisors and senior management and those resigned during the Reporting Period

(II) Directors, Supervisors and senior management were not granted share incentives during the Reporting Period

IV. CHANGES IN CONTROLLING SHAREHOLDERS OR DE FACTO CONTROLLERS

During the Reporting Period, there was no change in controlling shareholders or de facto controllers of the Company.

V. SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As of June 30, 2024, as far as the Company and the Directors were aware after having made all reasonable enquiries, the following persons (other than the Directors, Supervisors or chief executives of the Company) held interests or short positions in shares or underlying shares which shall be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and were recorded in the register required to be kept by the Company under Section 336 of the SFO:

No.	Name of substantial shareholders	Class of shares	Nature of interests	Number of shares held (share)	Percentage of the total issued shares of the Company (%)	Percentage of the total issued A Shares/ H Shares of the Company (%)	Long position/ short position/ shares available for lending
1	Jiangsu Guoxin Investment Group Limited	A Shares	Beneficial owner	1,271,072,836	14.08	17.39	Long position
		H Shares (Hong Kong Stock Connect)	Beneficial owner	102,408,800	1.13	5.96	Long position
2	Jiangsu Communications Holding Co., Ltd.	A Shares	Beneficial owner	452,065,418	5.01	6.18	Long position
		H Shares (Hong Kong Stock Connect)	Beneficial owner	37,000,000	0.41	2.15	Long position
3	Jiangsu SOHO Holdings Group Co., Ltd.	A Shares	Beneficial owner	76,460,788	0.85	1.05	Long position
			Interests of controlled corporations	44,832,567	0.50	0.61	Long position
		H Shares (Hong Kong Stock Connect)	Beneficial owner	201,413,000	2.23	11.72	Long position
			Interests of controlled corporations	105,835,800	1.17	6.16	Long position

Notes:

- Under Section 336 of the SFO, forms disclosing interests shall be submitted by shareholders of the Company upon satisfaction of certain conditions. Changes of shareholders' shareholdings in the Company are not required to inform the Company and the Hong Kong Stock Exchange unless certain conditions are satisfied. Therefore, there could be differences between substantial shareholders' latest shareholdings in the Company and the shareholding information reported to the Hong Kong Stock Exchange.

Jiangsu SOHO Holdings Group Co., Ltd. directly held a long position in 76,460,788 A Shares and 201,413,000 H Shares of the Company, and, through its controlled corporation (namely Jiangsu SOHO International Group Corp. (江蘇蘇豪國際集團股份有限公司)), indirectly held a long position in 41,132,567 A Shares and 94,705,800 H Shares of the Company; through its controlled corporation (namely Jiangsu Overseas Group Co., Ltd. (江蘇省海外企業集團有限公司)), indirectly held a long position in 3,700,000 A Shares of the Company; through its controlled corporation (namely Jiangsu Suhui Assets Management Co., Ltd. (江蘇蘇匯資產管理有限公司)), indirectly held a long position in 11,130,000 H Shares of the Company.

2. A shareholder has a “long position” if such shareholder has interests in shares, including interests through holding, writing or issuing financial instruments (including derivatives), under which such shareholder (1) has a right to purchase the underlying shares; (2) is under an obligation to purchase the underlying shares; (3) has a right to receive payments if the price of the underlying shares increases; or (4) has a right to avoid or reduce a loss if the price of the underlying shares increases.
3. A shareholder has a “short position” if such shareholder borrows shares under a securities borrowing and lending agreement, or holds, writes or issues financial instruments (including derivatives) under which such shareholder (1) has a right to require another person to purchase the underlying shares; (2) is under an obligation to deliver the underlying shares; (3) has a right to receive payments if the price of the underlying shares declines; or (4) has a right to avoid or reduce a loss if the price of the underlying shares declines.

Save as disclosed above, the Company was not aware of any other person (other than the Directors, Supervisors and chief executives of the Company) having any interests or short positions in the shares or underlying shares of the Company at June 30, 2024, which shall be recorded in the register pursuant to Section 336 of the SFO.

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

As of the end of the Reporting Period, details on the shares held by the Director of the Company due to the Company's implementation of the Restricted Share Incentive Scheme of A Shares are as follows:

No.	Name	Class of shares	Nature of interests	Number of shares held (share)	Percentage of the total issued shares of the Company (%)	Percentage of the total issued A Shares/ H Shares of the Company (%)	Long position/ short position/ shares available for lending
1	Zhou Yi	A Shares	Beneficial owner	720,000	0.008	0.010	Long position

Save as disclosed above, as at June 30, 2024, the Company was not aware of any other Directors, Supervisors or chief executives of the Company having any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations, which shall be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which were taken or deemed to have under such provisions of the SFO) or which would be required, pursuant to section 352 of the SFO, to be recorded in the register of interests, or which shall, pursuant to the Model Code, be notified to the Company and the Hong Kong Stock Exchange.

VII. REPURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY AND ITS SUBSIDIARIES

The Company and its subsidiaries have not repurchased, sold or redeemed any listed securities of the Company and its subsidiaries during the Reporting Period (including sales of treasury shares (as defined in the Hong Kong Listing Rules)).

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

VIII. ARRANGEMENTS FOR DIRECTORS AND SUPERVISORS TO PURCHASE SHARES OR DEBENTURES

During the Reporting Period, save for the incentive plan stated in “V. EQUITY INCENTIVE SCHEME, EMPLOYEE STOCK OWNERSHIP PLAN OR OTHER EMPLOYEE INCENTIVES MEASURES AND THEIR IMPLICATION” under “CORPORATE GOVERNANCE” in this report, none of the Company, its holding companies or any of its subsidiaries or fellow subsidiaries has entered into any arrangements to enable the Directors and Supervisors to acquire benefits by means of the purchase of shares in, or debentures of, the Company or any other corporate bodies.

IX. INFORMATION ON PREFERRED SHARES

During the Reporting Period, the Company had no preferred shares.

BONDS

I. ENTERPRISE BONDS, CORPORATE BONDS AND NON-FINANCIAL CORPORATE DEBT FINANCING INSTRUMENTS

(I) During the Reporting Period, the Company did not have any enterprise bonds

(II) Corporate bonds

1. Basic information on corporate bonds

Information on corporate bonds of the Company in duration as at the date on which this report was approved to publish is as follows:

Unit: 100 million Yuan Currency: RMB

Name of bond	Abbreviation	Code	Issue date	Value date	Expiration date	Balance	Interest rate (%)	Principal and interest payment method	Trading market	Whether exposed to the risk of delisting
2020 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Qualified Investors (Second tranche)	20 Huatai G3	163482	2020-04-27	2020-04-29	2025-04-29	35	2.90	Principal to be paid upon expiration and interest to be paid annually	SSE	No
2020 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Qualified Investors (Third tranche)	20 Huatai G4	163558	2020-05-19	2020-05-21	2025-05-21	30	3.20	Principal to be paid upon expiration and interest to be paid annually	SSE	No
2020 Subordinated Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (First tranche)	20 Huatai C1	175409	2020-11-11	2020-11-13	2025-11-13	50	4.48	Principal to be paid upon expiration and interest to be paid annually	SSE	No
2021 Subordinated Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (First tranche)	21 Huatai C1	175721	2021-01-27	2021-01-29	2026-01-29	90	4.50	Principal to be paid upon expiration and interest to be paid annually	SSE	No
2021 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Third tranche)	21 Huatai G4	188106	2021-05-13	2021-05-17	2026-05-17	60	3.71	Principal to be paid upon expiration and interest to be paid annually	SSE	No
2021 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Fourth tranche) (Type II)	21 Huatai G6	188140	2021-05-20	2021-05-24	2026-05-24	20	3.63	Principal to be paid upon expiration and interest to be paid annually	SSE	No
2021 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Seventh tranche) (Type I)	21 Huatai 11	188324	2021-09-03	2021-09-07	2024-09-07	15	3.03	Principal to be paid upon expiration and interest to be paid annually	SSE	No
2021 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Seventh tranche) (Type II)	21 Huatai 12	188325	2021-09-03	2021-09-07	2031-09-07	27	3.78	Principal to be paid upon expiration and interest to be paid annually	SSE	No
2021 Perpetual Subordinated Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (First tranche)	21 Huatai Y1	188785	2021-09-15	2021-09-17	–	30	3.85	Interest to be paid annually under the condition that the issuer does not exercise the right to defer interest payments	SSE	No

Name of bond	Abbreviation	Code	Issue date	Value date	Expiration date	Balance	Interest rate (%)	Principal and interest payment method	Trading market	Whether exposed to the risk of delisting
2021 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Eighth tranche) (Type I)	21 Huatai 13	188874	2021-10-14	2021-10-18	2024-10-18	21	3.25	Principal to be paid upon expiration and interest to be paid annually	SSE	No
2021 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Eighth tranche) (Type II)	21 Huatai 14	188875	2021-10-14	2021-10-18	2031-10-18	34	3.99	Principal to be paid upon expiration and interest to be paid annually	SSE	No
2021 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Ninth tranche) (Type I)	21 Huatai 15	188926	2021-10-21	2021-10-25	2024-10-25	22	3.22	Principal to be paid upon expiration and interest to be paid annually	SSE	No
2021 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Ninth tranche) (Type II)	21 Huatai 16	188927	2021-10-21	2021-10-25	2031-10-25	11	3.94	Principal to be paid upon expiration and interest to be paid annually	SSE	No
2021 Perpetual Subordinated Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Second tranche)	21 Huatai Y2	188942	2021-10-26	2021-10-28	–	50	4.00	Interest to be paid annually under the condition that the issuer does not exercise the right to defer interest payments	SSE	No
2021 Perpetual Subordinated Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Third tranche)	21 Huatai Y3	185019	2021-11-16	2021-11-18	–	20	3.80	Interest to be paid annually under the condition that the issuer does not exercise the right to defer interest payments	SSE	No
2022 Perpetual Subordinated Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (First tranche)	22 Huatai Y1	185337	2022-01-24	2022-01-26	–	27	3.49	Interest to be paid annually under the condition that the issuer does not exercise the right to defer interest payments	SSE	No
2022 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (First tranche)	22 Huatai G1	185364	2022-02-10	2022-02-14	2025-02-14	50	2.79	Principal to be paid upon expiration and interest to be paid annually	SSE	No
2022 Perpetual Subordinated Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Second tranche)	22 Huatai Y2	185388	2022-07-07	2022-07-11	–	30	3.59	Interest to be paid annually under the condition that the issuer does not exercise the right to defer interest payments	SSE	No
2022 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Fourth tranche)	22 Huatai G4	137780	2022-09-01	2022-09-05	2025-09-05	20	2.52	Principal to be paid upon expiration and interest to be paid annually	SSE	No
2022 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Fifth tranche)	22 Huatai G5	137814	2022-09-08	2022-09-13	2025-09-13	30	2.50	Principal to be paid upon expiration and interest to be paid annually	SSE	No
2022 Perpetual Subordinated Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Third tranche)	22 Huatai Y3	137604	2022-10-19	2022-10-21	–	35	3.20	Interest to be paid annually under the condition that the issuer does not exercise the right to defer interest payments	SSE	No

Name of bond	Abbreviation	Code	Issue date	Value date	Expiration date	Balance	Interest rate (%)	Principal and interest payment method	Trading market	Whether exposed to the risk of delisting
2022 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Sixth tranche) (Type I)	22 Huatai G6	138597	2022-11-17	2022-11-21	2024-11-21	36	2.87	Principal to be paid upon expiration and interest to be paid annually	SSE	No
2022 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Sixth tranche) (Type II)	22 Huatai G7	138598	2022-11-17	2022-11-21	2027-11-21	14	3.18	Principal to be paid upon expiration and interest to be paid annually	SSE	No
2022 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Seventh tranche) (Type I)	22 Huatai G8	138679	2022-12-01	2022-12-05	2024-12-05	15	2.87	Principal to be paid upon expiration and interest to be paid annually	SSE	No
2022 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Eighth tranche) (Type I)	22 Huatai 10	138709	2022-12-08	2022-12-12	2025-12-12	20	3.35	Principal to be paid upon expiration and interest to be paid annually	SSE	No
2022 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Eighth tranche) (Type II)	22 Huatai 11	138710	2022-12-08	2022-12-12	2027-12-12	5	3.49	Principal to be paid upon expiration and interest to be paid annually	SSE	No
2022 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Ninth tranche) (Type I)	22 Huatai 12	138737	2022-12-20	2022-12-22	2024-12-22	40	3.24	Principal to be paid upon expiration and interest to be paid annually	SSE	No
2023 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (First tranche)	23 Huatai G1	138816	2023-01-06	2023-01-10	2025-01-10	40	2.92	Principal to be paid upon expiration and interest to be paid annually	SSE	No
2023 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Second tranche) (Type I)	23 Huatai G2	138844	2023-01-12	2023-01-16	2025-01-16	8	3.00	Principal to be paid upon expiration and interest to be paid annually	SSE	No
2023 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Second tranche) (Type II)	23 Huatai G3	138845	2023-01-12	2023-01-16	2028-01-16	20	3.48	Principal to be paid upon expiration and interest to be paid annually	SSE	No
2023 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Third tranche)	23 Huatai G4	138857	2023-02-02	2023-02-06	2026-02-06	45	3.23	Principal to be paid upon expiration and interest to be paid annually	SSE	No
2023 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Fourth tranche)	23 Huatai G5	138886	2023-02-09	2023-02-13	2028-02-13	40	3.39	Principal to be paid upon expiration and interest to be paid annually	SSE	No
2023 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Fifth tranche) (Type I)	23 Huatai G6	138915	2023-02-23	2023-02-27	2026-02-27	15	3.14	Principal to be paid upon expiration and interest to be paid annually	SSE	No
2023 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Fifth tranche) (Type II)	23 Huatai G7	138916	2023-02-23	2023-02-27	2028-02-27	22	3.36	Principal to be paid upon expiration and interest to be paid annually	SSE	No
2023 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Sixth tranche) (Type I)	23 Huatai G8	115346	2023-05-08	2023-05-10	2025-07-10	17	2.82	Principal to be paid upon expiration and interest to be paid annually	SSE	No
2023 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Sixth tranche) (Type II)	23 Huatai G9	115347	2023-05-08	2023-05-10	2028-05-10	7	3.07	Principal to be paid upon expiration and interest to be paid annually	SSE	No

Name of bond	Abbreviation	Code	Issue date	Value date	Expiration date	Balance	Interest rate (%)	Principal and interest payment method	Trading market	Whether exposed to the risk of delisting
2023 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Seventh tranche)	23 Huatai 10	115367	2023-08-22	2023-08-24	2026-08-24	20	2.64	Principal to be paid upon expiration and interest to be paid annually	SSE	No
2023 Perpetual Subordinated Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (First tranche)	23 Huatai Y1	115931	2023-09-06	2023-09-08	–	25	3.46	Interest to be paid annually under the condition that the issuer does not exercise the right to defer interest payments	SSE	No
2023 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Eighth tranche) (Type I)	23 Huatai 11	115368	2023-09-19	2023-09-21	2026-09-21	25	2.89	Principal to be paid upon expiration and interest to be paid annually	SSE	No
2023 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Ninth tranche) (Type I)	23 Huatai 13	240068	2023-10-12	2023-10-16	2025-10-16	10	2.80	Principal to be paid upon expiration and interest to be paid annually	SSE	No
2023 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Ninth tranche) (Type II)	23 Huatai 14	240069	2023-10-12	2023-10-16	2033-10-16	16	3.35	Principal to be paid upon expiration and interest to be paid annually	SSE	No
2023 Perpetual Subordinated Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Second tranche)	23 Huatai Y2	240109	2023-10-18	2023-10-20	–	40	3.58	Interest to be paid annually under the condition that the issuer does not exercise the right to defer interest payments	SSE	No
2023 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Tenth tranche) (Type I)	23 Huatai 15	240158	2023-11-02	2023-11-06	2026-08-06	10	2.83	Principal to be paid upon expiration and interest to be paid annually	SSE	No
2023 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Tenth tranche) (Type II)	23 Huatai 16	240159	2023-11-02	2023-11-06	2033-11-06	25	3.30	Principal to be paid upon expiration and interest to be paid annually	SSE	No
2023 Short-term Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Third tranche)	23 Huatai S3	240245	2023-11-09	2023-11-13	2024-09-13	30	2.67	One-off payment of principal and interest upon expiration	SSE	No
2023 Short-term Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Fourth tranche)	23 Huatai S4	240292	2023-11-16	2023-11-20	2024-09-20	40	2.65	One-off payment of principal and interest upon expiration	SSE	No
2023 Corporate Bonds of Huatai Securities Co., Ltd. Non-publicly Issued to Professional Investors (First tranche) (Type II)	23 Huatai F2	253163	2023-11-23	2023-11-27	2026-11-27	28	3.07	Principal to be paid upon expiration and interest to be paid annually	SSE	No
2023 Corporate Bonds of Huatai Securities Co., Ltd. Non-publicly Issued to Professional Investors (Second tranche) (Type II)	23 Huatai F4	253350	2023-12-13	2023-12-15	2026-12-15	36	3.08	Principal to be paid upon expiration and interest to be paid annually	SSE	No

Notes:

1. The above-mentioned corporate bonds were publicly/non-publicly issued to professional investors who shall have the ability to identify and bear respective risks. They shall be aware of and bear their own investment risks of the corporate bonds and in compliance with the requirements of the Administrative Measures for Issuance and Trading of Corporate Bonds (《公司債券發行與交易管理辦法》), the Administrative Measures of the Shanghai Stock Exchange for Eligibility of Investors in the Bond Market (《上海證券交易所債券市場投資者適當性管理辦法》), the Administrative Measures for the Eligibility of the Investors of Securities and Future (《證券期貨投資者適當性管理辦法》) and relevant laws and regulations (excluding purchasers subject to prohibition under laws and regulations). Investors shall not subscribe by illegal use of others' accounts or fund accounts, or illegally financing or financing for others. Investors subscribing for the above corporate bonds shall observe relevant laws and regulations and relevant provisions of the CSRC and assume corresponding legal responsibilities on their own.
 2. The above-mentioned corporate bonds are listed/quoted on the SSE. Pursuant to the Rules Governing the Trading of Bonds on the Shanghai Stock Exchange (《上海證券交易所債券交易規則》), publicly issued bonds can be traded by way of matching, one-click-order, price-enquiry, bidding and negotiating, while non-publicly issued corporate bonds can be traded by way of one-click-order, price-enquiry, bidding and negotiating.
 3. Information on the lead underwriters and trustees of the above-mentioned corporate bonds can be found in the prospectuses for bonds.
 4. 21 Huatai Y1, 21 Huatai Y2, 21 Huatai Y3, 22 Huatai Y1, 22 Huatai Y2, 22 Huatai Y3, 23 Huatai Y1 and 23 Huatai Y2 are subject to issuer's renewal option, issuer's redemption right, issuer's redemption option when certain conditions are met and issuer's right of deferring interest payment. The coupon rate for the first five interest-bearing years is determined through book-building, which remains unchanged during the first five interest-bearing years. The coupon rate shall be repriced every five years from the sixth interest-bearing year. If no redemption right was exercised by the issuer, the coupon rate would be adjusted to be the sum of the current benchmark interest rate and the initial spread plus 300 basis points from the sixth interest-bearing year, which will remain unchanged from the sixth interest-bearing year to the tenth interest-bearing year. Afterwards, the coupon rate repriced every five years is the sum of the current benchmark interest rate and the initial spread plus 300 basis points. The initial spread is the difference between the coupon rate and the initial benchmark interest rate for the first five interest-bearing years.
 5. None of the above-mentioned corporate bonds had put provisions.
2. *Triggers and execution of the Company's or investor's option clauses or investor protection clauses*

21 Huatai Y1, 21 Huatai Y2, 21 Huatai Y3, 22 Huatai Y1, 22 Huatai Y2, 22 Huatai Y3, 23 Huatai Y1 and 23 Huatai Y2 issued by the Company are subject to the issuer's renewal option, issuer's redemption right, issuer's redemption option when certain conditions are met and the right of deferring interest payment. As of the disclosure date of this report, the aforementioned bonds have not triggered the issuer's options as the exercise date of the issuer's renewal option and redemption right has not yet reached. During the Reporting Period, the Company did not execute the right of deferring interest payment.

As of the disclosure date of this report, the Company has strictly implemented the relevant agreements on investor protection clauses and debt repayment guarantee measures in accordance with the covenants in the prospectuses for corporate bonds, and paid the principal and/or interest of each bond on time and in full.

3. *Adjustments to the credit ratings*

During the Reporting Period, the rating agencies did not make any adjustments to the ratings. Information on ratings of bonds in different periods can be found in the announced rating reports.

4. *Changes, variations and implementation of guarantees, debt repayment plan and other debt repayment guarantee measures and their impact during the Reporting Period*

Current status	Implementation	Any change
The existing corporate bonds of the Company are issued without guarantee and are subject to the debt repayment plan in accordance with the covenants in the prospectuses for corporate bonds. According to the covenants in the prospectuses for corporate bonds, the Company has settlement safeguards in place, including but not limited to formulating the Rules for Meeting of Bondholders, entrusting bond manager, establishing a special working group for the settlement, strictly performing the obligations of information disclosure and setting up a special debt repayment account.	The Company strictly performed the covenants in the prospectus in relation to the settlement plan, paid the interest and/or principal for the corporate bonds on time, and disclosed relevant information on the Company in a timely manner to protect the legal interest of investors.	No

(III) Non-financial corporate debt financing instruments in the inter-bank bond market

During the Reporting Period, the Company had no non-financial corporate debt financing instruments in the inter-bank bond market.

(IV) Funds raised from corporate bonds

All of the funds raised from the corporate bonds of the Company had been fully utilized before the Reporting Period, and none of them involved in rectifications.

As at the end of the Reporting Period, the utilisation of funds raised from publicly issued corporate bonds in duration of the Company is as follows:

Unit: 100 million Yuan Currency: RMB

Name of bond	Total amount of funds raised	Utilised amount	Unutilised amount
20 Huatai G3	35	35	—
20 Huatai G4	30	30	—
20 Huatai C1	50	50	—
21 Huatai C1	90	90	—
21 Huatai G4	60	60	—
21 Huatai G6	20	20	—
21 Huatai 11	15	15	—
21 Huatai 12	27	27	—
21 Huatai Y1	30	30	—
21 Huatai 13	21	21	—
21 Huatai 14	34	34	—
21 Huatai 15	22	22	—
21 Huatai 16	11	11	—
21 Huatai Y2	50	50	—
21 Huatai Y3	20	20	—
22 Huatai Y1	27	27	—
22 Huatai G1	50	50	—
22 Huatai Y2	30	30	—
22 Huatai G2	20	20	—
22 Huatai G3	30	30	—
22 Huatai G4	20	20	—
22 Huatai G5	30	30	—
22 Huatai Y3	35	35	—
22 Huatai G6	36	36	—
22 Huatai G7	14	14	—
22 Huatai G8	15	15	—
22 Huatai 10	20	20	—
22 Huatai 11	5	5	—
22 Huatai 12	40	40	—
23 Huatai G1	40	40	—
23 Huatai G2	8	8	—
23 Huatai G3	20	20	—
23 Huatai G4	45	45	—
23 Huatai G5	40	40	—

Name of bond	Total amount of funds raised	Utilised amount	Unutilised amount
23 Huatai G6	15	15	—
23 Huatai G7	22	22	—
23 Huatai G8	17	17	—
23 Huatai G9	7	7	—
23 Huatai 10	20	20	—
23 Huatai Y1	25	25	—
23 Huatai 11	25	25	—
23 Huatai 13	10	10	—
23 Huatai 14	16	16	—
23 Huatai Y2	40	40	—
23 Huatai 15	10	10	—
23 Huatai 16	25	25	—
23 Huatai S3	30	30	—
23 Huatai S4	40	40	—
23 Huatai S5	20	20	—

As at the end of the Reporting Period, the utilisation of funds raised from non-publicly issued bonds in duration of the Company is as follows:

Unit: 100 million Yuan Currency: RMB

Abbreviation of bond	Total amount of funds raised	Utilised amount	Unutilised amount
23 Huatai F2	28	28	—
23 Huatai F4	36	36	—

- Notes: 1. According to the requirements of the Administrative Measures for Issuance and Trading of Corporate Bonds (《公司債券發行與交易管理辦法》), in order to ensure that the utilisation of funds raised is consistent with the prospectus and to guarantee the legal rights of bondholders, the Company has set up a special account for the utilisation of funds raised at the supervisory banks, which is subject to the supervision of the supervisory banks and the bond trustee manager.
2. The funds raised from the corporate bonds have been fully utilised, which is consistent with the purpose, utilisation plans and other agreements as promised in the prospectuses. Utilisation of funds raised from bonds issued in prior years can be found in the prospectuses for bonds and the annual report of that year.
3. During the Reporting Period, the Company did not utilise raised funds for construction projects nor change the use of funds raised from foregoing bonds.
4. During the Reporting Period, there was no non-compliance use of funds raised, and no funds raised from corporate bonds were used in temporary replenishment of liquidity.
5. The fund raised from non-publicly issued corporate bonds of the Company was fully utilised to supplement working capital.

(V) Other matters to be disclosed in respect of special types of bonds

1. The Company being an issuer of renewable corporate bonds

Unit: 100 million Yuan Currency: RMB

Code of bond	188785.SH
Abbreviation of bond	21 Huatai Y1
Balance of bond	30
Renewal	No renewals during the Reporting Period
Interest step-up	No interest step-ups during the Reporting Period
Interest deferral	No interest deferrals during the Reporting Period
Enforcement of interest payment	No enforcement of interest payment during the Reporting Period
Whether they are still included in equity or not and corresponding accounting treatment	Yes
Other matters	—
Code of bond	188942.SH
Abbreviation of bond	21 Huatai Y2
Balance of bond	50
Renewal	No renewals during the Reporting Period
Interest step-up	No interest step-ups during the Reporting Period
Interest deferral	No interest deferrals during the Reporting Period
Enforcement of interest payment	No enforcement of interest payment during the Reporting Period
Whether they are still included in equity or not and corresponding accounting treatment	Yes
Other matters	—

Code of bond	185019.SH
Abbreviation of bond	21 Huatai Y3
Balance of bond	20
Renewal	No renewals during the Reporting Period
Interest step-up	No interest step-ups during the Reporting Period
Interest deferral	No interest deferrals during the Reporting Period
Enforcement of interest payment	No enforcement of interest payment during the Reporting Period
Whether they are still included in equity or not and corresponding accounting treatment	Yes
Other matters	—
Code of bond	185337.SH
Abbreviation of bond	22 Huatai Y1
Balance of bond	27
Renewal	No renewals during the Reporting Period
Interest step-up	No interest step-ups during the Reporting Period
Interest deferral	No interest deferrals during the Reporting Period
Enforcement of interest payment	No enforcement of interest payment during the Reporting Period
Whether they are still included in equity or not and corresponding accounting treatment	Yes
Other matters	—
Code of bond	185388.SH
Abbreviation of bond	22 Huatai Y2
Balance of bond	30
Renewal	No renewals during the Reporting Period
Interest step-up	No interest step-ups during the Reporting Period
Interest deferral	No interest deferrals during the Reporting Period
Enforcement of interest payment	No enforcement of interest payment during the Reporting Period
Whether they are still included in equity or not and corresponding accounting treatment	Yes
Other matters	—
Code of bond	137604.SH
Abbreviation of bond	22 Huatai Y3
Balance of bond	35
Renewal	No renewals during the Reporting Period
Interest step-up	No interest step-ups during the Reporting Period
Interest deferral	No interest deferrals during the Reporting Period
Enforcement of interest payment	No enforcement of interest payment during the Reporting Period
Whether they are still included in equity or not and corresponding accounting treatment	Yes
Other matters	—

Code of bond	115931.SH
Abbreviation of bond	23 Huatai Y1
Balance of bond	25
Renewal	No renewals during the Reporting Period
Interest step-up	No interest step-ups during the Reporting Period
Interest deferral	No interest deferrals during the Reporting Period
Enforcement of interest payment	No enforcement of interest payment during the Reporting Period
Whether they are still included in equity or not and corresponding accounting treatment	Yes
Other matters	—
Code of bond	240109.SH
Abbreviation of bond	23 Huatai Y2
Balance of bond	40
Renewal	No renewals during the Reporting Period
Interest step-up	No interest step-ups during the Reporting Period
Interest deferral	No interest deferrals during the Reporting Period
Enforcement of interest payment	No enforcement of interest payment during the Reporting Period
Whether they are still included in equity or not and corresponding accounting treatment	Yes
Other matters	—

(VI) Major events in relation to corporate bonds during the Reporting Period

1. Balance and breakdown of non-operating transaction appropriation and capital placements

As at the beginning of the Reporting Period, receivable balance of the transaction appropriation to other parties that were not directly attributable to operation and the capital placements (the “non-operating transaction appropriation and capital placements”) of the Group was RMB160,500;

During the Reporting Period, there was no non-compliance of non-operating transaction appropriation and capital placements of the Group with relevant agreements or commitments as set out in the prospectuses;

As at the end of the Reporting Period, total outstanding non-operating transaction appropriation and capital placements of the Group amounted to RMB82,300, representing a percentage of 0% of the net assets on a consolidated basis, and not exceeding 10% of the net assets on a consolidated basis.

2. Liabilities

(1) Interest-bearing liabilities and changes therein

1.1 Liability structure of the Company

As at the beginning and the end of the Reporting Period, the interest-bearing liability balance of the Company were RMB303.663 billion and RMB271.407 billion, respectively. The interest-bearing liability balance as at the end of the Reporting Period decreased by 10.62% as compared to the beginning of the Reporting Period.

Unit: 100 million Yuan Currency: RMB

Type of interest-bearing liabilities	Expiration time			Total amount	Proportion of amount to interest-bearing liabilities (%)
	Overdue	Within 6 months (inclusive)	More than 6 months		
Corporate credit bonds	–	294.36	893.70	1,188.06	43.77
Bank loans	–	–	–	–	–
Loans from non-bank financial institutions	–	–	–	–	–
Other interest-bearing liabilities	–	1,462.05	63.96	1,526.01	56.23
Total	–	1,756.41	957.66	2,714.07	–

Notes: 1. The above interest-bearing liabilities exclude perpetual subordinated bonds that were included in other equity instruments, and the principal amount of such perpetual subordinated bonds both were RMB25.7 billion at the beginning and the end of the Reporting Period.

2. Other interest-bearing liabilities include placement from other financial institutions, financial assets sold under repurchase agreements and etc.

Among the corporate credit bonds of the Company in duration as at the end of the Reporting Period, the balance of corporate bonds was RMB118.806 billion, and a total of RMB22.303 billion of corporate credit bonds will mature or can be sold back between September and December 2024.

1.2 Interest-bearing liability structure of the Group

As at the beginning and the end of the Reporting Period, the interest-bearing liability balance of the Group were RMB385.987 billion and RMB333.538 billion, respectively. The interest-bearing liability balance as at the end of the Reporting Period decreased by 13.59% as compared to the beginning of the Reporting Period.

Unit: 100 million Yuan Currency: RMB

Type of interest-bearing liabilities	Expiration time			Total amount	Proportion of amount to interest-bearing liabilities (%)
	Overdue	Within 6 months (inclusive)	More than 6 months		
Corporate credit bonds	–	359.49	1,167.30	1,526.79	45.78
Bank loans	–	59.82	–	59.82	1.79
Loans from non-bank financial institutions	–	–	–	–	–
Other interest-bearing liabilities	–	1,660.23	88.54	1,748.77	52.43
Total	–	2,079.54	1,255.84	3,335.38	–

- Notes:
1. The above interest-bearing liabilities exclude perpetual subordinated bonds that were included in other equity instruments, and the principal amount of such perpetual subordinated bonds both were RMB25.7 billion at the beginning and the end of the Reporting Period.
 2. Other interest-bearing liabilities include placement from other financial institutions, financial assets sold under repurchase agreements and etc.

Among the corporate credit bonds of the Group as at the end of the Reporting Period, the balance of corporate bonds was RMB118.829 billion, and a total of RMB22.304 billion of corporate credit bonds will mature or can be sold back between September and December 2024.

1.3 Offshore bonds

As of the end of the Reporting Period, the balance of offshore bonds issued of the Group was RMB33.849 billion, and a total of approximately RMB4.187 billion of offshore bonds will mature or can be sold back between September and December 2024.

- (2) As at the end of the Reporting Period, the Group did not have any overdue interest-bearing liabilities or corporate credit bonds with an overdue amount of more than RMB10 million

(3) Major liabilities and reasons for their changes

For major liabilities and reasons for their changes, please refer to “1. General description of consolidated statement of financial position” under “(II) Analysis of key items of consolidated statement of financial position” under “V. Major Operations during the Reporting Period” in “Management discussion and analysis” of this report.

(4) Prioritized repayments of liabilities against any third person

As of the end of the Reporting Period, there were no prioritized repayments of liabilities by the Group against any third person.

(VII) During the Reporting Period, the Group did not record a loss in the consolidated statements exceeding 10% of the net assets at the end of the previous year

(VIII) Key accounting data and financial indicators

Unit: Thousand Yuan Currency: RMB

Primary indicators	As of the end of the Reporting Period	As of the end of the previous year	Increase/ decrease as of the end of the Reporting Period from the end of the previous year (%)	Reason for the change
Current ratio	1.41	1.38	2.17	/
Quick ratio	1.41	1.38	2.17	/
Gearing ratio (%)	73.16	76.05	Decrease of 2.89 percentage points	/
	The Reporting Period (from January to June 2024)	Corresponding period of the previous year	Increase/ decrease of the Reporting Period from the corresponding period of the previous year (%)	Reason for the change
Net profit after nonrecurring profit or loss	5,258,283	7,016,617	(25.06)	Decrease in net profit for the current period
EBITDA to total debt ratio (%)	3.26	3.71	Decrease of 0.45 percentage point	/
Times interest earned	1.97	2.29	(13.97)	/
Times cash-interest earned	6.67	-1.26	N/A	/
Times interest earned of EBITDA	2.14	2.44	(12.30)	/
Loan repayment ratio (%)	100	100	–	/
Interest payment ratio (%)	100	100	–	/

Note: Customers' funds are not included in the above indicators.

II. CONVERTIBLE CORPORATE BONDS

During the Reporting Period, the Company had no convertible corporate bonds.

INDEX OF DOCUMENTS FOR INSPECTION

Index of Documents for Inspection	Financial statements carrying the signature and seal of the Company's legal representative, person in charge of accounting and head of accounting department Original copies of all documents and announcements of the Company publicly disclosed during the Reporting Period Articles of Association
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Chairman: Zhang Wei

Date of Submission as Approved by the Board of Directors: August 30, 2024

INFORMATION DISCLOSURE AS A SECURITIES COMPANY

I. MAJOR ADMINISTRATIVE APPROVALS OF THE COMPANY

1. Approval for the Registration of Public Issuance of Corporate Bonds by Huatai Securities Co., Ltd. to Professional Investors (Zheng Jian Xu Ke [2024] No. 416) (《關於同意华泰證券股份有限公司向專業投資者公開發行公司債券註冊的批覆》(證監許可[2024]416號)) dated March 11, 2024.

APPENDIX: INFORMATION DISCLOSURE INDEX

1. During the Reporting Period, the Company disclosed the following matters on China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily and on the website of the Shanghai Stock Exchange (www.sse.com.cn):

No.	Date	Announcement
1	2024-01-05	H Share Announcement of HTSC – Monthly Return of Equity Issuer on Movements in Securities for the month ended December 31, 2023
2	2024-01-10	Announcement by Huatai Securities Co., Ltd. in relation to Implementation of the Cancellation of the Repurchased A Shares
3	2024-01-11	H Share Announcement of HTSC (Next Day Disclosure Return)
4	2024-01-23	Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance According to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee
5	2024-01-26	Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance According to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee
6	2024-01-27	Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance According to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee
7	2024-01-30	Announcement by Huatai Securities Co., Ltd. on Change of General Manager of Huatai Securities (Shanghai) Asset Management Co., Ltd.
8	2024-02-02	Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance According to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee
9	2024-02-03	Announcement by Huatai Securities Co., Ltd. on Completion of the Change in Industrial and Commercial Registration of Registered Capital and the Amendments to the Articles of Association, Articles of Association of Huatai Securities Co., Ltd. (Revised in 2024), Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance According to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee
10	2024-02-06	H Share Announcement of HTSC – Monthly Return of Equity Issuer on Movements in Securities for the month ended January 31, 2024
11	2024-02-07	Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance According to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee
12	2024-02-08	Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance According to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee

No.	Date	Announcement
13	2024-02-09	Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance According to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee
14	2024-02-19	Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance According to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee
15	2024-02-29	Announcement by Huatai Securities Co., Ltd. on Appointment of General Manager of Huatai Securities (Shanghai) Asset Management Co., Ltd.
16	2024-03-06	H Share Announcement of HTSC – Monthly Return of Equity Issuer on Movements in Securities for the month ended February 29, 2024
17	2024-03-16	Announcement by Huatai Securities Co., Ltd. on Change of Chairman of Jiangsu Equity Exchange Co., Ltd.
18	2024-03-19	H Share Announcement of HTSC (Date of Board Meeting)
19	2024-03-20	Announcement by Huatai Securities Co., Ltd. on Obtaining Approval by the CSRC for the Registration of Public Issuance of Corporate Bonds to Professional Investors
20	2024-03-21	Announcement by Huatai Securities Co., Ltd. on the Briefing on the Annual Results of 2023
21	2024-03-29	2023 Annual Report of Huatai Securities Co., Ltd., 2023 Annual Report Summary of Huatai Securities Co., Ltd., 2023 Corporate Social Responsibility Report of Huatai Securities Co., Ltd., Announcement by Huatai Securities Co., Ltd. on the Resolutions of the Seventh Meeting of the Sixth Session of the Board, Announcement by Huatai Securities Co., Ltd. on the Resolutions of the Sixth Meeting of the Sixth Session of the Supervisory Committee, Announcement by Huatai Securities Co., Ltd. on Re-appointment of the Accounting Firms, Announcement on Annual Profit Distribution Plan of Huatai Securities Co., Ltd. for 2023, Announcement by Huatai Securities Co., Ltd. on Estimated Ordinary Transactions with Related Parties for 2024, Report on Performance of Duties by Independent Directors of Huatai Securities Co., Ltd. for 2023, Report on Performance of Duties by the Audit Committee of the Board of Huatai Securities Co., Ltd. for 2023, Annual Internal Control Evaluation Report of Huatai Securities Co., Ltd. for 2023, Special Opinions from the Board of Huatai Securities Co., Ltd. on the Independence of Independent Directors, Evaluation Report on Performance of Duties by the Annual Audit Accounting Firm for 2023 of Huatai Securities Co., Ltd., Report on Performance of Supervisory Duties by the Annual Audit Accounting Firm for 2023 of the Audit Committee of the Board of Huatai Securities Co., Ltd., 2023 Financial Statements and Audit Report of Huatai Securities Co., Ltd., Annual Internal Control Audit Report of Huatai Securities Co., Ltd. in 2023, Special Explanation of Huatai Securities Co., Ltd. on Occupation of Non-operating Funds and Transaction of Other Associated Funds for 2023, System regarding Insider Registration and Management and Confidentiality of Huatai Securities Co., Ltd. (Revised in 2024)

No.	Date	Announcement
22	2024-04-03	H Share Announcement of HTSC – Monthly Return of Equity Issuer on Movements in Securities for the month ended March 31, 2024
23	2024-04-13	Announcement by Huatai Securities Co., Ltd. on the Resolutions of the Eighth Meeting of the Sixth Session of the Board, Announcement by Huatai Securities Co., Ltd. on the Resolutions of the Seventh Meeting of the Sixth Session of the Supervisory Committee, Announcement by Huatai Securities Co., Ltd. on Fulfilment of Conditions for Release from Selling Restriction of the Second Lock-up Period under the Restricted Share Incentive Scheme of A Shares, Announcement by Huatai Securities Co., Ltd. on Repurchase and Cancellation of Part of the Restricted A Shares, Legal Opinions from Beijing King & Wood Mallesons (Nanjing) Law Firm on Fulfilment of Conditions for Release from Selling Restriction of the Second Unlocking Period and Repurchase and Cancellation of Part of the Restricted Shares under the Restricted Share Incentive Scheme of A Shares of Huatai Securities Co., Ltd.
24	2024-04-18	H Share Announcement of HTSC (Date of Board Meeting)
25	2024-04-26	Announcement by Huatai Securities Co., Ltd. on the Disposal of the Entire Equity Interests Held in AssetMark Financial Holdings, Inc. (a Holding Subsidiary in the United States), Announcement by Huatai Securities Co., Ltd. on the Resolutions of the Ninth Meeting of the Sixth Session of the Board
26	2024-04-30	Announcement by Huatai Securities Co., Ltd. on the Resolutions of the Tenth Meeting of the Sixth Session of the Board, Announcement by Huatai Securities Co., Ltd. on the Resolutions of the Eighth Meeting of the Sixth Session of the Supervisory Committee, First Quarterly Report of 2024 of Huatai Securities Co., Ltd., Announcement by Huatai Securities Co., Ltd. on the Resignation of Independent Non-executive Director
27	2024-05-08	H Share Announcement of HTSC – Monthly Return of Equity Issuer on Movements in Securities for the month ended April 30, 2024
28	2024-05-10	Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance According to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee
29	2024-05-11	Announcement by Huatai Securities Co., Ltd. on Release from Selling Restriction of the Second Lock-up Period under the Restricted Share Incentive Scheme of A Shares and Listing
30	2024-05-13	Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance According to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee

No.	Date	Announcement
31	2024-05-18	Notice of Convening 2023 Annual General Meeting and 2024 First A Share Class Meeting by Huatai Securities Co., Ltd., Documents of 2023 Annual General Meeting, 2024 First A Share Class Meeting, 2024 First H Share Class Meeting of Huatai Securities Co., Ltd., Statement and Undertaking of Nominator of Independent Directors of Huatai Securities Co., Ltd., Statement and Undertaking of Candidate for Independent Directors of Huatai Securities Co., Ltd., Review Opinions from Nomination Committee of the Board of Huatai Securities Co., Ltd. on Nomination of Candidates for Independent Non-executive Directors of the Sixth Session of the Board
32	2024-06-06	H Share Announcement of HTSC – Monthly Return of Equity Issuer on Movements in Securities for the month ended May 31, 2024
33	2024-06-07	Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance According to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee
34	2024-06-12	Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance According to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee
35	2024-06-21	Announcement by Huatai Securities Co., Ltd. on the Resolutions of 2023 Annual General Meeting, 2024 First A Share Class Meeting and 2024 First H Share Class Meeting, Legal Opinions from King & Wood Mallesons on 2023 Annual General Meeting, 2024 First A Share Class Meeting and 2024 First H Share Class Meeting of Huatai Securities Co., Ltd., Announcement by Huatai Securities Co., Ltd. on Notice to Creditors Regarding the Repurchase and Cancellation of Part of the Restricted A Shares to Reduce Registered Capital, Announcement by Huatai Securities Co., Ltd. on Approval of Qualification as Director, Announcement by Huatai Securities Co., Ltd. on Approval of Qualification as Supervisor, Announcement by Huatai Securities Co., Ltd. on the Resolutions of the Eleventh Meeting of the Sixth Session of the Board, 2024 Action Plan of “Corporate Value and Return Enhancement” of Huatai Securities Co., Ltd.

2. During the Reporting Period, the Company disclosed the following matters on the HKEXnews website of HKEX (www.hkexnews.hk):

No.	Date	Announcement
1	2024-01-04	Monthly Return of Equity Issuer on Movements in Securities for the month ended December 31, 2023
2	2024-01-09	Announcement in relation to Implementation of the Cancellation of the Repurchased A Shares
3	2024-01-10	Next Day Disclosure Return
4	2024-01-15	Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Settlement of the Principal and Interest of 2024 and Delisting for 2021 Corporate Bonds Publicly Issued to Professional Investors (First tranche) (Type 1)
5	2024-01-22	Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance According to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee
6	2024-01-23	Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on 2024 Interest Payment for 2021 Subordinated Bonds Publicly Issued to Professional Investors (First tranche)
7	2024-01-25	Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance According to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee
8	2024-01-26	Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance According to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee
9	2024-01-29	Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Change of General Manager of Huatai Securities (Shanghai) Asset Management Co., Ltd.
10	2024-01-31	Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on 2024 Interest Payment for 2023 Corporate Bonds Publicly Issued to Professional Investors (Third tranche)
11	2024-02-01	Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance According to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee

No.	Date	Announcement
12	2024-02-02	Announcement on Completion of the Change of Registered Capital and the Amendments to the Articles of Association, Articles of Association, Overseas Regulatory Announcements – Announcement by Huatai Securities Co., Ltd. on 2024 Interest Payment for 2022 Corporate Bonds Publicly Issued to Professional Investors (First tranche), Announcement by Huatai Securities Co., Ltd. on 2024 Interest Payment for 2023 Corporate Bonds Publicly Issued to Professional Investors (Fourth tranche), Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance According to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee
13	2024-02-05	Monthly Return of Equity Issuer on Movements in Securities for the month ended January 31, 2024
14	2024-02-06	Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance According to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee
15	2024-02-07	Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance According to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee
16	2024-02-08	Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance According to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee
17	2024-02-18	Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance According to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee
18	2024-02-20	Overseas Regulatory Announcements – Announcement by Huatai Securities Co., Ltd. on 2024 Interest Payment for 2023 Corporate Bonds Publicly Issued to Professional Investors (Fifth tranche) (Type 1), Announcement by Huatai Securities Co., Ltd. on 2024 Interest Payment for 2023 Corporate Bonds Publicly Issued to Professional Investors (Fifth tranche) (Type 2)
19	2024-02-27	Letter to Registered Shareholders and Reply Form – Arrangement of Electronic Dissemination of Corporate Communications, Letter to Non-registered Shareholders and Reply Form – Arrangement of Electronic Dissemination of Corporate Communications
20	2024-02-28	Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Appointment of General Manager of Huatai Securities (Shanghai) Asset Management Co., Ltd.

No.	Date	Announcement
21	2024-03-05	Monthly Return of Equity Issuer on Movements in Securities for the month ended February 29, 2024
22	2024-03-12	Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Settlement of the Principal and Interest of 2024 and Delisting for 2023 Short-term Corporate Bonds Publicly Issued to Professional Investors (Sixth tranche)
23	2024-03-15	Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Change of Chairman of Jiangsu Equity Exchange Co., Ltd.
24	2024-03-18	Date of Board Meeting
25	2024-03-19	Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Obtaining Approval by the CSRC for the Registration of Public Issuance of Corporate Bonds to Professional Investors
26	2024-03-20	Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on the Briefing on the Annual Results of 2023
27	2024-03-28	Results Announcement for the Year Ended December 31, 2023, Final Dividend for the Year Ended December 31, 2023, 2023 Corporate Social Responsibility Report, Overseas Regulatory Announcements – 2023 Annual Report of Huatai Securities Co., Ltd., 2023 Annual Report Summary of Huatai Securities Co., Ltd., Announcement by Huatai Securities Co., Ltd. on the Resolutions of the Seventh Meeting of the Sixth Session of the Board, Announcement by Huatai Securities Co., Ltd. on the Resolutions of the Sixth Meeting of the Sixth Session of the Supervisory Committee, Announcement by Huatai Securities Co., Ltd. on Re-appointment of the Accounting Firms, Announcement on Annual Profit Distribution Plan of Huatai Securities Co., Ltd. for 2023, Announcement by Huatai Securities Co., Ltd. on Estimated Ordinary Transactions with Related Parties for 2024, Report on Performance of Duties by Independent Directors of Huatai Securities Co., Ltd. for 2023, Report on Performance of Duties by the Audit Committee of the Board of Huatai Securities Co., Ltd. for 2023, Annual Internal Control Evaluation Report of Huatai Securities Co., Ltd. for 2023, Special Opinions from the Board of Huatai Securities Co., Ltd. on the Independence of Independent Directors, Evaluation Report on Performance of Duties by the Annual Audit Accounting Firm for 2023 of Huatai Securities Co., Ltd., Report on Performance of Supervisory Duties by the Annual Audit Accounting Firm for 2023 of the Audit Committee of the Board of Huatai Securities Co., Ltd., 2023 Financial Statements and Audit Report of Huatai Securities Co., Ltd., Annual Internal Control Audit Report of Huatai Securities Co., Ltd. in 2023, Special Explanation of Huatai Securities Co., Ltd. on Occupation of Non-operating Funds and Transaction of Other Associated Funds for 2023, System regarding Insider Registration and Management and Confidentiality of Huatai Securities Co., Ltd. (Revised in 2024)
28	2024-04-02	Monthly Return of Equity Issuer on Movements in Securities for the month ended March 31, 2024

No.	Date	Announcement
29	2024-04-12	Announcement in relation to Repurchase and Cancellation of Part of the Restricted A Shares, Overseas Regulatory Announcements – Legal Opinions from Beijing King & Wood Mallesons (Nanjing) Law Firm on Fulfilment of Conditions for Release from Selling Restriction of the Second Unlocking Period and Repurchase and Cancellation of Part of the Restricted Shares under the Restricted Share Incentive Scheme of A Shares of Huatai Securities Co., Ltd., Announcement by Huatai Securities Co., Ltd. on Fulfilment of Conditions for Release from Selling Restriction of the Second Lock-up Period under the Restricted Share Incentive Scheme of A Shares, Announcement by Huatai Securities Co., Ltd. on the Resolutions of the Seventh Meeting of the Sixth Session of the Supervisory Committee, Announcement by Huatai Securities Co., Ltd. on the Resolutions of the Eighth Meeting of the Sixth Session of the Board
30	2024-04-17	Date of Board Meeting
31	2024-04-22	Overseas Regulatory Announcements – Announcement by Huatai Securities Co., Ltd. on Settlement of the Principal and Interest of 2024 and Delisting for 2021 Corporate Bonds Publicly Issued to Professional Investors (Second tranche), Announcement by Huatai Securities Co., Ltd. on 2024 Interest Payment for 2020 Corporate Bonds Publicly Issued to Qualified Investors (Second tranche)
32	2024-04-25	Discloseable Transaction – Disposal of the Issued Share Capital of ASSETMARK FINANCIAL HOLDINGS, INC. by Way of Merger, Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on the Resolutions of the Ninth Meeting of the Sixth Session of the Board
33	2024-04-26	2023 Annual Report, Notification Letter and Request Form to Registered Shareholders, Notification Letter and Request Form to Non-registered Holders
34	2024-04-29	First Quarterly Report of 2024, Proposed Change of Independent Non-executive Director and Proposed Change of Non-employee Representative Supervisor, Overseas Regulatory Announcements – Announcement by Huatai Securities Co., Ltd. on the Resolutions of the Tenth Meeting of the Sixth Session of the Board, Announcement by Huatai Securities Co., Ltd. on the Resolutions of the Eighth Meeting of the Sixth Session of the Supervisory Committee
35	2024-04-30	Overseas Regulatory Announcements – Announcement by Huatai Securities Co., Ltd. on 2024 Interest Payment for 2023 Corporate Bonds Publicly Issued to Professional Investors (Sixth tranche) (Type 1), Announcement by Huatai Securities Co., Ltd. on 2024 Interest Payment for 2023 Corporate Bonds Publicly Issued to Professional Investors (Sixth tranche) (Type 2)
36	2024-05-07	Monthly Return of Equity Issuer on Movements in Securities for the month ended April 30, 2024
37	2024-05-09	Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance According to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee

No.	Date	Announcement
38	2024-05-10	Overseas Regulatory Announcements – Announcement by Huatai Securities Co., Ltd. on Release from Selling Restriction of the Second Lock-up Period under the Restricted Share Incentive Scheme of A Shares and Listing, Announcement by Huatai Securities Co., Ltd. on 2024 Interest Payment for 2021 Corporate Bonds Publicly Issued to Professional Investors (Third tranche)
39	2024-05-12	Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance According to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee
40	2024-05-14	Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on 2024 Interest Payment for 2020 Corporate Bonds Publicly Issued to Qualified Investors (Third tranche)
41	2024-05-17	Notice of 2023 AGM, Notice of the 2024 First H Share Class Meeting, Circular of 2023 Annual General Meeting, Form of Proxy of Holders of H Shares for Use at the AGM to be Held on June 20, 2024, Form of Proxy of Holders of H Shares for Use at the 2024 First H Share Class Meeting to be Held on June 20, 2024, Notification Letter and Request Form to Registered Shareholders, Notification Letter and Request Form to Non-registered Holders, Final Dividend for the Year Ended December 31, 2023 (Update), Overseas Regulatory Announcements – Statement and Undertaking of Nominator of Independent Directors of Huatai Securities Co., Ltd., Statement and Undertaking of Candidate for Independent Directors of Huatai Securities Co., Ltd., Review Opinions from Nomination Committee of the Board of Huatai Securities Co., Ltd. on Nomination of Candidates for Independent Non-executive Directors of the Sixth Session of the Board, Announcement by Huatai Securities Co., Ltd. on Settlement of the Principal and Interest of 2024 and Delisting for 2021 Corporate Bonds Publicly Issued to Professional Investors (Fourth tranche) (Type 1), Announcement by Huatai Securities Co., Ltd. on 2024 Interest Payment for 2021 Corporate Bonds Publicly Issued to Professional Investors (Fourth tranche) (Type 2)
42	2024-06-05	Monthly Return of Equity Issuer on Movements in Securities for the month ended May 31, 2024
43	2024-06-06	Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance According to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee
44	2024-06-07	Announcement by Huatai Securities Co., Ltd. on Settlement of the Principal and Interest of 2024 and Delisting for 2021 Corporate Bonds Publicly Issued to Professional Investors (Fifth tranche) (Type 1)

No.	Date	Announcement
45	2024-06-11	Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance According to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee
46	2024-06-14	Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Settlement of the Principal and Interest of 2024 and Delisting for 2021 Corporate Bonds Publicly Issued to Professional Investors (Sixth tranche) (Type 1)
47	2024-06-20	Poll Results of 2023 Annual General Meeting, 2024 First A Share Class Meeting and 2024 First H Share Class Meeting; Distribution of Final Dividend; Change of Independent Non-Executive Director; Adjustment to the Composition Plan of the Special Committees of the Board; and Change of Non-Employee Representative Supervisor, List of Directors and Their Role and Function, Final Dividend for the Year Ended December 31, 2023 (Update), 2024 Action Plan of “Corporate Value and Return Enhancement”, Overseas Regulatory Announcements – Announcement by Huatai Securities Co., Ltd. on Notice to Creditors Regarding the Repurchase and Cancellation of Part of the Restricted A Shares to Reduce Registered Capital, Announcement by Huatai Securities Co., Ltd. on the Resolutions of the Eleventh Meeting of the Sixth Session of the Board, Announcement by Huatai Securities Co., Ltd. on Approval of Qualification as Supervisor, Announcement by Huatai Securities Co., Ltd. on Approval of Qualification as Director, Legal Opinions from King & Wood Mallesons on 2023 Annual General Meeting, 2024 First A Share Class Meeting and 2024 First H Share Class Meeting of Huatai Securities Co., Ltd.

3. During the Reporting Period, the Company disclosed the following matters on the website of the London Stock Exchange (www.londonstockexchange.com):

No.	Date	Announcement
1	2024-01-09	IMPLEMENTATION OF CANCELLATION OF PART OF A SHARES
2	2024-02-02	COMPLETION OF THE CHANGE OF REGISTERED CAPITAL, ARTICLES OF ASSOCIATION
3	2024-03-28	2023 ANNUAL FINANCIAL REPORT, 2023 CORPORATE SOCIAL RESPONSIBILITY REPORT
4	2024-04-12	REPURCHASE AND CANCELLATION OF PART OF A SHARES
5	2024-04-25	DISPOSAL OF THE ISSUED SHARE CAPITAL OF ASSETMARK
6	2024-04-26	2023 ANNUAL REPORT
7	2024-04-29	FIRST QUARTERLY REPORT OF 2024, PROPOSED CHANGE OF DIRECTOR AND SUPERVISOR
8	2024-05-17	NOTICE OF AGM AND 2024 FIRST A SHARE CLASS MEETING
9	2024-06-20	RESULTS OF AGM AND A SHARE & H SHARE CLASS MEETING, LIST OF DIRECTORS AND THEIR ROLE AND FUNCTION

HUATAI SECURITIES CO., LTD.

Review Report and Condensed Consolidated
Financial Statements
For the six months ended 30 June 2024

REVIEW REPORT AND CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2024

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REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF HUATAI SECURITIES CO., LTD.

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

Introduction

We have reviewed the condensed consolidated financial statements of Huatai Securities Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 3 to 116, which comprise the condensed consolidated statement of financial position as of 30 June 2024 and the related condensed consolidated statement of profit or loss, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information 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 of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, 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 these condensed consolidated financial statements 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 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF HUATAI SECURITIES 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 condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

30 August 2024

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE SIX MONTHS ENDED 30 JUNE 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

		Six months ended 30 June	
	Notes	2024	2023
		(Unaudited)	(Unaudited)
Revenue			
Fee and commission income	5	8,374,416	9,725,697
Interest income	6	6,858,494	7,262,841
Net investment gains	7	4,214,424	5,818,466
		19,447,334	22,807,004
Other income and gains	8	5,430,961	3,145,550
Total revenue, gains and other income		24,878,295	25,952,554
Fee and commission expenses	9	(1,912,923)	(2,177,899)
Interest expenses	10	(6,147,948)	(6,621,612)
Staff costs	11	(3,880,037)	(4,947,559)
Depreciation and amortisation expenses	12	(948,614)	(910,885)
Tax and surcharges		(75,930)	(97,440)
Other operating expenses	13	(7,480,103)	(4,865,656)
Impairment losses under expected credit loss model, net of reversal	14	516,710	418,012
Total expenses		(19,928,845)	(19,203,039)
Operating profit		4,949,450	6,749,515
Share of profit of associates and joint ventures		626,678	1,247,913
Profit before income tax		5,576,128	7,997,428
Income tax expense	15	(103,835)	(1,334,950)
Profit for the period		5,472,293	6,662,478
Attributable to:			
Shareholders of the Company		5,310,704	6,555,640
Non-controlling interests		161,589	106,838
		5,472,293	6,662,478
Earnings per share (Expressed in Renminbi per share)	16		
- Basic		0.55	0.70
- Diluted		0.55	0.68

The notes on pages 13 to 116 form part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

	Notes	Six months ended 30 June	
		2024 (Unaudited)	2023 (Unaudited)
Profit for the period		<u>5,472,293</u>	<u>6,662,478</u>
Other comprehensive income/ (expense) for the period:			
Items that will not be reclassified to profit or loss:			
Equity instruments at fair value through other comprehensive income			
- Net change in fair value		31,984	19,511
- Income tax impact		(6,905)	(4,808)
Items that may be reclassified subsequently to profit or loss:			
Net gain from debt instruments at fair value through other comprehensive income		91,311	93,450
Fair value (loss)/gain on hedging instruments designated in cash flow hedges		(76,968)	41,750
Share of other comprehensive expense of associates and joint ventures		175,464	(5,665)
Exchange differences on translation of financial statements in foreign currencies		168,417	610,133
Income tax impact		(19,181)	(21,320)
Other comprehensive income for the period, net of income tax		<u>364,122</u>	<u>733,051</u>
Total comprehensive income for the period		<u><u>5,836,415</u></u>	<u><u>7,395,529</u></u>
Attributable to:			
Shareholders of the Company		5,656,635	7,193,396
Non-controlling interests		179,780	202,133
Total		<u><u>5,836,415</u></u>	<u><u>7,395,529</u></u>

The notes on pages 13 to 116 form part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

	Notes	As at 30 June 2024 (Unaudited)	As at 31 December 2023 (Audited)
Non-current assets			
Property and equipment	17	6,347,539	6,519,710
Investment properties		132,730	136,284
Goodwill	18	51,342	3,419,332
Land-use rights and other intangible assets	19	2,061,120	7,515,260
Interests in associates	20	19,994,160	19,496,027
Interests in joint ventures	21	1,225,153	1,299,405
Debt instruments at amortised cost	22	45,477,986	45,404,582
Debt instruments at fair value through other comprehensive income	23	10,118,390	15,207,952
Equity instruments at fair value through other comprehensive income	24	157,194	124,506
Financial assets at fair value through profit or loss	25	6,637,522	7,952,021
Refundable deposits	26	36,111,233	40,544,278
Deferred tax assets	27	761,121	702,722
Other non-current assets	28	273,723	311,789
Total non-current assets		129,349,213	148,633,868
Current assets			
Accounts receivable	29	5,961,724	9,743,761
Other receivables, prepayments and other current assets	30	3,452,277	2,539,985
Margin accounts receivable	31	103,558,948	112,341,094
Debt instruments at amortised cost	22	3,408,517	4,712,230
Financial assets held under resale agreements	32	18,046,387	12,460,232
Debt instruments at fair value through other comprehensive income	23	1,307,935	1,054,048
Financial assets at fair value through profit or loss	25	357,310,363	405,127,363
Derivative financial assets	33	16,722,487	16,259,881
Clearing settlement funds	34	5,507,664	9,129,266
Cash held on behalf of brokerage clients	35	136,526,473	137,210,295
Cash and bank balances	36	41,935,737	46,296,366
		693,738,512	756,874,521
Assets classified as held for sale	53	11,493,906	-
Total current assets		705,232,418	756,874,521
Total assets		834,581,631	905,508,389

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - continued
AS AT 30 JUNE 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

	Notes	As at 30 June 2024 (Unaudited)	As at 31 December 2023 (Audited)
Current liabilities			
Short-term bank loans	38	5,981,886	11,478,573
Short-term debt instruments issued	39	16,722,439	25,475,507
Placements from other financial institutions	40	36,138,245	39,536,527
Accounts payable to brokerage clients	41	151,215,299	144,701,360
Employee benefits payable		3,901,991	4,151,439
Other payables and accruals	42	93,379,915	113,884,799
Contract liabilities		374,422	177,500
Current tax liabilities		336,614	493,520
Financial assets sold under repurchase agreements	43	134,418,684	144,056,149
Financial liabilities at fair value through profit or loss	44	39,237,346	43,710,135
Derivative financial liabilities	33	15,986,446	16,848,878
Long-term bonds due within one year	45	43,992,419	44,803,489
		<u>541,685,706</u>	<u>589,317,876</u>
Liabilities associated with assets classified as held for sale	53	1,910,390	-
Total current liabilities		<u>543,596,096</u>	<u>589,317,876</u>
Net current assets		<u>161,636,322</u>	<u>167,556,645</u>
Total assets less current liabilities		<u>290,985,535</u>	<u>316,190,513</u>
Non-current liabilities			
Derivative financial liabilities	33	110,198	32,763
Long-term bonds	46	91,369,725	115,012,512
Long-term bank loans	47	-	647,052
Non-current employee benefits payable		6,524,305	6,431,780
Deferred tax liabilities	27	520,859	1,960,663
Financial liabilities at fair value through profit or loss	44	8,298,877	8,961,031
Other payables and accruals	42	733,284	927,280
Total non-current liabilities		<u>107,557,248</u>	<u>133,973,081</u>
Net assets		<u>183,428,287</u>	<u>182,217,432</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - continued
AS AT 30 JUNE 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

	<u>Notes</u>	As at 30 June <u>2024</u> (Unaudited)	As at 31 December <u>2023</u> (Audited)
Equity			
Share capital	48	9,029,385	9,074,663
Other equity instruments	49	25,700,000	25,700,000
Treasury shares	50	(117,982)	(1,064,173)
Reserves	51	102,592,836	102,967,146
Retained profits	52	42,883,098	42,430,731
Total equity attributable to shareholders of the Company		180,087,337	179,108,367
Non-controlling interests		3,340,950	3,109,065
Total equity		<u>183,428,287</u>	<u>182,217,432</u>

The notes on pages 13 to 116 form part of these condensed consolidated financial statements.

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

Zhang Wei
Chairman of the Board,
Director

Wang Bing
Director

HUATAI SECURITIES CO., LTD.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

	Attributable to shareholders of the Company												
	Reserves												
	Share capital (Note 48)	Other equity instruments (Note 49)	Treasury shares (Note 50)	Capital reserve (Note 51)	Surplus reserve (Note 51)	General reserve (Note 51)	Fair value reserve (Note 51)	Cash flow hedges reserve (Note 51)	Translation reserve (Note 51)	Retained profits (Note 52)	Total	Non- controlling interests	Total equity
As at 1 January 2024 (audited)	9,074,663	25,700,000	(1,064,173)	69,602,190	8,838,000	23,458,335	142,633	39,072	886,916	42,430,731	179,108,367	3,109,065	182,217,432
Changes in equity for the period													
Profit for the period	-	-	-	-	-	-	-	-	-	5,310,704	5,310,704	161,589	5,472,293
Other comprehensive income / (expense) for the period	-	-	-	-	-	-	272,673	(76,968)	150,226	-	345,931	18,191	364,122
Total comprehensive income / (expense) for the period	-	-	-	-	-	-	272,673	(76,968)	150,226	5,310,704	5,656,635	179,780	5,836,415
Equity-settled share-based payments	-	-	110,389	56,232	-	-	-	-	-	-	166,621	17,187	183,808
Repurchase and cancellation of shares	(45,278)	-	835,802	(790,524)	-	-	-	-	-	-	-	-	-
Appropriation to general reserve	-	-	-	-	-	40,469	-	-	-	(40,469)	-	-	-
Dividends declared to ordinary shareholders for the period	-	-	-	-	-	-	-	-	-	(3,882,635)	(3,882,635)	(147)	(3,882,782)
Dividends payable to perpetual subordinated bonds	-	-	-	-	-	-	-	-	-	(935,130)	(935,130)	-	(935,130)
Others	-	-	-	(26,376)	(14)	(28)	-	-	-	(103)	(26,521)	35,065	8,544
As at 30 June 2024 (unaudited)	9,029,385	25,700,000	(117,982)	68,841,522	8,837,986	23,498,776	415,306	(37,896)	1,037,142	42,883,098	180,087,337	3,340,950	183,428,287

	Attributable to shareholders of the Company												
	Reserves												
	Share capital (Note 48)	Other equity instruments (Note 49)	Treasury shares (Note 50)	Capital reserve (Note 51)	Surplus reserve (Note 51)	General reserve (Note 51)	Fair value reserve (Note 51)	Cash flow hedges reserve (Note 51)	Translation reserve (Note 51)	Retained profits (Note 52)	Total	Non- controlling interests	Total equity
As at 1 January 2023 (audited)	9,075,589	19,200,000	(1,202,324)	70,482,059	7,791,328	21,026,134	84,554	42,643	666,033	37,929,086	165,095,102	2,761,508	167,856,610
Changes in equity for the period													
Profit for the period	-	-	-	-	-	-	-	-	-	6,555,640	6,555,640	106,838	6,662,478
Other comprehensive income for the period	-	-	-	-	-	-	81,168	41,750	514,838	-	637,756	95,295	733,051
Total comprehensive income for the period	-	-	-	-	-	-	81,168	41,750	514,838	6,555,640	7,193,396	202,133	7,395,529
Equity-settled share-based payments	-	-	130,514	95,053	-	-	-	-	-	-	225,567	21,622	247,189
Appropriation to general reserve	-	-	-	-	-	44,172	-	-	-	(44,172)	-	-	-
Dividends declared to ordinary shareholders for the period	-	-	-	-	-	-	-	-	-	(4,063,223)	(4,063,223)	(810)	(4,064,033)
Dividends payable to perpetual subordinated bonds	-	-	-	-	-	-	-	-	-	(705,430)	(705,430)	-	(705,430)
Others	-	-	-	(241,256)	-	-	-	-	-	-	(241,256)	24,741	(216,515)
As at 30 June 2023 (unaudited)	9,075,589	19,200,000	(1,071,810)	70,335,856	7,791,328	21,070,306	165,722	84,393	1,180,871	39,671,901	167,504,156	3,009,194	170,513,350

HUATAI SECURITIES CO., LTD.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - continued
FOR THE SIX MONTHS ENDED 30 JUNE 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

	Attributable to shareholders of the Company												
	Reserves												
	Share capital (Note 48)	Other equity instruments (Note 49)	Treasury shares (Note 50)	Capital reserve (Note 51)	Surplus reserve (Note 51)	General reserve (Note 51)	Fair value reserve (Note 51)	Cash flow hedges reserve (Note 51)	Translation reserve (Note 51)	Retained profits (Note 52)	Total	Non- controlling interests	Total equity
As at 1 January 2023 (audited)	9,075,589	19,200,000	(1,202,324)	70,482,059	7,791,328	21,026,134	84,554	42,643	666,033	37,929,086	165,095,102	2,761,508	167,856,610
Changes in equity for 2023													
Profit for the year	-	-	-	-	-	-	-	-	-	12,750,633	12,750,633	285,627	13,036,260
Other comprehensive income / (expense) for the year	-	-	-	-	-	-	56,617	(3,571)	220,883	-	273,929	42,070	315,999
Total comprehensive income / (expense) for the year	-	-	-	-	-	-	56,617	(3,571)	220,883	12,750,633	13,024,562	327,697	13,352,259
Issue of perpetual subordinated bonds	-	6,500,000	-	(4,087)	-	-	-	-	-	-	6,495,913	-	6,495,913
Acquisition of non-controlling interests	-	-	-	2,161	-	-	-	-	-	-	2,161	(7,534)	(5,373)
Equity-settled share-based payments	-	-	130,514	149,947	-	-	-	-	-	-	280,461	35,029	315,490
Appropriation to surplus reserve	-	-	-	-	1,046,672	-	-	-	-	(1,046,672)	-	-	-
Appropriation to general reserve	-	-	-	-	-	2,432,201	-	-	-	(2,432,201)	-	-	-
Dividends declared to ordinary shareholders for the year	-	-	-	-	-	-	-	-	-	(4,063,223)	(4,063,223)	(51,810)	(4,115,033)
Dividends payable to perpetual subordinated bonds	-	-	-	-	-	-	-	-	-	(705,430)	(705,430)	-	(705,430)
Other comprehensive income that has been reclassified to retained profits	-	-	-	-	-	-	1,462	-	-	(1,462)	-	-	-
Others	(926)	-	7,637	(1,027,890)	-	-	-	-	-	-	(1,021,179)	44,175	(977,004)
As at 31 December 2023	9,074,663	25,700,000	(1,064,173)	69,602,190	8,838,000	23,458,335	142,633	39,072	886,916	42,430,731	179,108,367	3,109,065	182,217,432

The notes on pages 13 to 116 form part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	Six months ended 30 June	
		2024 (Unaudited)	2023 (Unaudited)
Cash flows from operating activities:			
Profit before income tax		5,576,128	7,997,428
Adjustments for:			
Interest expenses		6,147,948	6,621,612
Share of profit of associates and joint ventures		(626,678)	(1,247,913)
Depreciation and amortisation expenses		948,614	910,885
Impairment losses under expected credit loss model, net of reversal		(516,710)	(418,012)
Expenses recognised from equity-settled share-based payment		73,419	116,675
Gains on disposal of property and equipment		(2,177)	(255)
Foreign exchange gains		(61,894)	(396,149)
Dividend income and interest income from financial assets through other comprehensive income and debt instruments at amortised cost		(1,036,820)	(893,249)
Net gains arising from derecognition of financial assets at fair value through other comprehensive income		(59,511)	(29,814)
Net gains arising from converting bonds into interests in an associate		-	(652)
Unrealised fair value changes in financial instruments at fair value through profit or loss		(425,900)	(4,330,627)
Unrealised fair value changes in derivatives		(1,100,143)	6,270,410
Operating cash flows before movements in working capital		8,916,276	14,600,339
Decrease in refundable deposits		4,433,045	2,511,703
Decrease / (increase) in margin accounts receivable		9,290,764	(4,744,070)
Decrease / (increase) in accounts receivable, other receivables and prepayments		2,360,556	(2,030,591)
(Increase) / decrease in financial assets held under resale agreements		(984,678)	2,688,555
Decrease / (increase) in financial instruments at fair value through profit or loss		45,599,522	(38,637,828)
Decrease in restricted bank deposits		1,498,651	166,458
Decrease / (increase) in cash held on behalf of brokerage clients		683,822	(8,223,358)
Increase in accounts payable to brokerage clients		6,513,939	6,802,591
(Decrease) / increase in other payables and accruals		(23,952,953)	8,536,331
Increase / (decrease) in employee benefits payable		43,690	(1,297,440)
(Decrease) / increase in financial assets sold under repurchase agreements		(9,637,465)	1,846,885
(Decrease) / increase in placements from other financial institutions		(3,424,464)	8,813,117
Cash generated from / (used in) operations		41,340,705	(8,967,308)
Income taxes paid		(788,822)	(1,146,512)
Interest paid		(2,946,585)	(3,569,257)
Net cash generated from / (used in) operating activities		37,605,298	(13,683,077)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS - continued
FOR THE SIX MONTHS ENDED 30 JUNE 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

	<u>Note</u>	<u>Six months ended 30 June</u>	
		<u>2024</u>	<u>2023</u>
		(Unaudited)	(Unaudited)
Cash flow from investing activities:			
Proceeds on disposal of property and equipment		6,151	7,890
Dividends received from associates		663,254	668,485
Dividend income and interest income from financial assets through other comprehensive income and debt instruments at amortised cost		1,214,950	842,397
Proceeds from disposals of financial instruments at fair value through other comprehensive income		7,538,629	4,326,020
Proceeds from disposals of debt instruments at amortised cost		7,534,008	6,692,000
Purchase of financial assets at fair value through other comprehensive income		(2,640,848)	(9,064,477)
Purchase of debt instruments at amortised cost		(6,375,977)	(8,493,042)
Divestments of associates and joint ventures		46,046	236,690
Purchase of property and equipment, investment properties, other intangible assets and other non-current assets		(970,129)	(656,914)
Acquisition of interests in associates		(285,868)	(787,291)
Net cash generated from / (used in) investing activities		<u>6,730,216</u>	<u>(6,228,242)</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS - continued
FOR THE SIX MONTHS ENDED 30 JUNE 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	Six months ended 30 June	
		2024 (Unaudited)	2023 (Unaudited)
Cash flow from financing activities:			
Proceeds from issuance of short-term debt instruments		5,825,920	21,027,377
Proceeds from issuance of long-term bonds		-	22,813,243
Proceeds from bank loans		5,973,482	13,657,463
Repayment of bank loans		(12,016,688)	(8,126,101)
Repayment of debt securities issued		(39,168,281)	(39,408,493)
Short-term debt instruments interest paid		(238,314)	(946,686)
Short-term bank loans interest paid		(254,117)	(250,229)
Long-term bank loans interest paid		(41,652)	(6,576)
Long-term bonds interest paid		(2,713,509)	(2,329,370)
Dividends paid		(145,373)	(93,609)
Cash received from Restricted Share Incentive Scheme		8,724	-
Payment of lease liabilities		(325,815)	(355,976)
Net cash (used in) / generated from financing activities		(43,095,623)	5,981,043
Net increase / (decrease) in cash and cash equivalents		1,239,891	(13,930,276)
Cash and cash equivalents at the beginning of the period		59,830,329	75,549,060
Effect of foreign exchange rate changes		301,104	987,807
Cash and cash equivalents at the end of the period	37	61,371,324	62,606,591

The notes on pages 13 to 116 form part of these condensed consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

1. General information

Huatai Securities Co., Ltd. (the "Company"), formerly known as Jiangsu Securities Company, was approved by the People's Bank of China ("PBOC"), and registered with the Administration for Industry and Commerce of Jiangsu Province on 9 April 1991, with a registered capital of RMB10 million. The Company was renamed as Huatai Securities Limited Liability Company on 21 December 1999 and then renamed as Huatai Securities Co., Ltd. on 7 December 2007 as a result of the conversion into a joint stock limited liability company.

The Company publicly issued RMB784,561,275 ordinary shares (the "A shares") in February 2010, and was listed on the Shanghai Stock Exchange on 26 February 2010.

In June 2015, the Company issued RMB1,562,768,800 H shares, which were listed on the main board of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"). Due to the issuance and listing of H Shares, the relevant state-owned shareholders transferred 156,276,880 state owned shares (A Shares) of the Company held by them to the National Council for Social Security Fund of the PRC in the form of H Shares, on the basis of 10% of the number of H Shares issued this time.

In August 2018, the Company completed the non-public issuance of 1,088,731,200 RMB-denominated ordinary shares (A Shares) by way of "Non-Public Issuance to Specific Investors".

In June 2019, the Company issued 82,515,000 Global Deposits Receipts (the "GDRs"), representing 825,150,000 new A shares, and was listed on the London Stock Exchange plc (the "London Stock Exchange").

From September 2022 to June 2024, after a series of repurchases and cancellations of restricted A shares, the Company's registered capital has been reduced by RMB 47,265,160.

As at 30 June 2024, the Company's registered capital was RMB9,029,384,840 and the Company has a total of 9,029,384,840 issued shares of RMB1 each.

As at 30 June 2024, the Company has 28 branches and 245 securities business offices.

The Company and its subsidiaries (the "Group") are principally engaged in securities business, securities underwriting and sponsorship, securities investment advisory, asset management, agency sale of financial products, intermediary introduction business for the futures companies, agency sale and custody of securities investment fund, mutual fund management, direct investment business, alternative investment business, futures brokerage business and other business activities as approved by the China Securities Regulatory Commission (the "CSRC").

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

2. Basis of preparation

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 "*Interim Financial Reporting*" issued by the International Accounting Standards Board ("IASB") as well as the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. It was authorised for issue on 30 August 2024.

3. Principal accounting policies

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

Other than additional accounting policies resulting from application of amendments to International Financial Reporting Standards ("IFRS Accounting Standards"), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2024 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2023.

Application of amendments to IFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to IFRS Accounting Standards issued by the IASB, for the first time, which are mandatorily effective for the Group's annual period beginning on or after 1 January 2024 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

The application of the amendments to IFRS Accounting Standards in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

The condensed consolidated financial statements do not include all the information required for a full set of financial statements prepared in accordance with IFRS Accounting 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 consolidated financial position and performance since the last annual financial report as at and for the year ended 31 December 2023.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

4. Use of judgements and estimates

The preparation of the condensed consolidated financial statements requires management to make judgements and estimates that affect the application of policies and disclosed amounts of assets and liabilities, incomes and expenses. Actual results in the future may differ from those disclosed as a result of the use of estimates and assumptions about future conditions.

In the preparation of the condensed consolidated financial statements, the key sources of uncertainty derived from significant judgements and estimation made by the management while applying the Group's accounting policies are the same as these applied in the preparation of the Group's consolidated financial statements for the year ended December 31, 2023.

5. Fee and commission income

	Six months ended 30 June	
	<u>2024</u>	<u>2023</u>
Income from securities brokerage and advisory business	3,529,217	4,201,543
Income from asset management business	3,134,932	3,237,064
Income from underwriting and sponsorship business	880,114	1,544,751
Income from futures brokerage business	669,092	540,051
Income from financial advisory business	64,780	92,953
Other commission income	96,281	109,335
Total	<u>8,374,416</u>	<u>9,725,697</u>

6. Interest income

	Six months ended 30 June	
	<u>2024</u>	<u>2023</u>
Interest income from margin financing and securities lending	3,457,625	3,953,585
Interest income from financial institutions	2,143,863	2,148,206
Interest income from debt instruments at amortised cost	732,848	704,012
Interest income from debt instruments at fair value through other comprehensive income	303,971	189,237
Interest income from securities-backed lendings	84,977	150,532
Interest income from other financial assets held under resale agreements	128,639	112,087
Others	6,571	5,182
Total	<u>6,858,494</u>	<u>7,262,841</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

7. Net investment gains

	Six months ended 30 June	
	<u>2024</u>	<u>2023</u>
Dividend income and interest income from financial instruments at fair value through profit or loss	4,201,443	3,800,489
Net realised (losses) / gains from disposal of financial instruments at fair value through profit or loss	(12,621,950)	12,644,313
Net realised gains from disposal of debt instruments at fair value through other comprehensive income	59,511	29,814
Net realised gains / (losses) from disposal of derivative financial instruments	11,864,743	(8,370,087)
Unrealised fair value changes of derivative financial instruments	284,777	(6,616,690)
Unrealised fair value changes of financial instruments at fair value through profit or loss	425,900	4,330,627
Total	<u>4,214,424</u>	<u>5,818,466</u>

8. Other income and gains

	Six months ended 30 June	
	<u>2024</u>	<u>2023</u>
Income from commodity sales	5,056,788	1,302,492
Government grants ⁽ⁱ⁾	68,754	90,571
Rental income	21,189	16,368
Gains on disposal of property and equipment	2,008	10
Foreign exchange gains	215,040	1,609,504
Others	67,182	126,605
Total	<u>5,430,961</u>	<u>3,145,550</u>

- (i) The government grants were received unconditionally by the Group from the local government where they reside.

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9. Fee and commission expenses

	Six months ended 30 June	
	<u>2024</u>	<u>2023</u>
Expenses for securities brokerage and advisory business	991,177	1,275,255
Expenses for asset management business	442,654	637,826
Expenses for futures brokerage business	464,856	236,450
Expenses for underwriting and sponsorship business	13,654	27,514
Expenses for financial advisory business	172	146
Other commission expenses	410	708
Total	<u>1,912,923</u>	<u>2,177,899</u>

10. Interest expenses

	Six months ended 30 June	
	<u>2024</u>	<u>2023</u>
Interest expenses on long-term bonds	2,573,535	2,416,588
Interest expenses on financial assets sold under repurchase agreements	1,908,109	1,828,147
Interest expenses on placements from banks and other financial institutions	492,722	980,130
Interest expenses on short-term debt instruments issued	379,478	383,523
Interest expenses of accounts payable to brokerage clients	420,776	624,221
Interest expenses on lease liabilities	28,917	34,713
Interest expenses on short-term bank loans	161,208	208,460
Interest expenses on long-term bank loans	32,043	9,837
Others	151,160	135,993
Total	<u>6,147,948</u>	<u>6,621,612</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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11. Staff costs

	Six months ended 30 June	
	<u>2024</u>	<u>2023</u>
Salaries, bonuses and allowances	2,747,227	3,822,604
Contribution to pension schemes	567,451	549,205
Share-based payment expense	77,084	117,261
Other social welfare	488,275	458,489
Total	<u>3,880,037</u>	<u>4,947,559</u>

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. According to the relevant regulations, the premiums and welfare benefits contributions that should be borne by the Group are calculated on a regular basis and paid to the labour and social welfare authorities. The contributions to the social security plans are expensed as incurred. The Group also operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong under the Mandatory Provident Fund Schemes Ordinance.

12. Depreciation and amortisation expenses

	Six months ended 30 June	
	<u>2024</u>	<u>2023</u>
Amortisation of land-use rights and other intangible assets	319,021	266,986
Depreciation of property and equipment		
- Right-of-use assets	284,143	309,164
- Other property and equipment	273,092	261,613
Amortisation of leasehold improvements and long-term deferred expenses	68,804	67,874
Depreciation of investment properties	3,554	5,248
Total	<u>948,614</u>	<u>910,885</u>

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(Expressed in thousands of Renminbi, unless otherwise stated)

13. Other operating expenses

	Six months ended 30 June	
	<u>2024</u>	<u>2023</u>
Cost of commodity sales	5,061,049	1,330,494
IT expenses	833,164	1,118,742
Stock exchange fees	209,270	256,622
Consulting fees	204,391	213,362
Marketing, advertising and promotion expenses	192,673	205,997
Travelling expenses	158,458	172,295
Postal and communication expenses	115,912	144,282
Property management fees	54,076	56,895
Securities investor protection funds	46,101	64,014
Products distribution expenses	22,311	21,529
Utilities	20,442	20,020
Rental expenses	15,856	18,512
Litigation and regulatory matters (Note 56)	-	711,773
Others	546,400	531,119
Total	<u>7,480,103</u>	<u>4,865,656</u>

14. Impairment losses under expected credit loss model, net of reversal

	Six months ended 30 June	
	<u>2024</u>	<u>2023</u>
Reversal of impairment losses		
against financial assets held under resale agreements	(9,407)	(468,976)
Provision for impairment losses against other receivables		
and interest receivable	8,484	22,891
(Reversal of) / provision for impairment losses against		
financial assets at fair value through other		
comprehensive income	(18,116)	44,049
Provision for impairment losses against		
accounts receivable	11,193	6,182
Reversal of impairment losses		
against margin accounts receivable	(508,664)	(21,744)
Reversal of impairment losses against cash		
and bank balances	(144)	(421)
(Reversal of) / provision for impairment losses		
against debt instruments at amortised cost	(56)	7
Total	<u>(516,710)</u>	<u>(418,012)</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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(Expressed in thousands of Renminbi, unless otherwise stated)

15. Income tax expense

(a) Taxation in the condensed consolidated income statements represents:

	Six months ended 30 June	
	<u>2024</u>	<u>2023</u>
Current income tax		
- Mainland China	398,872	1,070,214
- Hong Kong	27,866	118,039
- Overseas	241,337	131,667
	<u>668,075</u>	<u>1,319,920</u>
Adjustment in respect of prior years		
- Mainland China	(36,159)	(30,678)
Deferred tax	(528,081)	45,708
Total	<u>103,835</u>	<u>1,334,950</u>

- (1) According to the PRC Corporate Income Tax ("CIT") Law that took effect on 1 January 2008, the Company and the Group's subsidiaries in the Mainland China are subject to CIT at the statutory tax rate of 25%.
- (2) Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits. The federal income tax of subsidiaries in the United States were provided at the rate of 21%, whereas the states' income tax are charged at the applicable local tax rates.
- (3) The government of United Kingdom and Canada where the Group entities are incorporated, enacted the Pillar Two income taxes legislation effective from 1 January 2024. As at 30 June 2024, the profits from jurisdictions where the Pillar Two legislation is enacted or substantially enacted but not yet in effect is less than 0.1 per cent of the Group's total profits. The Group is continuing to assess the impact of the Pillar Two income taxes legislation on its future financial performance.

The Group has applied the temporary mandatory exception for recognising and disclosing deferred tax assets and liabilities for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

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(Expressed in thousands of Renminbi, unless otherwise stated)

15. Income tax expense - continued

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

	Six months ended 30 June	
	<u>2024</u>	<u>2023</u>
Profit before income tax	5,576,128	7,997,428
Notional tax calculated using the PRC statutory tax rate	1,394,032	1,999,357
Effect of different tax rates of the subsidiaries	(21,701)	(74,786)
Tax effect of non-deductible expenses	47,938	127,591
Tax effect of deductible temporary differences or unused tax losses not recognised	7,876	-
Effect of using the deductible tax losses for which no deferred tax asset was recognised in previous period	(1,645)	(610)
Tax effect of non-taxable income	(1,271,460)	(686,557)
Adjustment in respect of prior years	(36,159)	(30,678)
Others	(15,046)	633
Income tax expense for the period	<u>103,835</u>	<u>1,334,950</u>

16. Basic and diluted earnings per share

(1) Basic earnings per share

Basic earnings per share is calculated as dividing consolidated net profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding:

		Six months ended 30 June	
	<u>Notes</u>	<u>2024</u>	<u>2023</u>
Consolidated net profit attributable to ordinary shareholders of the Company (Recalculated per IAS 33) (in RMB thousands)	(a)	4,955,003	6,280,103
Weighted average number of ordinary shares (in thousands)	(b)	9,005,137	8,992,563
Basic earnings per share attributable to ordinary shareholders (in RMB per share)		<u>0.55</u>	<u>0.70</u>

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FOR THE SIX MONTHS ENDED 30 JUNE 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

16. Basic and diluted earnings per share - continued

(1) Basic earnings per share - continued

(a) Consolidated net profit attributable to ordinary shareholders of the Company (Recalculated per IAS 33) (in RMB thousands)

	Six months ended 30 June	
	<u>2024</u>	<u>2023</u>
Consolidated net profit attributable to equity shareholders of the Company	5,310,704	6,555,640
Dividends declared under Restricted Share Incentive Scheme of A Shares	(5,988)	(13,175)
Profit attributable to perpetual subordinated bonds holders of the Company ⁽ⁱ⁾	<u>(349,713)</u>	<u>(262,362)</u>
Consolidated net profit attributable to ordinary shareholders of the Company (Recalculated per IAS 33)	<u>4,955,003</u>	<u>6,280,103</u>

- (i) For the purpose of calculating basic earnings per ordinary share in respect of the period ended 30 June 2024, RMB 350 million attributable to perpetual subordinated bonds were deducted from profits attributable to shareholders of the Company (30 June 2023: RMB262 million).

(b) Weighted average number of ordinary shares (in thousands)

	Six months ended 30 June	
	<u>2024</u>	<u>2023</u>
Number of ordinary shares as at 1 January	9,074,663	9,075,589
Decrease in weighted average number of ordinary shares	<u>(69,526)</u>	<u>(83,026)</u>
Weighted average number of ordinary shares	<u>9,005,137</u>	<u>8,992,563</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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(Expressed in thousands of Renminbi, unless otherwise stated)

16. Basic and diluted earnings per share - continued

(2) Diluted earnings per share

Diluted earnings per share is calculated as dividing consolidated net profit attributable to ordinary shareholders of the Company (diluted) by the weighted average number of ordinary shares outstanding (diluted):

		Six months ended 30 June	
	Note	2024	2023
Consolidated net profit attributable to ordinary shareholders of the Company (diluted)	(a)	4,951,854	6,132,829
Weighted average number of ordinary shares outstanding (in thousands)		9,005,137	8,992,563
Diluted earnings per share attributable to ordinary shareholders (in Renminbi per share)		0.55	0.68

(a) Consolidated net profit attributable to ordinary shareholders of the Company (diluted) is calculated as follows:

	Six months ended 30 June	
	2024	2023
Consolidated net profit attributable to ordinary shareholders of the Company (Recalculated per IAS 33)	4,955,003	6,280,103
Diluted adjustments:		
Effect of conversion of convertible bonds from the associate of the Company ⁽ⁱⁱ⁾	-	(146,052)
Assumed vesting of shares granted to employees of a subsidiary ⁽ⁱⁱⁱ⁾	(3,149)	(1,222)
Consolidated net profit attributable to ordinary shareholders of the Company (diluted)	4,951,854	6,132,829

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(Expressed in thousands of Renminbi, unless otherwise stated)

16. Basic and diluted earnings per share - continued

(2) *Diluted earnings per share* - continued

(a) *Consolidated net profit attributable to ordinary shareholders of the Company (diluted) is calculated as follows:* - continued

- (i) The Group granted Restricted Stock Incentive Scheme of A shares to certain employees in 2021. Diluted earnings per share should take into account both the impact of the cash dividend of the current period distributed to the holders of restricted shares who are expected to reach the unlocking conditions and estimate number of restricted shares which will be unlocked. After considering the abovementioned impacts, the Restricted Stock Incentive Scheme has an anti-dilutive effect and excluded from the calculation of diluted earnings per share for the period ended 30 June 2024 and 30 June 2023.
- (ii) Bank of Jiangsu Co., Ltd. ("Bank of Jiangsu"), the associate of the Company issued convertible bonds in 2019. Diluted earnings per share takes into account the potential dilutive impact on the Group's share of profits of this associate due to the potential full conversion of bonds to shares. The convertible bond was fully redeemed and delisted in October 2023.
- (iii) The dilutive effect is due to the share-based payment schemes of AssetMark Financial Holdings, Inc. ("AssetMark").

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17. Property and equipment

	<u>Buildings</u>	<u>Motor vehicles</u>	<u>Electronic equipment</u>	<u>Furniture and fixtures</u>	<u>Construction in progress</u>	<u>Right-of-use assets</u>	<u>Total</u>
Cost							
As at 1 January 2024	4,848,570	156,796	2,118,972	487,843	565,790	2,618,734	10,796,705
Additions	77	14	36,096	22,126	365,695	193,273	617,281
Transfer during the period	-	-	-	2,603	(25,913)	-	(23,310)
Disposals	-	(290)	(11,248)	(1,166)	-	(153,434)	(166,138)
Reclassified as held for sale	(71,017)	-	(80,033)	(32,177)	-	(326,349)	(509,576)
As at 30 June 2024	<u>4,777,630</u>	<u>156,520</u>	<u>2,063,787</u>	<u>479,229</u>	<u>905,572</u>	<u>2,332,224</u>	<u>10,714,962</u>
Accumulated depreciation							
As at 1 January 2024	(1,392,980)	(102,062)	(1,219,878)	(311,593)	-	(1,250,482)	(4,276,995)
Charge for the period	(69,428)	(5,431)	(165,613)	(32,620)	-	(284,143)	(557,235)
Disposals	-	246	9,101	726	-	153,048	163,121
Reclassified as held for sale	30,880	-	66,487	21,700	-	184,619	303,686
As at 30 June 2024	<u>(1,431,528)</u>	<u>(107,247)</u>	<u>(1,309,903)</u>	<u>(321,787)</u>	<u>-</u>	<u>(1,196,958)</u>	<u>(4,367,423)</u>
Carrying amount							
As at 30 June 2024	<u>3,346,102</u>	<u>49,273</u>	<u>753,884</u>	<u>157,442</u>	<u>905,572</u>	<u>1,135,266</u>	<u>6,347,539</u>
	<u>Buildings</u>	<u>Motor vehicles</u>	<u>Electronic equipment</u>	<u>Furniture and fixtures</u>	<u>Construction in progress</u>	<u>Right-of-use assets</u>	<u>Total</u>
Cost							
As at 1 January 2023	4,689,613	161,582	1,917,816	424,009	195,750	2,515,403	9,904,173
Additions	33,595	8,154	274,094	90,614	471,520	612,601	1,490,578
Transfer during the year	-	-	650	5,811	(101,480)	-	(95,019)
Transfer in from investment properties	125,660	-	-	-	-	-	125,660
Acquisition of subsidiaries	-	-	-	-	-	-	-
Disposals	(298)	(12,940)	(73,588)	(32,591)	-	(509,270)	(628,687)
Transfer to investment properties	-	-	-	-	-	-	-
As at 31 December 2023	<u>4,848,570</u>	<u>156,796</u>	<u>2,118,972</u>	<u>487,843</u>	<u>565,790</u>	<u>2,618,734</u>	<u>10,796,705</u>
Accumulated depreciation							
As at 1 January 2023	(1,202,470)	(92,247)	(945,500)	(271,132)	-	(1,105,441)	(3,616,790)
Charge for the year	(135,906)	(17,200)	(326,871)	(53,562)	-	(590,215)	(1,123,754)
Transfer in from investment properties	(54,732)	-	-	-	-	-	(54,732)
Disposals	128	7,385	52,493	13,101	-	445,174	518,281
As at 31 December 2023	<u>(1,392,980)</u>	<u>(102,062)</u>	<u>(1,219,878)</u>	<u>(311,593)</u>	<u>-</u>	<u>(1,250,482)</u>	<u>(4,276,995)</u>
Carrying amount							
As at 31 December 2023	<u>3,455,590</u>	<u>54,734</u>	<u>899,094</u>	<u>176,250</u>	<u>565,790</u>	<u>1,368,252</u>	<u>6,519,710</u>

As at 30 June 2024 included in buildings, there is a carrying amount of RMB 36.59 million, for which the Group has yet to obtain the relevant land or building certificates (as at 31 December 2023: RMB37.57 million).

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18. Goodwill

Cost

As at 1 January 2024	3,419,332
Effect of movements in exchange rates	27,584
Reclassified as held for sale	(3,395,574)
As at 30 June 2024	<u>51,342</u>

Impairment losses

As at 1 January 2024	-
Impairment losses	-
As at 30 June 2024	<u>-</u>

Carrying amounts

As at 1 January 2024	<u>3,419,332</u>
As at 30 June 2024	<u>51,342</u>

Cost

As at 1 January 2023	3,352,219
Acquisition through business combination	14,631
Effect of movements in exchange rates	52,482
As at 31 December 2023	<u>3,419,332</u>

Impairment losses

As at 1 January 2023	-
Impairment losses	-
As at 31 December 2023	<u>-</u>

Carrying amounts

As at 1 January 2023	<u>3,352,219</u>
As at 31 December 2023	<u>3,419,332</u>

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19. Land-use rights and other intangible assets

	Land- use rights	Existing Relationships with broker- dealers	Enterprise distribution channel customer relationships	Trade names	Software and others	Total
Cost						
As at 1 January 2024	1,768,330	4,011,405	195,859	355,792	4,696,188	11,027,574
Additions	-	-	-	-	468,500	468,500
Disposals	-	-	-	-	(1,112)	(1,112)
Exchange differences	-	26,397	1,289	2,341	16,360	46,387
Reclassified as held for sale	-	(4,037,802)	(197,148)	(358,133)	(2,623,495)	(7,216,578)
As at 30 June 2024	1,768,330	-	-	-	2,556,441	4,324,771
Accumulated amortisation						
As at 1 January 2024	(200,089)	-	-	(203,590)	(3,108,635)	(3,512,314)
Charge for the period	(20,886)	-	-	(19,645)	(295,746)	(336,277)
Disposals	-	-	-	-	1,112	1,112
Exchange differences	-	-	-	(1,340)	(8,429)	(9,769)
Reclassified as held for sale	-	-	-	224,575	1,369,022	1,593,597
As at 30 June 2024	(220,975)	-	-	-	(2,042,676)	(2,263,651)
Carrying amount						
As at 30 June 2024	1,547,355	-	-	-	513,765	2,061,120
Cost						
As at 1 January 2023	1,768,330	3,931,667	242,226	348,720	4,087,137	10,378,080
Acquisition of subsidiaries	-	-	(50,287)	-	-	(50,287)
Additions	-	-	-	-	603,829	603,829
Disposals	-	-	-	-	(44,197)	(44,197)
Exchange differences	-	79,738	3,920	7,072	49,419	140,149
As at 31 December 2023	1,768,330	4,011,405	195,859	355,792	4,696,188	11,027,574
Accumulated amortisation						
As at 1 January 2023	(158,886)	-	-	(178,508)	(2,600,870)	(2,938,264)
Charge for the year	(41,203)	-	-	(21,035)	(524,401)	(586,639)
Disposals	-	-	-	-	42,097	42,097
Exchange differences	-	-	-	(4,047)	(25,461)	(29,508)
As at 31 December 2023	(200,089)	-	-	(203,590)	(3,108,635)	(3,512,314)
Carrying amount						
As at 31 December 2023	1,568,241	4,011,405	195,859	152,202	1,587,553	7,515,260

Existing relationships with brokers-dealers and enterprise distribution channel customer relationships are not amortised while their useful lives are assessed to be indefinite because there is no foreseeable limit to the period over which the asset is expected to generate economic benefits for the Group.

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20. Interests in associates

	As at 30 June 2023	As at 31 December 2023
Share of net assets	19,994,160	19,496,027

As at 30 June 2024, the Group has pledged the shares of interest in associates with a total book value of RMB 4,980 million to China Securities Finance Corporation Limited ("CSF") for refinancing and supporting the Group's securities lending business (as at 31 December 2023: RMB4,696 million).

The following list contains only the particulars of material associates. Except for Bank of Jiangsu which has been listed on the Shanghai Stock Exchange, all other material associates are unlisted corporate entities whose quoted market price is not available.

Name of associate	Registered place	Proportion of owner ship interest								Principal activity
		Registered capital		Group's effective interest		Held by the Company		Held by a subsidiary		
		30/06/2024	31/12/2023	30/06/2024	31/12/2023	30/06/2024	31/12/2023	30/06/2024	31/12/2023	
Bank of Jiangsu ⁽ⁱ⁾	Nanjing	18,351,324	18,351,324	5.03%	5.03%	5.03%	5.03%	-	-	Commercial banking
China Southern Asset Management Co., Ltd.	Shenzhen	361,720	361,720	41.16%	41.16%	41.16%	41.16%	-	-	Fund management
Nanjing Huatai Ruilian NO.1 Funds Mergers (Limited Partnership) ⁽ⁱⁱ⁾	Nanjing	5,442,000	5,442,000	48.27%	48.27%	-	-	48.27%	48.27%	Equity investment

All of the above associates are accounted for using the equity method in the condensed consolidated financial statements.

- (i) The Company has appointed one director in the board of directors of Bank of Jiangsu. The Company exercises significant influence over Bank of Jiangsu by participating in the formulation of financial and operational policies through the director it has appointed.
- (ii) As at 30 June 2024, the Group holds 48.27% equity interest of Nanjing Huatai Ruilian No.1 Funds Mergers (Limited Partnership) ("No.1 Funds Mergers"). Pursuant to the limited partnership agreement, the Group is the co-manager of the fund, which has a significant influence over the fund. Therefore, it is accounted as an associate of the Group.

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21. Interests in joint ventures

	As at 30 <u>June 2024</u>	As at 31 <u>December 2023</u>
Unlisted investment in a joint venture at fair value through profit or loss ⁽ⁱ⁾	425,826	380,612
Unlisted investment in a joint venture	<u>799,327</u>	<u>918,793</u>
Total	<u><u>1,225,153</u></u>	<u><u>1,299,405</u></u>

- (i) As at 30 June 2024, the Group elected to measure its investment Huatai International Greater Bay Area Investment Fund, L.P. of RMB425.83 million held through Huatai Financial Holdings (Hong Kong) Limited, a wholly-owned subsidiary, at fair value through profit or loss as management measured the performance of this joint venture on a fair value basis.

The following list contains only the particulars of joint venture, which is accounted for using the equity method in the condensed consolidated financial statements, and details of the joint venture as at 30 June 2024 and 31 December 2023 are as follows:

<u>Name of joint venture</u>	<u>Registered place</u>	<u>Registered capital</u>	<u>Proportion of ownership interest</u>			<u>Principal activity</u>
			<u>Group's effective interest</u>	<u>Held by the Company</u>	<u>Held by a subsidiary</u>	
Huatai Merchants (Jiangsu) Capital Market Investment Fund of Funds (Limited Partnership)	Nanjing	10,001,000	10.00%	-	10.00%	Equity investment

As at 30 June 2024, the Group held 10.00% equity interest of Huatai Merchants (Jiangsu) Capital Market Investment Fund of Funds (Limited Partnership). Pursuant to the partnership agreement, the Group and a third party contractually agree to share control of the fund, and have rights to the net assets of the fund. The directors of the Group consider the fund is jointly controlled by the Group and the third party, and it is therefore accounted for as a joint venture of the Group.

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22. Debt instruments at amortised cost

(a) *Analysed by nature:*

Non-current

	As at 30 <u>June 2024</u>	As at 31 <u>December 2023</u>
Debt securities	45,483,038	45,409,678
Less: impairment losses	(5,052)	(5,096)
Total	<u>45,477,986</u>	<u>45,404,582</u>
Analysed as:		
Listed outside Hong Kong	19,005,627	19,508,797
Listed inside Hong Kong	120,425	120,049
Unlisted	26,351,934	25,775,736
Total	<u>45,477,986</u>	<u>45,404,582</u>

Current

	As at 30 <u>June 2024</u>	As at 31 <u>December 2023</u>
Debt securities	3,408,916	4,712,633
Less: impairment losses	(399)	(403)
Total	<u>3,408,517</u>	<u>4,712,230</u>
Analysed as:		
Listed outside Hong Kong	1,743,607	2,291,361
Listed inside Hong Kong	14,825	14,921
Unlisted	1,650,085	2,405,948
Total	<u>3,408,517</u>	<u>4,712,230</u>

As at 30 June 2024, the Group has pledged debt instruments at amortised cost with a total fair value of RMB30,916 million and carrying amount of RMB29,328 million for the purpose of repurchase agreement business and derivative business (as at 31 December 2023: a total fair value of RMB35,024 million and carrying amount of RMB34,265 million).

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22. Debt instruments at amortised cost - continued

(b) Analysis of the movements of provision for impairment losses:

	As at 30 <u>June 2024</u>	As at 31 <u>December 2023</u>
At the beginning of the period/ year	5,499	5,132
(Reversal) / charge for the period/ year, net	(56)	367
Other Changes	8	-
At the end of the period/ year	<u>5,451</u>	<u>5,499</u>

23. Debt instruments at fair value through other comprehensive income

(a) Analysed by nature:

Non-current

	As at 30 <u>June 2024</u>	As at 31 <u>December 2023</u>
Debt securities	10,118,390	15,027,489
Other debt instruments	-	180,463
Total	<u>10,118,390</u>	<u>15,207,952</u>
Analysed as:		
Listed outside Hong Kong	1,526,726	2,466,091
Listed inside Hong Kong	725,114	1,078,108
Unlisted	7,866,550	11,663,753
Total	<u>10,118,390</u>	<u>15,207,952</u>

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23. Debt instruments at fair value through other comprehensive income - continued

(a) *Analysed by nature:* - continued

Current

	As at 30 <u>June 2024</u>	As at 31 <u>December 2023</u>
Debt securities	1,307,935	1,054,048
Total	<u>1,307,935</u>	<u>1,054,048</u>
Analysed as:		
Listed outside Hong Kong	721,001	271,786
Listed inside Hong Kong	300,242	782,262
Unlisted	286,692	-
Total	<u>1,307,935</u>	<u>1,054,048</u>

As at 30 June 2024, the Group has pledged debt instruments at fair value through other comprehensive income with a total fair value of RMB 1,509 million for the purpose of repurchase agreement business and bond lending business (as at 31 December 2023: RMB2,903 million).

As at 30 June 2024, the fair value of debt instruments at fair value through other comprehensive income with lock-up period or commitment were RMB969 million (as at 31 December 2023: RMB751 million).

24. Equity instruments at fair value through other comprehensive income

(a) *Analysed by nature:*

Non-current

	As at 30 <u>June 2024</u>	As at 31 <u>December 2023</u>
Equity securities designated at financial assets at fair value through other comprehensive income		
- Unlisted equity securities	157,194	124,506
Total	<u>157,194</u>	<u>124,506</u>
Analysed as:		
Unlisted	<u>157,194</u>	<u>124,506</u>

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24. Equity instruments at fair value through other comprehensive income - continued

Equity instruments at FVOCI include non-traded equity instruments held by the Group. As the equity instruments are not held for trading purpose, the Group has designated these investments as equity instruments at FVOCI.

During the period ended 30 June 2024, the gains from the equity instruments at FVOCI recognised in other comprehensive income amounted to RMB31,984 thousand (During the period ended 30 June 2023: the gains amounted to RMB19,511 thousand). As a result of the change of investment strategies, the Group disposed certain equity instrument at FVOCI and the corresponding losses amounted to RMB145 thousand (During the period ended 30 June 2023: nil).

25. Financial assets at fair value through profit or loss

Non-current

(a) Analysed by type:

	As at 30 <u>June 2024</u>	As at 31 <u>December 2023</u>
Equity securities	5,538,804	6,190,549
Mutual funds	614,481	727,238
Other debt instruments	484,237	1,034,234
Total	<u>6,637,522</u>	<u>7,952,021</u>

(b) Analysed as:

	As at 30 <u>June 2024</u>	As at 31 <u>December 2023</u>
Listed outside Hong Kong	275,942	372,821
Unlisted	6,361,580	7,579,200
Total	<u>6,637,522</u>	<u>7,952,021</u>

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25. Financial assets at fair value through profit or loss - continued

Current

(a) Analysed by type:

	As at 30 <u>June 2024</u>	As at 31 <u>December 2023</u>
Debt securities	208,994,399	195,764,277
Equity securities	66,702,631	123,416,836
Mutual funds	66,426,649	61,040,090
Private funds	12,242,064	22,344,489
Wealth management products	2,275,640	1,418,630
Other debt instruments	668,980	1,143,041
Total	<u>357,310,363</u>	<u>405,127,363</u>

(b) Analysed as:

	As at 30 <u>June 2024</u>	As at 31 <u>December 2023</u>
Listed outside Hong Kong	128,238,399	184,553,142
Listed inside Hong Kong	25,206,759	30,595,909
Unlisted	<u>203,865,205</u>	<u>189,978,312</u>
Total	<u>357,310,363</u>	<u>405,127,363</u>

As at 30 June 2024, the fund investments with lock-up periods in its investment portfolio held by the Group are RMB754 million (as at 31 December 2023: RMB772 million).

As at 30 June 2024, the listed equity securities held by the Group included approximately RMB2,463 million of restricted shares (as at 31 December 2023: RMB8,801 million). The restricted shares are listed in the PRC with a legally enforceable restriction on these securities that prevents the Group to dispose of within the specified period.

The equity interest in unlisted securities held by the Group are issued by private companies. The value of the securities is determined using valuation techniques, which include comparing with comparable listed companies in the same sector or using other appropriate valuation methods.

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25. Financial assets at fair value through profit or loss - continued

Non-current financial assets at fair value through profit or loss investments are expected to be realised or restricted for sale beyond one year from the end of the respective reporting periods. The fair value of the Group's investments in unlisted funds, which mainly invest in publicly traded equities listed in the PRC, are valued based on the net asset values of the funds calculated by the respective fund managers by reference to their underlying assets and liabilities' fair values.

The fair value of the Group's investments in equity securities without restriction, exchange-listed funds and debt securities are determined with reference to their quoted prices as at the reporting date.

As at 30 June 2024, the Group has entered into securities lending arrangement with clients that resulted in the transfer of financial assets at fair value through profit or loss investments with total fair value of RMB989 million to external clients, which did not result in derecognition of the financial assets (as at 31 December 2023: RMB1,791 million). The fair value of collateral for the securities lending business is analysed in Note 31(c) together with the fair value of collateral of margin financing business.

As at 30 June 2024, the Group has not pledged financial assets at fair value through profit or loss investments to CSF for refinancing and supporting the Group's securities lending business (as at 31 December 2023: RMB15,990 million).

As at 30 June 2024, the Group has pledged financial assets at fair value through profit or loss investments with a total fair value of RMB140,666 million for the purpose of repurchase agreement business, bond lending business and derivative business (as at 31 December 2023: RMB142,687 million).

As at 30 June 2024, the wealth management products held by the Group included approximately RMB13 million of products with restricted periods (as at 31 December 2023: RMB49 million). The products are subscribed by the Group as the fund manager with a legally enforceable restriction on these products that prevents the Group to dispose of within the specified period.

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26. Refundable deposits

	<u>As at 30 June 2024</u>	<u>As at 31 December 2023</u>
Deposits with stock exchanges		
- Hong Kong Securities Clearing Company Limited	27,042	46,104
- China Securities Depository and Clearing Corporation Limited	1,377,076	1,636,953
- Hong Kong Stock Exchange	31,112	25,666
- Hong Kong Exchanges and Clearing Limited	47,752	81,106
	<u>1,482,982</u>	<u>1,789,829</u>
Deposits with futures and commodity exchanges		
- China Financial Futures Exchange	11,398,233	15,040,738
- Shanghai Futures Exchange	6,147,904	4,988,570
- Dalian Commodity Exchange	3,885,084	3,837,356
- Zhengzhou Commodity Exchange	3,200,736	3,054,381
- Shanghai International Energy Exchange	1,115,416	1,109,516
- Overseas commodity exchange	31,233	53,553
	<u>25,778,606</u>	<u>28,084,114</u>
Deposits with other institutions		
- China Securities Finance Corporation Limited	135,545	319,011
- Shanghai Clearing House	758,166	1,230,694
- Shanghai Gold Exchange	400	400
- Other financial institutions	7,955,534	9,120,230
	<u>8,849,645</u>	<u>10,670,335</u>
Total	<u><u>36,111,233</u></u>	<u><u>40,544,278</u></u>

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27. Deferred taxation

(a) *The components of deferred tax assets/ (liabilities) recognised in the condensed consolidated statements of financial position and the movements are as follows:*

Deferred tax arising from:	Provision for impairment losses	Employee benefits payable	Changes in fair value of financial instruments measured at fair value through profit and loss	Changes in fair value of derivative financial instruments	Changes in fair value of financial instruments measured at fair value through other comprehensive income	Intangible assets recognised in the acquisition	Others	Total
As at 1 January 2024	712,946	1,593,378	(735,042)	(206,845)	(30,969)	(1,193,296)	(1,398,113)	(1,257,941)
Recognised in profit or loss	(140,984)	542,929	58,643	(647,674)	-	(16,386)	731,553	528,081
Reclassified as held for sale	(288)	(49,461)	322	-	-	1,209,682	(164,047)	996,208
Recognised in reserves	2,961	-	-	-	(29,047)	-	-	(26,086)
As at 30 June 2024	<u>574,635</u>	<u>2,086,846</u>	<u>(676,077)</u>	<u>(854,519)</u>	<u>(60,016)</u>	<u>-</u>	<u>(830,607)</u>	<u>240,262</u>
As at 1 January 2023	840,595	1,737,046	(31,402)	(562,460)	(4,853)	(1,267,508)	(2,310,873)	(1,599,455)
Recognised in profit or loss	(126,226)	(143,668)	(703,640)	355,615	-	38,555	912,760	333,396
Acquisition of subsidiaries	-	-	-	-	-	35,657	-	35,657
Recognised in reserves	(1,423)	-	-	-	(26,116)	-	-	(27,539)
As at 31 December 2023	<u>712,946</u>	<u>1,593,378</u>	<u>(735,042)</u>	<u>(206,845)</u>	<u>(30,969)</u>	<u>(1,193,296)</u>	<u>(1,398,113)</u>	<u>(1,257,941)</u>

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27. Deferred taxation - continued

(b) Reconciliation to the condensed consolidated statements of financial position

	As at 30 <u>June 2024</u>	As at 31 <u>December 2023</u>
Net deferred tax assets recognised in the condensed consolidated statement of financial position	761,121	702,722
Net deferred tax liabilities recognised in the condensed consolidated statement of financial position	(520,859)	(1,960,663)
Total	<u>240,262</u>	<u>(1,257,941)</u>

(c) Deferred tax assets not recognised

As at 30 June 2024, the Group has not recognised unused tax losses of RMB920 million, as deferred tax assets, as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. Most of the tax losses will not expire under the current tax legislation (as at 31 December 2023: RMB877 million).

28. Other non-current assets

(a) Analysed by nature:

	As at 30 <u>June 2024</u>	As at 31 <u>December 2023</u>
Leasehold improvements and long-term deferred expenses	<u>273,723</u>	<u>311,789</u>

(b) The movements of leasehold improvements and long-term deferred expenses are as below:

	As at 30 <u>June 2024</u>	As at 31 <u>December 2023</u>
At the beginning of the period/ year	311,789	300,664
Additions	9,215	68,385
Transfer in from property and equipment	22,867	93,870
Amortisation	(68,804)	(151,130)
Other decrease	(1,344)	-
At the end of the period/ year	<u>273,723</u>	<u>311,789</u>

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29. Accounts receivable

(a) Analysed by nature:

	As at 30 <u>June 2024</u>	As at 31 <u>December 2023</u>
Accounts receivable of:		
- Fee and commission	1,681,114	1,469,110
- Brokers, dealers and clearing house	1,555,058	3,172,930
- Return swap and OTC options	1,549,590	2,894,747
- Redemption of open-ended fund	913,009	750,412
- Settlement	381,451	1,494,496
- Subscription receivable	-	571
- Others	5,548	76,953
Less: impairment losses	(124,046)	(115,458)
Total	<u>5,961,724</u>	<u>9,743,761</u>

(b) Analysed by ageing:

As at the end of the reporting period, the ageing analysis of accounts receivable, based on the trade date, is as follows:

	As at 30 <u>June 2024</u>	As at 31 <u>December 2023</u>
Within 1 month	3,953,834	6,666,521
1 to 3 months	201,261	663,523
Over 3 months	1,806,629	2,413,717
Total	<u>5,961,724</u>	<u>9,743,761</u>

(c) Analysis of the movements of provision for impairment losses:

	As at 30 <u>June 2024</u>	As at 31 <u>December 2023</u>
At the beginning of the period/ year	115,458	68,531
Charge for the period/ year, net	11,193	45,433
Other	(2,605)	1,494
At the end of the period/ year	<u>124,046</u>	<u>115,458</u>

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29. Accounts receivable - continued

(d) 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.

The receivables from securities-backed lending business are not included in accounts receivable.

30. Other receivables, prepayments and other current assets

(a) Analysed by nature:

	As at 30 <u>June 2024</u>	As at 31 <u>December 2023</u>
Inventory	1,319,818	245,380
Other receivables ⁽¹⁾	302,123	338,953
Prepayments	573,805	698,314
Interest receivable ⁽²⁾	26,750	64,446
Dividends receivable	12,408	1,190
Deductible VAT	300,597	82,049
Others	916,776	1,109,653
Total	<u>3,452,277</u>	<u>2,539,985</u>

The balance of others mainly represents prepaid tax and other current assets arising from normal course of business.

(1) Other receivables:

	As at 30 <u>June 2024</u>	As at 31 <u>December 2023</u>
Other receivables	1,028,504	1,057,147
Less: impairment losses	<u>(726,381)</u>	<u>(718,194)</u>
Total	<u>302,123</u>	<u>338,953</u>

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30. Other receivables, prepayments and other current assets - continued

(a) Analysed by nature: - continued

(1) Other receivables: - continued

Analysis of the movements of provision for other receivables impairment losses:

	As at 30 <u>June 2024</u>	As at 31 <u>December 2023</u>
At the beginning of the period/ year	718,194	763,738
Charge for the period/ year, net	8,256	16,821
Written-off	<u>(69)</u>	<u>(62,365)</u>
At the end of the period/ year	<u>726,381</u>	<u>718,194</u>

(2) Interest receivable:

	As at 30 <u>June 2024</u>	As at 31 <u>December 2023</u>
Interest receivable	72,249	109,717
Less: impairment losses	<u>(45,499)</u>	<u>(45,271)</u>
Total	<u>26,750</u>	<u>64,446</u>

Analysis of the movements of provision for impairment losses of interest receivable:

	As at 30 <u>June 2024</u>	As at 31 <u>December 2023</u>
At the beginning of the period/ year	45,271	38,175
Charge for the period/ year, net	<u>228</u>	<u>7,096</u>
At the end of the period/ year	<u>45,499</u>	<u>45,271</u>

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31. Margin accounts receivable

(a) Analysed by nature:

	As at 30 <u>June 2024</u>	As at 31 <u>December 2023</u>
Individuals	88,475,395	98,472,604
Institutions	16,096,282	15,389,837
Less: impairment losses	(1,012,729)	(1,521,347)
Total	<u>103,558,948</u>	<u>112,341,094</u>

(b) Analysis of the movements of provision for impairment losses:

	As at 30 <u>June 2024</u>	As at 31 <u>December 2023</u>
At the beginning of the period/ year	1,521,347	1,526,356
Reversal for the period/ year, net	(508,664)	(6,325)
Other	46	1,316
At the end of the period/ year	<u>1,012,729</u>	<u>1,521,347</u>

(c) The fair value of collateral for margin financing and securities lending business is analysed as follows:

	As at 30 <u>June 2024</u>	As at 31 <u>December 2023</u>
Fair value of collateral:		
Equity securities	246,529,595	290,376,975
Funds	22,601,878	36,266,977
Cash	6,745,808	8,535,007
Debt securities	1,504,861	1,354,000
Total	<u>277,382,142</u>	<u>336,532,959</u>

The Group evaluates the collectability of receivable from margin clients based on management's assessment on the credit rating, collateral value and the past collection history of margin client.

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32. Financial assets held under resale agreements

(a) Analysed by collateral type:

Current

	As at 30 <u>June 2024</u>	As at 31 <u>December 2023</u>
Debt securities	14,561,757	7,617,629
Equity securities	4,116,168	5,495,729
Others	13,058	-
Less: impairment losses	(644,596)	(653,126)
Total	<u>18,046,387</u>	<u>12,460,232</u>

(b) Analysed by market:

Current

	As at 30 <u>June 2024</u>	As at 31 <u>December 2023</u>
Shanghai stock exchange	1,526,517	2,398,939
Shenzhen stock exchange	3,150,004	3,674,765
Inter-bank market	12,307,871	5,238,381
Others	1,706,591	1,801,273
Less: impairment losses	(644,596)	(653,126)
Total	<u>18,046,387</u>	<u>12,460,232</u>

(c) Analysis of the movements of provision for impairment losses:

	As at 30 <u>June 2024</u>	As at 31 <u>December 2023</u>
At the beginning of the period/ year	653,126	1,138,413
Reversal for the period/ year, net	(9,407)	(485,801)
Other	877	514
At the end of the period/ year	<u>644,596</u>	<u>653,126</u>

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32. Financial assets held under resale agreements - continued

(d) Analysed by remaining contractual maturities of securities-backed lendings:

	As at 30 June 2024	As at 31 December 2023
Within 1 month	920,553	870,766
1 to 3 months	781,929	887,085
3 months to 1 year	2,413,686	3,737,878
Less: impairment losses	(514,705)	(524,112)
Total	<u>3,601,463</u>	<u>4,971,617</u>

(e) Analysed by the stage of ECL of securities-backed lendings:

As at 30 June 2024				
	<u>12-month ECL</u>	<u>Lifetime ECL-not credit impaired</u>	<u>Lifetime ECL- credit impaired</u>	<u>Total</u>
Amortised cost	3,611,390	-	504,778	4,116,168
Impairment losses	(9,927)	-	(504,778)	(514,705)
Carrying amount	<u>3,601,463</u>	<u>-</u>	<u>-</u>	<u>3,601,463</u>
Collateral	<u>8,045,081</u>	<u>-</u>	<u>-</u>	<u>8,045,081</u>
As at 31 December 2023				
	<u>12-month ECL</u>	<u>Lifetime ECL-not credit impaired</u>	<u>Lifetime ECL- credit impaired</u>	<u>Total</u>
Amortised cost	4,987,546	-	508,183	5,495,729
Impairment losses	(17,279)	-	(506,833)	(524,112)
Carrying amount	<u>4,970,267</u>	<u>-</u>	<u>1,350</u>	<u>4,971,617</u>
Collateral	<u>13,797,117</u>	<u>-</u>	<u>296,916</u>	<u>14,094,033</u>

As at 30 June 2024, the fair value of the collateral of the Group's financial assets held under resale agreements was RMB 23,610 million (31 December 2023: RMB22,211 million).

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33. Derivative financial instruments

	As at 30 June 2024		
	Notional amount	Fair value	
		Assets	Liabilities
Interest rate derivatives	1,585,982,626	822,492	(745,767)
Currency derivatives	224,919,085	1,168,488	(1,374,866)
Equity derivatives	231,828,327	10,604,829	(9,264,630)
Credit derivatives	2,771,369	22,430	(9,423)
Commodity derivatives and others	534,965,830	4,173,964	(5,106,325)
Total	<u>2,580,467,237</u>	<u>16,792,203</u>	<u>(16,501,011)</u>
Less: settlement		(69,716)	404,367
Net position		<u>16,722,487</u>	<u>(16,096,644)</u>

	As at 31 December 2023		
	Notional amount	Fair value	
		Assets	Liabilities
Interest rate derivatives	1,644,689,668	945,881	(405,920)
Currency derivatives	186,761,759	295,866	(1,474,728)
Equity derivatives	474,762,005	12,465,246	(11,396,087)
Credit derivatives	10,873,787	30,174	(5,684)
Commodity derivatives and others	417,780,134	3,319,877	(3,915,670)
Total	<u>2,734,867,353</u>	<u>17,057,044</u>	<u>(17,198,089)</u>
Less: settlement		(797,163)	316,448
Net position		<u>16,259,881</u>	<u>(16,881,641)</u>

Under the daily mark-to-market and settlement arrangement, any gains or losses of the Group's position in interest rate swap contracts settled in Shanghai Clearing House, stock index futures and treasury futures settled in China Financial Futures Exchange and certain commodity futures traded through futures companies, were settled daily and the corresponding receipts and payments were included in "clearing settlement funds". Accordingly, the net position of the above contracts was nil as at 30 June 2024 and 31 December 2023.

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33. Derivative financial instruments - continued

Cash flow hedges

The Group's cash flow hedges consist of interest swap and cross currency swap contracts that are used to protect against exposures to variability of future cash flows.

Among the above derivative financial instruments, those designated hedging instruments in cash flow hedges are set out below:

As at 30 June 2024						
	Notional amount				Fair value	
	Within 3 months	Over 3 months but within 1 year	Over 1 year but within 5 years	Over 5 years	Total	
Currency derivatives	-	-	3,025,000	-	3,025,000	
						Assets Liabilities
						- (110,198)

As at 31 December 2023						
	Notional amount				Fair value	
	Within 3 months	Over 3 months but within 1 year	Over 1 year but within 5 years	Over 5 years	Total	
Currency derivatives	-	-	3,025,000	-	3,025,000	
						Assets Liabilities
						- (32,763)

Details of the Group's hedged risk exposures in cash flow hedges and the corresponding effects on equities are as follows:

As at 30 June 2024					
	Carrying amount of hedged items		Effect of hedging instruments on other comprehensive income during the period	Accumulated effect of hedging instruments on other comprehensive income	Line items in the statement of financial position
	Assets	Liabilities			
Bonds	-	(3,046,667)	(76,968)	(37,896)	Long-term bonds

As at 31 December 2023					
	Carrying amount of hedged items		Effect of hedging instruments on other comprehensive income during the year	Accumulated effect of hedging instruments on other comprehensive income	Line items in the statement of financial position
	Assets	Liabilities			
Bonds	-	(3,044,890)	(3,571)	39,072	Long-term bonds

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33. Derivative financial instruments - continued

During the six months ended 30 June 2024, the net losses from the hedging instruments recognised in other comprehensive income amounted to RMB76,968 thousand (during the six months ended 30 June 2023: the net gains amounted to RMB41,750 thousand). There was no hedge ineffectiveness for the six months ended 30 June 2024 and the six months ended 30 June 2023.

34. Clearing settlement funds

	As at 30 <u>June 2024</u>	As at 31 <u>December 2023</u>
Deposits with stock exchanges		
- China Securities Depository and Clearing Corporation Limited	4,342,013	5,746,776
- Hong Kong Securities Clearing Company Limited	19,334	32,488
Deposits with other institutions	<u>1,146,317</u>	<u>3,350,002</u>
Total	<u>5,507,664</u>	<u>9,129,266</u>

35. Cash held on behalf of brokerage clients

The Group maintains segregated deposit accounts with banks and authorised 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 condensed consolidated statement of financial position, and recognised 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 the 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.

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36. Cash and bank balances

(a) *Analysed by nature:*

	As at 30 <u>June 2024</u>	As at 31 <u>December 2023</u>
Cash on hand	199	189
Bank balances	41,935,927	46,296,689
Less: impairment losses	(389)	(512)
Total	<u>41,935,737</u>	<u>46,296,366</u>

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

(b) *Analysis of the movements of provision for impairment losses:*

	As at 30 <u>June 2024</u>	As at 31 <u>December 2023</u>
At the beginning of the period/ year	512	833
Reversal of impairment for the period/ year, net	(144)	(290)
Other Changes	21	(31)
At the end of the period/ year	<u>389</u>	<u>512</u>

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37. Cash and cash equivalents

	<u>As at 30 June 2024</u>	<u>As at 31 December 2023</u>
Cash on hand	199	189
Bank balances	43,298,116	46,203,098
Clearing settlement funds	5,507,664	9,129,266
Financial assets held under resale agreements within 3 months original maturity	11,945,482	7,352,535
Bond investment within 3 months original maturity	3,205,235	1,436,707
Less: restricted bank deposits and bank deposits with original maturity of more than three months	<u>(2,585,372)</u>	<u>(4,291,466)</u>
Total	<u>61,371,324</u>	<u>59,830,329</u>

As at 30 June 2024, the total amount of bank balances included cash and bank balances classified as held for sale amounting to RMB 1,474,963 thousand (as at 31 December 2023: nil).

The restricted bank deposits mainly include deposits reserved for VAT payable of asset management plans, minimum liquid capital restriction deposits, risk reserve deposits and securities underwriting brokerage deposits.

38. Short-term bank loans

	<u>As at 30 June 2024</u>	<u>As at 31 December 2023</u>
Credit loans	5,235,531	10,549,181
Pledged loans	<u>746,355</u>	<u>929,392</u>
Total	<u>5,981,886</u>	<u>11,478,573</u>

As of 30 June 2024, the interest rates for short-term loans were in the range of 1.91 %- 5.83 % per annum (31 December 2023: 3.90% -6.84% per annum).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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39. Short-term debt instruments issued

As at 30 June 2024

<u>Name</u>	<u>Par value</u> Original currency	<u>Value date</u>	<u>Due date</u>	<u>Issue amount</u> Original currency	<u>Nominal</u> <u>interest rate</u>
23 HUATAI S3	RMB3,000,000	13/11/2023	13/9/2024	RMB3,000,000	2.67%
23 HUATAI S4	RMB4,000,000	20/11/2023	20/9/2024	RMB4,000,000	2.65%
23 HUATAI S5	RMB2,000,000	8/12/2023	8/7/2024	RMB2,000,000	2.81%
23 HUATAI S6	RMB5,000,000	19/12/2023	19/3/2024	RMB5,000,000	2.75%
HUATAI B2401a	USD25,800	13/1/2023	12/1/2024	USD25,800	5.00%
HUATAI B2401b	USD20,000	19/1/2023	19/1/2024	USD20,000	5.75%
HUATAI B2402a	USD15,000	3/2/2023	2/2/2024	USD15,000	0.00%
HUATAI B2402b	USD20,600	6/2/2023	5/2/2024	USD20,600	0.00%
HUATAI B2403a	USD30,000	27/3/2023	27/3/2024	USD30,000	5.60%
HUATAI B2405b	HKD475,000	5/5/2023	3/5/2024	HKD475,000	4.60%
HUATAI B2406c	USD50,000	13/6/2023	13/6/2024	USD50,000	5.95%
HUATAI B2401c	USD27,500	18/7/2023	18/1/2024	USD27,500	6.17%
HUATAI B2407a	USD11,000	19/7/2023	19/7/2024	USD11,000	6.17%
HUATAI B2401d	HKD100,000	19/7/2023	19/1/2024	HKD100,000	5.36%
HUATAI B2401e	USD20,000	24/7/2023	24/1/2024	USD20,000	6.07%
HUATAI B2407b	USD19,000	27/7/2023	26/7/2024	USD19,000	0.00%
HUATAI B2401h	USD15,000	31/7/2023	31/1/2024	USD15,000	6.15%
HUATAI B2401i	HKD100,000	31/7/2023	31/1/2024	HKD100,000	5.55%
HUATAI B2407c	USD10,000	2/8/2023	31/7/2024	USD10,000	SOFR+0.95%
HUATAI B2408a	USD15,000	3/8/2023	1/8/2024	USD15,000	SOFR+0.95%
HUATAI B2408b	USD15,000	4/8/2023	2/8/2024	USD15,000	SOFR+0.95%
HUATAI B2408c	USD10,000	4/8/2023	2/8/2024	USD10,000	SOFR+0.95%
HUATAI B2408d	USD15,000	10/8/2023	9/8/2024	USD15,000	6.05%
HUATAI B2402j	USD30,000	18/8/2023	21/2/2024	USD30,000	6.14%
HUATAI B2402k	HKD29,000	22/8/2023	22/2/2024	HKD29,000	5.50%
HUATAI B2402l	USD5,800	22/8/2023	22/2/2024	USD5,800	6.10%
HUATAI B2409a	USD65,000	12/9/2023	11/9/2024	USD65,000	6.00%
HUATAI B2403b	USD18,050	22/9/2023	22/3/2024	USD18,050	0.00%
HUATAI B2409b	USD13,150	22/9/2023	20/9/2024	USD13,150	0.00%
HUATAI B2403c	USD60,000	27/9/2023	26/3/2024	USD60,000	6.00%
HUATAI B2409c	RMB400,000	28/9/2023	24/9/2024	RMB400,000	3.78%
HUATAI B2404	USD10,000	17/10/2023	17/4/2024	USD10,000	6.31%
HUATAI B2410	RMB650,000	20/10/2023	16/10/2024	RMB650,000	3.80%
HUATAI B2401f	USD16,750	25/10/2023	25/1/2024	USD16,750	0.00%
HUATAI B2405c	USD14,500	25/10/2023	2/5/2024	USD14,500	0.00%
HUATAI B2407d	USD15,000	27/10/2023	27/7/2024	USD15,000	6.36%
HUATAI B2401g	USD10,000	27/10/2023	27/1/2024	USD10,000	6.27%

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39. Short-term debt instruments issued - continued

As at 30 June 2024 - continued

<u>Name</u>	<u>Par value</u> Original currency	<u>Value date</u>	<u>Due date</u>	<u>Issue amount</u> Original currency	<u>Nominal</u> <u>interest rate</u>
HUATAI B2407e	USD10,000	27/10/2023	27/7/2024	USD10,000	6.36%
HUATAI B2411a	USD30,000	6/11/2023	4/11/2024	USD30,000	0.00%
HUATAI B2402c	USD18,000	7/11/2023	7/2/2024	USD18,000	6.30%
HUATAI B2402g	USD17,000	9/11/2023	15/2/2024	USD17,000	6.30%
HUATAI B2402h	USD15,000	10/11/2023	15/2/2024	USD15,000	6.30%
HUATAI B2402e	USD10,000	10/11/2023	9/2/2024	USD10,000	5.87%
HUATAI B2411b	USD35,000	13/11/2023	8/11/2024	USD35,000	0.00%
HUATAI B2402d	USD18,200	13/11/2023	8/2/2024	USD18,200	0.00%
HUATAI B2402f	USD20,000	14/11/2023	14/2/2024	USD20,000	0.00%
HUATAI B2402i	USD15,460	15/11/2023	15/2/2024	USD15,460	0.00%
HUATAI B2405d	USD10,000	21/11/2023	21/5/2024	USD10,000	6.46%
HUATAI B2405e	HKD200,000	28/11/2023	28/5/2024	HKD200,000	6.04%
HUATAI B2409d	USD95,000	6/12/2023	6/9/2024	USD95,000	6.00%
HUATAI B2406d	USD25,000	7/12/2023	7/6/2024	USD25,000	6.40%
HUATAI B2406e	USD10,000	7/12/2023	7/6/2024	USD10,000	6.36%
HUATAI B2403d	USD40,000	8/12/2023	8/3/2024	USD40,000	0.00%
HUATAI B2406f	USD20,000	8/12/2023	7/6/2024	USD20,000	0.00%
HUATAI B2407f	USD35,000	22/1/2024	22/7/2024	USD35,000	5.85%
HUATAI B2407g	HKD100,000	22/1/2024	22/7/2024	HKD100,000	5.09%
HUATAI B2407h	USD60,000	25/1/2024	25/7/2024	USD60,000	0.00%
HUATAI B2405f	USD35,000	26/1/2024	14/5/2024	USD35,000	0.00%
HUATAI B2405g	RMB100,000	1/2/2024	10/5/2024	RMB100,000	0.00%
HUATAI B2405h	HKD81,000	2/2/2024	16/5/2024	HKD81,000	5.04%
HUATAI B2405i	USD10,000	6/2/2024	21/5/2024	USD10,000	5.99%
HUATAI B2405j	RMB300,000	6/2/2024	21/5/2024	RMB300,000	3.00%
HUATAI B2406g	USD20,000	7/2/2024	7/6/2024	USD20,000	5.97%
HUATAI B2408e	USD10,000	7/2/2024	7/8/2024	USD10,000	5.89%
HUATAI B2408f	RMB200,000	8/2/2024	8/8/2024	RMB200,000	3.10%
HUATAI B2408g	USD34,300	15/2/2024	15/8/2024	USD34,300	5.96%
HUATAI B2408h	USD20,000	15/2/2024	15/8/2024	USD20,000	5.85%
HUATAI B2405k	USD10,000	16/2/2024	30/5/2024	USD10,000	5.97%
HUATAI B2411c	USD50,000	9/5/2024	7/11/2024	USD50,000	6.00%
HUATAI B2411d	USD50,000	10/5/2024	8/11/2024	USD50,000	6.00%
HUATAI B2409e	USD20,000	6/6/2024	6/9/2024	USD20,000	5.00%
HUATAI B2409f	USD30,000	6/6/2024	6/9/2024	USD30,000	5.85%
HUATAI B2412a	USD42,000	11/6/2024	11/12/2024	USD42,000	5.81%
Structured notes (1)	RMB1,076,604	Note (1)	Note (1)	RMB1,076,604	Note (1)

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39. Short-term debt instruments issued - continued

As at 30 June 2024 - continued

<u>Name</u>	<u>Book value as at</u> <u>1 January 2024</u> RMB equivalent	<u>Increase</u> RMB equivalent	<u>Decrease</u> RMB equivalent	<u>Book value as at</u> <u>30 June 2024</u> RMB equivalent
23 HUATAI S3	3,010,680	40,050	-	3,050,730
23 HUATAI S4	4,012,072	53,000	-	4,065,072
23 HUATAI S5	2,003,626	28,100	-	2,031,726
23 HUATAI S6	5,004,805	22,917	(5,027,722)	-
HUATAI B2401a	191,563	1,608	(193,171)	-
HUATAI B2401b	149,401	1,334	(150,735)	-
HUATAI B2402a	105,865	1,039	(106,904)	-
HUATAI B2402b	145,320	1,495	(146,815)	-
HUATAI B2403a	215,457	4,404	(219,861)	-
HUATAI B2405b	442,864	7,953	(450,817)	-
HUATAI B2406c	365,627	12,276	(377,903)	-
HUATAI B2401c	200,207	1,964	(202,171)	-
HUATAI B2407a	80,069	2,989	-	83,058
HUATAI B2401d	92,848	886	(93,734)	-
HUATAI B2401e	143,770	932	(144,702)	-
HUATAI B2407b	130,051	5,100	-	135,151
HUATAI B2401h	108,958	1,233	(110,191)	-
HUATAI B2401i	92,760	1,062	(93,822)	-
HUATAI B2407c	71,515	2,747	(2,259)	72,003
HUATAI B2408a	107,254	4,121	(3,388)	107,987
HUATAI B2408b	107,235	4,120	(3,388)	107,967
HUATAI B2408c	71,490	2,747	(2,259)	71,978
HUATAI B2408d	108,645	4,087	-	112,732
HUATAI B2402j	217,250	3,231	(220,481)	-
HUATAI B2402k	491	26,711	(27,202)	-
HUATAI B2402l	851	41,774	(42,625)	-
HUATAI B2409a	467,832	17,784	-	485,616
HUATAI B2403b	126,129	2,512	(128,641)	-
HUATAI B2409b	89,161	3,476	-	92,637
HUATAI B2403c	431,221	9,152	(440,373)	-
HUATAI B2409c	403,780	7,763	-	411,543
HUATAI B2404	71,719	1,799	(73,518)	-
HUATAI B2410	654,445	12,809	-	667,254
HUATAI B2401f	118,128	1,248	(119,376)	-
HUATAI B2405c	100,618	2,723	(103,341)	-
HUATAI B2407d	107,402	4,167	-	111,569
HUATAI B2401g	71,590	797	(72,387)	-
HUATAI B2407e	71,601	2,778	-	74,379

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39. Short-term debt instruments issued - continued

As at 30 June 2024 - continued

<u>Name</u>	<u>Book value as at 1 January 2024</u> RMB equivalent	<u>Increase</u> RMB equivalent	<u>Decrease</u> RMB equivalent	<u>Book value as at 30 June 2024</u> RMB equivalent
HUATAI B2411a	201,570	8,033	-	209,603
HUATAI B2402c	128,623	1,682	(130,305)	-
HUATAI B2402g	121,435	1,758	(123,193)	-
HUATAI B2402h	107,130	1,551	(108,681)	-
HUATAI B2402e	71,365	939	(72,304)	-
HUATAI B2411b	235,040	9,336	-	244,376
HUATAI B2402d	128,016	1,694	(129,710)	-
HUATAI B2402f	140,531	2,008	(142,539)	-
HUATAI B2402i	108,628	1,554	(110,182)	-
HUATAI B2405d	71,297	2,274	(73,571)	-
HUATAI B2405e	182,247	5,787	(188,034)	-
HUATAI B2409d	673,468	26,507	-	699,975
HUATAI B2406d	177,726	6,149	(183,875)	-
HUATAI B2406e	71,086	2,488	(73,574)	-
HUATAI B2403d	279,875	5,202	(285,077)	-
HUATAI B2406f	137,712	4,827	(142,539)	-
HUATAI B2407f	-	255,928	-	255,928
HUATAI B2407g	-	93,333	-	93,333
HUATAI B2407h	-	426,345	-	426,345
HUATAI B2405f	-	249,443	(249,443)	-
HUATAI B2405g	-	100,000	(100,000)	-
HUATAI B2405h	-	74,989	(74,989)	-
HUATAI B2405i	-	72,514	(72,514)	-
HUATAI B2405j	-	302,589	(302,589)	-
HUATAI B2406g	-	145,375	(145,375)	-
HUATAI B2408e	-	72,948	-	72,948
HUATAI B2408f	-	202,415	-	202,415
HUATAI B2408g	-	249,955	-	249,955
HUATAI B2408h	-	145,673	-	145,673
HUATAI B2405k	-	72,497	(72,497)	-
HUATAI B2411c	-	359,435	-	359,435
HUATAI B2411d	-	359,314	-	359,314
HUATAI B2409e	-	142,791	-	142,791
HUATAI B2409f	-	214,642	-	214,642
HUATAI B2412a	-	300,249	-	300,249
Structured notes ⁽¹⁾	2,745,458	2,070,797	(3,752,200)	1,064,055
Total	25,475,507	6,337,909	(15,090,977)	16,722,439

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39. Short-term debt instruments issued - continued

As at 31 December 2023

<u>Name</u>	<u>Par value</u> Original currency	<u>Issuance date</u>	<u>Due date</u>	<u>Issue amount</u> Original currency	<u>Nominal</u> <u>interest rate</u>
22 HUATAI F1	RMB4,000,000	17/1/2022	17/1/2024	RMB4,000,000	2.75%
22 HUATAI S2	RMB5,000,000	19/8/2022	17/2/2023	RMB5,000,000	1.78%
23 HUATAI S1	RMB5,000,000	17/3/2023	15/9/2023	RMB5,000,000	2.65%
23 HUATAI S2	RMB5,000,000	23/3/2023	25/10/2023	RMB5,000,000	2.65%
23 HUATAI S3	RMB3,000,000	13/11/2023	13/9/2024	RMB3,000,000	2.67%
23 HUATAI S4	RMB4,000,000	20/11/2023	20/9/2024	RMB4,000,000	2.65%
23 HUATAI S5	RMB2,000,000	8/12/2023	8/7/2024	RMB2,000,000	2.81%
23 HUATAI S6	RMB5,000,000	19/12/2023	19/3/2024	RMB5,000,000	2.75%
HUATAI B2304a	USD100,000	7/4/2022	6/4/2023	USD100,000	1.50%
HUATAI B2304b	USD100,000	7/4/2022	6/4/2023	USD100,000	1.50%
HUATAI B2304c	USD100,000	7/4/2022	6/4/2023	USD100,000	1.50%
HUATAI B2302a	USD50,000	27/5/2022	28/2/2023	USD50,000	2.81%
HUATAI B2302b	HKD300,000	13/5/2022	13/2/2023	HKD300,000	2.15%
HUATAI B2305a	USD50,000	27/5/2022	25/5/2023	USD50,000	2.85%
HUATAI B2306	USD100,000	10/6/2022	8/6/2023	USD100,000	2.86%
HUATAI B2308	USD15,000	10/8/2022	9/8/2023	USD15,000	3.00%
HUATAI B2302d	USD18,000	14/11/2022	14/2/2023	USD18,000	5.75%
HUATAI B2302e	HKD300,000	14/11/2022	14/2/2023	HKD300,000	5.75%
HUATAI B2302f	USD10,700	16/11/2022	16/2/2023	USD10,700	0.00%
HUATAI B2302g	HKD496,000	16/11/2022	16/2/2023	HKD496,000	5.50%
HUATAI B2302h	USD5,499	18/11/2022	17/2/2023	USD5,499	0.00%
HUATAI B2302i	HKD23,390	18/11/2022	17/2/2023	HKD23,390	0.00%
HUATAI B2302j	HKD150,000	22/11/2022	22/2/2023	HKD150,000	0.00%
HUATAI B2311	USD40,000	23/11/2022	22/11/2023	USD40,000	6.05%
HUATAI B2302k	USD8,580	25/11/2022	24/2/2023	USD8,580	0.00%
HUATAI B2302l	USD100,000	29/11/2022	27/2/2023	USD100,000	0.00%
HUATAI B2302m	USD50,000	29/11/2022	27/2/2023	USD50,000	0.00%
HUATAI B2303a	USD4,839	1/12/2022	1/3/2023	USD4,839	0.00%
HUATAI B2303b	HKD14,000	1/12/2022	1/3/2023	HKD14,000	0.00%
HUATAI B2303c	USD10,000	6/12/2022	3/3/2023	USD10,000	5.70%
HUATAI B2312	RMB440,000	13/12/2022	12/12/2023	RMB440,000	3.49%
HUATAI B2306b	USD62,000	15/12/2022	15/6/2023	USD62,000	0.00%
HUATAI B2306c	USD32,300	29/12/2022	29/6/2023	USD32,300	5.60%
HUATAI B2304d	USD30,000	13/1/2023	13/4/2023	USD30,000	5.00%

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

39. Short-term debt instruments issued - continued

As at 31 December 2023 - continued

<u>Name</u>	<u>Par value</u> Original currency	<u>Issuance date</u>	<u>Due date</u>	<u>Issue amount</u> Original currency	<u>Nominal interest rate</u>
HUATAI B2401a	USD25,800	13/1/2023	12/1/2024	USD25,800	5.00%
HUATAI B2304e	HKD62,000	13/1/2023	13/4/2023	HKD62,000	5.34%
HUATAI B2304f	USD20,000	17/1/2023	17/4/2023	USD20,000	0.00%
HUATAI B2304g	USD20,000	17/1/2023	18/4/2023	USD20,000	5.25%
HUATAI B2307d	USD20,000	17/1/2023	18/7/2023	USD20,000	5.00%
HUATAI B2312a	USD60,000	17/1/2023	22/12/2023	USD60,000	5.00%
HUATAI B2307e	HKD200,000	17/1/2023	18/7/2023	HKD200,000	5.14%
HUATAI B2401b	USD20,000	19/1/2023	19/1/2024	USD20,000	5.75%
HUATAI B2310	USD50,000	19/1/2023	19/10/2023	USD50,000	0.00%
HUATAI B2402a	USD15,000	3/2/2023	2/2/2024	USD15,000	0.00%
HUATAI B2308a	USD10,000	6/2/2023	4/8/2023	USD10,000	5.50%
HUATAI B2308b	USD47,000	6/2/2023	7/8/2023	USD47,000	0.00%
HUATAI B2402b	USD20,600	6/2/2023	5/2/2024	USD20,600	0.00%
HUATAI B2308c	USD20,000	8/2/2023	8/8/2023	USD20,000	5.55%
HUATAI B2308d	USD100,000	9/2/2023	9/8/2023	USD100,000	0.00%
HUATAI B2305b	USD6,600	10/2/2023	10/5/2023	USD6,600	0.00%
HUATAI B2308e	USD15,000	10/2/2023	10/8/2023	USD15,000	0.00%
HUATAI B2305c	USD13,350	17/2/2023	17/5/2023	USD13,350	0.00%
HUATAI B2308h	USD30,000	17/2/2023	17/8/2023	USD30,000	5.46%
HUATAI B2305d	USD15,000	21/2/2023	23/5/2023	USD15,000	5.28%
HUATAI B2308i	USD100,000	21/2/2023	18/8/2023	USD100,000	0.00%
HUATAI B2305e	HKD200,000	21/2/2023	23/5/2023	HKD200,000	3.82%
HUATAI B2308f	USD50,000	22/2/2023	15/8/2023	USD50,000	5.00%
HUATAI B2306a	USD11,820	8/3/2023	8/6/2023	USD11,820	0.00%
HUATAI B2306d	USD20,000	10/3/2023	9/6/2023	USD20,000	0.00%
HUATAI B2309b	USD100,000	10/3/2023	12/9/2023	USD100,000	0.00%
HUATAI B2403a	USD30,000	27/3/2023	27/3/2024	USD30,000	5.60%
HUATAI B2307f	USD17,000	19/4/2023	19/7/2023	USD17,000	0.00%
HUATAI B2307g	USD6,300	20/4/2023	20/7/2023	USD6,300	0.00%
HUATAI B2307h	USD18,000	20/4/2023	20/7/2023	USD18,000	0.00%
HUATAI B2307i	USD20,000	24/4/2023	21/7/2023	USD20,000	5.55%
HUATAI B2311a	HKD51,000	2/5/2023	2/11/2023	HKD51,000	0.00%
HUATAI B2405b	HKD475,000	5/5/2023	3/5/2024	HKD475,000	4.60%
HUATAI B2307a	USD10,000	8/5/2023	7/7/2023	USD10,000	5.55%

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

39. Short-term debt instruments issued - continued

As at 31 December 2023 - continued

<u>Name</u>	<u>Par value</u> Original currency	<u>Issuance date</u>	<u>Due date</u>	<u>Issue amount</u> Original currency	<u>Nominal</u> <u>interest rate</u>
HUATAI B2311b	USD20,000	9/5/2023	9/11/2023	USD20,000	5.55%
HUATAI B2307b	USD40,000	10/5/2023	11/7/2023	USD40,000	5.55%
HUATAI B2307c	USD12,500	16/5/2023	14/7/2023	USD12,500	5.55%
HUATAI B2311c	USD10,000	16/5/2023	16/11/2023	USD10,000	5.66%
HUATAI B2311d	USD5,150	19/5/2023	17/11/2023	USD5,150	0.00%
HUATAI B2307j	USD25,427	19/5/2023	21/7/2023	USD25,427	5.00%
HUATAI B2311g	HKD200,000	23/5/2023	24/11/2023	HKD200,000	4.70%
HUATAI B2307k	HKD100,000	29/5/2023	28/7/2023	HKD100,000	4.85%
HUATAI B2307l	USD15,000	29/5/2023	28/7/2023	USD15,000	5.73%
HUATAI B2309a	USD15,000	6/6/2023	6/9/2023	USD15,000	5.88%
HUATAI B2406c	USD50,000	13/6/2023	13/6/2024	USD50,000	5.95%
HUATAI B2308g	HKD250,000	14/6/2023	15/8/2023	HKD250,000	4.65%
HUATAI B2309c	USD26,300	15/6/2023	15/9/2023	USD26,300	0.00%
HUATAI B2311f	USD39,000	23/6/2023	22/11/2023	USD39,000	0.00%
HUATAI B2311h	USD10,500	26/6/2023	27/11/2023	USD10,500	0.00%
HUATAI B2309d	USD10,000	27/6/2023	27/9/2023	USD10,000	5.50%
HUATAI B2311i	USD25,500	30/6/2023	30/11/2023	USD25,500	5.50%
HUATAI B2310a	USD46,600	7/7/2023	11/10/2023	USD46,600	5.50%
HUATAI B2401c	USD27,500	18/7/2023	18/1/2024	USD27,500	6.17%
HUATAI B2310b	USD10,000	19/7/2023	19/10/2023	USD10,000	5.80%
HUATAI B2407a	USD11,000	19/7/2023	19/7/2024	USD11,000	6.17%
HUATAI B2401d	HKD100,000	19/7/2023	19/1/2024	HKD100,000	5.36%
HUATAI B2401e	USD20,000	24/7/2023	24/1/2024	USD20,000	6.07%
HUATAI B2310c	HKD200,000	26/7/2023	26/10/2023	HKD200,000	5.36%
HUATAI B2407b	USD19,000	27/7/2023	26/7/2024	USD19,000	0.00%
HUATAI B2401h	USD15,000	31/7/2023	31/1/2024	USD15,000	6.15%
HUATAI B2401i	HKD100,000	31/7/2023	31/1/2024	HKD100,000	5.55%
HUATAI B2311j	USD30,000	1/8/2023	1/11/2023	USD30,000	6.03%
HUATAI B2407c	USD10,000	2/8/2023	31/7/2024	USD10,000	SOFR+0.95%
HUATAI B2408a	USD15,000	3/8/2023	1/8/2024	USD15,000	SOFR+0.95%
HUATAI B2311k	USD12,477	3/8/2023	3/11/2023	USD12,477	0.00%
HUATAI B2408b	USD15,000	4/8/2023	2/8/2024	USD15,000	SOFR+0.95%
HUATAI B2408c	USD10,000	4/8/2023	2/8/2024	USD10,000	SOFR+0.95%
HUATAI B2312b	USD40,000	4/8/2023	1/12/2023	USD40,000	6.02%
HUATAI B2408d	USD15,000	10/8/2023	9/8/2024	USD15,000	6.05%
HUATAI B2402j	USD30,000	18/8/2023	21/2/2024	USD30,000	6.14%

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

39. Short-term debt instruments issued - continued

As at 31 December 2023 - continued

<u>Name</u>	<u>Par value</u> Original currency	<u>Issuance date</u>	<u>Due date</u>	<u>Issue amount</u> Original currency	<u>Nominal interest rate</u>
HUATAI B2311l	USD10,000	21/8/2023	21/11/2023	USD10,000	6.00%
HUATAI B2311m	USD45,000	22/8/2023	22/11/2023	USD45,000	6.05%
HUATAI B2402k	HKD29,000	22/8/2023	22/2/2024	HKD29,000	5.50%
HUATAI B2402l	USD5,800	22/8/2023	22/2/2024	USD5,800	6.10%
HUATAI B2409a	USD65,000	12/9/2023	11/9/2024	USD65,000	6.00%
HUATAI B2312c	USD30,000	18/9/2023	18/12/2023	USD30,000	6.06%
HUATAI B2403b	USD18,050	22/9/2023	22/3/2024	USD18,050	0.00%
HUATAI B2409b	USD13,150	22/9/2023	20/9/2024	USD13,150	0.00%
HUATAI B2403c	USD60,000	27/9/2023	26/3/2024	USD60,000	6.00%
HUATAI B2409c	RMB400,000	28/9/2023	24/9/2024	RMB400,000	3.78%
HUATAI B2312d	USD10,340	29/9/2023	29/12/2023	USD10,340	0.00%
HUATAI B2404	USD10,000	17/10/2023	17/4/2024	USD10,000	6.31%
HUATAI B2410	RMB650,000	20/10/2023	16/10/2024	RMB650,000	3.80%
HUATAI B2401f	USD16,750	25/10/2023	25/1/2024	USD16,750	0.00%
HUATAI B2405c	USD14,500	25/10/2023	2/5/2024	USD14,500	0.00%
HUATAI B2407d	USD15,000	27/10/2023	27/7/2024	USD15,000	6.36%
HUATAI B2401g	USD10,000	27/10/2023	27/1/2024	USD10,000	6.27%
HUATAI B2407e	USD10,000	27/10/2023	27/7/2024	USD10,000	6.36%
HUATAI B2411a	USD30,000	6/11/2023	4/11/2024	USD30,000	0.00%
HUATAI B2402c	USD18,000	7/11/2023	7/2/2024	USD18,000	6.30%
HUATAI B2402g	USD17,000	9/11/2023	15/2/2024	USD17,000	6.30%
HUATAI B2402h	USD15,000	10/11/2023	15/2/2024	USD15,000	6.30%
HUATAI B2402e	USD10,000	10/11/2023	9/2/2024	USD10,000	5.87%
HUATAI B2411b	USD35,000	13/11/2023	8/11/2024	USD35,000	0.00%
HUATAI B2402d	USD18,200	13/11/2023	8/2/2024	USD18,200	0.00%
HUATAI B2402f	USD20,000	14/11/2023	14/2/2024	USD20,000	0.00%
HUATAI B2402i	USD15,460	15/11/2023	15/2/2024	USD15,460	0.00%
HUATAI B2405d	USD10,000	21/11/2023	21/5/2024	USD10,000	6.46%
HUATAI B2405e	HKD200,000	28/11/2023	28/5/2024	HKD200,000	6.04%
HUATAI B2409d	USD95,000	6/12/2023	6/9/2024	USD95,000	6.00%
HUATAI B2406d	USD25,000	7/12/2023	7/6/2024	USD25,000	6.40%
HUATAI B2406e	USD10,000	7/12/2023	7/6/2024	USD10,000	6.36%
HUATAI B2403d	USD40,000	8/12/2023	8/3/2024	USD40,000	0.00%
HUATAI B2406f	USD20,000	8/12/2023	7/6/2024	USD20,000	0.00%
Structured notes (1)	RMB2,786,805	Note (1)	Note (1)	RMB2,786,805	Note (1)

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FOR THE SIX MONTHS ENDED 30 JUNE 2024

(Expressed in thousands of Renminbi, unless otherwise stated)

39. Short-term debt instruments issued - continued

As at 31 December 2023 - continued

<u>Name</u>	Book value as at <u>1 January 2023</u> RMB equivalent	<u>Increase</u> RMB equivalent	<u>Decrease</u> RMB equivalent	Book value as at <u>31 December 2023</u> RMB equivalent
22 HUATAI F1	4,105,269	4,731	(4,110,000)	-
22 HUATAI S2	5,032,777	7,417	(5,040,194)	-
23 HUATAI S1	-	5,060,551	(5,060,551)	-
23 HUATAI S2	-	5,069,456	(5,069,456)	-
23 HUATAI S3	-	3,010,680	-	3,010,680
23 HUATAI S4	-	4,012,072	-	4,012,072
23 HUATAI S5	-	2,003,626	-	2,003,626
23 HUATAI S6	-	5,004,805	-	5,004,805
HUATAI B2304a	697,585	21,280	(718,865)	-
HUATAI B2304b	697,585	21,280	(718,865)	-
HUATAI B2304c	697,585	21,280	(718,865)	-
HUATAI B2302a	354,203	7,484	(361,687)	-
HUATAI B2302b	271,621	4,659	(276,280)	-
HUATAI B2305a	354,025	10,148	(364,173)	-
HUATAI B2306	707,321	21,095	(728,416)	-
HUATAI B2308	105,092	4,327	(109,419)	-
HUATAI B2302d	126,321	3,015	(129,336)	-
HUATAI B2302e	269,950	5,850	(275,800)	-
HUATAI B2302f	74,030	1,755	(75,785)	-
HUATAI B2302g	445,902	9,804	(455,706)	-
HUATAI B2302h	38,132	816	(38,948)	-
HUATAI B2302i	20,749	447	(21,196)	-
HUATAI B2302j	132,878	3,052	(135,930)	-
HUATAI B2311	279,817	20,584	(300,401)	-
HUATAI B2302k	59,279	1,490	(60,769)	-
HUATAI B2302l	690,163	18,107	(708,270)	-
HUATAI B2302m	345,082	9,053	(354,135)	-
HUATAI B2303a	33,398	875	(34,273)	-
HUATAI B2303b	12,390	297	(12,687)	-
HUATAI B2303c	69,931	1,858	(71,789)	-
HUATAI B2312	440,604	14,710	(455,314)	-
HUATAI B2306b	420,182	18,945	(439,127)	-
HUATAI B2306c	225,057	10,102	(235,159)	-

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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(Expressed in thousands of Renminbi, unless otherwise stated)

39. Short-term debt instruments issued - continued

As at 31 December 2023 - continued

<u>Name</u>	<u>Book value as at</u> <u>1 January 2023</u> RMB equivalent	<u>Increase</u> RMB equivalent	<u>Decrease</u> RMB equivalent	<u>Book value as at</u> <u>31 December 2023</u> RMB equivalent
HUATAI B2304d	-	215,101	(215,101)	-
HUATAI B2401a	-	191,563	-	191,563
HUATAI B2304e	-	56,924	(56,924)	-
HUATAI B2304f	-	141,654	(141,654)	-
HUATAI B2304g	-	143,508	(143,508)	-
HUATAI B2307d	-	145,186	(145,186)	-
HUATAI B2312a	-	444,697	(444,697)	-
HUATAI B2307e	-	185,885	(185,885)	-
HUATAI B2401b	-	149,401	-	149,401
HUATAI B2310	-	354,135	(354,135)	-
HUATAI B2402a	-	105,865	-	105,865
HUATAI B2308a	-	72,737	(72,737)	-
HUATAI B2308b	-	332,887	(332,887)	-
HUATAI B2402b	-	145,320	-	145,320
HUATAI B2308c	-	145,553	(145,553)	-
HUATAI B2308d	-	708,270	(708,270)	-
HUATAI B2305b	-	46,746	(46,746)	-
HUATAI B2308e	-	106,241	(106,241)	-
HUATAI B2305c	-	94,554	(94,554)	-
HUATAI B2308h	-	218,234	(218,234)	-
HUATAI B2305d	-	107,639	(107,639)	-
HUATAI B2308i	-	708,270	(708,270)	-
HUATAI B2305e	-	182,966	(182,966)	-
HUATAI B2308f	-	362,576	(362,576)	-
HUATAI B2306a	-	83,718	(83,718)	-
HUATAI B2306d	-	141,654	(141,654)	-
HUATAI B2309b	-	708,270	(708,270)	-
HUATAI B2403a	-	215,457	-	215,457
HUATAI B2307f	-	120,406	(120,406)	-
HUATAI B2307g	-	44,621	(44,621)	-
HUATAI B2307h	-	127,489	(127,489)	-
HUATAI B2401i	-	92,760	-	92,760
HUATAI B2311j	-	215,710	(215,710)	-

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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(Expressed in thousands of Renminbi, unless otherwise stated)

39. Short-term debt instruments issued - continued

As at 31 December 2023 - continued

<u>Name</u>	<u>Book value as at</u> <u>1 January 2023</u> RMB equivalent	<u>Increase</u> RMB equivalent	<u>Decrease</u> RMB equivalent	<u>Book value as at</u> <u>31 December 2023</u> RMB equivalent
HUATAI B2407c	-	71,515	-	71,515
HUATAI B2408a	-	107,254	-	107,254
HUATAI B2311k	-	88,371	(88,371)	-
HUATAI B2408b	-	107,235	-	107,235
HUATAI B2408c	-	71,490	-	71,490
HUATAI B2312b	-	288,868	(288,868)	-
HUATAI B2408d	-	108,645	-	108,645
HUATAI B2402j	-	217,250	-	217,250
HUATAI B2307i	-	143,549	(143,549)	-
HUATAI B2311a	-	46,216	(46,216)	-
HUATAI B2405b	-	442,864	-	442,864
HUATAI B2307a	-	71,473	(71,473)	-
HUATAI B2311b	-	145,617	(145,617)	-
HUATAI B2307b	-	285,979	(285,979)	-
HUATAI B2307c	-	89,328	(89,328)	-
HUATAI B2311c	-	72,848	(72,848)	-
HUATAI B2311d	-	36,476	(36,476)	-
HUATAI B2307j	-	181,646	(181,646)	-
HUATAI B2311g	-	185,557	(185,557)	-
HUATAI B2307k	-	91,342	(91,342)	-
HUATAI B2307l	-	107,241	(107,241)	-
HUATAI B2309a	-	107,815	(107,815)	-
HUATAI B2406c	-	365,627	-	365,627
HUATAI B2308g	-	228,339	(228,339)	-
HUATAI B2309c	-	186,275	(186,275)	-
HUATAI B2311f	-	276,225	(276,225)	-
HUATAI B2311h	-	74,368	(74,368)	-
HUATAI B2309d	-	71,809	(71,809)	-
HUATAI B2311i	-	184,773	(184,773)	-
HUATAI B2310a	-	334,828	(334,828)	-
HUATAI B2401c	-	200,207	-	200,207
HUATAI B2310b	-	71,862	(71,862)	-
HUATAI B2407a	-	80,069	-	80,069
HUATAI B2401d	-	92,848	-	92,848
HUATAI B2401e	-	143,770	-	143,770
HUATAI B2310c	-	183,689	(183,689)	-
HUATAI B2407b	-	130,051	-	130,051
HUATAI B2401h	-	108,958	-	108,958
HUATAI B2311l	-	71,898	(71,898)	-
HUATAI B2311m	-	323,582	(323,582)	-

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(Expressed in thousands of Renminbi, unless otherwise stated)

39. Short-term debt instruments issued - continued

As at 31 December 2023 - continued

<u>Name</u>	<u>Book value as at</u> <u>1 January 2023</u> RMB equivalent	<u>Increase</u> RMB equivalent	<u>Decrease</u> RMB equivalent	<u>Book value as at</u> <u>31 December 2023</u> RMB equivalent
HUATAI B2402k	-	491	-	491
HUATAI B2402l	-	851	-	851
HUATAI B2409a	-	467,832	-	467,832
HUATAI B2312c	-	215,691	(215,691)	-
HUATAI B2403b	-	126,129	-	126,129
HUATAI B2409b	-	89,161	-	89,161
HUATAI B2403c	-	431,221	-	431,221
HUATAI B2409c	-	403,780	-	403,780
HUATAI B2312d	-	73,235	(73,235)	-
HUATAI B2404	-	71,719	-	71,719
HUATAI B2410	-	654,445	-	654,445
HUATAI B2401f	-	118,128	-	118,128
HUATAI B2405c	-	100,618	-	100,618
HUATAI B2407d	-	107,402	-	107,402
HUATAI B2401g	-	71,590	-	71,590
HUATAI B2407e	-	71,601	-	71,601
HUATAI B2411a	-	201,570	-	201,570
HUATAI B2402c	-	128,623	-	128,623
HUATAI B2402g	-	121,435	-	121,435
HUATAI B2402h	-	107,130	-	107,130
HUATAI B2402e	-	71,365	-	71,365
HUATAI B2411b	-	235,040	-	235,040
HUATAI B2402d	-	128,016	-	128,016
HUATAI B2402f	-	140,531	-	140,531
HUATAI B2402i	-	108,628	-	108,628
HUATAI B2405d	-	71,297	-	71,297
HUATAI B2405e	-	182,247	-	182,247
HUATAI B2409d	-	673,468	-	673,468
HUATAI B2406d	-	177,726	-	177,726
HUATAI B2406e	-	71,086	-	71,086
HUATAI B2403d	-	279,875	-	279,875
HUATAI B2406f	-	137,712	-	137,712
Structured notes ⁽¹⁾	9,065,676	702,082	(7,022,300)	2,745,458
Total	25,772,604	44,261,130	(44,558,227)	25,475,507

- (1) During the six months ended 30 June 2024, the Company has issued 97 tranches of structured notes, bearing interest ranging from 1.90% to 6.58% per annum, repayable within 1 year. Structured notes repayable more than 1 year are classified as "Long-term bonds" (Note 46). (During the year ended 31 December 2023, the Company has issued 182 tranches of structured notes, bearing interest ranging from 2.20% to 6.58% per annum).

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(Expressed in thousands of Renminbi, unless otherwise stated)

40. Placements from other financial institutions

	As at 30 <u>June 2024</u>	As at 31 <u>December 2023</u>
Placements from banks	36,047,277	39,244,418
Placements from refinancing business	<u>90,968</u>	<u>292,109</u>
Total	<u>36,138,245</u>	<u>39,536,527</u>

As at 30 June 2024, the placements from banks are unsecured, bearing interest of 1.32% - 5.95% per annum, with maturities within 179 days (As at 31 December 2023, the placements from banks are unsecured, bearing interest of 1.00% - 6.15% per annum, with maturities within 361 days), and the placements from CSF are secured by the securities investment held by the Group, bearing interest of 2.42% per annum, with maturities within 23 days (As at 31 December 2023: the placements from CSF are secured by the securities and refundable deposits held by the Group, bearing interest of 2.15% - 2.90% per annum, with maturities within 170 days).

41. Accounts payable to brokerage clients

	As at 30 <u>June 2024</u>	As at 31 <u>December 2023</u>
Clients' deposits for brokerage trading	136,655,193	129,645,383
Clients' deposits for margin financing and securities lending	<u>14,560,106</u>	<u>15,055,977</u>
Total	<u>151,215,299</u>	<u>144,701,360</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.

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41. Accounts payable to brokerage clients - continued

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.

42. Other payables and accruals

Non-current

	As at 30 <u>June 2024</u>	As at 31 <u>December 2023</u>
Lease liabilities		
1 to 2 years (inclusive)	398,383	572,755
2 to 5 years (inclusive)	298,811	282,494
After 5 years	36,090	72,031
Total	<u>733,284</u>	<u>927,280</u>

The Group's leases are mainly land and buildings for operations. Most lease contracts are entered into terms from 1 year to 5 years.

- (1) During the six months ended 30 June 2024, the expenses related to short-term leases and low-value leases of RMB16 million (six months ended 30 June 2023: RMB19 million) were recognised in profit or loss.
- (2) As at 30 June 2024, the cash flows of lease contracts signed by the Group but lease not yet commenced are insignificant.

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(Expressed in thousands of Renminbi, unless otherwise stated)

42. Other payables and accruals - continued

Current

	As at 30 <u>June 2024</u>	As at 31 <u>December 2023</u>
Trade payable	78,872,029	98,159,066
Payable to brokers, dealers and clearing house	3,311,068	3,841,663
Dividend payable	3,895,732	64,097
Payable to open-ended funds	3,471,613	7,825,379
Funds payable to securities issuers	20,968	228,431
Lease liabilities	429,985	540,881
Restrictive repurchase obligation	117,982	228,371
Other tax payable	123,412	168,412
Futures risk reserve	248,089	238,043
Payable to outsourcing service	208,627	161,898
Fee and commission payable	162,575	110,456
Payable to the securities investor protection fund	50,551	48,563
Payable for office building construction	22,814	24,314
Accrued liabilities ⁽¹⁾	570,142	570,142
Others ⁽²⁾	1,874,328	1,675,083
Total	<u>93,379,915</u>	<u>113,884,799</u>

(1) The balance of accrued liabilities mainly represents the provisions accrued for the outstanding litigation (Note 56).

(2) The balance of others mainly represents payable to brokerage agents and sundry payables arising from normal course of business.

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43. Financial assets sold under repurchase agreements

(a) Analysed by collateral type:

	As at 30 <u>June 2024</u>	As at 31 <u>December 2023</u>
Debt securities	123,524,672	130,284,994
Equity securities	<u>10,894,012</u>	<u>13,771,155</u>
Total	<u>134,418,684</u>	<u>144,056,149</u>

As at 30 June 2024, the Group's pledged collateral in connection with financial assets sold under repurchase agreements amounted to RMB 153,152 million (as at 31 December 2023: RMB177,096 million).

(b) Analysed by market:

	As at 30 <u>June 2024</u>	As at 31 <u>December 2023</u>
Shanghai stock exchange	38,150,982	39,159,490
Shenzhen stock exchange	13,587,877	13,888,685
Inter-bank market	<u>82,679,825</u>	<u>91,007,974</u>
Total	<u>134,418,684</u>	<u>144,056,149</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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(Expressed in thousands of Renminbi, unless otherwise stated)

44. Financial liabilities at fair value through profit or loss

Non-current

	As at 30 <u>June 2024</u>	As at 31 <u>December 2023</u>
Financial liabilities designated at fair value through profit or loss	<u>8,298,877</u>	<u>8,961,031</u>

Current

	As at 30 <u>June 2024</u>	As at 31 <u>December 2023</u>
Financial liabilities held for trading	31,597,810	35,932,137
Financial liabilities designated at fair value through profit or loss	<u>7,639,536</u>	<u>7,777,998</u>
Total	<u>39,237,346</u>	<u>43,710,135</u>

In the condensed consolidated financial statements, the financial liabilities arising from consolidation of structured entities and private funds with the underlying investments related to listed equity investments in active markets and unlisted equity investments are designated at fair value through profit or loss by the Group, as the Group has the obligation to pay other investors or limited partners upon maturity dates of the structured entities based on net book value and related terms of those consolidated asset management schemes or private equity funds.

In the condensed consolidated financial statements, certain structured notes are designated at fair value through profit or loss by the Group, as the host contracts of structured notes contains embedded derivatives.

In the condensed consolidated financial statements, a bond is designated at fair value through profit or loss by the Group, as the designation can significantly reduce the accounting mismatch.

As at 30 June 2024 and 31 December 2023, there were no significant fair value changes related to the changes in the credit risk of the Group.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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(Expressed in thousands of Renminbi, unless otherwise stated)

45. Long-term bonds due within one year

As at 30 June 2024

Name	Par value Original currency	Value date	Due date	Issue amount Original currency	Nominal interest rate
21 HUATAI G1	RMB4,000,000	20/1/2021	20/1/2024	RMB4,000,000	3.58%
21 HUATAI G3	RMB5,000,000	26/4/2021	26/4/2024	RMB5,000,000	3.42%
21 HUATAI G5	RMB4,000,000	24/5/2021	24/5/2024	RMB4,000,000	3.28%
21 HUATAI G7	RMB2,000,000	15/6/2021	15/6/2024	RMB2,000,000	3.40%
21 HUATAI 09	RMB2,500,000	21/6/2021	21/6/2024	RMB2,500,000	3.45%
21 HUATAI 11	RMB1,500,000	7/9/2021	7/9/2024	RMB1,500,000	3.03%
21 HUATAI 13	RMB2,100,000	18/10/2021	18/10/2024	RMB2,100,000	3.25%
21 HUATAI 15	RMB2,200,000	25/10/2021	25/10/2024	RMB2,200,000	3.22%
22 HUATAI G2	RMB2,000,000	15/8/2022	15/8/2024	RMB2,000,000	2.43%
22 HUATAI G3	RMB3,000,000	26/8/2022	26/8/2024	RMB3,000,000	2.33%
22 HUATAI G6	RMB3,600,000	21/11/2022	21/11/2024	RMB3,600,000	2.87%
22 HUATAI G8	RMB1,500,000	5/12/2022	5/12/2024	RMB1,500,000	2.87%
22 HUATAI 12	RMB4,000,000	22/12/2022	22/12/2024	RMB4,000,000	3.24%
20 HUATAI G3	RMB3,500,000	29/4/2020	29/4/2025	RMB3,500,000	2.90%
20 HUATAI G4	RMB3,000,000	21/5/2020	21/5/2025	RMB3,000,000	3.20%
22 HUATAI G1	RMB5,000,000	14/2/2022	14/2/2025	RMB5,000,000	2.79%
23 HUATAI G1	RMB4,000,000	10/1/2023	10/1/2025	RMB4,000,000	2.92%
23 HUATAI G2	RMB800,000	16/1/2023	16/1/2025	RMB800,000	3.00%
HUATAI B2404	USD900,000	9/4/2021	9/4/2024	USD900,000	1.30%
HUATAI B2503	USD1,000,000	3/3/2022	3/3/2025	USD1,000,000	2.38%
Structured notes ⁽¹⁾	RMB79,500	Note (1)	Note (1)	RMB79,500	Note (1)

Name	Book value as at 1 January 2024 RMB equivalent	Increase RMB equivalent	Decrease RMB equivalent	Book value as at 30 June 2024 RMB equivalent
21 HUATAI G1	4,135,816	7,384	(4,143,200)	-
21 HUATAI G3	5,115,842	55,158	(5,171,000)	-
21 HUATAI G5	4,078,828	52,372	(4,131,200)	-
21 HUATAI G7	2,036,717	31,283	(2,068,000)	-
21 HUATAI 09	2,545,126	41,124	(2,586,250)	-
21 HUATAI 11	1,514,151	22,901	-	1,537,052
21 HUATAI 13	2,113,824	34,200	-	2,148,024
21 HUATAI 15	2,213,012	35,499	-	2,248,511
22 HUATAI G2	2,017,898	24,720	-	2,042,618
22 HUATAI G3	3,023,508	35,659	-	3,059,167
22 HUATAI G6	3,611,143	51,849	-	3,662,992
22 HUATAI G8	1,502,580	21,819	-	1,524,399
22 HUATAI 12	4,001,636	65,749	-	4,067,385
20 HUATAI G3	-	3,618,407	(101,500)	3,516,907
20 HUATAI G4	-	3,106,308	(96,000)	3,010,308
22 HUATAI G1	-	5,191,138	(139,500)	5,051,638
23 HUATAI G1	-	4,172,377	(116,800)	4,055,577
23 HUATAI G2	-	835,026	(24,000)	811,026
HUATAI B2404	6,388,692	67,244	(6,455,936)	-
HUATAI B2503	-	7,261,983	(84,668)	7,177,315
Structured notes ⁽¹⁾	504,716	-	(425,216)	79,500
Total	44,803,489	24,732,200	(25,543,270)	43,992,419

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45. Long-term bonds due within one year - continued

As at 31 December 2023

Name	Par value Original currency	Issuance date	Due date	Issue amount Original currency	Nominal interest rate
13 HUATAI 02	RMB6,000,000	5/6/2013	5/6/2023	RMB6,000,000	5.10%
18 HUATAI G2	RMB1,000,000	26/11/2018	26/11/2023	RMB1,000,000	4.17%
20 HUATAI G1	RMB8,000,000	26/3/2020	26/3/2023	RMB8,000,000	2.99%
20 HUATAI G6	RMB3,200,000	18/6/2020	18/6/2023	RMB3,200,000	3.10%
20 HUATAI G7	RMB3,500,000	24/11/2020	24/11/2023	RMB3,500,000	3.90%
20 HUATAI G9	RMB4,000,000	9/12/2020	9/12/2023	RMB4,000,000	3.79%
21 HUATAI G1	RMB4,000,000	20/1/2021	20/1/2024	RMB4,000,000	3.58%
21 HUATAI G3	RMB5,000,000	26/4/2021	26/4/2024	RMB5,000,000	3.42%
21 HUATAI G5	RMB4,000,000	24/5/2021	24/5/2024	RMB4,000,000	3.28%
21 HUATAI G7	RMB2,000,000	15/6/2021	15/6/2024	RMB2,000,000	3.40%
21 HUATAI 09	RMB2,500,000	21/6/2021	21/6/2024	RMB2,500,000	3.45%
21 HUATAI 11	RMB1,500,000	7/9/2021	7/9/2024	RMB1,500,000	3.03%
21 HUATAI 13	RMB2,100,000	18/10/2021	18/10/2024	RMB2,100,000	3.25%
21 HUATAI 15	RMB2,200,000	25/10/2021	25/10/2024	RMB2,200,000	3.22%
22 HUATAI G2	RMB2,000,000	15/8/2022	15/8/2024	RMB2,000,000	2.43%
22 HUATAI G3	RMB3,000,000	26/8/2022	26/8/2024	RMB3,000,000	2.33%
22 HUATAI G6	RMB3,600,000	21/11/2022	21/11/2024	RMB3,600,000	2.87%
22 HUATAI G8	RMB1,500,000	5/12/2022	5/12/2024	RMB1,500,000	2.87%
22 HUATAI 12	RMB4,000,000	22/12/2022	22/12/2024	RMB4,000,000	3.24%
HUATAI B2302c	USD400,000	12/2/2020	12/2/2023	USD400,000	LIBOR+0.95%
HUATAI B2404	USD900,000	9/4/2021	9/4/2024	USD900,000	1.30%
Structured notes ⁽¹⁾	RMB500,843	Note (1)	Note (1)	RMB500,843	Note (1)

Name	Book value as at 1 January 2023 RMB equivalent	Increase RMB equivalent	Decrease RMB equivalent	Book value as at 31 December 2023 RMB equivalent
13 HUATAI 02	6,177,782	128,218	(6,306,000)	-
18 HUATAI G2	1,003,869	37,831	(1,041,700)	-
20 HUATAI G1	8,182,656	56,544	(8,239,200)	-
20 HUATAI G6	3,251,653	47,547	(3,299,200)	-
20 HUATAI G7	3,513,690	122,810	(3,636,500)	-
20 HUATAI G9	4,009,121	142,479	(4,151,600)	-
21 HUATAI G1	-	4,279,016	(143,200)	4,135,816
21 HUATAI G3	-	5,286,842	(171,000)	5,115,842
21 HUATAI G5	-	4,210,028	(131,200)	4,078,828
21 HUATAI G7	-	2,104,717	(68,000)	2,036,717
21 HUATAI 09	-	2,631,376	(86,250)	2,545,126
21 HUATAI 11	-	1,559,601	(45,450)	1,514,151
21 HUATAI 13	-	2,182,074	(68,250)	2,113,824
21 HUATAI 15	-	2,283,852	(70,840)	2,213,012
22 HUATAI G2	-	2,066,498	(48,600)	2,017,898
22 HUATAI G3	-	3,093,408	(69,900)	3,023,508
22 HUATAI G6	-	3,714,463	(103,320)	3,611,143
22 HUATAI G8	-	1,545,630	(43,050)	1,502,580
22 HUATAI 12	-	4,131,236	(129,600)	4,001,636
HUATAI B2302c	2,802,824	11,082	(2,813,906)	-
HUATAI B2404	-	6,471,560	(82,868)	6,388,692
Structured notes ⁽¹⁾	121,154	504,716	(121,154)	504,716
Total	29,062,749	46,611,528	(30,870,788)	44,803,489

(1) As at 30 June 2024, RMB 79.50 million of structured notes would mature within one year (as at 31 December 2023: RMB504.72 million).

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46. Long-term bonds

As at 30 June 2024

<u>Name</u>	<u>Par value</u> Original currency	<u>Value date</u>	<u>Due date</u>	<u>Issue amount</u> Original currency	<u>Nominal interest rate</u>
20 HUATAI G3	RMB3,500,000	29/4/2020	29/4/2025	RMB3,500,000	2.90%
20 HUATAI G4	RMB3,000,000	21/5/2020	21/5/2025	RMB3,000,000	3.20%
21 HUATAI G4	RMB6,000,000	17/5/2021	17/5/2026	RMB6,000,000	3.71%
21 HUATAI G6	RMB2,000,000	24/5/2021	24/5/2026	RMB2,000,000	3.63%
21 HUATAI 12	RMB2,700,000	7/9/2021	7/9/2031	RMB2,700,000	3.78%
21 HUATAI 14	RMB3,400,000	18/10/2021	18/10/2031	RMB3,400,000	3.99%
21 HUATAI 16	RMB1,100,000	25/10/2021	25/10/2031	RMB1,100,000	3.94%
22 HUATAI G1	RMB5,000,000	14/2/2022	14/2/2025	RMB5,000,000	2.79%
22 HUATAI G4	RMB2,000,000	5/9/2022	5/9/2025	RMB2,000,000	2.52%
22 HUATAI G5	RMB3,000,000	13/9/2022	13/9/2025	RMB3,000,000	2.5%
22 HUATAI G7	RMB1,400,000	21/11/2022	21/11/2027	RMB1,400,000	3.18%
22 HUATAI 10	RMB2,000,000	12/12/2022	12/12/2025	RMB2,000,000	3.35%
22 HUATAI 11	RMB500,000	12/12/2022	12/12/2027	RMB500,000	3.49%
23 HUATAI G1	RMB4,000,000	10/1/2023	10/1/2025	RMB4,000,000	2.92%
23 HUATAI G2	RMB800,000	16/1/2023	16/1/2025	RMB800,000	3.00%
23 HUATAI G3	RMB2,000,000	16/1/2023	16/1/2028	RMB2,000,000	3.48%
23 HUATAI G4	RMB4,500,000	6/2/2023	6/2/2026	RMB4,500,000	3.23%
23 HUATAI G5	RMB4,000,000	13/2/2023	13/2/2028	RMB4,000,000	3.39%
23 HUATAI G6	RMB1,500,000	27/2/2023	27/2/2026	RMB1,500,000	3.14%
23 HUATAI G7	RMB2,200,000	27/2/2023	27/2/2028	RMB2,200,000	3.36%
23 HUATAI G8	RMB1,700,000	10/5/2023	10/7/2025	RMB1,700,000	2.82%
23 HUATAI G9	RMB700,000	10/5/2023	10/5/2028	RMB700,000	3.07%
23 HUATAI 10	RMB2,000,000	24/8/2023	24/8/2026	RMB2,000,000	2.64%
23 HUATAI 11	RMB2,500,000	21/9/2023	21/9/2026	RMB2,500,000	2.89%
23 HUATAI 13	RMB1,600,000	16/10/2023	16/10/2025	RMB1,600,000	2.80%
23 HUATAI 14	RMB1,000,000	16/10/2023	16/10/2033	RMB1,000,000	3.35%
23 HUATAI 15	RMB2,500,000	6/11/2023	6/11/2026	RMB2,500,000	2.83%
23 HUATAI 16	RMB1,000,000	6/11/2023	6/11/2033	RMB1,000,000	3.30%
23 HUATAI F2	RMB2,800,000	27/11/2023	27/11/2026	RMB2,800,000	3.07%
23 HUATAI F4	RMB3,600,000	15/12/2023	15/12/2026	RMB3,600,000	3.08%
20 HUATAI C1	RMB5,000,000	13/11/2020	13/11/2025	RMB5,000,000	4.48%
21 HUATAI C1	RMB9,000,000	29/1/2021	29/1/2026	RMB9,000,000	4.50%
HUATAI B2604	USD500,000	9/4/2021	9/4/2026	USD500,000	2.00%
HUATAI B2503	USD1,000,000	3/3/2022	3/3/2025	USD1,000,000	2.38%
HUATAI B2509	RMB3,025,000	14/9/2022	14/9/2025	RMB3,025,000	2.85%
HUATAI B2608	USD400,000	9/8/2023	9/8/2026	USD400,000	5.25%
HUATAI B2611	USD800,000	29/11/2023	29/11/2026	USD800,000	SOFR + 0.9%
Structured notes ⁽¹⁾	RMB3,030,000	Note(1)	Note(1)	RMB3,030,000	Note(1)

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46. Long-term bonds - continued

As at 30 June 2024 - continued

<u>Name</u>	Book value as at <u>1 January 2024</u> RMB equivalent	<u>Increase</u> RMB equivalent	<u>Decrease</u> RMB equivalent	Book value as at <u>30 June 2024</u> RMB equivalent
20 HUATAI G3	3,567,318	-	(3,567,318)	-
20 HUATAI G4	3,058,017	-	(3,058,017)	-
21 HUATAI G4	6,135,944	111,882	(222,600)	6,025,226
21 HUATAI G6	2,042,945	36,494	(72,600)	2,006,839
21 HUATAI I2	2,730,840	51,114	-	2,781,954
21 HUATAI I4	3,427,143	67,861	-	3,495,004
21 HUATAI I6	1,107,853	21,681	-	1,129,534
22 HUATAI G1	5,120,528	-	(5,120,528)	-
22 HUATAI G4	2,015,297	25,477	-	2,040,774
22 HUATAI G5	3,020,889	37,967	-	3,058,856
22 HUATAI G7	1,404,717	22,288	-	1,427,005
22 HUATAI I0	2,002,581	33,758	-	2,036,339
22 HUATAI I1	500,628	8,762	-	509,390
23 HUATAI G1	4,113,345	-	(4,113,345)	-
23 HUATAI G2	822,900	-	(822,900)	-
23 HUATAI G3	2,065,894	34,920	(69,600)	2,031,214
23 HUATAI G4	4,629,523	73,139	(145,350)	4,557,312
23 HUATAI G5	4,117,997	68,000	(135,600)	4,050,397
23 HUATAI G6	1,539,132	23,678	(47,100)	1,515,710
23 HUATAI G7	2,261,221	37,069	(73,920)	2,224,370
23 HUATAI G8	1,730,405	24,189	(47,940)	1,706,654
23 HUATAI G9	713,520	10,779	(21,490)	702,809
23 HUATAI I0	2,017,583	26,619	-	2,044,202
23 HUATAI I1	2,518,935	36,335	-	2,555,270
23 HUATAI I3	1,005,417	14,128	-	1,019,545
23 HUATAI I4	1,610,427	26,835	-	1,637,262
23 HUATAI I5	1,003,315	15,013	-	1,018,328
23 HUATAI I6	2,510,029	43,348	-	2,553,377
23 HUATAI F2	2,808,118	42,980	-	2,851,098
23 HUATAI F4	3,601,796	55,977	-	3,657,773
20 HUATAI C1	5,028,420	112,379	-	5,140,799
21 HUATAI C1	9,370,679	203,400	(405,000)	9,169,079
HUATAI B2604	3,550,894	60,658	(35,635)	3,575,917
HUATAI B2503	7,123,519	-	(7,123,519)	-
HUATAI B2509	3,044,890	44,765	(42,988)	3,046,667
HUATAI B2608	2,876,402	96,699	(74,833)	2,898,268
HUATAI B2611	5,685,678	130,889	(91,201)	5,725,366
Structured notes ⁽¹⁾	3,127,773	49,614	-	3,177,387
Total	115,012,512	1,648,697	(25,291,484)	91,369,725

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46. Long-term bonds - continued

As at 31 December 2023

<u>Name</u>	<u>Par value</u> Original currency	<u>Issuance date</u>	<u>Due date</u>	<u>Issue amount</u> Original currency	<u>Nominal</u> <u>interest rate</u>
20 HUATAI G3	RMB3,500,000	29/4/2020	29/4/2025	RMB3,500,000	2.90%
20 HUATAI G4	RMB3,000,000	21/5/2020	21/5/2025	RMB3,000,000	3.20%
21 HUATAI G1	RMB4,000,000	20/1/2021	20/1/2024	RMB4,000,000	3.58%
21 HUATAI G3	RMB5,000,000	26/4/2021	26/4/2024	RMB5,000,000	3.42%
21 HUATAI G4	RMB6,000,000	17/5/2021	17/5/2026	RMB6,000,000	3.71%
21 HUATAI G5	RMB4,000,000	24/5/2021	24/5/2024	RMB4,000,000	3.28%
21 HUATAI G6	RMB2,000,000	24/5/2021	24/5/2026	RMB2,000,000	3.63%
21 HUATAI G7	RMB2,000,000	15/6/2021	15/6/2024	RMB2,000,000	3.40%
21 HUATAI 09	RMB2,500,000	21/6/2021	21/6/2024	RMB2,500,000	3.45%
21 HUATAI 11	RMB1,500,000	7/9/2021	7/9/2024	RMB1,500,000	3.03%
21 HUATAI 12	RMB2,700,000	7/9/2021	7/9/2031	RMB2,700,000	3.78%
21 HUATAI 13	RMB2,100,000	18/10/2021	18/10/2024	RMB2,100,000	3.25%
21 HUATAI 14	RMB3,400,000	18/10/2021	18/10/2031	RMB3,400,000	3.99%
21 HUATAI 15	RMB2,200,000	25/10/2021	25/10/2024	RMB2,200,000	3.22%
21 HUATAI 16	RMB1,100,000	25/10/2021	25/10/2031	RMB1,100,000	3.94%
22 HUATAI G1	RMB5,000,000	14/2/2022	14/2/2025	RMB5,000,000	2.79%
22 HUATAI G2	RMB2,000,000	15/8/2022	15/8/2024	RMB2,000,000	2.43%
22 HUATAI G3	RMB3,000,000	26/8/2022	26/8/2024	RMB3,000,000	2.33%
22 HUATAI G4	RMB2,000,000	5/9/2022	5/9/2025	RMB2,000,000	2.52%
22 HUATAI G5	RMB3,000,000	13/9/2022	13/9/2025	RMB3,000,000	2.50%
22 HUATAI G6	RMB3,600,000	21/11/2022	21/11/2024	RMB3,600,000	2.87%
22 HUATAI G7	RMB1,400,000	21/11/2022	21/11/2027	RMB1,400,000	3.18%
22 HUATAI G8	RMB1,500,000	5/12/2022	5/12/2024	RMB1,500,000	2.87%
22 HUATAI 10	RMB2,000,000	12/12/2022	12/12/2025	RMB2,000,000	3.35%
22 HUATAI 11	RMB500,000	12/12/2022	12/12/2027	RMB500,000	3.49%
22 HUATAI 12	RMB4,000,000	22/12/2022	22/12/2024	RMB4,000,000	3.24%
23 HUATAI G1	RMB4,000,000	10/1/2023	10/1/2025	RMB4,000,000	2.92%
23 HUATAI G2	RMB800,000	16/1/2023	16/1/2025	RMB800,000	3.00%
23 HUATAI G3	RMB2,000,000	16/1/2023	16/1/2028	RMB2,000,000	3.48%
23 HUATAI G4	RMB4,500,000	6/2/2023	6/2/2026	RMB4,500,000	3.23%
23 HUATAI G5	RMB4,000,000	13/2/2023	13/2/2028	RMB4,000,000	3.39%
23 HUATAI G6	RMB1,500,000	27/2/2023	27/2/2026	RMB1,500,000	3.14%
23 HUATAI G7	RMB2,200,000	27/2/2023	27/2/2028	RMB2,200,000	3.36%
23 HUATAI G8	RMB1,700,000	10/5/2023	10/7/2025	RMB1,700,000	2.82%
23 HUATAI G9	RMB700,000	10/5/2023	10/5/2028	RMB700,000	3.07%
23 HUATAI 10	RMB2,000,000	24/8/2023	24/8/2026	RMB2,000,000	2.64%
23 HUATAI 11	RMB2,500,000	21/9/2023	21/9/2026	RMB2,500,000	2.89%
23 HUATAI 13	RMB1,000,000	16/10/2023	16/10/2025	RMB1,000,000	2.80%
23 HUATAI 14	RMB1,600,000	16/10/2023	16/10/2033	RMB1,600,000	3.35%
23 HUATAI 15	RMB1,000,000	6/11/2023	6/8/2026	RMB1,000,000	2.83%
23 HUATAI 16	RMB2,500,000	6/11/2023	6/11/2033	RMB2,500,000	3.30%
23 HUATAI F2	RMB2,800,000	27/11/2023	27/11/2026	RMB2,800,000	3.07%

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46. Long-term bonds - continued

As at 31 December 2023 - continued

<u>Name</u>	<u>Par value</u> Original currency	<u>Issuance date</u>	<u>Due date</u>	<u>Issue amount</u> Original currency	<u>Nominal interest rate</u>
23 HUATAI F4	RMB3,600,000	15/12/2023	15/12/2026	RMB3,600,000	3.08%
20 HUATAI C1	RMB5,000,000	13/11/2020	13/11/2025	RMB5,000,000	4.48%
21 HUATAI C1	RMB9,000,000	29/1/2021	29/1/2026	RMB9,000,000	4.50%
HUATAI B2404	USD900,000	9/4/2021	9/4/2024	USD900,000	1.30%
HUATAI B2604	USD500,000	9/4/2021	9/4/2026	USD500,000	2.00%
HUATAI B2503	USD1,000,000	3/3/2022	3/3/2025	USD1,000,000	2.38%
HUATAI B2509	RMB3,025,000	14/9/2022	14/9/2025	RMB3,025,000	2.85%
HUATAI B2608	USD400,000	9/8/2023	9/8/2026	USD400,000	5.25%
HUATAI B2611	USD800,000	29/11/2023	29/11/2026	USD800,000	SOFR + 0.90%
Structured notes ⁽¹⁾	RMB3,030,000	Note (1)	Note (1)	RMB3,030,000	Note (1)

<u>Name</u>	<u>Book value as at</u> <u>1 January 2023</u> RMB equivalent	<u>Increase</u> RMB equivalent	<u>Decrease</u> RMB equivalent	<u>Book value as at</u> <u>31 December 2023</u> RMB equivalent
20 HUATAI G3	3,566,652	102,166	(101,500)	3,567,318
20 HUATAI G4	3,057,447	96,570	(96,000)	3,058,017
21 HUATAI G1	4,134,487	-	(4,134,487)	-
21 HUATAI G3	5,114,197	-	(5,114,197)	-
21 HUATAI G4	6,134,805	223,739	(222,600)	6,135,944
21 HUATAI G5	4,077,517	-	(4,077,517)	-
21 HUATAI G6	2,042,565	72,980	(72,600)	2,042,945
21 HUATAI G7	2,036,063	-	(2,036,063)	-
21 HUATAI 09	2,544,308	-	(2,544,308)	-
21 HUATAI 11	1,513,806	-	(1,513,806)	-
21 HUATAI 12	2,730,676	102,224	(102,060)	2,730,840
21 HUATAI 13	2,113,678	-	(2,113,678)	-
21 HUATAI 14	3,427,081	135,722	(135,660)	3,427,143
21 HUATAI 15	2,212,859	-	(2,212,859)	-
21 HUATAI 16	1,107,833	43,360	(43,340)	1,107,853
22 HUATAI G1	5,118,848	141,180	(139,500)	5,120,528
22 HUATAI G2	2,017,070	-	(2,017,070)	-
22 HUATAI G3	3,022,110	-	(3,022,110)	-
22 HUATAI G4	2,014,753	50,944	(50,400)	2,015,297
22 HUATAI G5	3,019,971	75,918	(75,000)	3,020,889
22 HUATAI G6	3,610,774	-	(3,610,774)	-
22 HUATAI G7	1,404,662	44,575	(44,520)	1,404,717
22 HUATAI G8	1,502,007	-	(1,502,007)	-
22 HUATAI 10	2,002,083	67,498	(67,000)	2,002,581
22 HUATAI 11	500,556	17,522	(17,450)	500,628
22 HUATAI 12	3,999,798	-	(3,999,798)	-
23 HUATAI G1	-	4,113,345	-	4,113,345
23 HUATAI G2	-	822,900	-	822,900
23 HUATAI G3	-	2,065,894	-	2,065,894
23 HUATAI G4	-	4,629,523	-	4,629,523

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(Expressed in thousands of Renminbi, unless otherwise stated)

46. Long-term bonds - continued

As at 31 December 2023 - continued

<u>Name</u>	Book value as at <u>1 January 2023</u> RMB equivalent	<u>Increase</u> RMB equivalent	<u>Decrease</u> RMB equivalent	Book value as at <u>31 December 2023</u> RMB equivalent
23 HUATAI G5	-	4,117,997	-	4,117,997
23 HUATAI G6	-	1,539,132	-	1,539,132
23 HUATAI G7	-	2,261,221	-	2,261,221
23 HUATAI G8	-	1,730,405	-	1,730,405
23 HUATAI G9	-	713,520	-	713,520
23 HUATAI 10	-	2,017,583	-	2,017,583
23 HUATAI 11	-	2,518,935	-	2,518,935
23 HUATAI 13	-	1,005,417	-	1,005,417
23 HUATAI 14	-	1,610,427	-	1,610,427
23 HUATAI 15	-	1,003,315	-	1,003,315
23 HUATAI 16	-	2,510,029	-	2,510,029
23 HUATAI F2	-	2,808,118	-	2,808,118
23 HUATAI F4	-	3,601,796	-	3,601,796
20 HUATAI C1	5,027,690	224,730	(224,000)	5,028,420
21 HUATAI C1	9,368,951	406,728	(405,000)	9,370,679
HUATAI B2404	6,280,411	-	(6,280,411)	-
HUATAI B2604	3,491,943	129,778	(70,827)	3,550,894
HUATAI B2503	7,000,146	291,941	(168,568)	7,123,519
HUATAI B2509	3,041,406	89,697	(86,213)	3,044,890
HUATAI B2608	-	2,876,402	-	2,876,402
HUATAI B2611	-	5,685,678	-	5,685,678
Structured notes ⁽¹⁾	2,119,436	1,359,181	(350,844)	3,127,773
Total	<u>110,356,589</u>	<u>51,308,090</u>	<u>(46,652,167)</u>	<u>115,012,512</u>

- (1) The Company has not issued long-term structured notes for the period ended 30 June 2024 (for the year ended 31 December 2023: 2 tranches). As at 30 June 2024, 2 tranches of long-term structured notes due within one year is classified as "Long-term bonds due within one year" (as at 31 December 2023: 2 tranches) (Note 45).

47. Long-term bank loans

	<u>As at 30 June 2024</u>	<u>As at 31 December 2023</u>
Unsecured bank loans	-	647,052
Less: unsecured bank loans due within one year	-	-
Total	<u>-</u>	<u>647,052</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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48. 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:

	As at 30 June 2024		As at 31 December 2023	
	Number of shares (Thousands)	Nominal value	Number of shares (Thousands)	Nominal value
Registered, issued and fully paid:				
A shares of RMB1 each	7,310,339	7,310,339	7,355,617	7,355,617
H shares of RMB1 each	1,719,046	1,719,046	1,719,046	1,719,046
Total	<u>9,029,385</u>	<u>9,029,385</u>	<u>9,074,663</u>	<u>9,074,663</u>

On 1 June 2015, the Company completed its initial public offering of 1,400,000,000 H shares on the Main Board of the Hong Kong Stock Exchange. On 19 June 2015, the Company partially exercised the over-allotment option and issued 162,768,800 H shares.

According to the relevant PRC requirements, existing shareholders of the state-owned shares of the Company have transferred an aggregate number of 156,276,880 state-owned shares of the Company to the National Social Security Fund of the PRC, and such shares were then converted into H shares on a one-for-one basis.

In July 2018, the Company completed private placement of issuance of 1,088,731,200 new A shares.

On 20 June 2019, the Company completed its issuance of 75,013,636 GDRs, representing 750,136,360 underlying A shares, and listed on the London Stock Exchange. On 27 June 2019, the Company exercised the over-allotment option and issued additional 7,501,364 GDRs, representing 75,013,640 underlying A shares. In total, the Company has issued 82,515,000 GDRs, representing 825,150,000 new A shares with nominal value of RMB1.00 each. The total paid-up share capital of the Company after the change was RMB9,076,650,000.

In 2022, the Company completed the repurchase and cancellation of 1,060,973 restricted A Shares, after which the Company's registered capital was RMB9,075,589,027 and the total share capital of the Company was 9,075,589,027 shares of RMB1 each.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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(Expressed in thousands of Renminbi, unless otherwise stated)

48. Share capital - continued

In 2023, the Company completed the repurchase and cancellation of 925,692 restricted A Share, after which the Company's registered capital was RMB9,074,663,335 and the total share capital of the Company was 9,074,663,335 shares of RMB1 each.

During the six months ended 30 June 2024, the Company completed the cancellation of 45,278,495 repurchased A Share, after which the Company's registered capital was RMB9,029,384,840 and the total share capital of the Company was 9,029,384,840 shares of RMB1 each.

The H shares and GDRs representing A shares rank pari passu in all respects with the existing A shares including the right to receive all dividends and distributions declared or made.

49. Other equity instruments

	As at 30 <u>June 2024</u>	As at 31 <u>December 2023</u>
Perpetual subordinated bonds	<u>25,700,000</u>	<u>25,700,000</u>

As approved by the CSRC, the Company issued eight batches of perpetual subordinated bonds ("21 Huatai Y1", "21 Huatai Y2", "21 Huatai Y3", "22 Huatai Y1", "22 Huatai Y2", "22 Huatai Y3", "23 Huatai Y1" and "23 Huatai Y2") with an initial interest rate of 3.85%, 4.00%, 3.80%, 3.49%, 3.59%, 3.20%, 3.46% and 3.58% on 15 September 2021, 26 October 2021, 16 November 2021, 26 January 2022, 11 July 2022, 21 October 2022, 8 September 2023 and 20 October 2023, respectively. The perpetual subordinated bonds have no fixed maturity dates and the Company has an option to redeem the bonds at principal amounts plus any accrued interest on the fifth interest payment date or any interest payment date afterwards.

The interest rate for perpetual subordinated bonds is fixed in the first 5 years and will be repriced every 5 years. The repriced interest rate is determined as the sum of the current base rate and the initial spread plus 300bp. The current base rate is defined as the average yield of 5 years treasury from the interbank fixed rate bond yield curve published on China Bond webpage 5 working days before the adjustment.

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49. Other equity instruments - continued

The issuer has the option to defer interest payment, except in the event of mandatory interest payments, so that at each interest payment date, the issuer may choose to defer the interest payment to the next payment date for the current period as well as all interest and accreted interest already deferred, without being subject to any limitation with respect to the number of deferrals. Mandatory interest payment events are limited to dividend distributions to ordinary equity holders and reductions of registered capital.

As the Company declared dividend distribution to ordinary equity holders during the 2023 annual general meeting held on 20 June 2024, the Company has recognised interest payable to the perpetual subordinated bonds amounted to RMB935,130 thousand in dividend payable.

The perpetual subordinated bonds issued by the Company are classified as equity instruments and presented under equity in the condensed consolidated statement of financial position.

50. Treasury shares

	As at 1 January 2024	Increase for the period	Decrease for the period	As at 30 June 2024
Share repurchase	835,802	-	(835,802)	-
Restricted Share Incentive Scheme of A Shares	228,371	-	(110,389)	117,982
Total	<u>1,064,173</u>	<u>-</u>	<u>(946,191)</u>	<u>117,982</u>

On 24 November 2023, the Company held 2023 Second Extraordinary General Meeting, 2023 Third A Share Class Meeting and 2023 Third H Share Class Meeting, where the resolution on "The Company's Cancellation of Repurchased A shares and Reduction of Registered Capital" was considered and approved. It was agreed that the Company would cancel the remaining repurchased A-shares totaling 45,278,495 shares and accordingly reduce the registered capital. On 10 January 2024, the Company completed the cancellation of the repurchased A shares, reducing the share capital and registered capital by RMB45.28 million, reducing the capital reserve by RMB790.52 million, and reducing the treasury shares by RMB835.80 million.

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50. Treasury shares - continued

On 12 April 2024, the Board and the Supervisory Committee of the Company respectively considered and approved the Resolution on Repurchase and Cancellation of Part of the Restricted A Shares by the Company. Based on the achievement of performance conditions at the company level and individual level, the total number of restricted shares that could be unlocked this time was 13,269,954 shares, which became floating shares not subject to selling restrictions on 16 May 2024, and shares subject to selling restrictions was reduced to 16,008,438 Shares in total. According to the Restricted Share Incentive Scheme of A Shares Plan, the share repurchase's obligation was reduced accordingly by RMB103.51 million.

On 20 June 2024, pursuant to the resolution of the 2023 Annual General Meeting of Shareholders, cash dividend of RMB 4.3(tax inclusive) per 10 shares was distributed based on 9,029,384,840 shares excluding the A shares deposited in the special repurchase accounts of the Company and the A shares to be repurchased and cancelled. According to the Restricted Share Incentive Scheme of A Shares Plan, the share repurchase's obligation was reduced accordingly by RMB 6.88 million.

51. Reserves

(a) 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.

(b) Surplus reserve

Pursuant to the Company Law of the PRC, the Company is required to appropriate 10% 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 capitalisation is not less than 25% of the registered capital immediately before the capitalisation.

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51. Reserves - continued

(c) 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 10% 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 10% from its annual net profit to the transaction risk reserve.

In accordance with the requirements of the CSRC No. 94 Provisional Measures on Supervision and Administration of Risk Provision of Public Offering of Securities Investment Funds, the Company appropriates 2.5% from its fund custody fee income to the general risk reserve.

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

(d) Fair value reserve

The fair value reserve comprises:

- The cumulative net changes in fair value of equity instruments designated at FVOCI; and
- The cumulative net changes in fair value of debt instruments at FVOCI until the assets are derecognised or reclassified. This amount is adjusted by the amount of loss allowance.

(e) Cash flow hedges reserve

The cash flow hedges reserve comprises the effective portion of the gain or loss on the hedging instrument.

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51. Reserves - continued

(f) Translation reserve

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

52. Retained profits

Pursuant to the resolution of the general meeting of the shareholders dated 20 June 2024, the Company was approved to distribute cash dividends of RMB4.30 (tax inclusive) per 10 shares to the shareholders based on 9,029,384,840 shares, with total cash dividends amounting to RMB3,883 million. The cash dividends of the Company was paid on 16 August 2024.

53. A disposal group held for sale

Following the approval at the ninth meeting of the sixth board of directors on 25 April 2024, the Company intends to sell all 50,873,799 common shares held by wholly-owned overseas subsidiary, Huatai International Investment Holdings Limited ("Huatai International"), in AssetMark. Upon the completion of the transaction, the Company will no longer hold any equity in AssetMark through Huatai International, and AssetMark will no longer be consolidated by the Group.

As of the end of the reporting period, the completion of this transaction still requires the consent, approval, notification or filing with specific government departments, and is expected to be completed within twelve months. The relevant work of this transaction is proceeding as planned. The assets and liabilities of AssetMark have been classified as a disposal group held for sale and are presented separately in the condensed consolidated statement of financial position. Profit before income tax of AssetMark attributable to shareholders of the Company for the six months ended 30 June 2024 amounted to RMB 459,240 thousand (for the six months ended 30 June 2023: RMB 315,323 thousand). AssetMark is included in the Group's international business for segment reporting purposes.

The net proceeds of disposal are expected to exceed the net carrying amount of the relevant assets and liabilities and accordingly, no impairment loss has been recognised.

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53. A disposal group held for sale - continued

The major classes of assets and liabilities of Assetmark classified as held for sale are as follows:

	As at 30 <u>June 2024</u>
Property and equipment	205,890
Goodwill	3,395,574
Land-use rights and other intangible assets	5,622,981
Accounts receivable	165,156
Other receivables, prepayments and other current assets	307,142
Financial assets at fair value through profit or loss	322,200
Cash and bank balances	1,474,963
Total assets classified as held for sale	<u>11,493,906</u>
Other payables and accruals	703,675
Contract liabilities	9,348
Employee benefits payable	201,159
Deferred tax liabilities	996,208
Total liabilities classified as held for sale	<u>1,910,390</u>

54. Commitments

(a) Capital commitments

Capital commitments outstanding as at 30 June 2024 and 31 December 2023 not provided for in the condensed consolidated financial statements were as follows:

	As at 30 <u>June 2024</u>	As at 31 <u>December 2023</u>
Contracted, but not provided for	<u>9,055,100</u>	<u>7,156,300</u>

The aforementioned capital commitments mainly represent securities underwriting commitments, subscribed capital contributions to funds, construction of properties and purchase of equipment of the Group.

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55. Interests in structured entities

(a) *Interests in structured entities consolidated by the Group*

Structured entities consolidated by the Group mainly stand for the asset management schemes where the Group involves as manager and/ or as investor. The Group assesses whether the combination of investments it holds together with its remuneration creates exposure to variability of returns from the activities of the asset management schemes to a level of such significance that it indicates that the Group is a principal.

As at 30 June 2024, the Group consolidates 56 structured entities (as at 31 December 2023: 59 structured entities), which are mainly asset management schemes. As at 30 June 2024, the total assets of the consolidated structured entities are RMB 40,279 million (as at 31 December 2023: RMB94,908 million), and the carrying amount of interests held by the Group in the consolidated structured entities are RMB 38,293 million (as at 31 December 2023: RMB86,408 million). For the period ended 30 June 2024 and year ended 31 December 2023, the Group did not provide financial support to these structured entities.

(b) *Interests in structured entities sponsored by the Group but not consolidated*

Structured entities for which the Group served as general partner or manager, therefore has power over them during the reporting periods are asset management schemes. Except for the structured entities that the Group has consolidated as set out in Note 55(a), the Group's exposure to the variable returns in the remaining structured entities in which the Group has interests is not significant. Besides, the Group did not provide financial support to these structured entities. The Group therefore did not consolidate these structured entities.

As at 30 June 2024, the total assets of these unconsolidated structured entities managed by the Group amounted to RMB565,414 million (as at 31 December 2023: RMB530,502 million). As at 30 June 2024, the carrying amount of interests held by the Group in these unconsolidated structured entities are RMB6,757 million (as at 31 December 2023: RMB7,101 million).

During the six months ended 30 June 2024, the Group's profit or loss from these unconsolidated structured entities including asset management fee and commission income, and net investment losses, amounted to a total loss of RMB167 million (during the six months ended 30 June 2023: asset management fee and commission income and net investment gains amounted to a total gain of RMB 459 million).

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55. Interests in structured entities - continued

(c) *Interests in structured entities sponsored by third party institutions*

The types of structured entities sponsored by third party institutions that the Group does not consolidate but in which it holds interests include funds, asset management schemes, trust schemes, and wealth management products issued by banks or other financial institutions. The nature and purpose of these structured entities are to generate fees from managing assets on behalf of investors. These vehicles are financed through the issue of units to investors.

The carrying amount of the related accounts in the condensed consolidated statements 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:

	As at 30 June 2024		
	Financial assets at fair value through profit or loss	Assets classified as <u>held for sale</u>	<u>Total</u>
Funds	64,990,340	153,229	65,143,569
Private funds	12,242,064	-	12,242,064
Wealth management products	1,798,404	-	1,798,404
Debt securities	323,014	-	323,014
Total	<u>79,353,822</u>	<u>153,229</u>	<u>79,507,051</u>

	As at 31 December 2023	
	Financial assets at fair value through profit or loss	<u>Total</u>
Funds	60,597,720	60,597,720
Private funds	22,344,489	22,344,489
Wealth management products	369,571	369,571
Debt securities	460,035	460,035
Total	<u>83,771,815</u>	<u>83,771,815</u>

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56. Outstanding litigations

From time to time in the ordinary course of business, the Group is subject to claims and are parties to legal and regulatory proceedings. As at 30 June 2024 and 31 December 2023, based on the court rulings and advices from legal representatives and management judgement, provision had been made to the claim amounts for the major legal action as listed below.

During the year of 2020, the Group's subsidiary Huatai United Securities received the Notice of Legal Action and relevant litigation materials sent by Shanghai Financial Court. The plaintiff, Postal Savings Bank of China Co., Ltd., failed to fully cash its investment in "Huatai Magnate Light Asset-backed Securities", sued to the Court to require the manager (the first defendant), the legal adviser (the second defendant), the rating agency (the third defendant), the issuer (the fourth defendant) and Huatai United Securities, the financial adviser (the fifth defendant), to bear joint and several liability for the compensation for the plaintiff's investment loss of RMB527 million and relevant interest.

The Shanghai Financial Court made the judgment of the first instance on 14 April 2023 that Huatai United Securities Company Limited shall bear joint and several liability, and on 26 April 2023 Huatai United Securities Company Limited submitted an application for appeal, and the first instance judgment has not yet taken effect. The second instance judgement was formally filed in June 2023, and has not yet commenced as at 30 June 2024. According to the opinion of the legal representative and the judgment of the management, the Group has accrued provision amounted to RMB 570 million for the claim amount.

In addition to the above outstanding litigation case, as at 30 June, 2024, the Company and/or its subsidiaries, as defendants, had a total amount of RMB 1.68 billion in pending litigation and arbitration cases with amounts in dispute exceeding RMB 100 million. As of the date of issuance of this report, no judgments have been made. Based on the current progress of these cases and the relevant requirements of the accounting standards, the Group believes that these cases have not yet met the recognition conditions of the provision for liabilities, and no provision for such claims has been made. The management of the Group believes that the final judgment results of these legal or arbitration cases will not have a significant impact on the financial position or operation of the Group.

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57. Share-based payments

	Notes	As at 1 January 2024	Accrued for the period	Decrease for the period	As at 30 June 2024
Restricted Share Incentive Scheme of A Shares	(a)	180,789	19,166	(108,017)	91,938
Share-based payments of an overseas subsidiary	(b)	1,388,553	57,918	-	1,446,471
Total		<u>1,569,342</u>	<u>77,084</u>	<u>(108,017)</u>	<u>1,538,409</u>

	Notes	As at 1 January 2023	Accrued for the year	Decrease for the year	As at 31 December 2023
Restricted Share Incentive Scheme of A Shares	(a)	223,981	72,582	(115,774)	180,789
Share-based payments of an overseas subsidiary	(b)	1,273,641	114,912	-	1,388,553
Total		<u>1,497,622</u>	<u>187,494</u>	<u>(115,774)</u>	<u>1,569,342</u>

(a) Share-based payments of the Company

The Company carried out a Restricted Share Incentive Scheme of A Shares whereby the Company grant restricted A shares to the Incentive Participants in return for their services. On 29 March 2021, 45,488,000 restricted A Shares were granted to 810 incentive participants at the grant price of RMB9.10 per Share. As at 30 March 2021, the Company had in aggregate received subscription proceeds of RMB413,940,800 from 810 incentive participants. On 30 March 2023, the Board and the Supervisory Committee of the Company considered and approved that the total number of restricted shares that can be unlocked is 14,222,943 shares at the end of the first locking period. On 12 April 2024, the Board and the Supervisory Committee of the Company considered and approved that the total number of restricted shares that can be unlocked is 13,269,954 shares at the end of the second locking period (Note 50).

As at 30 June 2024, there is one remaining unlocking periods under the incentive scheme, the weighted average remaining contractual life of the incentive scheme is 0.76 year.

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57. Share-based payments - continued

(a) Share-based payments of the Company - continued

Details of the scheme as at 30 June 2024 and 30 June 2023 are set out below:

<u>Number of shares</u>	<u>Six months ended 30 June</u>	
	<u>2024</u>	<u>2023</u>
Outstanding at the beginning of the period	27,793,201	43,788,054
Granted during the period	-	-
Exercised during the period	-	-
Forfeited during the period	(597,368)	(286,719)
Unlocked during the period	(13,269,954)	(14,222,943)
Outstanding at the end of the period	<u>13,925,879</u>	<u>29,278,392</u>
Exercisable at the end of the period	<u>13,925,879</u>	<u>29,278,392</u>

As at 30 June 2024, cumulative amount of RMB 91.94 million was recognised in the capital reserve of the Company (as at 30 June 2023: RMB180.79 million). The total expenses recognised for the six months ended 30 June 2024 was RMB 19.17 million (for the six months ended 30 June 2023: RMB47.44 million).

For the period ended 30 June 2024 the Company recognized share-based payment expense amounted to RMB 3.04 million, for the restricted shares granted to the Company's key management personnel (for the period ended 30 June 2023: RMB6.12 million).

The fair value of services received in return for restricted share Incentive scheme is measured by reference to the fair value of shares. The estimate of the fair value of restricted shares granted is measured based on the closing price of shares at grant date, which is RMB17.24 per share.

(b) Share-based payments of a subsidiary

On 3 July 2019, AssetMark granted the equity incentive plan ("the 2019 Equity Incentive Plan"). The 2019 Equity Incentive Plan was effective on 17 July 2019, i.e. the effective date of the S-1 registration form of the Initial Public Offering ("IPO").

(i) Restricted Stock Awards (RSAs)

On 17 July 2019, AssetMark granted the original holders of Restricted Stock Awards equal to 6,309,049 shares of AssetMark common stock.

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57. Share-based payments - continued

(b) *Share-based payments of a subsidiary* - continued

(ii) *Stock Options*

In connection with the IPO, AssetMark issued options to certain officers to acquire an aggregate of 918,981 shares of the common stock, with an exercise price of USD22 per share. Each of these options is scheduled to vest and become exercisable in substantially equal installments on each of the first three anniversaries of 18 July 2019. AssetMark uses the Black-Scholes options pricing model to estimate the fair value of Stock Options.

(iii) *Restricted Stock Units (RSUs)*

In connection with the IPO, AssetMark issued Restricted Stock Units to certain officers covering an aggregate of 85,737 shares of the common stock. Each of these Restricted Stock Units is scheduled to vest in substantially equal installments on each of the first three anniversaries of 18 July 2019. Since 2020, AssetMark issued RSUs to all officers, certain employees and independent directors of the board, respectively. Most of these RSUs are scheduled to vest in substantially equal installments on each of the first four anniversaries of the date of grant. During the first six months of 2024, AssetMark issued 19,731 RSUs in aggregate to its officers, certain employees and independent directors of the board. Most of these RSUs are scheduled to vest in substantially equal installments on each of the first four anniversaries of the date of grant.

(iv) *Stock Appreciation Rights (SARs)*

On 9 June 2020, AssetMark issued stock appreciation to certain officers with respect to 831,902 shares of its common stock under the 2019 Equity Incentive Plan. Each SAR has a strike price equal to the fair market value of the common stock of AssetMark on the date of grant and is scheduled to vest and become exercisable in substantially equal installments on each of the first four anniversaries of 9 June 2020. Upon exercise, each of these SARs will be settled in shares of AssetMark common stock with a value equal to the excess, if any, of the fair market value of its common stock measured on the exercise date over the strike price. Since 2020, AssetMark issued SARs to certain officers. Each SAR has a strike price equal to the excess, if any, of the fair market value of its common stock measured on the exercise date over the strike price and is scheduled to vest and become exercisable in substantially equal installments on each of the first four anniversaries of the date of grant. During the first six months of 2024, AssetMark issued 41,981 SARs to certain officers. Each SAR is scheduled to vest and become exercisable in substantially equal installments on each of the first four anniversaries of the date of grant.

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57. Share-based payments - continued

(b) Share-based payments of a subsidiary - continued

(iv) Stock Appreciation Rights (SARs) - continued

During 2023, AssetMark issued 338,907 Cash-settled SARs to certain officers. Each Cash-settled SAR has a strike price equal to the fair market value of the AssetMark's common stock on the date of grant and is scheduled to vest and become exercisable in substantially equal installments on each of the first four anniversaries of their grant date, subject to the recipient's continued employment through the vesting date, and have a ten-year contractual term. Upon exercise, each of these Cash-settled SARs will be settled in cash with a value equal to the excess, if any, of the fair market value of the AssetMark's common stock measured on the exercise date over the strike price.

58. Related party relationships and transactions

(a) Relationship of related parties

(i) Major shareholders

<u>Name of the shareholders</u>	<u>Place of registration</u>	<u>Registered share capital</u>	<u>Percentage of equity interest (%)</u>	<u>Voting rights (%)</u>
Jiangsu Guoxin Investment Group Limited	Nanjing	RMB30 billion	15.21	15.21
Jiangsu Communications Holdings Co., Ltd	Nanjing	RMB16.8 billion	5.42	5.42

The detailed information of the transactions and balances with Group's major shareholders is set out in Note 58(b)(i).

(ii) Associates of the Group

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

(iii) Joint ventures of the Group

The detailed information of the Group's joint ventures is set out in Note 21.

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58. Related party relationships and transactions - continued

(a) Relationship of related parties - continued

(iv) Other related parties

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

(b) Related parties transactions and balances

Other than as disclosed elsewhere in these consolidated financial statements, the Group had the following related party transactions and balances:

(i) Transactions and balances between the Group and major shareholders and their subsidiaries:

	As at 30 <u>June 2024</u>	As at 31 <u>December 2023</u>
Balances at the end of the period/ year:		
Right-of-use assets	227	-
Other receivables and prepayments	3,183	43
Financial assets at fair value through profit or loss	90,071	138,331
Accounts payable to brokerage clients	189,785	14,389
Other payables and accruals	3,211	3,211
Lease liabilities	181	-
	<u>Six months ended 30 June</u>	
	<u>2024</u>	<u>2023</u>
Transactions during the period:		
Fee and commission income	4,913	7,741
Net investment gains	2,456	1,785
Operating expense	-	(199)

For the period ended 30 June 2024, the Group has redeemed the bonds issued by major shareholders amounting to RMB 57 million (For the period ended 30 June 2023: nil).

For the period ended 30 June 2024, the Group has subscribed the bonds issued by major shareholders amounting to RMB 30 million (For the period ended 30 June 2023: RMB 99 million).

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58. Related party relationships and transactions - continued

(b) Related parties transactions and balances - continued

(ii) Transactions and balances between the Group and associates:

	As at 30 <u>June 2024</u>	As at 31 <u>December 2023</u>
Balances at the end of the period/ year:		
Cash and bank balances	971,940	1,244,329
Accounts receivable	136,061	111,881
Lease liabilities	81,642	19,078
Right-of-use assets	88,675	17,489
Accounts payable to brokerage clients	108,688	96,223
Other payables and accruals	405	1,893
Financial assets at fair value through profit or loss	30,227	50,510
Other receivables and prepayments	3,956	2,828
Placements from other financial institutions	-	1,000,383
	<u>Six months ended 30 June</u>	
	<u>2024</u>	<u>2023</u>
Transactions during the period:		
Fee and commission income	132,536	154,677
Fee and commission expense	(304)	(197)
Other income and gains	1,769	1,095
Operating expense	-	(1)
Interest income	16,878	12,790
Interest expenses	(2,188)	(7,734)
Net investment gains	1,902	263

For the period ended 30 June 2024, the Group have redeemed the corporate bond issued by the associates amounting to RMB 20 million (For the period ended 30 June 2023: nil).

For the period ended 30 June 2024, the associates have subscribed the non-public corporate bond issued by the Group amounting to nil (For the period ended 30 June 2023: RMB 1,643 million).

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58. Related party relationships and transactions - continued

(b) Related parties transactions and balances - continued

(ii) Transactions and balances between the Group and associates: - continued

For the period ended 30 June 2024, the capital injection made by the Group into the associates are RMB 211 million (For the period ended 30 June 2023: RMB 787 million). For the period ended 30 June 2024, the capital reduction made by the Group from the associates are RMB 20 million (For the period ended 30 June 2023: RMB 86 million).

For the six months ended 30 June 2024, the Group has made repurchase agreements with associates for the total amount of RMB 4,556 million (For the period ended 30 June 2023: RMB 53,167 million).

For the six months ended 30 June 2024, the Group has taken placements from other financial institutions with associates for the total amount of RMB 19,500 million (For the period ended 30 June 2023: RMB 39,970 million).

For the six months ended 30 June 2024, the dividend received from associates are RMB 633 million (For the period ended 30 June 2023: RMB 668 million).

For the six months ended 30 June 2024, the Group has paid rental fee to associates for the total amounts of RMB 23 million (For the period ended 30 June 2023: RMB 23 million).

(iii) Transactions and balances between the Group and joint ventures:

	As at 30 <u>June 2024</u>	As at 31 <u>December 2023</u>
Balances at the end of the period/ year:		
Accounts receivable	5,282	-
Accounts payable to brokerage clients	72	2,885
	<u>Six months ended 30 June</u>	
	<u>2024</u>	<u>2023</u>
Transactions during the period:		
Fee and commission income	4,983	4,383

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58. Related party relationships and transactions - continued

(b) Related parties transactions and balances - continued

(iii) Transactions and balances between the Group and joint ventures: - continued

For the six months ended 30 June 2024, the capital injection made by the Group into the joint ventures is RMB 75 million (For the period ended 30 June 2023: nil).

For the six months ended 30 June 2024, the capital reduction made by the Group from the joint ventures is RMB 26 million (For the period ended 30 June 2023: RMB 151 million).

For the six months ended 30 June 2024, the dividend received from the joint ventures is nil (For the period ended 30 June 2023: RMB 22 million).

(iv) Transactions and balances between the Group and other related parties:

	As at 30 <u>June 2024</u>	As at 31 <u>December 2023</u>
Balances at the end of the period/ year:		
Accounts payable to brokerage clients	3,740	5,002
	<u>Six months ended 30 June</u>	
	<u>2024</u>	<u>2023</u>
Transactions during the period:		
Fee and commission income	113	27

(c) Key management personnel remuneration

For the six months ended 30 June 2024, the Company paid pre-tax remuneration to key management personnel of the Company amounting to RMB 9.36 million (For the six months ended 30 June 2023: RMB 21.66 million). For the six months ended 30 June 2024, the post-employment benefits of the key management personnel amounted to RMB 0.34 million (For the six months ended 30 June 2023: RMB 0.35 million).

For the six months ended 30 June 2024, the Company paid pre-tax deferred remuneration which was accrued in previous years to directors, supervisors, and senior management personnel amounted to nil (For the six months ended 30 June 2023: RMB14.41 million).

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

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59. Segment reporting

Management manages the business operations by the following segments in accordance with the nature of the operations and the services provided, and the performance measure of business segments utilised by the Group is profit before income tax:

- The wealth management segment engages in the trading of stocks, funds, bonds and futures on behalf of clients, to provide customers with a variety of financial products sales services and asset allocation services. Moreover, the activities of providing margin financing, securities lending, securities-backed lending and sell financial products are included in this segment.
- The institutional services segment mainly provides investment banking business to clients, research and institutional sales, equity securities investments and transactions, fixed income investments and transactions, OTC financial products and transactions.
- The investment management segment mainly consists of asset management, private equity investment, alternative investments and commodities trading and arbitrage.
- The international business segment mainly includes the overseas business of overseas subsidiaries.
- Other segments include other operations of head office, mainly including interest income, share of profit of associates and joint ventures, interest expenses of working capitals, and costs and expenses of middle offices and back offices.

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59. Segment reporting - continued

(a) Business segments

For the six months ended 30 June 2024

	Wealth management	Institutional services	Investment management	International business	Others	Total
Revenue						
- External	8,572,774	3,276,213	1,025,462	5,227,112	1,345,773	19,447,334
- Inter-segment	32,912	10,021	-	-	330,924	373,857
Other income and gains	1,881,849	(45,123)	62,584	3,596,667	(37,330)	5,458,647
Segment revenue and other income	10,487,535	3,241,111	1,088,046	8,823,779	1,639,367	25,279,838
Segment expenses	(6,595,415)	(2,898,556)	(644,099)	(7,807,619)	(2,385,006)	(20,330,695)
Segment operating profit / (loss)	3,892,120	342,555	443,947	1,016,160	(745,639)	4,949,143
Share of (loss) / profit of associates and joint ventures	-	(554)	(820,195)	-	1,447,427	626,678
Profit / (loss) before income tax	3,892,120	342,001	(376,248)	1,016,160	701,788	5,575,821
Interest income	4,642,973	418,909	86,907	870,238	995,530	7,014,557
Interest expenses	(1,597,009)	(1,618,759)	(238,579)	(1,854,731)	(1,004,217)	(6,313,295)
Depreciation and amortisation expenses	(273,804)	(95,371)	(34,784)	(254,807)	(305,769)	(964,535)
Net reversal of/ (provision for) impairment loss on financial assets	565,403	193	122	(39,082)	(9,926)	516,710
Additions to non-current segment assets during the period	46,943	61,660	13,480	276,090	503,238	901,411
As at 30 June 2024						
Segment assets	282,358,607	310,292,138	41,910,758	151,491,427	170,133,492	956,186,422
Segment liabilities	(272,991,020)	(304,718,885)	(18,803,855)	(131,644,846)	(44,599,529)	(772,758,135)

For the six months ended 30 June 2023

	Wealth management	Institutional services	Investment management	International business	Others	Total
Revenue						
- External	9,841,278	6,081,523	1,903,191	3,926,125	1,054,887	22,807,004
- Inter-segment	25,614	19,731	-	-	1,305,829	1,351,174
Other income and gains	875,106	(153,185)	70,732	2,166,202	219,461	3,178,316
Segment revenue and other income	10,741,998	5,948,069	1,973,923	6,092,327	2,580,177	27,336,494
Segment expenses	(6,877,949)	(4,014,967)	(781,979)	(5,286,316)	(2,626,613)	(19,587,824)
Segment operating profit / (loss)	3,864,049	1,933,102	1,191,944	806,011	(46,436)	7,748,670
Share of (loss) / profit of associates and joint ventures	-	-	(189,908)	-	1,437,821	1,247,913
Profit before income tax	3,864,049	1,933,102	1,002,036	806,011	1,391,385	8,996,583
Interest income	5,315,389	651,237	71,863	549,343	833,192	7,421,024
Interest expenses	(2,286,679)	(1,842,572)	(243,869)	(1,568,501)	(848,816)	(6,790,437)
Depreciation and amortisation expenses	(284,971)	(101,165)	(44,184)	(214,248)	(281,677)	(926,245)
Net reversal of/ (provision for) impairment loss on financial assets	487,274	10,692	(142)	(56,754)	(23,058)	418,012
Additions to non-current segment assets during the period	63,716	31,061	14,131	103,300	184,655	396,863
As at 31 December 2023						
Segment assets	285,438,957	351,844,346	28,552,772	185,801,651	185,514,044	1,037,151,770
Segment liabilities	(280,739,909)	(347,319,611)	(5,705,664)	(166,977,124)	(54,192,030)	(854,934,338)

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(Expressed in thousands of Renminbi, unless otherwise stated)

59. Segment reporting - continued

(a) Business segments - continued

Reconciliations of segment revenues, profit or loss, assets and liabilities:

	For the six months ended 30 June	
	<u>2024</u>	<u>2023</u>
Revenue		
Total revenue, gains and other income for segments	25,279,838	27,336,494
Elimination of inter-segment revenue	(401,543)	(1,383,940)
Consolidated revenue, gains and other income	<u>24,878,295</u>	<u>25,952,554</u>
Profit		
Total profit before income tax for segments	5,575,821	8,996,583
Elimination of inter-segment profit	307	(999,155)
Consolidated profit before income tax	<u>5,576,128</u>	<u>7,997,428</u>
	As at 30	As at 31
	<u>June 2024</u>	<u>December 2023</u>
Assets		
Total assets for segments	956,186,422	1,037,151,770
Elimination of inter-segment assets	(121,604,791)	(131,643,381)
Consolidated total assets	<u>834,581,631</u>	<u>905,508,389</u>
Liabilities		
Total liabilities for segments	(772,758,135)	(854,934,338)
Elimination of inter-segment liabilities	121,604,791	131,643,381
Consolidated total liabilities	<u>(651,153,344)</u>	<u>(723,290,957)</u>

For the six months ended 30 June 2024 and 30 June 2023, the Group's customer base is diversified and no customer had transactions which exceeded 10% of the Group's revenue.

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59. Segment reporting - continued

(b) Geographical information

The following table sets out information about the geographical location of: (i) the Group's revenue from external customers and (ii) the Group's property and equipment, investment properties, goodwill, land-use rights, other intangible assets, interests in associates and joint ventures, and other non-current assets ("specified non-current assets"). The geographical location of customers is based on the location at which the services were provided. The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of property and equipment and other non-current assets, the location of the operation to which they are allocated, in the case of goodwill, land-use rights and other intangible assets, and the location of operations, in the case of interests in associates and joint ventures.

	For the six months ended 30 June 2024			For the six months ended 30 June 2023		
	Mainland China	Overseas	Total	Mainland China	Overseas	Total
Revenue from external customers	14,220,222	5,227,112	19,447,334	18,880,879	3,926,125	22,807,004
Other income and gains	1,834,294	3,596,667	5,430,961	979,348	2,166,202	3,145,550
Total	16,054,516	8,823,779	24,878,295	19,860,227	6,092,327	25,952,554
	As at 30 June 2024			As at 31 December 2023		
	Mainland China	Overseas	Total	Mainland China	Overseas	Total
Specified non-current assets	29,104,221	10,203,654	39,307,875	28,603,135	10,054,267	38,657,402

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60. Financial instruments and risk management

(a) Risk management policies and structure

(i) Risk management policies

In order to enhance the Group's scientific, standardised and effective management and operation, strengthen the capability of defending against risks and ensure the continuous, stable and rapid development of the Group's businesses, the Group had formulated the Basic System for Risk Management which had been deliberated and approved by the Board of Directors in accordance with the Securities Law of the People's Republic of China, the Rules on Supervision over Securities Companies, the Guidelines on the Internal Control of Securities Companies, the Regulation on Comprehensive Risk Management of Securities Companies and other relevant regulations in combination with the business operation and business management. This has clarified the risk management objectives and principles, the risk appetite and risk tolerance level of the Group as a whole and for different risk types, the risk management procedures, and the relevant resource assurance and appraisal mechanisms. In terms of operation management, the Group had formulated and issued various professional risk management guidelines to clearly establish the management processes and measures, risk indicators and limits for various types of risks; in addition, the Group had also formulated policies such as the Administration Measures for Risk Control Indicators, the Rules on the Risk Management of Subsidiaries, the Implementation Plan for Stress Test and the Detailed Implementation Rules for Stress Test at the operation level. In the specific business level, the Group had established business risk management system or risk management manual based on the risk points of different business areas and business management lines.

The principal types of risk faced by the Group in daily operation mainly include market risk, credit risk, liquidity risk, operational risk, information technology risk, reputational risk, model risk and compliance risk, legal risk, money laundering risk, integrity risk, etc. The Group had formulated corresponding policies and procedures to identify and analyse these risks, and set up risk indicators, risk limits and internal risk control processes in combination with the actual circumstances with a view to continuously manage the above risks through the support of information systems and effective mechanisms.

Risk management is a shared responsibility of all the Group's employees. The Group continuously enhances the risk management awareness and risk sensitivity of all its employees through training and assessment to cultivate the risk management culture.

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(Expressed in thousands of Renminbi, unless otherwise stated)

60. Financial instruments and risk management - continued

(a) Risk management policies and structure - continued

(ii) Risk governance structure

The risk management structure of the Company covers five major parts: The Board and its Compliance and Risk Management Committee, Board of Supervisors, Business Operation Management and Risk Control Committee, Risk Management Department and various risk management departments as well as other departments, branches and subsidiaries.

The Board of Directors takes ultimate responsibilities for the Company's comprehensive risk management. The Compliance and Risk Management Committee is set up by the Board to review and make recommendations on the overall risk management targets, fundamental policies and risk assessment reports; and evaluate and make recommendations on the risks of major decisions which require the Board's review as well as the solutions to these major risks. The Board of Supervisors is responsible for the supervision of overall risk management, supervising and examining the Board and the management on the performance of their risk management duties and urging them to make rectifications. Based on the authorisation and approval of the Board and in combination with the operational targets of the Company, the management is specifically responsible for the implementation of risk management activities, with the Risk Control Committee established under it. The Chief Risk Officer of the Company is responsible for leading the overall risk management initiatives. The Risk Management Department is charged with comprehensive risk management duties. It reports to the management and is responsible for managing the overall risks of the Company, taking the lead in managing market risk, credit risk and operational risk. Relevant functional departments of the Company are responsible for taking the lead in managing other types of risks according to their responsibilities and positioning. Other departments, branches and subsidiaries of the Company are responsible for the management of risks in respective lines, implementing policies, procedures and measures formulated by the Company and risk management departments, accepting the guidance from risk management departments and the decomposition of risk management and implementation responsibilities by the risk management departments. The Audit Department is responsible for conducting independent and objective reviews and evaluations of the comprehensiveness and effectiveness of the risk management, and is also in charge of leading or entrusting external professional institutions to regularly assess the company's comprehensive risk management system.

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(Expressed in thousands of Renminbi, unless otherwise stated)

60. Financial instruments and risk management - continued

(b) Credit risk management

Credit risk refers to the risk of loss of the Company resulting from the default of borrowers or bond issuer or counterparty (customer). The Company has established a credit risk management system covering self-owned capital and entrusted funding business. The system is applied to all subsidiaries domestic or overseas, and also to the sub-subsidiaries managed with reference to the subsidiary's management approach, thereby achieving full credit risk management coverage.

The Group mainly faced three types of credit risks, namely (i) the risks of suffering from loss in respect of the financing bills and interest lent out due to borrower's default in financing business; (ii) the risks caused by default of the issuer in bond investment business; (iii) the risks of assets suffering from loss due to the default by the counterparty in transaction business (including guarantee settlement business).

With respect to credit risk management of financing business, the Group implemented stringent control measures through continuous monitoring for risky customers and risky assets and timely risk mitigation. The Company intensified the dynamic counter-cyclical adjustment mechanism, established a market systemic risk monitoring and handling mechanism and strengthened the post-credit management of related businesses, in order to control routine business risks, prevent bottom-line risks and flexibly adjust the business structure.

With respect to credit risk management of issuers, the Company established a unified monitoring management system for issuers to realize the unified monitoring of credit bond targets for the Company's various businesses. In the meantime, the Company deepened the credit bonds' risk management and control in the whole process, established a screening and disposal mechanism of normalization for risky securities, and continuously to strengthen the monitoring and early warning mechanism of bond positions, thereby enhancing the effectiveness of the Company's prevention and control capabilities of credit risk.

With respect to credit risk management of counterparties, the Company constantly promoted the optimization construction of the unified management system for counterparties, and further strengthened counterparties' credit management in accordance with internal and external public sentiment to strictly control tail risks. For guaranteed settlement business, the Company continued to improve the front-end control of risk indicator design and promoted the establishment of systematic measures, as well as strengthened its risk event handling and risk transmission control capabilities.

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(Expressed in thousands of Renminbi, unless otherwise stated)

60. Financial instruments and risk management - continued

(b) Credit risk management - continued

The Company continued to optimize and improve its unified credit risk management system, in order to enhance its ability to cope with the complex external credit environment and provide strong risk control guarantee for the development of various credit businesses. During the reporting period, the Company did not experience any major credit risk events, and its businesses operated smoothly.

The Group provided credit loss allowances for securities-backed lending of financial assets sold under repurchase agreements. The Group assessed the continuous repayment, solvency and the collateral to loan ratios of the borrowers to analyse the degree of default risk and identified the three stages of credit loss allowances of the securities-backed lending assets. The details are as below.

Description	Stage of credit loss allowances	
Collateral to loan ratios above the force liquidation thresholds, with no past due days	12-month ECL	Stage 1
Collateral to loan ratios above the force liquidation thresholds, with less than 90 days past due on its contractual payments	Lifetime ECL-not credit impaired	Stage 2
Collateral to loan ratios below the force liquidation thresholds but above 100%, with no past due days		
Collateral to loan ratios below the force liquidation thresholds but above 100%, with less than 90 days past due on its contractual payments		
Collateral to loan ratios below 100%	Lifetime ECL-credit impaired	Stage 3
Collateral to loan ratios above 100%, with more than 90 days past due on its contractual payments		
Borrowers in default or lawsuit		
Borrowers in significant financial difficulties or about to bankruptcy or undertaking a financial restructuring		

The Group set different force liquidation thresholds, normally no less than 130%, for different borrowers and assets.

For assets classified under Stage 1 and Stage 2, the Group assessed credit loss allowances using the risk parameters modeling approach that incorporated key parameters inclusive of collateral to loan ratios and past due days. As at 30 June 2024, the average credit loss rate was 0.27% for assets classified under Stage 1 and no asset classified under Stage 2 (As at 31 December 2023, the average credit loss rate was 0.35% for assets classified under Stage 1, no assets classified under Stage 2).

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60. Financial instruments and risk management - continued

(b) Credit risk management - continued

For credit impaired assets classified under Stage 3, the Group assessed credit loss allowances taking into account the collateral securities under each contract and the financial situation of the borrower. The factors which the Group considered when assessing the credit loss allowances included but not limited to: the industry sector of the borrower, the stock price of the collateral securities, the average daily trading volume of the stock, the percentage of goodwill of the stock issuer, significant risk parameters of the securities, whether the borrowers are the holding shareholders, the liquidity and restriction on sales, the history of blacklist or defaults of the borrower, the total market pledged ratios of the stock, the collateral situation, and the credit enhancement measures implemented by the borrower. The Group assessed the above factors as well as collateral to loan ratios and past due days to evaluate and provide credit loss allowances, ranging from 10% to 100%.

(i) Maximum exposure to credit risk

The Group's credit risk exposure of financial instruments for which an ECL allowance is recognised as follows according to the stage of ECL:

<u>Impairment and loss allowance</u>	As at 30 June 2024			
	<u>12-month ECL</u>	<u>Lifetime ECL- not credit impaired</u>	<u>Lifetime ECL- credit impaired</u>	<u>Total</u>
Bank balances	389	-	-	389
Margin accounts receivable	392,912	441,294	178,523	1,012,729
Financial assets held under resale agreements	10,584	-	634,012	644,596
Accounts receivable	-	124,046	-	124,046
Debt instruments at amortised cost	5,451	-	-	5,451
Debt instruments at fair value through other comprehensive income	20,987	-	-	20,987
Other receivables and interest receivable	644	59,273	711,963	771,880
Assets classified as held for sale	-	635	-	635
Total	430,967	625,248	1,524,498	2,580,713

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60. Financial instruments and risk management - continued

(b) Credit risk management - continued

(i) Maximum exposure to credit risk - continued

<u>Impairment and loss allowance</u>	As at 31 December 2023			<u>Total</u>
	<u>12-month ECL</u>	Lifetime ECL- not credit <u>impaired</u>	Lifetime ECL- credit <u>impaired</u>	
Bank balances	512	-	-	512
Margin accounts receivable	560,203	843,096	118,048	1,521,347
Financial assets held under resale agreements	17,974	-	635,152	653,126
Accounts receivable	-	115,458	-	115,458
Debt instruments at amortised cost	5,499	-	-	5,499
Debt instruments at fair value through other comprehensive income	39,022	-	-	39,022
Other receivables and interest receivable	393	47,358	715,714	763,465
Total	<u>623,603</u>	<u>1,005,912</u>	<u>1,468,914</u>	<u>3,098,429</u>

(c) Liquidity risk management

Liquidity risk refers to the risk of the Group not being able to obtain sufficient funds at a reasonable cost in time to meet due debts, perform payment obligations and meet the capital requirements of normal businesses. The Group established a fully functional liquidity risk management system to identify, measure, monitor, control and report on its overall liquidity risk to improve the information of liquidity risk management, enhance the capabilities in the identification, measurement and monitoring of liquidity risk, and strengthen the Group ability in addressing liquidity risk. In addition, the Group also established a right-sized liquidity assets reserves based on the risk appetite and maintained sufficient liquidity assets with high quality to ensure the satisfaction of liquidity needs under stressful scenarios in a timely manner.

(d) Market risk management

Market risk refers to the risk resulting from the movements in market prices such as exchange rates, interest rates and stock prices, which could have an impact on the income of the Group or the value of financial instruments held by the Group. The objective of market risk management is to manage and control the market risk within the acceptable range and to maximise the risk adjusted return.

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60. Financial instruments and risk management - continued

(d) Market risk management - continued

(i) Interest rate risk

Interest rate risk refers to the risk that movements in market interest rate will cause fluctuation in the Group's consolidated financial position and cash flow. The Group's interest-bearing assets mainly include bank balances, clearing settlement funds, margin accounts receivable, financial assets purchased under resale agreements, refundable deposits and bond investments; interest-bearing liabilities mainly include short-term bank loans, short-term debt instruments issued, placements from other financial institutions, financial assets sold under repurchase agreements, accounts payable to brokerage clients, long-term bonds and long-term bank loans, amongst others.

For financial instruments held on the reporting date that expose the Group to fair value interest rate risk, the Group adopts sensitivity analysis as the primary instrument for monitoring interest rate risk. Sensitivity analysis measures the effect of any reasonable and potential changes to the interest rate on the net profits and shareholders' equity under the assumption that all the other variables remain constant.

(ii) Currency risk

Currency risk is the risk arising from foreign exchange business of the Group, which is attributable to the fluctuation of foreign exchange rates. Apart from the assets and liabilities held by the Group's overseas subsidiaries which use Hong Kong dollars or U.S. dollars as their functional currency, other assets and liabilities denominated in foreign currencies mainly represent foreign currency cash and bank balances held by domestic enterprises, foreign currency financial assets and liabilities arising from cross-border business, as well as foreign currency financial assets acquired by subsidiaries. In respect of assets and liabilities denominated in foreign currencies such as cash and bank balances, clearing settlement funds, refundable deposits, accounts receivable, cash held on behalf of brokerage clients, accounts payable and long-term bonds that are not accounted for with their functional currency, the Group has ensured that their net risk exposure are maintained at an acceptable level by buying or selling foreign currencies at market exchange rates where necessary to address the short-term imbalances.

(iii) Price risks

The Group is exposed to equity price changes arising from equity investments concluded in financial instruments at fair value through profit or loss and financial assets at fair value through other comprehensive income. Price risk the Group facing is mainly the proportionate fluctuation in the Group's net profits due to the price fluctuation of the financial instruments at fair value through profit or loss and the proportionate fluctuation in the Group's equity due to the price fluctuation of the financial instruments measured at fair value.

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60. Financial instruments and risk management - continued

(e) Operational risk management

Operational risk refers to the risk on the Company's losses caused by inadequate or problematic internal procedures, staff, system or external events, which lead to inefficient internal procedures, mistakes of staff in operation or failure to strictly enforce the established procedures. The Risk Management Department takes the lead in managing the operational risk of the Group. Each department, business department and subsidiary actively perform the operational risk management in their respective lines and are responsible for the management effect, and bear the first responsibility. The Company adopts technological measures to prevent the emergence of operational risks in different business and management procedures as well as key segments, whilst at the same time strengthens process controls, to ensure effective implementation of operational risk management policies and systems. The Group carries out self-assessment of risk and control, monitoring of key risk indicators and gathering of loss data as additional approaches to strengthen the management of operational risks.

Based on the Basic Standard for Enterprise Internal Control jointly issued by the Ministry of Finance, the CSRC, the National Audit Office and the Former China Banking and Insurance Regulatory Commission as well as its supporting guidelines and the relevant requirements of the regulatory authorities and the Company, the Group has developed the risk-based internal control standards and carried out relevant continuous improvement initiatives. It has combined the self-assessment of operational risk with the self-assessment of internal controls; comprehensively sorted out and evaluated the inherent risks and control activities in various business processes; tested the effectiveness of control design and implementation; rectified the internal control weaknesses; comprehensively sorted out and optimised various business segments, systems and processes of the Group in order to ensure that the Group internal control measures are properly in place and the effectiveness of risk management. In addition, the Group has also integrated the management of operational risk and internal controls into daily operation; participated in the design of system, procedures and plan for new business throughout the entire process; fully identified and comprehensively evaluated the operational risks; and performed various pre-, middle- and post management measures such as setting up front-end controls, standardising business processes, creating risk-discovery indicators and conducting training and inspection in order to implement internal controls at key risk points.

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60. Financial instruments and risk management - continued

(f) Capital management

The Group's objectives of capital management are:

- (i) To safeguard the Group's ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stakeholders;
- (ii) To support the Group's stability and growth;
- (iii) To maintain a strong capital base to support the development of their business; and
- (iv) To comply with the capital requirements under the PRC, Hong Kong and the United States regulations.

On 23 January 2020 and 20 March 2020, the revised Rules on Standards for the Calculation of Risk Control Indicators of Securities Companies and the revised Administrative Measures for Risk Control Indicators of Securities Companies were issued by the CSRC. The Company is required to meet the following standards for risk control indicators on a continual basis from 1 June 2020:

- (i) The ratio of net capital divided by the sum of its various risk capital provisions shall be no less than 100%;
- (ii) The ratio of net capital divided by net assets shall be no less than 20%;
- (iii) The ratio of net capital divided by liabilities shall be no less than 8%;
- (iv) The ratio of net assets divided by liabilities shall be no less than 10%;
- (v) The ratio of the value of equity securities and derivatives held divided by net capital shall not exceed 100%;
- (vi) The ratio of the value of non-equity securities and derivatives held divided by net capital shall not exceed 500%;
- (vii) The ratio of core net capital divided by on balance sheet and off balance sheet assets shall be no less than 8%;
- (viii) The ratio of high quality liquidity assets divided by net cash outflows for the next 30 days shall be no less than 100%;
- (ix) The ratio of available stable funds divided by required stable funds shall be no less than 100%; and
- (x) The ratio of margin financing (including securities lending) divided by net capital shall not exceed 400%.

Net capital refers to net assets minus risk adjustments on certain types of assets as defined in the Administrative Measures.

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(Expressed in thousands of Renminbi, unless otherwise stated)

60. Financial instruments and risk management - continued

(f) Capital management - continued

During the period, the Company monitored the above ratios closely to maintain these ratios in compliance with the relevant capital requirements.

Similar to the Company, certain subsidiaries of the Group are also subject to capital requirements under the Mainland China, Hong Kong and the United States regulatory requirements, respectively. These subsidiaries comply with the capital requirements during the six-month period ended 30 June 2024 and the year ended 31 December 2023.

(g) Transfer of financial assets

The Group transferred financial assets to certain counterparties through repurchase agreements and securities lending. These securities are not derecognised from the condensed consolidated statement of financial position because the Group retains substantially all the risks and rewards of these securities.

The Group entered into repurchase agreements with certain counterparties to sell debt securities classified as financial assets at fair value through profit or loss and debt instruments at amortised cost. Sales and repurchase agreements are transactions in which the Group sell a security, and agree to repurchase it at the agreed date and price. The repurchase prices are fixed and the Group is still exposed to substantially all the credit risks, market risks and rewards of those securities sold. These securities are not derecognised from the condensed consolidated statement of financial position because the Group retains substantially all the risks and rewards of these financial assets.

The Group entered into securities lending agreements with clients to lend out its equity securities and exchange-traded funds classified as financial assets at fair value through profit or loss. As stipulated in the securities lending agreements, the legal ownership of these equity securities and exchange-traded funds is transferred to the clients. Although the clients are allowed to sell these securities during the covered period, they have obligations to return these securities to the Group at specified future dates. The Group has determined that it retains substantially all the risks and interests of these securities and therefore has not derecognised these securities in the condensed consolidated statement of financial position.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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(Expressed in thousands of Renminbi, unless otherwise stated)

60. Financial instruments and risk management - continued

(g) Transfer of financial assets - continued

The following tables provide a summary of carrying amounts and fair values of the transferred financial assets that are not derecognised in their entirety and the associated liabilities:

As at 30 June 2024

	Financial assets at fair value through profit or loss		
	Sales and repurchase agreements	Securities lending	Total
Carrying amount of transferred assets	5,982,832	989,350	6,972,182
Carrying amount of associated liabilities	(5,394,307)	-	(5,394,307)
Net position	<u>588,525</u>	<u>989,350</u>	<u>1,577,875</u>

As at 31 December 2023

	Financial assets at fair value through profit or loss		
	Sales and repurchase agreements	Securities lending	Total
Carrying amount of transferred assets	1,848,651	1,791,118	3,639,769
Carrying amount of associated liabilities	(1,733,189)	-	(1,733,189)
Net position	<u>115,462</u>	<u>1,791,118</u>	<u>1,906,580</u>

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(Expressed in thousands of Renminbi, unless otherwise stated)

61. Fair value information

(a) Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participations at the measurement date.

(i) Financial instruments in Level I

The fair value of financial instruments traded in active markets is based on quoted market prices at the date of the statement of financial position. 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 I.

(ii) Financial instruments in Level II

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise 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 II.

(iii) Financial instruments in Level III

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

(b) Fair value of other financial instruments (carried at other than fair value)

The fair value of financial assets and financial liabilities not measured at fair value on a recurring basis is estimated by the active market quotation or determined in accordance with discounted cash flow method.

The main parameters used in discounted cash flow method for financial instruments held by the Group that are not measured at fair value on a recurring basis include bond interest rates, foreign exchange rates and counterparty credit spreads.

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(Expressed in thousands of Renminbi, unless otherwise stated)

61. Fair value information - continued

(b) Fair value of other financial instruments (carried at other than fair value) - continued

The carrying amount and fair value of debt instruments at amortised cost investments, short-term debt instruments issued and long-term bonds which are not presented at fair value are listed as below:

Carrying amount

	As at 30 <u>June 2024</u>	As at 31 <u>December 2023</u>
<i>Financial assets</i>		
- Debt instruments at amortised cost	<u>48,886,503</u>	<u>50,116,812</u>
<i>Financial liabilities</i>		
- Short-term debt instruments issued	(16,722,439)	(25,475,507)
- Long-term bonds	<u>(135,362,144)</u>	<u>(159,816,001)</u>
Total	<u>(152,084,583)</u>	<u>(185,291,508)</u>

Fair value

	As at 30 June 2024			
	<u>Level I</u>	<u>Level II</u>	<u>Level III</u>	<u>Total</u>
<i>Financial assets</i>				
- Debt instruments at amortised cost	<u>-</u>	<u>51,278,308</u>	<u>-</u>	<u>51,278,308</u>
<i>Financial liabilities</i>				
- Short-term debt instruments issued	-	9,240,291	7,491,852	16,732,143
- Long-term bonds	<u>-</u>	<u>112,357,842</u>	<u>25,680,420</u>	<u>138,038,262</u>
Total	<u>-</u>	<u>121,598,133</u>	<u>33,172,272</u>	<u>154,770,405</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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61. Fair value information - continued

(b) Fair value of other financial instruments (carried at other than fair value) - continued

Fair value - continued

	As at 31 December 2023			
	Level I	Level II	Level III	Total
<i>Financial assets</i>				
- Debt instruments at amortised cost	-	51,189,494	-	51,189,494
<i>Financial liabilities</i>				
- Short-term debt instruments issued	-	14,047,389	11,444,324	25,491,713
- Long-term bonds	-	129,176,100	32,302,564	161,478,664
Total	-	143,223,489	43,746,888	186,970,377

The fair value of the financial assets and financial liabilities included in the level II and III categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

Except for the above, the directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded in the Group's condensed consolidated statement of financial position approximate their fair value.

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(Expressed in thousands of Renminbi, unless otherwise stated)

61. Fair value information - continued

(c) Fair value of financial instruments carried at fair value

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised. 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.

	As at 30 June 2024			
	Level I	Level II	Level III	Total
Assets				
Financial assets at fair value through profit or loss				
- Debt securities	971,458	207,603,241	419,700	208,994,399
- Equity securities	64,288,004	8,249	7,945,182	72,241,435
- Mutual funds	65,975,658	895,654	169,818	67,041,130
- Private funds	-	12,242,064	-	12,242,064
- Wealth management products	-	2,275,640	-	2,275,640
- Other debt instruments	-	-	1,153,217	1,153,217
Debt instruments at fair value through other comprehensive income	-	11,426,325	-	11,426,325
Equity instruments at fair value through other comprehensive income	-	32,183	125,011	157,194
Other investment				
- Unlisted investment in a joint venture	-	-	425,826	425,826
Derivative financial assets	219,596	9,139,776	7,363,115	16,722,487
Assets classified as held for sale	-	153,229	168,971	322,200
Total	<u>131,454,716</u>	<u>243,776,361</u>	<u>17,770,840</u>	<u>393,001,917</u>
Liabilities				
Financial liabilities at fair value through profit or loss				
- Financial liabilities held for trading	(1,084,578)	(30,513,232)	-	(31,597,810)
- Financial liabilities designated at fair value through profit or loss	-	(4,982,071)	(10,956,342)	(15,938,413)
Derivative financial liabilities	(214,056)	(13,223,185)	(2,659,403)	(16,096,644)
Total	<u>(1,298,634)</u>	<u>(48,718,488)</u>	<u>(13,615,745)</u>	<u>(63,632,867)</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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(Expressed in thousands of Renminbi, unless otherwise stated)

61. Fair value information - continued

(c) Fair value of financial instruments carried at fair value - continued

	As at 31 December 2023			
	<u>Level I</u>	<u>Level II</u>	<u>Level III</u>	<u>Total</u>
Assets				
Financial assets at fair value through profit or loss				
- Debt securities	1,247,948	193,929,712	586,617	195,764,277
- Equity securities	114,529,748	8,985	15,068,652	129,607,385
- Mutual funds	59,389,427	2,199,859	178,042	61,767,328
- Private funds	-	22,344,489	-	22,344,489
- Wealth management products	-	1,418,630	-	1,418,630
- Other debt instruments	-	-	2,177,275	2,177,275
Debt instruments at fair value through other comprehensive income	-	16,081,537	180,463	16,262,000
Equity instruments at fair value through other comprehensive income	-	18,849	105,657	124,506
Other investment				
- Unlisted investment in a joint venture	-	-	380,612	380,612
Derivative financial assets	197,373	10,353,460	5,709,048	16,259,881
Total	<u>175,364,496</u>	<u>246,355,521</u>	<u>24,386,366</u>	<u>446,106,383</u>
Liabilities				
Financial liabilities at fair value through profit or loss				
- Financial liabilities held for trading	(1,457,566)	(34,474,571)	-	(35,932,137)
- Financial liabilities designated at fair value through profit or loss	(828,545)	(5,031,459)	(10,879,025)	(16,739,029)
Derivative financial liabilities	(247,954)	(13,176,576)	(3,457,111)	(16,881,641)
Total	<u>(2,534,065)</u>	<u>(52,682,606)</u>	<u>(14,336,136)</u>	<u>(69,552,807)</u>

For the six months ended 30 June 2024, there were no financial instruments transfer from Level II to Level I (For the year ended 31 December 2023: Nil).

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(Expressed in thousands of Renminbi, unless otherwise stated)

61. Fair value information - continued

(c) Fair value of financial instruments carried at fair value - continued

(i) Valuation methods for financial instruments in Level II

<u>Financial assets and liabilities</u>	<u>Fair value hierarchy</u>	<u>Valuation technique(s) and key input(s)</u>
Debt securities at fair value through profit or loss	Level II	Future cash flows estimated based on contractual amounts discounted at a rate that reflects the credit risk of the bonds.
Equity securities at fair value through profit or loss	Level II	Recent transaction prices.
Mutual funds at fair value through profit or loss	Level II	Net asset value as published by the mutual fund managers.
Private funds at fair value through profit or loss	Level II	Net asset value as published by the private fund managers.
Wealth management products at fair value through profit or loss	Level II	Net asset value as published by the managers of products.
Debt instruments at fair value through other comprehensive income	Level II	Future cash flows estimated based on contractual amounts discounted at a rate that reflects the credit risk of the bonds.
Equity instruments at fair value through other comprehensive income	Level II	Recent transaction prices.
Derivative financial assets/ derivative financial liabilities	Level II	Future cash flows estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties; or calculated based on the difference between the equity return of underlying equity securities and the fixed income agreed in the swap agreements.
Financial liabilities held for trading	Level II	Future cash flows estimated based on contractual amounts discounted at a rate that reflects the credit risk of the debt instruments.
Financial liabilities designated at fair value through profit or loss	Level II	Calculated based on the fair value of the underlying investments which are debt securities and publicly traded equity investments in each portfolio.

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(Expressed in thousands of Renminbi, unless otherwise stated)

61. Fair value information - continued

(c) Fair value of financial instruments carried at fair value - continued

(ii) Valuation methods for financial instruments in Level III

<u>Financial assets and liabilities</u>	<u>Fair value hierarchy</u>	<u>Valuation technique(s)</u>	<u>Significant unobservable input(s)</u>	<u>Relationship of unobservable input(s) to fair value</u>
Debt securities and other debt instruments	Level III	Discounted cash flow model	Risk adjusted discount rate and expected cash flow.	The higher the risk adjusted discount rate, the lower the fair value; the higher the expected cash flow, the higher the fair value.
Unlisted equity securities at fair value through profit or loss	Level III	Market approach, with an adjustment or discount for lack of marketability	Indicators such as P/E and P/B multiples of comparable listed companies, and liquidity discount rate.	The higher the discount, the lower the fair value; the higher the valuation multiples, the higher the fair value.
Funds at fair value through profit or loss	Level III	Black-Scholes option pricing model	Indicators such as price volatility of comparable funds, and discount rate.	The higher the price volatility, the higher the discount rate; the higher the discount rate, the lower the fair value.
Debt instruments at fair value through other comprehensive income	Level III	Discounted cash flow model	Risk adjusted discount rate and expected cash flow.	The higher the risk adjusted discount rate, the lower the fair value; the higher the expected cash flow, the higher the fair value.
Equity instruments at fair value through other comprehensive income	Level III	Market approach, with an adjustment or discount for lack of marketability	Indicators such as P/E and P/B multiples of comparable listed companies, and liquidity discount rate.	The higher the discount, the lower the fair value; the higher the valuation multiples, the higher the fair value.
Unlisted investment in a joint venture	Level III	Discounted cash flow model	Risk adjusted discount rate and expected cash flow.	The higher the risk adjusted discount rate, the lower the fair value; the higher the expected cash flow, the higher the fair value.
Derivative financial assets/ derivative financial liabilities	Level III	Black-Scholes option pricing model/Monte-Carlo option pricing model	Price volatility of underlying assets.	The higher the price volatility, the greater the impact on the fair value.
Financial liabilities designated at fair value through profit or loss	Level III	Market approach, with an adjustment or discount for lack of marketability of the underlying portfolios	Indicators such as P/E and P/B multiples of comparable listed companies, and liquidity discount rate.	The higher the discount, the lower the fair value; the higher the valuation multiples, the higher the fair value.
Financial liabilities designated at fair value through profit or loss	Level III	Black-Scholes option pricing model/Monte-Carlo option pricing model	Price volatility of underlying assets.	The higher the price volatility, the greater the impact on the fair value.

HUATAI SECURITIES CO., LTD.

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61. Fair value information - continued

(c) Fair value of financial instruments carried at fair value - continued

(iii) Financial instruments in Level III

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

	Financial assets at fair value through profit or loss	Other investment	Debt instruments at fair value through other comprehensive income	Equity instruments assets at fair value through other comprehensive income	Derivative financial assets	Assets classified as held for sale	Total	Financial liabilities at fair value through profit or loss	Derivative financial liabilities	Total
As at 1 January 2024	18,010,586	380,612	180,463	105,657	5,709,048	-	24,386,366	(10,879,025)	(3,457,111)	(14,336,136)
Transfer in	23,366	-	-	-	-	-	23,366	-	-	-
Transfer out	(7,123,755)	-	-	-	-	-	(7,123,755)	-	-	-
Gains or losses for the period	(2,230,716)	45,214	(1,524)	-	2,937,923	-	750,897	1,283,568	1,338,844	2,622,412
Changes in fair value recognised in other comprehensive income	-	-	10,420	19,153	-	-	29,573	-	(76,968)	(76,968)
Additions	2,498,955	-	-	401	11,847	-	2,511,203	(9,556,119)	(226,800)	(9,782,919)
Sales	(1,258,738)	-	-	(200)	(9,964)	-	(1,268,902)	-	567,671	567,671
Settlements	(62,810)	-	(189,359)	-	(1,285,739)	-	(1,537,908)	8,195,234	(805,039)	7,390,195
Reclassified as held for sale	(168,971)	-	-	-	-	168,971	-	-	-	-
As at 30 June 2024	<u>9,687,917</u>	<u>425,826</u>	<u>-</u>	<u>125,011</u>	<u>7,363,115</u>	<u>168,971</u>	<u>17,770,840</u>	<u>(10,956,342)</u>	<u>(2,659,403)</u>	<u>(13,615,745)</u>
Total gains or losses for the period included in profit or loss for assets/ liabilities held at the end of the reporting period	<u>(690,201)</u>	<u>45,214</u>	<u>-</u>	<u>-</u>	<u>1,654,067</u>	<u>-</u>	<u>1,009,080</u>	<u>1,289,009</u>	<u>875,142</u>	<u>2,164,151</u>

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61. Fair value information - continued

(c) Fair value of financial instruments carried at fair value - continued

(iii) Financial instruments in Level III - continued

	Financial assets at fair value through profit or loss	Other investment	Debt instruments at fair value through other comprehensive income	Equity instruments assets at fair value through other comprehensive income	Derivative financial assets	Total	Financial liabilities at fair value through profit or loss	Derivative financial liabilities	Total
As at 1 January 2023	20,403,033	741,464	677,873	87,794	3,235,282	25,145,446	(9,660,147)	(1,281,649)	(10,941,796)
Transfer in	66,381	-	-	-	-	66,381	-	-	-
Transfer out	(9,737,580)	-	-	-	-	(9,737,580)	-	-	-
Gains or losses for the year	(43,469)	(360,852)	1,819	-	3,167,323	2,764,821	(483,933)	(1,618,490)	(2,102,423)
Changes in fair value recognised in other comprehensive income	-	-	(5,179)	17,863	(31,121)	(18,437)	-	(32,763)	(32,763)
Additions	9,511,417	-	-	-	21,555	9,532,972	(6,989,522)	564,316	(6,425,206)
Sales	(1,746,812)	-	-	-	(46,394)	(1,793,206)	-	(608,437)	(608,437)
Settlements	(442,384)	-	(494,050)	-	(637,597)	(1,574,031)	6,254,577	(480,088)	5,774,489
As at 31 December 2023	18,010,586	380,612	180,463	105,657	5,709,048	24,386,366	(10,879,025)	(3,457,111)	(14,336,136)
Total gains or losses for the period included in profit or loss for assets/ liabilities held at the end of the reporting period	391,908	(360,852)	-	-	2,487,619	2,518,675	1,515,251	(2,030,084)	(514,833)

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(Expressed in thousands of Renminbi, unless otherwise stated)

61. Fair value information - continued

(c) Fair value of financial instruments carried at fair value - continued

(iii) Financial instruments in Level III - continued

For the period ended 30 June 2024, the Group's investments in financial assets at fair value through profit or loss of RMB112 thousand were transferred from Level I to Level III, as the fair values of these securities were determined using valuation techniques instead of quoted prices, due to delisting (For the year ended 31 December 2023: RMB66,381 thousand), and RMB23,254 thousand were transferred from Level II to Level III, as the fair values of these securities were determined using valuation techniques instead of those derived from observable inputs, due to bond defaults (For the year ended 31 December 2023: nil).

For the period ended 30 June 2024, the Group's investments in financial assets at fair value through profit or loss of RMB7,124 million were transferred from Level III to Level I, as the fair values of these securities were determined using quoted prices instead of valuation techniques, due to expiration of lock-up period (For the year ended 31 December 2023: 9,738 million).

62. Events after the reporting date

(a) Issuance of bonds

From 30 June 2024 to the date of this report, Huatai International Finance Limited, a subsidiary of Huatai International Financial Holdings Limited, has issued 2 medium-term notes with a cumulative amount of USD 60 million, bearing interest of 5.72 per annum.

(b) Profit distribution plan after accounting periods

In August 2024, based on the total ordinary shares of 9,029,384,840 of the Company deducting 2,082,559 A shares to be repurchased and cancelled (i.e. on the basis of 9,027,302,281 shares), the Board proposed cash dividends of RMB0.15 (tax inclusive) per ordinary shares, with total cash dividend amounting to RMB1,354 million (tax inclusive), accounting for 25.50% of the consolidated profit attributable to shareholders of the company for the six months ended 30 June 2024. According to the resolution of the 2023 Annual General Meeting of Shareholders of the company, the General Meeting of Shareholders agreed to authorize the Board of Directors to handle all matters related to the interim profit distribution with full authority. This profit distribution plan does not need to be submitted to the General Meeting of Shareholders for review. The cash dividends are not recognised as a liability as at 30 June 2024.