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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in ZHONGTAI FUTURES Company Limited, you should at once hand this circular together with the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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

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

(Stock Code: 01461)

**PROPOSAL ON ENTERING INTO THE FINANCIAL PRODUCTS SERVICES
FRAMEWORK AGREEMENT WITH ZHONGTAI SECURITIES
PROPOSAL ON THE ELECTION OF NON-STAFF REPRESENTATIVE DIRECTOR
AND
NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING OF 2025**

**Independent Financial Adviser to the Independent Board Committee and
Independent Shareholders of ZHONGTAI FUTURES Company Limited**



A notice convening the EGM of the Company to be held by way of on-site meeting at 2:30 p.m. on Tuesday, 25 February 2025 at Conference Room 1616, 16/F, Securities Tower, No. 86 Jingqi Road, Shizhong District, Jinan, Shandong Province, the PRC is set out on pages 29 to 30 of this circular. A letter from the Board is set out on pages 4 to 16 of this circular.

Shareholders who intend to appoint a proxy to attend the EGM shall complete and return the accompanying form of proxy in accordance with the instructions printed thereon. The form of proxy should be returned in person or by post not less than 24 hours before the time appointed for holding the EGM or any adjournment thereof (i.e. before 2:30 p.m. on Monday, 24 February 2025) to the H share registrar of the Company, Computershare Hong Kong Investor Services Limited (for holders of H Shares) and the Board's office of the Company (for holders of Domestic Shares). Completion and return of the form of proxy will not preclude any Shareholder from attending and voting at the EGM or any adjournment thereof in person if such Shareholder so wishes.

10 February 2025

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DEFINITIONS

Unless the context otherwise requires, the following expressions shall have the following meanings in this circular:

“Articles of Association”	the Articles of Association of ZHONGTAI FUTURES Company Limited, as amended from time to time
“associates(s)”	has the meanings ascribed to it under the Listing Rules
“Board” or “Board of Directors”	the board of Directors of the Company
“China” or “PRC”	the People’s Republic of China, in this circular, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan Province
“Company”	ZHONGTAI FUTURES Company Limited (中泰期貨股份有限公司), a joint stock limited company incorporated in the PRC and its H Shares are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 01461)
“Company Law”	the Company Law of the People’s Republic of China
“connected person(s)”	has the meanings ascribed to it under the Listing Rules
“connected transaction(s)”	has the meanings ascribed to it under the Listing Rules, and refers to the specific connected transaction(s) contemplated under the Financial Products Services Framework Agreement
“continuing connected transaction(s)”	has the meanings ascribed to it under the Listing Rules, and refers to the continuing connected transaction(s) contemplated under the Financial Products Services Framework Agreement
“Controlling Shareholder(s)”	has the meanings ascribed to it under the Listing Rules
“CSRC”	China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	ordinary share(s) issued in the share capital of the Company, with a nominal value of RMB1.00 each, subscribed for and fully paid-up in RMB
“EGM” or “First Extraordinary General Meeting of 2025”	the first extraordinary general meeting of 2025 of the Company to be held by way of on-site meeting at 2:30 p.m. on Tuesday, 25 February 2025 at Conference Room 1616, 16/F, Securities Tower, No. 86 Jingqi Road, Shizhong District, Jinan, Shandong Province, the PRC

DEFINITIONS

“Financial Products Services Framework Agreement”	the financial products services framework agreement entered into between the Company and Zhongtai Securities on 9 January 2025
“Former Financial Services Framework Agreement”	the financial services framework agreement entered into between the Company and Zhongtai Securities on 10 May 2021
“Gram Capital Limited” or “Independent Financial Adviser”	Gram Capital Limited, a licensed corporation under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) to engage in Type 6 (advising on corporate finance) regulated activity, and to be appointed as the independent financial adviser of the Company to provide advice to the Independent Board Committee and Independent Shareholders on the Financial Products Services Framework Agreement and its proposed annual caps
“Group”	the Company and its subsidiaries (or, the Company and any of its subsidiaries or various subsidiaries, as the context requires)
“H Share(s)”	overseas listed foreign ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Main Board of the Hong Kong Stock Exchange and subscribed for and traded in HK\$
“HK\$”	the lawful currency of Hong Kong
“holder(s) of Domestic Share(s)”	the holder(s) of the Domestic Share(s)
“holder(s) of H Share(s)”	the holder(s) of H Share(s)
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“IB Services”	Introducing Broker Services provided by Zhongtai Securities to the Company: Zhongtai Securities is entrusted by the Company to introduce clients to participate in futures brokerage transactions. In addition, Zhongtai Securities will also provide the following services to such clients introduced to the Company: (i) assisting such clients in opening accounts; (ii) the provision of market information about futures as well as trading facilities to such clients; and (iii) other services as required by the CSRC. Zhongtai Securities will charge commissions on the Company for the provision of such IB services.

DEFINITIONS

“Independent Board Committee”	the independent committee of the Board comprised of all Independent Non-executive Directors, namely Mr. ZHENG Jianping, Mr. CHEN Hua and Mr. LUO Xinhua, to provide advice to the Independent Shareholders in respect of the Financial Products Services Framework Agreement and its proposed annual caps
“Independent Non-executive Director(s)”	independent non-executive Directors of the Company
“Independent Shareholder(s)”	Shareholders who are not required to abstain from voting on the Financial Products Services Framework Agreement and its proposed annual caps
“Latest Practicable Date”	10 February 2025, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“RMB”	the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Share(s)”	the ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, including Domestic Shares and H Shares of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company
“Zhongtai Securities”	Zhongtai Securities Co., Ltd. (中泰證券股份有限公司, previously known as Qilu Securities Co., Ltd. (齊魯證券有限公司), A shares of which are listed on the Shanghai Stock Exchange (stock code: 600918)), a company incorporated in the PRC on 15 May 2001 with limited liability and a Controlling Shareholder of the Company
“%”	percentage

In case of any discrepancy between the Chinese version and the English version of this circular, the Chinese version shall prevail.

LETTER FROM THE BOARD



ZHONGTAI FUTURES Company Limited

中泰期貨股份有限公司

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

(Stock Code: 01461)

Executive Directors:

ZHONG Jinlong (*Chairman*)
LIANG Zhongwei

Non-executive Directors:

ZHENG Hanyin
MING Gang
WANG Hui

Independent Non-executive Directors:

ZHENG Jianping
CHEN Hua
LUO Xinhua

Registered office & Headquarters in the PRC:

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

Principal Place of Business in Hong Kong:

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

10 February 2025

To the Shareholders

Dear Sir or Madam,

**PROPOSAL ON ENTERING INTO THE FINANCIAL PRODUCTS SERVICES
FRAMEWORK AGREEMENT WITH ZHONGTAI SECURITIES
PROPOSAL ON THE ELECTION OF NON-STAFF REPRESENTATIVE DIRECTOR
AND
NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING OF 2025**

INTRODUCTION

This circular contains the notice of EGM, which sets out the details of the resolutions to be proposed at the EGM, which enable you to make informed decision on whether to vote for or against or abstain from voting on the resolutions to be proposed at the EGM.

LETTER FROM THE BOARD

MATTERS TO BE RESOLVED AT THE EGM

Ordinary resolutions will be proposed at the EGM to approve: (1) proposal on entering into the Financial Products Services Framework Agreement with Zhongtai Securities; and (2) proposal on the election of non-staff representative Director.

ORDINARY RESOLUTIONS

1. PROPOSAL ON ENTERING INTO THE FINANCIAL PRODUCTS SERVICES FRAMEWORK AGREEMENT WITH ZHONGTAI SECURITIES

(1) Background

References are made to the announcement of the Company dated 10 May 2021 and the circular of the Company dated 28 May 2021 in relation to, among other things, the non-exempt continuing connected transactions under the Former Financial Services Framework Agreement entered into between the Company and Zhongtai Securities and its annual cap amounts. As disclosed in the Company's announcement dated 10 May 2021 and the circular dated 28 May 2021, pursuant to the Former Financial Services Framework Agreement, Zhongtai Securities and/or its associates regularly provide various financial services to the Group in the ordinary and usual course of business of the Group. The aforesaid services mainly include: (A) the IB Services, which refers to the referral and/or introduction services provided by Zhongtai Securities and/or its associates to the Group, the subject matter of the services is "client"; (B) the asset management schemes purchased by the Group in which Zhongtai Securities and/or its associates act as the manager; and (C) the securities brokerage and other financial services received by the Group from Zhongtai Securities and/or its associates including services for trading in securities, trading in bonds and funds, application for shares in initial public offerings and reverse repo of treasury bonds, as well as other financial services, the subject matter of the services is "financial products and/or services investing in securities, bonds, etc."

In order to save costs, improve operational efficiency and ensure compliance with relevant regulatory requirements, the Company has entered into separate agreements based on the specific types of connected transactions and the related approving procedures. For transaction (A) (IB Services) subject to consideration and approval by the Board, the Company entered into the IB services framework agreement with Zhongtai Securities on 9 January 2025, please refer to the announcement of the Company dated 9 January 2025 for details. No transactions occurred under the IB services framework agreement since 1 January 2025 till the date of the agreement. For transaction (B) (purchase of financial products) subject to consideration and approval by the Independent Shareholders at the general meeting, the Company entered into the Financial Products Services Framework Agreement with Zhongtai Securities. For transaction (C) (receipt of securities brokerage and other financial services), given the small amount of historical transactions in the three years ended 31 December 2024, the Company expects that the amount of such transaction incurred in each of the three years ending 31 December 2027 will not exceed HK\$3.00 million, and therefore transaction (C) will be fully exempt according to Chapter 14A of the Listing Rules.

LETTER FROM THE BOARD

As the Former Financial Services Framework Agreement and its corresponding annual caps have expired on 31 December 2024, and the Group expects to continue to conduct certain continuing connected transactions in relation to purchase of financial products from Zhongtai Securities and/or its associates subsequent to 31 December 2024, the Company shall continue to comply with the requirements under Chapter 14A of the Listing Rules in relation to continuing connected transactions. After having invested time in discussing the relevant matters with Zhongtai Securities to reasonably estimate the future annual caps, the Company entered into the Financial Products Services Framework Agreement with Zhongtai Securities on 9 January 2025 (after trading hours) and proposed the annual caps for 2025, 2026 and 2027 under the Financial Products Services Framework Agreement.

Pursuant to the Financial Products Services Framework Agreement, the Group will purchase financial products with Zhongtai Securities and/or its associates acting as the manager in its ordinary and usual course of business, and the Group shall pay management fees to Zhongtai Securities and/or its associates. The term of the Financial Products Services Framework Agreement is three years with effect from the date of approval at the EGM and will expire on 31 December 2027. The Company will comply with the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the continuing connected transactions over the next three years.

(2) Details of the agreement

Date: 9 January 2025

Parties: Zhongtai Securities
The Company

Principal terms

The Group purchases financial products with Zhongtai Securities and/or its associates acting as the manager in the Group's ordinary and usual course of business, and pays management fees, subscription fees and redemption fees (as the case may be, and collectively, the "**Product Management Fees**") to Zhongtai Securities and/or its associates.

Reasons for and benefits of the transaction

Zhongtai Securities and/or its associates possess top-tier asset management capabilities within the industry, showcasing strong overall product performance. Investing in financial products issued by the above managers (including, but not limited to, asset management schemes and public fund products) not only helps in controlling overall investment risks but also enhances the investment returns of both the Group's self-owned funds and asset management schemes managed by the Company. In addition, the Company has invested in various financial products managed by Zhongtai Securities and/or its associates for certain consecutive years and thus has developed a better understanding of their investment strategy and performance, which could effectively foster the business cooperation between both parties and improve return on assets of the Group.

LETTER FROM THE BOARD

Pricing terms

- (i) Zhongtai Securities and/or its associates, acting as the manager of financial products, charge Product Management Fees as agreed in the contract. The Product Management Fees are calculated by multiplying the investment amount of the financial product by the management fee rate and the holding time. The average management fee rate is 1.2%;
- (ii) For publicly issued financial products, the management fee rate stipulated in the contract is equally applicable to all investors purchasing the product; and
- (iii) For privately placed financial products, the management fee rate charged by Zhongtai Securities and/or its associates as managers to the Group is equivalent to or no less favorable than the management fee rate charged by Zhongtai Securities and/or its associates to any other independent third party for similar financial products.

The consideration for these transactions shall be paid in cash by the Group with its internal resources.

Historical amounts

For the two years ended 31 December 2022 and 2023 and the year ended 31 December 2024, the maximum daily amount invested by the Group in such asset management schemes were approximately RMB160,000 thousand, RMB90,000 thousand and RMB155,430 thousand (unaudited), respectively, and the asset management fees paid by the Group to Zhongtai Securities and/or its associates were approximately RMB670 thousand, RMB787.2 thousand and RMB493.2 thousand (unaudited), respectively. From 1 January 2025 to the Latest Practicable Date, no transaction has taken place under the Financial Products Services Framework Agreement. In addition, the Company will not enter into any transaction under the Financial Products Services Framework Agreement prior to the approval by the Independent Shareholders at the EGM.

LETTER FROM THE BOARD

Annual caps

The annual caps for the maximum daily investment amount of the asset management schemes purchased by the Group from Zhongtai Securities and/or its associates for the three years ended 31 December 2022, 2023 and 2024 were RMB234,000 thousand, RMB242,000 thousand and RMB250,000 thousand, respectively; and the annual caps for the asset management fees paid are RMB3,510 thousand, RMB3,630 thousand and RMB3,750 thousand, respectively. The maximum daily amount to be invested by the Group for purchase of financial products from Zhongtai Securities and/or its associates, and the maximum aggregate annual amount of Product Management Fees to be paid for the three years ending 31 December 2025, 2026 and 2027 shall not exceed the caps set out below:

Year	Proposed annual caps for the year ending 31 December (RMB'000)		
	2025	2026	2027
The maximum daily amount invested by the Group for purchase of financial products from Zhongtai Securities and/ or its associates	330,000	350,000	370,000
Product Management Fees paid by the Group to Zhongtai Securities and/or its associates for the purchase of financial products	3,960	4,200	4,440

Basis of caps

The above proposed annual caps are determined with reference to historical amounts on the basis that:

- (i) *Determination of the annual caps on the maximum daily investment amount of the Group's purchases of financial products in which Zhongtai Securities and/or its associates act as the manager for the next three years*

The maximum daily investment amount of the Group's own funds for the purchase of financial products in which Zhongtai Securities and/or its associates act as the manager was RMB155,430 thousand in 2024.

LETTER FROM THE BOARD

To fully implement the development concept of “One Zhongtai in Union” of Zhongtai Securities, the Group will strengthen business cooperation with Zhongtai Securities and/or its associates in areas such as self-owned fund investment and asset management business. Based on the continuous increase in the Group’s own fund budget for investment and the actual needs of asset management business in the future, including but not limited to (i) the estimated maximum daily investment amount of approximately RMB180,000 thousand in 2025 based on the historical purchase of financial products from all relevant providers by the Company; (ii) the estimated maximum daily investment amount of approximately RMB100,000 thousand in 2025 for purchase of new types of financial products (including but not limited to the fixed income products under special account, which are non-public offering products mainly investing in bonds market) from Zhongtai Securities by the Company; and (iii) the estimated maximum daily amount to be invested by Zhongtai Huirong Capital Investment Co., Ltd. (中泰匯融資本投資有限公司, “**Zhongtai Huirong**”), a subsidiary of the Company, of approximately RMB50,000 thousand in 2025, which is estimated based on (a) the unaudited net asset value of Zhongtai Huirong as at 31 December 2024; (b) the internal policy of Measures for the Administration of Investment of Self-owned Funds of Zhongtai Huirong which requires that the maximum investment amount (including those with connected persons and Independent Third Parties) for each financial year is 20% of its net asset value as at the end of last financial year; and (c) the investment and trading department of Zhongtai Huirong established in February 2024 expects to invest no more than half of the maximum investment amount to purchase securities-related financial products from Zhongtai Securities and/or its associates in 2025, the Company expects that the daily maximum investment amount of the Group’s purchases of financial products in which Zhongtai Securities and/or its associates act as the manager will be RMB330,000 thousand in 2025, representing an increase of approximately 112% as compared with the estimated value for 2024; the annual cap for 2026 will be RMB350,000 thousand, representing an increase of approximately 6% as compared with the annual cap for 2025; the annual cap for 2027 will be RMB370,000 thousand, representing an increase of approximately 6% as compared with the annual cap for 2026.

(ii) *Determination of fees to be paid by the Group for the purchase of financial products from Zhongtai Securities and/or its associates for the next three years*

Assuming that in the next three years, the Group will purchase the products in which Zhongtai Securities and/or its associates act as the manager based on the annual caps and hold such products throughout the year, and with reference to the current average management fee rate for equity funds of 1.2%, the annual caps for Product Management Fees will be RMB3,960 thousand, RMB4,200 thousand, and RMB4,440 thousand for 2025, 2026, and 2027, respectively.

LETTER FROM THE BOARD

(3) Listing Rules Implications

As of the Latest Practicable Date, as Zhongtai Securities holds approximately 63.10% equity interest in the Company, Zhongtai Securities constitutes a connected person of the Company under Chapter 14A of the Listing Rules, and the transactions under the Financial Products Services Framework Agreement between the Company and Zhongtai Securities constitute continuing connected transactions of the Company under the Listing Rules.

As the highest applicable percentage ratio for the proposed annual caps of the Financial Products Services Framework Agreement between the Company and Zhongtai Securities exceeds 5% pursuant to the Listing Rules, the continuing connected transactions under the Financial Products Services Framework Agreement are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

(4) Internal Control Procedures and Corporate Governance Measures

The Company would strive to exercise adequate monitoring over the transaction amounts and respective annual caps of the Financial Products Services Framework Agreement with Zhongtai Securities to ensure that necessary measures and appropriate actions can be timely taken in order to comply with the requirements of the Listing Rules. The Company has adopted the following internal management procedures to ensure that the continuing connected transactions under the Financial Products Services Framework Agreement are fair and reasonable and on normal commercial terms:

- The Group has formulated a series of measures and policies on, among others, contract policies, project management policies and Administration Rules of Connected Transactions in order to ensure that the continuing connected transactions of the Company/the Group are conducted under the Financial Products Services Framework Agreement and respective pricing policies. The terms of the transactions under the agreements of continuing connected transactions, in particular the fairness and reasonableness of the pricing terms thereof, would be examined and approved by the audit committee of the Board, the office of the Board and various internal departments of the Company (including but not limited to the finance department and audit department of the Company) to ensure that the terms of the Financial Products Services Framework Agreement are in compliance with relevant regulations and guidelines (if applicable) and market practices and would not deviate from the terms of the Financial Products Services Framework Agreement disclosed in this circular;

LETTER FROM THE BOARD

- When determining the actual prices of services provided to the Group by Zhongtai Securities and/or its associates, the counterparties mentioned above will provide the Company with a proposed price for consideration first. As mentioned above, in order to ensure that the pricing terms under the agreements of continuing connected transactions are fair and reasonable, the proposed price will be evaluated and approved by the finance department, audit department and other relevant business departments of the Company. In addition, the transactions under the Financial Products Services Framework Agreement shall be conducted on a non-exclusive basis. Payments shall be calculated on the basis of the aforementioned pricing policies. Nevertheless, the Group usually seeks quotations or makes enquiries on relevant prices from not less than two other independent third party suppliers providing similar products or services, and refers to such prices and other terms offered by independent third parties to the Group for similar products or services, to make sure whether the prices and terms offered by Zhongtai Securities and/or its associates to the Group are fair, reasonable and are no less favorable than those offered by independent third parties;
- The audit committee of the Board, the office of the Board and various internal departments of the Company also regularly monitor the fulfillment of the Financial Products Services Framework Agreement and the progress of transactions thereunder. In addition, the management of the Company also regularly reviews the pricing policies. The Independent Non-executive Directors conduct annual review for the implementation and execution of continuing connected transactions (including related pricing mechanisms); the auditors of the Company would conduct annual assessment and review of the internal control measures of the Company and conduct annual review of the continuing connected transactions under the Financial Products Services Framework Agreement pursuant to the requirements of the Listing Rules, in order to confirm that, among others, the transactions are entered into in accordance to the pricing policies and relevant agreements governing such transactions; and
- The office of the Board is responsible for monitoring the routine connected transactions. It monitors and analyzes the connected transactions in real time on a daily basis to ensure that the Company is able to obtain the relevant information in a timely manner, and discusses with the business department and reports to the management of the Company as early as possible when the amount of the connected transactions is about to reach the annual cap, in order to consider whether it is necessary to revise the annual cap.

LETTER FROM THE BOARD

(5) The Opinions of the Board

As Mr. ZHONG Jinlong and Mr. ZHENG Hanyin (all being Directors) are holding office at Zhongtai Securities and/or its associates, it is deemed that they are connected to the Financial Products Services Framework Agreement and transactions thereunder. Therefore, they have abstained from voting on the resolution of the Board for the approval of the Financial Products Services Framework Agreement and its proposed annual caps. Save as disclosed above, none of other Directors have any material interests in the Financial Products Services Framework Agreement and none of other Directors are required to abstain from voting on the resolution of the Board for the consideration and approval of the Financial Products Services Framework Agreement and its proposed annual caps.

Having considered the pricing terms, the basis of determining the proposed annual caps, the reasons for and benefits of the transactions and the Company's internal control procedures, the Directors, including Independent Non-executive Directors, are of the view that the terms of the transactions contemplated under the Financial Products Services Framework Agreement and the proposed annual caps thereunder (if applicable) are entered into on normal commercial terms in the ordinary and usual course of business of the Group, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. In the meantime, the Company is of the view that it has put in place adequate mechanisms, internal control procedures and external regulatory measures to ensure that the continuing connected transactions comply with and strictly adhere to the relevant regulatory guidelines, as well as the terms of the Financial Products Services Framework Agreement.

(6) The Independent Board Committee

The Independent Board Committee (comprised of all Independent Non-executive Directors, namely Mr. ZHENG Jianping, Mr. CHEN Hua and Mr. LUO Xinhua) has been established to provide advice to the Independent Shareholders on the Financial Products Services Framework Agreement and its proposed annual caps.

The Company has appointed Gram Capital Limited as the Independent Financial Adviser to advise the Independent Board Committee and Independent Shareholders in respect of the above matters.

LETTER FROM THE BOARD

(7) **Information About the Transaction Parties**

Information about the Company

The Company is principally engaged in commodity futures brokerage, financial futures brokerage, futures investment consultancy and asset management.

Information about Zhongtai Securities

Zhongtai Securities was incorporated in the PRC in May 2001 and holds approximately 63.10% equity interest in the issued share capital of the Company. It is principally engaged in securities brokerage, underwriting and sponsoring, investment consultancy, securities dealer, financing advice, margin financing, funds and financial products underwriting, fund custody, stock options market making, providing IB for futures companies and other businesses. The A shares of Zhongtai Securities are listed on the Shanghai Stock Exchange (stock code: 600918).

The above proposal has been considered and approved by the Board and the audit committee of the Board, and is hereby submitted to the EGM for consideration and approval.

2. PROPOSAL ON THE ELECTION OF NON-STAFF REPRESENTATIVE DIRECTOR

Reference is made to the announcement of the Company dated 7 February 2025 in relation to the proposed election of non-staff representative Director. The Board has passed the resolution on election of Mr. Zhou Shunyuan (“**Mr. Zhou**”) as a non-staff representative Director of the Company on 7 February 2025. The Company has approved the nomination of Mr. Zhou as a candidate for non-staff representative Director of the Company.

LETTER FROM THE BOARD

The biographical details of Mr. Zhou as required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules are set out below:

Mr. Zhou Shunyuan, aged 50, currently serves as the general manager of Dongying Branch of Zhongtai Securities Co., Ltd. (中泰證券股份有限公司). Mr. Zhou Shunyuan served as an employee of the Bayi Trading Hall of Shandong Securities Co., Ltd. (山東證券有限責任公司) from July 1996 to September 1998; the deputy manager of the Jinan Jiefangqiao Securities Sales Office of Shandong Securities Co., Ltd. from September 1998 to July 2001; the deputy manager of the Jinan Jiefangqiao Securities Sales Office of Tiantong Securities Co., Ltd. (天同證券有限責任公司) from July 2001 to May 2002; the deputy manager of the investment advisory department of the Jinan Central Sales Office of Tiantong Securities Co., Ltd. from May 2002 to March 2003; a business specialist of the brokerage business headquarters of Tiantong Securities Co., Ltd. from March 2003 to August 2003; the deputy general manager of the Zaozhuang Qingtan Middle Road Securities Sales Office of Tiantong Securities Co., Ltd. from August 2003 to March 2006; a team member of the brokerage business team of the custodian division of Tiantong Securities Co., Ltd. from March 2006 to January 2007; the temporary head of the Jinan Lishan Road Securities Sales Office of Qilu Securities Co., Ltd. (齊魯證券有限公司) from January 2007 to September 2007; the general manager of the Jinan Lishan Road Securities Sales Office of Qilu Securities Co., Ltd. from September 2007 to August 2010; the general manager of the Jinan No. 1 Avenue Securities Sales Office of Qilu Securities Co., Ltd. from September 2010 to December 2013; the general manager of the Jinan Jiefang Road Securities Sales Office of Qilu Securities Co., Ltd. from December 2013 to December 2014; the general manager of the Dezhou Branch of Qilu Securities Co., Ltd. from December 2014 to September 2015; the general manager of the Dezhou Branch of Zhongtai Securities Co., Ltd. from September 2015 to February 2021; and the general manager of the Dongying Branch of Zhongtai Securities Co., Ltd. since February 2021. Mr. Zhou Shunyuan graduated from Shandong University (山東大學) with a master's degree in business administration in June 2006.

Save as disclosed above, Mr. Zhou has confirmed that as at the Latest Practicable Date: (1) he had not held directorships in other listed companies, nor had other major appointments and professional qualifications in the past three years; (2) he had not held any positions with the Company or the Company's subsidiaries; (3) he had no relationship with any Director, Supervisor, senior management, substantial Shareholder or controlling Shareholder of the Company or any subsidiary of the Company; (4) he does not have any interests in the Shares of the Company within the meaning of Part XV of the SFO; and (5) there is no other information required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules and there are no other matters relating to his appointment that need to be brought to the attention of the Shareholders. If Mr. Zhou is appointed as the non-staff representative Director of the Company, the Company will enter into a service contract with him, and his term of office shall commence on the date of approval at the EGM and end on the expiry of the fourth session of the Board of the Company. He is eligible for re-election and re-appointment upon expiry of his term.

During his tenure, Mr. Zhou will not receive any Director's emoluments from the Company.

The above proposal has been approved by the Board and the nomination committee of the Board, and is hereby submitted to the EGM for consideration and approval.

LETTER FROM THE BOARD

EGM

A notice convening the EGM of the Company to be held by way of on-site meeting at 2:30 p.m. on Tuesday, 25 February 2025 at Conference Room 1616, 16/F Securities Tower, No. 86 Jingqi Road, Shizhong District, Jinan, Shandong Province, the PRC is set out on pages 29 to 30 of this circular.

The resolutions proposed at the EGM will be taken by poll. Zhongtai Securities will abstain from voting on the resolution in relation to the Financial Products Services Framework Agreement and its proposed annual caps at the EGM. Zhongtai Securities is required to abstain from voting in respect of 632,176,078 Shares held by it, representing approximately 63.10% of the total number of voting Shares of the Company. As at the Latest Practicable Date, no other Shareholder, to the knowledge and belief of the Directors having made all reasonable enquiries, will be required to abstain from voting at the EGM in respect of relevant resolutions.

A form of proxy for use at the EGM are also enclosed herein and published on the HKEXnews website of Hong Kong Stock Exchange (www.hkexnews.hk) and the website of the Company (www.ztqh.com). Shareholders who intend to appoint a proxy to attend the EGM shall complete, sign and return the appropriate form of proxy in accordance with the instructions printed thereon.

For holders of H Shares, the form of proxy, and if the form of proxy is signed by a person under a power of attorney or other authority on behalf of the appointer, a notarially certified copy of that power of attorney or other authority, must be delivered to the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no less than 24 hours (i.e. before 2:30 p.m. on Monday, 24 February 2025) before the time appointed for holding the EGM in order for such documents to be valid. For holders of Domestic Shares, the form of proxy, and if the form of proxy is signed by a person under a power of attorney or other authority on behalf of the appointer, a notarially certified copy of that power of attorney or other authority, must be delivered to the Board's office of the Company in the PRC at Room 1608, 16/F, Securities Tower, No. 86 Jingqi Road, Shizhong District, Jinan, Shandong Province, the PRC, not less than 24 hours before the time appointed for holding the EGM (i.e. before 2:30 p.m. on Monday, 24 February 2025) in order for such documents to be valid. Completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjournment thereof in person should you so wish.

Pursuant to the Articles of Association, for the purpose of determining the entitlements of the Shareholders to attend and vote at the EGM, the register of members of H Shares has been closed from Wednesday, 15 January 2025 to Tuesday, 25 February 2025 (both days inclusive), during which period no transfer of H Shares shall be registered. Shareholders whose names appear on the register of members of the Company on Tuesday, 25 February 2025 will be entitled to attend and vote at the EGM.

In order to be eligible to attend the EGM, holders of H Shares shall lodge all their transfer documents to Computershare Hong Kong Investor Services Limited, the Company's H share registrar, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Tuesday, 14 January 2025.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors believe that the resolutions to be proposed at the EGM are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favor of the resolutions to be proposed at the EGM.

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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



ZHONGTAI FUTURES Company Limited

中泰期貨股份有限公司

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

(Stock Code: 01461)

10 February 2025

To the Independent Shareholders

Dear Sir or Madam,

FINANCIAL PRODUCTS SERVICES FRAMEWORK AGREEMENT

We have been appointed by the Board as members of the Independent Board Committee, to advise the Independent Shareholders as to whether the Financial Products Services Framework Agreement and its proposed annual caps are fair and reasonable, details of which are set out in the “Letter from the Board” in the circular dated 10 February 2025 (the “**Circular**”). Unless the context otherwise requires, terms defined in the Circular shall have the same meanings when used in this letter.

Your attention is drawn to the advice of Gram Capital Limited to the Independent Board Committee and the Independent Shareholders in respect of the Financial Products Services Framework Agreement and its proposed annual caps as set out in the “LETTER FROM GRAM CAPITAL” in the Circular. Having taken into account the advice of Gram Capital Limited, we are of the view that the terms of the transactions contemplated under the Financial Products Services Framework Agreement and its proposed annual caps have been entered into in the Group’s ordinary and usual course of business and on normal commercial terms, are fair and reasonable, and in the interests of the Company and its Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution proposed at the EGM to approve the Financial Products Services Framework Agreement and its proposed annual caps.

Yours faithfully,

for and on behalf of the Independent Board Committee

ZHENG Jianping

*Independent Non-executive
Director*

CHEN Hua

*Independent Non-executive
Director*

LUO Xinhua

*Independent Non-executive
Director*

LETTER FROM GRAM CAPITAL

Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Transactions for the purpose of inclusion in this circular.



Room 1209, 12/F.
Nan Fung Tower
88 Connaught Road Central/
173 Des Voeux Road Central
Hong Kong

10 February 2025

*To: The independent board committee and the independent shareholders
of ZHONGTAI FUTURES Company Limited*

Dear Sir/Madam,

CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the transactions contemplated under the Financial Products Services Framework Agreement (the “**Transactions**”), details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 10 February 2025 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

As disclosed in the Company’s announcement dated 10 May 2021 and the circular dated 28 May 2021, pursuant to the Former Financial Services Framework Agreement, Zhongtai Securities and/or its associates regularly provide various financial services to the Group in the ordinary and usual course of business of the Group. As the Former Financial Services Framework Agreement and its corresponding annual caps have expired on 31 December 2024, and the Group expects to continue to conduct certain continuing connected transactions in relation to purchase of financial products from Zhongtai Securities and/or its associates subsequent to 31 December 2024, the Company shall continue to comply with the requirements under Chapter 14A of the Listing Rules in relation to continuing connected transactions. After having invested time in discussing the relevant matters with Zhongtai Securities to reasonably estimate the future annual caps, the Company entered into the Financial Products Services Framework Agreement with Zhongtai Securities on 9 January 2025 (after trading hours) and proposed the annual caps for 2025, 2026 and 2027 under the Financial Products Services Framework Agreement.

LETTER FROM GRAM CAPITAL

With reference to the Board Letter, the Transactions constitute continuing connected transactions of the Company and are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising Mr. ZHENG Jianping, Mr. CHEN Hua and Mr. LUO Xinhua has been established to advise the Independent Shareholders on (i) whether the terms of the Transactions are on normal commercial terms and are fair and reasonable; (ii) whether the Transactions are in the interests of the Company and the Shareholders as a whole and are conducted in the ordinary and usual course of business of the Group; and (iii) how the Independent Shareholders should vote in respect of the resolutions to approve the Transactions at the EGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

INDEPENDENCE

During the past two years immediately preceding the Latest Practicable Date, Gram Capital was engaged as the independent financial adviser to the independent board committee and independent shareholders of the Company in relation to the continuing connected transactions (details of which were set out in the Company's circular dated 25 May 2023).

Notwithstanding the aforesaid engagement, we were not aware of any relationships or interests between Gram Capital and the Company, or any other parties during the past two years immediately preceding the Latest Practicable Date that could be reasonably regarded as hindrance to Gram Capital's independence to act as the Independent Financial Adviser.

Besides, apart from the advisory fee and expenses payable to us in connection with our aforesaid engagement and this engagement (as the Independent Financial Adviser), there was no arrangement whereby we shall receive any other fees or benefits from the Company.

Having considered the above, in particular (i) none of the circumstances as set out under the Rule 13.84 of the Listing Rules existed as at the Latest Practicable Date; and (ii) the aforesaid past engagement was only independent financial adviser engagement, we are of the view that we are independent to act as the Independent Financial Adviser.

LETTER FROM GRAM CAPITAL

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors and/or the Company's management (the "**Management**"). We have assumed that all information and representations that have been provided by the Directors and/or the Management, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors and/or the Management in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers, the Directors and/or the Management, which have been provided to us. Our opinion is based on the Directors' and/or the Management's representation and confirmation that there are no undisclosed private agreements/arrangements or implied understanding with anyone concerning the Financial Products Services Framework Agreement. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

The Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement as contained in the Circular or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, Zhongtai Securities and each of their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the entering into of the Financial Products Services Framework Agreement. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources.

LETTER FROM GRAM CAPITAL

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Financial Products Services Framework Agreement, we have taken into consideration the following principal factors and reasons:

Information on the Company

With reference to the Board Letter, the Company is principally engaged in commodity futures brokerage, financial futures brokerage, futures investment consultancy and asset management.

Information on Zhongtai Securities

With reference to the Board Letter, Zhongtai Securities was incorporated in the PRC in May 2001 and holds approximately 63.10% equity interest in the issued share capital of the Company. It is principally engaged in securities brokerage, underwriting and sponsoring, investment consultancy, securities dealer, financing advice, margin financing, funds and financial products underwriting, fund custody, stock options market making, providing IB for futures companies and other businesses. The A shares of Zhongtai Securities are listed on the Shanghai Stock Exchange (stock code: 600918).

Reasons for and benefits of the Transactions

With reference to the Board Letter, Zhongtai Securities and/or its associates possess top-tier asset management capabilities within the industry, showcasing strong overall product performance. Investing in financial products issued by the above managers (including, but not limited to, asset management schemes and public fund products) not only helps in controlling overall investment risks but also enhances the investment returns of both the Group's self-owned funds and asset management schemes managed by the Company. In addition, the Company has invested in various financial products managed by Zhongtai Securities and/or its associates for certain consecutive years and thus has developed a better understanding of their investment strategy and performance, which could effectively foster the business cooperation between both parties and improve return on assets of the Group.

As confirmed by the Management, as the Transactions have been entered into in the ordinary and usual course of business of the Group and on a frequent basis, it would be costly and impractical to make regular disclosure of each of the relevant transactions and obtain the prior approval from the Independent Shareholders as required by the Listing Rules, if necessary. Accordingly, the Management are of the view that the Transactions will be beneficial to the Company and the Shareholders as a whole.

Having considered the above, we concur with the view of the Directors that the Transactions are in the interests of the Company and the Shareholders as a whole and are conducted in the ordinary and usual course of business of the Group.

LETTER FROM GRAM CAPITAL

PRINCIPAL TERMS OF THE TRANSACTIONS

Set out below are the key terms of the Transactions, details of which are set out under the section headed “1. Proposal on entering into the Financial Products Services Framework Agreement with Zhongtai Securities” of the Board Letter.

Date:	9 January 2025 (the “ Agreement Date ”)
Parties:	Zhongtai Securities and the Company
Principal terms:	The Group purchases financial products with Zhongtai Securities and/or its associates acting as the manager in the Group’s ordinary and usual course of business, and pays management fees, subscription fees and redemption fees (as the case may be, and collectively, the “ Product Management Fees ”) to Zhongtai Securities and/or its associates.

Pricing terms

- (i) Zhongtai Securities and/or its associates, acting as the manager of financial products, charge Product Management Fees as agreed in the contract. The Product Management Fees are calculated by multiplying the investment amount of the financial product by the management fee rate and the holding time. The average management fee rate is 1.2%;
- (ii) For publicly issued financial products, the management fee rate stipulated in the contract is equally applicable to all investors purchasing the product; and
- (iii) For privately placed financial products, the management fee rate charged by Zhongtai Securities and/or its associates as managers to the Group is equivalent to or no less favorable than the management fee rate charged by Zhongtai Securities and/or its associates to any other independent third party for similar financial products.

The consideration for these transactions shall be paid in cash by the Group with its internal resources.

For our due diligence purpose, we obtained (i) a summary list of all the individual agreements regarding the financial products purchased by the Group, in which Zhongtai Securities and/or its associates acted as the manager (the “**CP List**”); and (ii) a summary list of all the individual agreements regarding the relevant financial products purchased by the Group, in which independent third parties acted as the manager (the “**I3P List**”), for the period from 2022 to 2024 (the “**Sampling Period**”). We randomly selected two individual agreements from each of the CP List and the I3P List for each year of the Sampling Period (twelve individual agreements in total, six of which were selected from the CP List and six of which were selected from the I3P List, collectively, the “**Selected Individual Agreements**”). Upon our request, the Company also provided us with the executed agreements for the Selected Individual Agreements.

LETTER FROM GRAM CAPITAL

According to the aforesaid executed agreements, we noted that (i) among the six selected agreements from the CP List, four are publicly issued finance products and two are privately placed financial products; (ii) among the six selected agreements from the I3P List, four are publicly issued finance products and two are privately placed financial products; and (iii) all the executed agreements contain key terms of such financial products (including investment scope, investment strategy, risk profile, subscription and redemption, returns and distribution, management fees and other relevant fees with calculation formula, etc.).

As advised by the Management, as the investment scopes, investment strategies and risk exposures under different financial products vary, it would be inappropriate to compare management fees or other relevant fees under different financial products.

Hence, upon our further request, the Company provided us with the executed agreements of additional six individual agreements from the I3P List for each year of the Sampling Period (four are publicly issued finance products and two are privately placed financial products) (the “**Additional Individual Agreements**”), which are comparable to the aforementioned Selected Individual Agreements (i.e. agreements signed in the same year, with similar investment scopes and investment strategies) selected from the CP List. According to the aforesaid documents, we noted that the terms in relation to the Product Management Fees (i.e. management fees, subscription fees and redemption fees) of the Selected Individual Agreements selected from the CP List were no less favorable to the Group than those of the Addition Individual Agreements.

With reference to the Board Letter, the Company would strive to exercise adequate monitoring over the transaction amounts and annual caps of the Financial Products Services Framework Agreement with Zhongtai Securities to ensure that necessary measures and appropriate actions can be timely taken in order to comply with the requirements of the Listing Rules. The Company has adopted several internal management procedures (the “**IC Procedures**”) to ensure that the continuing connected transactions under the Financial Products Services Framework Agreement are fair and reasonable and on normal commercial terms. Details of the IC Procedures are set out under the section headed “(4) Internal Control Procedures and Corporate Governance Measures” of the Board Letter. We consider that the effective implementation of the IC Procedures would ensure the fair pricing under the Financial Products Services Framework Agreement.

Having considered above, we are of the view that the pricing terms of the Transactions are on normal commercial terms and are fair and reasonable.

LETTER FROM GRAM CAPITAL

Proposed annual caps

Set out below are (i) the maximum daily amount invested by the Group for purchase of financial products from Zhongtai Securities and/or its associates and the Product Management Fees for the three years ended 31 December 2024 with the respective existing annual caps; and (ii) the maximum daily amount to be invested by the Group for purchase of financial products from Zhongtai Securities and/or its associates (the “**Investment Amounts Cap(s)**”), and the maximum aggregate annual amount of Product Management Fees to be paid (the “**Management Fees Cap(s)**”) for the three years ending 31 December 2027:

	For the year ended 31 December 2022 RMB'000	For the year ended 31 December 2023 RMB'000	For the year ended 31 December 2024 ("FY2024") RMB'000
Historical amounts	160,000	90,000	155,430 (Note)
Existing Investment Amounts Caps	234,000	242,000	250,000
Utilisation rate	68%	37%	62%
	For the year ending 31 December 2025 ("FY2025") RMB'000	For the year ending 31 December 2026 ("FY2026") RMB'000	For the year ending 31 December 2027 ("FY2027") RMB'000
Investment Amounts Caps	330,000	350,000	370,000
	For the year ended 31 December 2022 RMB'000	For the year ended 31 December 2023 RMB'000	For the year ended 31 December 2024 RMB'000
Historical amounts	670	787.2	493.2 (Note)
Existing Management Fees Caps	3,510	3,630	3,750
Utilisation rate	19%	22%	13%

LETTER FROM GRAM CAPITAL

	For the year ending 31 December 2025 RMB'000	For the year ending 31 December 2026 RMB'000	For the year ending 31 December 2027 RMB'000
Management Fees Caps	3,960	4,200	4,440

Note: The figure was unaudited.

Details of the basis of the proposed annual caps above are set out in the Board Letter.

Investment Amounts Cap(s)

We noted that the historical utilisation rate of exiting Investment Amounts Caps for the three years ended 31 December 2024 were approximately 68%, 37% and 62% respectively.

After discussing with the Management, we understood that the Investment Amounts Cap for FY2025 comprised three parts, (i) the estimated maximum daily amount to be invested by the Group (other than Zhongtai Huirong) for purchase of financial products from Zhongtai Securities and/or its associates, based on the Group's historical purchase of financial products from all relevant providers, of approximately RMB180 million (the "**Estimated Amount I**"); (ii) the estimated maximum daily investment amount for new type of financial products ("**New Financial Products**") from Zhongtai Securities of approximately RMB100 million (the "**Estimated Amount II**"); and (iii) the estimated maximum daily amount to be invested by Zhongtai Huirong of approximately RMB50 million (the "**Estimated Amount III**").

We noted that the Estimated Amount I for FY2025 represented an implied increase rate of approximately 15.8% as compared to the historical maximum daily amount invested by the Group for the purchase of financial products from Zhongtai Securities and/or its associates for FY2024. As advised by the Management, such implied increase rate was made with the consideration of the Group's historical investment amount as at the end of each period from 2021 to 2024. According to the historical figures, the Group recorded a compounded annual growth rate ("**CAGR**") of approximately 23% in the Group's investment amount as at the end of each period from 2021 to 2024. Given that the aforesaid, we consider that the Estimated Amount I is justifiable.

In respect of the Estimated Amount II, the Management advised us that the New Financial Products were approved and were included in the Group's investment product list in November 2024. Currently, the Group purchased such two New Financial Products from independent third parties with maximum principal amount of RMB100 million. For our due diligence purpose, we obtained relevant investment scheme of the New Financial Products. Given that the Estimated Amount II is the same as the maximum principal amount of the New Financial Products, we consider that the Estimated Amount II is justifiable.

LETTER FROM GRAM CAPITAL

In respect of the Estimated Amount III, the Management advised that such amount was determined by the management of Zhongtai Huirong according to its net asset value and certain internal investment requirement and restriction. After discussing with the management of Zhongtai Huirong, we were advised (i) the unaudited net asset value of Zhongtai Huirong as at 31 December 2024; (ii) that there is a maximum investment amount to purchase securities-related financial products, being certain percentage ratios (i.e. the maximum investment amount for each financial year is 20% of its net asset value as at the end of last financial year; and no more than half of the maximum investment amount will be invested to purchase securities-related financial products from Zhongtai Securities and/or its associates in 2025) to Zhongtai Huirong's latest net asset value; (iii) that the investment amount of Zhongtai Huirong was nil in 2024; and (iv) that Zhongtai Huirong planned to make investments in the future since the investment and trading department of Zhongtai Huirong was established in February 2024. Upon our request, we obtained a document showing the internal investment requirement and restriction of Zhongtai Huirong. Based on Zhongtai Huirong's unaudited net asset value as at 31 December 2024 and the aforesaid percentage ratios, the maximum investment amount on the financial products (securities related) which we calculated was close to the aforesaid maximum investment amount on the financial products (securities related) of Zhongtai Huirong. Accordingly, we consider that the Estimated Amount III is justifiable.

Based on the above and that the Investment Amounts Cap for FY2025 being the summation of the Estimated Amount I, the Estimated Amount II and the Estimated Amount III, we are of the view that the Investment Amounts Cap for FY2025 is fair and reasonable.

We further noted that the Investment Amounts Caps for FY2026 and FY2027 represented increases of approximately 6.1% and approximately 5.7% as compared to those for FY2025 and FY2026 respectively. Having considered that the Group recorded a CAGR of approximately 23% in investment amount as at the end of each period from 2021 to 2024, we are of the view that the increases in Investment Amounts Caps for FY2026 and FY2027 (which was determined on a prudence basis as advised by the Management) to be acceptable. As such, we consider the Investment Amounts Caps for FY2026 and FY2027 to be fair and reasonable.

LETTER FROM GRAM CAPITAL

Management Fees Caps

We further noted that the Management Fees Caps for the three years ending 31 December 2027 represented 1.2% of the Investment Amounts Caps for the corresponding periods. As advised by the Management, the Group intended to purchase financial products from Zhongtai Securities for the three years ending 31 December 2027 and the underlying assets of most financial products to be purchased from Zhongtai Securities were expected to be securities related assets. Therefore, we searched for management fee of open-end funds with underlying assets being stocks (開放式普通股票型基金) as at the Agreement Date through Wind Financial Terminal^(Note). Having considered that (i) the underlying assets of most financial products to be purchased from Zhongtai Securities were expected to be securities related assets; and (ii) the aforesaid open-end funds which we extracted from Wind Financial Terminal are exhaustive and the aforesaid open-end funds may cover products (the underlying assets of which are securities) with a variety of investment scopes, investment strategies and risk exposures, we are of the view that the average management fees of the aforesaid open-end funds are representative. Based on the information we obtained from Wind Financial Terminal, the average management fee of open-end funds with underlying assets being stocks (開放式普通股票型基金) was approximately 1.19% per annum as at the Agreement Date. Accordingly, we consider the Management Fees Caps for the three years ending 31 December 2027, being 1.2% of the Investment Amounts Caps for the corresponding periods, are fair and reasonable.

Shareholders should note that as the Investment Amounts Caps and the Management Fees Caps for the three years ending 31 December 2027 are relating to future events and was estimated based on assumptions which may or may not remain valid for the entire period up to 31 December 2027, and they do not represent forecasts of revenue/cost to be incurred from the Transactions. Consequently, we express no opinion as to how closely the actual revenue/cost to be incurred from the Transactions will correspond with the Investment Amounts Caps and the Management Fees Caps for the three years ending 31 December 2027.

Listing Rules implication

The Directors confirmed that the Company shall comply with the requirements of Rules 14A.53 to 14A.59 of the Listing Rules pursuant to which (i) the values of transactions contemplated under the Financial Products Services Framework Agreement must be restricted by their respective proposed annual cap for the period concerned under the Financial Products Services Framework Agreement; (ii) the terms of Transactions must be reviewed by the independent non-executive Directors annually; (iii) details of independent non-executive Directors' annual review on the terms of the Transactions must be included in the Company's subsequent published annual reports.

Furthermore, it is also required by the Listing Rules that the auditors of the Company must provide a letter to the Board confirming, among other things, whether anything has come to their attention that causes them to believe that the Transactions (i) have not been approved by the Board; (ii) were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and (iii) have exceeded the annual caps.

Note: According to the website of Wind, Wind Financial Terminal is a financial software which provides global financial data, information and insights on all asset classes such as equity, bond, futures, foreign exchange, fund, index, option, commodities, as well as commercial data in macro-economics, industry sectors and corporate operations.

LETTER FROM GRAM CAPITAL

In the event that the total amounts of Transactions are anticipated to exceed the annual caps, or that there are any proposed material amendment to the terms of the Transactions, as confirmed by the Directors, the Company shall comply with the applicable provisions of the Listing Rules governing continuing connected transactions.

Given the above stipulated requirements for continuing connected transactions pursuant to the Listing Rules, we are of the view that there are adequate measures in place to monitor the Transactions and thus the interest of the Independent Shareholders would be safeguarded.

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Transactions are on normal commercial terms and are fair and reasonable; and (ii) the Transactions are conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Transactions and we recommend the Independent Shareholders to vote in favour of the resolution in this regard.

Yours faithfully,
For and on behalf of
Gram Capital Limited
Graham Lam
Managing Director

Note: Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has around 30 years of experience in investment banking industry.

* *For identification purpose only*

NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING OF 2025



ZHONGTAI FUTURES Company Limited

中泰期貨股份有限公司

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

(Stock Code: 01461)

NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING OF 2025

NOTICE IS HEREBY GIVEN that the first extraordinary general meeting of 2025 (the “**EGM**”) of ZHONGTAI FUTURES Company Limited (the “**Company**”) will be held by way of on-site meeting at Conference Room 1616, 16/F Securities Tower, No. 86 Jingqi Road, Shizhong District, Jinan, Shandong Province, the People's Republic of China (the “**PRC**”) at 2:30 p.m. on Tuesday, 25 February 2025 for the following purposes:

ORDINARY RESOLUTIONS

1. To consider and approve the proposal on entering into the Financial Products Services Framework Agreement with Zhongtai Securities; and
2. To consider and approval the proposal on the election of non-staff representative director.

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

Jinan, the PRC, 10 February 2025

NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING OF 2025

Notes:

1. Pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, any vote of shareholders at a general meeting must be taken by poll. As such, the resolutions set out in the notice of EGM will be voted by poll. After the conclusion of the EGM, results of the poll will be published on the Company's website at www.ztqh.com and the HKEXnews website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk.
2. Any shareholder of the Company (the "**Shareholder**") entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and vote at the meeting instead of him/her. A proxy need not be a Shareholder.
3. In order to be valid, the form of proxy together with a notarially certified copy of power of attorney or other documents of authorization of the appointer, if any, must be completed and returned to the Board's office of the Company (for holders of domestic shares) or the H share registrar of the Company, Computershare Hong Kong Investor Services Limited (for holders of H shares), not later than 24 hours before the time appointed for holding the EGM or any adjournment thereof (i.e. before 2:30 p.m. on Monday, 24 February 2025). The address of the Board's office of the Company is Room 1608, 16/F Securities Tower, No. 86 Jingqi Road, Shizhong District, Jinan, Shandong Province, the PRC. The address of Computershare Hong Kong Investor Services Limited is 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. Completion and return of the form of proxy will not preclude a Shareholder from attending and voting in person at the EGM or any adjournment thereof should he/she so wish.
4. In order to ascertain the entitlements of the Shareholders to attend and vote at the EGM, the register of members of the Company has been closed from Wednesday, 15 January 2025 to Tuesday, 25 February 2025 (both days inclusive), during which period no transfer of Shares will be registered. Shareholders whose names appear on the register of members of the Company on Tuesday, 25 February 2025 will be entitled to attend and vote at the EGM.

In order to be eligible to attend and vote at the EGM, holders of H shares of the Company shall lodge all their transfer documents, accompanied by the relevant share certificates, to Computershare Hong Kong Investor Services Limited, the Company's H share registrar, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Tuesday, 14 January 2025.

5. In case of joint holders of any shares, the one whose name stands first in the register of members of the Company shall be entitled to attend and vote at the EGM in respect of such shares.
6. Below is the principal place of business of the Company in the PRC:

15-16/F, No. 86 Jingqi Road, Shizhong District, Jinan, Shandong Province, the PRC
Tel: +86-531-81678006
Fax: +86-531-81916777

Below is the contact of Computershare Hong Kong Investor Services Limited, the H share registrar of the Company:

17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
Tel: +852-28628555
Fax: +852-28650990

As at the date of this notice, the board of directors of the Company comprises Mr. ZHONG Jinlong and Mr. LIANG Zhongwei as executive directors; Mr. ZHENG Hanyin, Mr. MING Gang and Ms. WANG Hui as non-executive directors; and Mr. ZHENG Jianping, Mr. CHEN Hua and Mr. LUO Xinhua as independent non-executive directors.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material aspects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' INTERESTS

- a. As at the Latest Practicable Date, none of the Directors, Supervisors or chief executives of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any of such Directors, Supervisors or chief executives or their respective associates were deemed or taken to have under such provisions of the SFO), or which were required to be entered in the register required to be kept by the Company pursuant to section 352 of the SFO, or which were otherwise required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers under Appendix C3 of the Listing Rules.
- b. As at the Latest Practicable Date, none of the Directors had any direct or indirect interests in any assets which have been acquired or disposed of or leased by the Company or any of its subsidiaries, or are proposed to be acquired or disposed of or leased by the Company or any of its subsidiaries since 31 December 2023 (being the date on which the latest published audited consolidated accounts of the Company were made up).
- c. As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement entered into by the Company or any of its subsidiaries, which was subsisting and was significant in relation to the business of the Group.
- d. As at the Latest Practicable Date, except that Mr. ZHONG Jinlong and Mr. ZHENG Hanyin, being Directors, are holding office in Zhongtai Securities and/or its associates, none of the Directors are directors or employees of a company having an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. COMPETING INTERESTS

As at the Latest Practicable Date, to the best knowledge of the Directors, none of the Directors and their respective associates had any interest in a business which competes or is likely to compete with the business of the Group.

4. SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at the Latest Practicable Date, to the best knowledge of the Directors, the following persons (other than a Director, a Supervisor or the chief executive of the Company) had an interest or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO (including interests and short positions which they were deemed or taken to have under such provisions of the SFO) or have been recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

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

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

Notes:

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

Save as disclosed above, as at the Latest Practicable Date, to the best knowledge of the Directors, there were no other persons (other than a Director, a Supervisor and the chief executive of the Company) who had interests or short positions in the Shares or underlying Shares of the Company, which were required to be notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or, which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

5. SERVICE CONTRACTS

Each of the Directors and Supervisors has entered into service contracts with the Company in respect of, among other things, compliance of relevant laws and regulations, observation of the Articles of Association and provisions on arbitration.

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

As at the Latest Practicable Date, save as disclosed above, none of the Directors or Supervisors has entered or proposed to enter any service contract with any member of the Group (other than contracts expiring or determinable within one year without the payment of compensation (other than statutory compensation)).

6. EXPERT'S DISCLOSURE OF INTEREST AND CONSENTS

- (1) As at the Latest Practicable Date, Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, did not have any direct or indirect shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate other persons to subscribe for securities in any member of the Group.
- (2) As at the Latest Practicable Date, Gram Capital Limited did not have any direct or indirect interests in any assets which have been acquired or disposed of or leased or which were proposed to be acquired or disposed of or leased by any member of the Group since 31 December 2023, being the date to which the latest published audited consolidated accounts of the Company were made up.
- (3) Gram Capital Limited has issued a letter dated 10 February 2025 for the purpose of incorporation in this circular in connection with its recommendation to the Independent Board Committee and the Independent Shareholders.
- (4) Gram Capital Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter of recommendation and reference to its name in the form and context in which they appear.

7. DOCUMENTS ON DISPLAY

Copies of the following documents are available on the website of HKEXnews (www.hkexnews.hk) of the Hong Kong Stock Exchange and the website of the Company (www.ztqh.com) during the period from the date of the circular up to and including the date of the EGM:

- (1) the Financial Products Services Framework Agreement;
- (2) the letter from Gram Capital Limited to the Independent Board Committee and the Independent Shareholders as set out on pages 17 to 28 of this circular; and
- (3) the written consent of Gram Capital Limited referred to in paragraph 6 of this appendix.

8. GENERAL

- (1) As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the Group's financial or trading position since 31 December 2023, being the date on which the latest published audited consolidated accounts of the Company were made up.
- (2) The registered office of the Company is 15-16/F, No. 86 Jingqi Road, Shizhong District, Jinan, Shandong Province, the PRC and the postal code is 250001.
- (3) The H share registrar of the Company is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (4) The joint company secretaries of the Company are Mr. LIANG Zhongwei and Ms. NG Sau Mei. Ms. NG Sau Mei is a Chartered Secretary, a Corporate Governance Professional and a Fellow of the Hong Kong Chartered Governance Institute and the Chartered Governance Institute in the United Kingdom.
- (5) If there is any discrepancy between the English version and Chinese version of this circular, the Chinese version shall prevail.