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## SHENWAN HONGYUAN (H.K.) LIMITED

申萬宏源(香港)有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 218)

### INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

The board of directors (the “**Board**”) of Shenwan Hongyuan (H.K.) Limited (the “**Company**”) are pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2025 together with comparative figures for the corresponding period of last year.

#### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		For the six months ended 30 June	
		2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
	Notes		
<b>REVENUE</b>	3	<b>306,540</b>	146,216
– Interest income calculated using the effective interest method		<b>104,766</b>	73,970
– Revenue from contracts with customers within the scope of HKFRS 15		<b>142,597</b>	95,895
– Revenue from other sources		<b>59,177</b>	(23,649)
Other gains, net	3	<b>13,279</b>	55,977
Commission expenses		<b>(31,273)</b>	(15,865)
Employee benefit expenses		<b>(122,042)</b>	(133,912)
Depreciation		<b>(24,880)</b>	(24,551)
Interest expenses		<b>(28,501)</b>	(10,953)
Net charges for expected credit losses		<b>(3,607)</b>	(9,871)
– from financial assets at amortized cost		<b>(568)</b>	(10,895)
– from financial assets at fair value through other comprehensive income		<b>(3,039)</b>	1,024
Other expenses		<b>(49,025)</b>	(44,053)
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		<b>60,491</b>	(37,012)
Income tax	4	<b>(357)</b>	(304)
<b>PROFIT/(LOSS) FOR THE PERIOD</b>		<b>60,134</b>	(37,316)
Attributable to:			
Ordinary equity holders of the Company		<b>60,134</b>	(37,316)
<b>EARNINGS/(LOSS) PER SHARE</b>			
<b>ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY (BASIC)</b>	5	<b>HK3.85 cent</b>	HK(2.39)cents

Details of the proposed dividend (if any) for the period are disclosed in note 6 to the financial statements.

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	For the six months ended	
	30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	<b>60,134</b>	<b>(37,316)</b>
<b>OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD:</b>		
Items that may be reclassified to the consolidated statement of profit or loss in subsequent periods:		
Financial assets at fair value through other comprehensive income:		
– Net movement in recycling revaluation reserve	824	(95)
Exchange gain/(loss) on translation of financial statements of foreign operations	28	(13)
<b>OTHER COMPREHENSIVE INCOME/(LOSS), NET OF TAX</b>	<b>852</b>	<b>(108)</b>
<b>TOTAL COMPREHENSIVE INCOME/(LOSS), FOR THE PERIOD</b>	<b>60,986</b>	<b>(37,424)</b>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<b>As at 30 June 2025 (Unaudited) Notes      <i>HK\$'000</i></b>	<b>As at 31 December 2024 (Audited) <i>HK\$'000</i></b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	<b>11,496</b>	10,903
Right-of-use assets	<b>13,713</b>	34,226
Stock and Futures Exchange trading rights	<b>4,212</b>	4,212
Other assets	<b>21,556</b>	24,787
Deferred tax assets	<b>31</b>	57
	<hr/>	<hr/>
Total non-current assets	<b>51,008</b>	74,185
	<hr/>	<hr/>
<b>CURRENT ASSETS</b>		
Financial assets at fair value through profit or loss	<b>4,640,611</b>	3,032,043
Other financial assets	<b>2,592</b>	144,503
Accounts receivable	<b>1,097,205</b>	598,086
Loans and advances	<b>1,218,100</b>	1,158,277
Prepayments, deposits and other receivables	<b>181,982</b>	151,288
Tax recoverable	<b>458</b>	458
Bank balances held on behalf of clients	<b>3,798,646</b>	3,184,320
Cash and bank balances	<b>1,135,389</b>	439,780
	<hr/>	<hr/>
Total current assets	<b>12,074,983</b>	8,708,755
	<hr/>	<hr/>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**(CONTINUED)**

		As at 30 June 2025 (Unaudited) HK\$'000	As at 31 December 2024 (Audited) HK\$'000
	Notes		
<b>CURRENT LIABILITIES</b>			
Financial liabilities at fair value through profit or loss		2,978,643	2,035,021
Accounts payable	8	4,492,664	3,438,149
Contract liabilities		1,937	1,488
Other payables and accruals		182,379	186,556
Interest-bearing bank borrowings		1,390,543	435,772
Notes issued		353,781	–
Lease liabilities		31,802	52,531
Tax payable		2,682	2,682
		<hr/>	<hr/>
Total current liabilities		9,434,431	6,152,199
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		2,640,552	2,556,556
		<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		2,691,560	2,630,741
		<hr/>	<hr/>
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities		1,096	827
Lease liabilities		131	567
		<hr/>	<hr/>
Total non-current liabilities		1,227	1,394
		<hr/>	<hr/>
<b>NET ASSETS</b>		2,690,333	2,629,347
		<hr/> <hr/>	<hr/> <hr/>
<b>EQUITY</b>			
<b>Equity attributable to ordinary equity holders of the Company</b>			
Share capital		2,782,477	2,782,477
Other reserves		(92,144)	(153,130)
		<hr/>	<hr/>
<b>TOTAL EQUITY</b>		2,690,333	2,629,347
		<hr/> <hr/>	<hr/> <hr/>

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 1. GENERAL INFORMATION AND PRINCIPAL ACCOUNTING POLICIES

#### GENERAL INFORMATION

These unaudited interim condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and are in compliance with the Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**the HKICPA**”).

The financial information relating to the year ended 31 December 2024 that is included in this interim result announcement as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that year but is derived from those consolidated financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 31 December 2024 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

The Company’s auditor has reported on those financial statements for the year ended 31 December 2024. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

#### CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following amended HKFRS Accounting Standard for the first time for the current period’s interim financial information.

The HKICPA has issued following amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”) that are first effective for the current accounting period of the Group:

Amendments to HKAS 21	<i>Lack of Exchangeability</i>
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Neither of these amendments to HKFRSs have had a material effect on how the Group’s results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

*POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS  
ISSUED BUT NOT YET EFFECTIVE FOR THE PERIOD ENDED 30 JUNE 2025*

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, which are not yet effective for the period ended 30 June 2025 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group:

HKFRS 18	<i>Presentation and Disclosure in Financial Statements<sup>3</sup></i>
HKFRS 19	<i>Subsidiaries without Public Accountability: Disclosures<sup>3</sup></i>
Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments<sup>2</sup></i>
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture<sup>1</sup></i>
Annual Improvements to HKFRS Accounting Standards – Volume 11	<i>Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7<sup>2</sup></i>

<sup>1</sup> No mandatory effective date yet determined but available for adoption

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2027

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

## 2. OPERATING SEGMENT INFORMATION

The Group's unaudited segment results are as follows:

	Enterprise finance			Institutional services and trading	Asset management	Others	Segment total
	Corporate finance	Principal investment	Wealth management				
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Six months ended 30 June 2025							
Segment revenue from external customers	50,235	(17,076)	136,133	130,943	6,305	–	306,540
Other gains, net	–	10,116	–	–	–	3,163	13,279
Segment revenue and other gains from external customers	<u>50,235</u>	<u>(6,960)</u>	<u>136,133</u>	<u>130,943</u>	<u>6,305</u>	<u>3,163</u>	<u>319,819</u>
Segment results and profit before tax	<u>2,462</u>	<u>(7,238)</u>	<u>24,256</u>	<u>43,316</u>	<u>(5,468)</u>	<u>3,163</u>	<u>60,491</u>
	Enterprise finance			Institutional services and trading	Asset management	Others	Segment total
	Corporate finance	Principal investment	Wealth management				
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Six months ended 30 June 2024							
Segment revenue from external customers	32,192	(94,092)	135,084	67,895	5,137	–	146,216
Other gains/(losses), net	–	56,412	–	–	–	(435)	55,977
Segment revenue and other gains from external customers	<u>32,192</u>	<u>(37,680)</u>	<u>135,084</u>	<u>67,895</u>	<u>5,137</u>	<u>(435)</u>	<u>202,193</u>
Segment results and loss before tax	<u>(11,978)</u>	<u>(37,680)</u>	<u>33,924</u>	<u>(6,526)</u>	<u>(14,317)</u>	<u>(435)</u>	<u>(37,012)</u>

### 3. REVENUE AND OTHER GAINS, NET

An analysis of revenue, which is also the Group's turnover, and other gains net are as follows:

	<b>For the six months ended</b>	
	<b>30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Fee and commission income:</b>		
<i>Revenue from contracts with customers within the scope of HKFRS 15:</i>		
Commission on securities dealing		
– Hong Kong securities	<b>53,257</b>	26,496
– Other than Hong Kong securities	<b>16,480</b>	15,146
Commission on futures and options contracts dealing	<b>3,582</b>	6,594
Initial public offering, placing, underwriting and sub-underwriting commission	<b>45,638</b>	27,075
Financial advisory, compliance advisory, sponsorship fee income and others	<b>5,136</b>	5,138
Management fee, investment advisory fee income and performance fee income	<b>6,305</b>	5,137
Handling fee income	<b>5,631</b>	3,519
Research fee income and other service fee income	<b>6,568</b>	6,790
	<b>142,597</b>	95,895
<b>Income from interest bearing transactions:</b>		
<i>Interest income calculated using the effective interest method:</i>		
Interest income from banks and others	<b>62,783</b>	65,652
Interest income from initial public offering loans	<b>353</b>	–
Interest income from loans to cash clients and margin clients	<b>40,175</b>	–
<i>Revenue from other sources:</i>		
Interest income from loans to cash clients and margin clients	<b>–</b>	46,725
	<b>103,311</b>	112,377



	For the six months ended	
	30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
<b>Income from investment business:</b>		
<i>Interest income calculated using the effective interest method:</i>		
Interest income:		
– Debt securities	1,455	8,318
<b>Revenue from other sources:</b>		
Net realised and unrealised gains/(losses) on financial instruments:		
– Equities and futures	(17,076)	(93,756)
– Debt securities and derivatives	63,152	52,535
– Structured products	13,101	(29,158)
Unrealised fair value gains on a financial guarantee contract	–	5
	<u>60,632</u>	<u>(62,056)</u>
	<u>306,540</u>	<u>146,216</u>
<b>Other gains, net:</b>		
Exchange gains/(losses), net	3,163	(435)
Change in net assets value attributable to other holders of a consolidated investment fund	<u>10,116</u>	<u>56,412</u>
	<u>13,279</u>	<u>55,977</u>

#### 4. INCOME TAX

Hong Kong Profits Tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable in other jurisdictions have been calculated at the appropriate current rates of tax prevailing in the jurisdictions in which the Group operates.

	For the six months ended 30 June	
	2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
Current tax – Hong Kong Profits Tax		
Provision for the period	–	264
Under-provision in respect of prior period	63	–
Deferred tax	294	40
	<u>          </u>	<u>          </u>
Total tax charge for the period	<u>357</u>	<u>304</u>

#### 5. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the period. The Group had no potentially dilutive ordinary shares in issue during these periods. As at 30 June 2025, the total number of the issued ordinary shares was 1,561,138,689 shares.

	For the six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Earnings		
Profit/(loss) for the period attributable to ordinary equity holders of the Company (HK\$'000)	<u>60,134</u>	<u>(37,316)</u>
Number of shares		
Weighted average number of ordinary shares in issue (in thousands)	<u>1,561,139</u>	<u>1,561,139</u>
Earnings/(loss) per share, basic (HK cents per share)	<u>3.85</u>	<u>(2.39)</u>

## 6. DIVIDEND

	For the six months ended	
	30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Interim – Nil (2024: Nil)	<u>–</u>	<u>–</u>

## 7. ACCOUNTS RECEIVABLE

	As at	As at
	30 June	31 December
	2025	2024
	(Unaudited)	(Audited)
	HK\$'000	HK\$'000
Accounts receivable arising from securities dealing:		
– Advances to cash clients	14,842	27,711
– Cash clients	426,998	61,082
– Brokers and dealers	472,342	238,611
– Clearing houses	157,205	244,469
	<u>1,071,387</u>	<u>571,873</u>
Accounts receivable arising from corporate finance, advisory and other services:		
– Corporate Clients	32,590	33,702
	<u>1,103,977</u>	<u>605,575</u>
Less: Expected credit losses (Stage 1)	(2,573)	(2,557)
Less: Expected credit losses (Stage 3)	(4,199)	(4,932)
Total	<u>1,097,205</u>	<u>598,086</u>

An ageing analysis of accounts receivable from cash clients and advances to cash clients (before impairment) based on the trade date are as follows:

	As at <b>30 June</b> <b>2025</b> (Unaudited) <i>HK\$'000</i>	As at 31 December 2024 (Audited) <i>HK\$'000</i>
Within 1 month	<b>430,535</b>	75,023
1 to 2 months	<b>113</b>	1,875
2 to 3 months	<b>442</b>	1,912
Over 3 months	<b>10,750</b>	9,983
	<b>441,840</b>	88,793

The ageing of accounts receivable from clearing houses, brokers and dealers are within one month and are not past due. They represent (1) pending trades arising from business of dealing in securities, which are normally due within a few days after the trade date; (2) deposits at clearing house arising from the business of dealing in securities, futures and options contracts and (3) cash and deposits balances at brokers and dealers.

An aging analysis of accounts receivable from corporate clients arising from corporate finance, advisory and other services (before impairment) are as follows:

	As at <b>30 June</b> <b>2025</b> (Unaudited) <i>HK\$'000</i>	As at 31 December 2024 (Audited) <i>HK\$'000</i>
1 to 2 months	<b>64</b>	300
2 to 3 months	<b>320</b>	1,000
Over 3 months	<b>5,375</b>	5,549
Accounts receivable which were past due	<b>5,759</b>	6,849
Accounts receivable which were not past due	<b>26,831</b>	26,853
	<b>32,590</b>	33,702

Save for the credit period allowed by the Group, the accounts receivable from cash clients shall be due on the settlement dates of the respective securities and futures contract transactions. In view of the fact that the Group's accounts receivable relate to a large number of diversified customers, there is no significant concentration of credit risk. Although the Group does not hold any collateral or other credit enhancements over its accounts receivable from cash clients, the Group is allowed to dispose of the securities deposited by the customers with the Group to settle any overdue amounts. Advances to cash clients of HK\$14,842,200 (31 December 2024: HK\$27,711,000) bear interest at interest rates mainly with reference to Hong Kong dollar prime rate (31 December 2024: with reference to the Hong Kong dollar prime rate).

## 8. ACCOUNTS PAYABLE

	As at 30 June 2025 (Unaudited) <i>HK\$'000</i>	As at 31 December 2024 (Audited) <i>HK\$'000</i>
Accounts payable		
– Clients	4,218,198	3,391,932
– Brokers and dealers	268,876	45,939
– Clearing houses	5,590	278
	<u>4,492,664</u>	<u>3,438,149</u>

All of the accounts payable are aged and due within one month or on demand.

## 9. REVIEW OF ACCOUNTS

The audit committee has reviewed the unaudited interim condensed consolidated financial statements for the six months ended 30 June 2025.

## INTERIM DIVIDEND

The board of directors (the “**Board**”) resolved not to declare the payment of an interim dividend for the six months ended 30 June 2025 (2024: Nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

### First Half of 2025 Market Review

In the first half of 2025, the global economy persisted along its adjustment path amid persistently complex and volatile macroeconomic conditions. Although the U.S. economy initially demonstrated notable resilience that temporarily bolstered market sentiment, its recovery trajectory has become increasingly uncertain as trade frictions intensified and public debt risks mounted. The unilateral imposition of reciprocal tariff measures in April by the U.S.A materially disrupted global supply chain dynamics, thereby accentuating underlying structural imbalances in the economic recovery. Concurrently, the European economy encountered pronounced demand stagnation driven by persistent energy price volatility, while policy interventions exhibited limited efficacy. This culminated in near-stagnant growth performance, and further exacerbated divergences within the global economic landscape.

The Chinese Mainland economy has exhibited resilient growth momentum, with GDP growing by 5.3% year-on-year in the first half of 2025. Exports, consumption and fiscal policy interventions have served as the primary drivers of this better-than-anticipated economic performance. Notwithstanding intensifying global trade frictions, Chinese Mainland effectively utilized its export-led growth model to achieve countercyclical export expansion. Expansionary fiscal measures further reinforced economic stability through accelerated issuance of new special-purpose bonds and special treasury bonds, thereby channeling substantial capital into infrastructure construction. Although household consumption demonstrated a gradual recovery supported by policy initiatives such as the “trade-in” program, domestic demand growth remains subdued. The CPI recorded a 0.1% decline and the PPI fell by 2.8% year-on-year in the first half of the year, reflecting a muted demand recovery, which indicated that sustained policy support remained necessary to guide and solidify the economic recovery foundation.

The Chinese Mainland securities market performed sound in the first half of 2025, with the Shanghai Composite Index, Shenzhen Component Index and ChiNext Index recording increases of 2.8%, 0.5% and 0.5%, respectively. Alongside the positive trend in the secondary market, the A-share IPO market also remained active. In the first half of the year, a total of 51 IPOs were successfully listed, raising total proceeds of RMB37.4 billion, representing an increase of 16% and 15% compared to the first half of 2024, respectively.

In terms of the Hong Kong securities market, the Hang Seng Index rose by 20% in the first half of 2025, buoyed by the increase in the Chinese Mainland economic policies, with southbound capital inflows becoming an important support for the Hong Kong stock market, with cumulative net purchases reaching HK\$731.2 billion, close to 90% of the scale for the whole year of 2024. In terms of IPOs, a total of 42 IPOs were listed in the first half of 2025, raising total proceeds of HK\$105.2 billion, making Hong Kong the top IPO fundraiser in the world.

In terms of the offshore US dollar bonds market, the performance for the first half of 2025 exhibited overall stability underpinned by progress in real estate debt restructuring and an improvement in offshore financing conditions. Nevertheless, there existed a pronounced structural divergence and significant rebound of high-yield bonds, whereas investment-grade bonds maintained tight spreads and continued to attract sustained medium-to-long-term allocation flows amid declining risk appetite. Nonetheless, persistently elevated offshore US dollar funding costs and increasing currency hedging expenses weighed on primary market issuance activity, ultimately leading to negative net financing volumes.

## Review of Operations

In the first half of 2025, the Group proactively responded to dynamic external conditions by capitalizing on emerging market recovery opportunities, reinforced the foundation of the light-asset business model, advanced the optimization of its business structure, further explored the development potential of the Belt and Road Initiative-related business and emerging markets, actively expanded our presence in key areas such as green finance and technology finance, and continuously elevated our service capability. Simultaneously, the Group continued to improve internal control and risk management, refined our organizational structure, promoted resource integration and business synergy, fully leveraged the advantages of its cross-border business platform, and steadily bolstered our core competitiveness, positioning us to deliver sustainable value for shareholders and clients.

In the first half of 2025, the Group's revenue increased by 110% year-on-year from HK\$146 million in the first half of 2024 to HK\$307 million. In the first half of 2025, the Group recorded a profit attributable to shareholders of HK\$60 million, compared to a loss attributable to shareholders of HK\$37 million in the first half of 2024.

	<b>For the six months ended</b>	
	<b>30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Fee and commission income	<b>142,597</b>	95,895
Interest income	<b>103,311</b>	112,377
Income/(losses) from investment business	<b>60,632</b>	(62,056)
	<b>306,540</b>	146,216

During the period under review, the Group capitalized on market opportunities, achieving notable progress in brokerage, sponsorship and underwriting businesses. Fee and commission income surged 49% to HK\$143 million, while interest income edged down 8% to HK\$103 million due to fluctuations in market rates. Income from investment business turned from a loss of HK\$62 million in the same period last year to a gain of HK\$61 million, primarily driven by a significant business valuation decline at the consolidated investment fund level in the same period last year.

## Wealth Management Business

The wealth management business mainly provides a series of comprehensive financial services including securities, futures and options brokerage, the sales of financial products such as wealth management, over-the-counter, as well as securities margin financing to individual customers and non-professional institutional investors through a combination of online and offline methods.

For the six months ended			
30 June			
	2025	2024	
	HK\$'000	HK\$'000	Change
Fee and commission income	56,218	31,694	77%
Interest income	79,915	103,385	(23%)
– Loan to clients	39,787	46,757	(15%)
– Others	40,128	56,628	(29%)
Income from investment business	–	5	(100%)
	<u>136,133</u>	<u>135,084</u>	1%

In the first half of 2025, the Hong Kong financial market remained active in general, and the Group seized market opportunities to actively expand its business scope by strengthening system construction, deepening business synergy and improving product systems, and provide customers with diversified wealth management services to meet their global asset allocation needs.

During the period under review, the revenue of the Group's wealth management business was basically the same as that of the same period last year, with fee and commission income reaching HK\$56.22 million, a significant increase of approximately 77% compared to HK\$31.69 million in the same period in 2024, driven by the recovery of the market. In terms of interest income, total income was HK\$79.92 million, a decrease of 23% over the same period in 2024, of which interest income from customer loans was HK\$39.79 million, a slight decrease from the same period in 2024, and other interest income was HK\$40.12 million, mainly affected by the decrease in bank deposit interest rates and deposit balances, resulting in a decrease in this income.

During the reporting period, the Group continued to strengthen the application of financial technology, completed the upgrade and iteration of its transaction information system and optimized the service functions of its self-developed eService e-platform, further consolidated the foundation of its wealth management business, and effectively enhanced the level of customer service. Meanwhile, with "Cross-boundary Wealth Management Connect" as an opportunity, the Group comprehensively strengthened the construction of its product lines, improved the cross-border coordination mechanism, and continued to enhance its comprehensive financial service capabilities, and provided clients with a convenient, efficient and personalized wealth management experience.



The Group will continue to adhere to its customer-centric approach and steadily promote the development of its wealth management business, grasp the favorable policies, expand its market layout, continuously enrich its product offerings, optimize its service experience, and comprehensively enhance its business level. Meanwhile, the Group will continue to deepen the application of financial technology and improve the construction of its e-platform, further consolidate the competitiveness of the “Wynner” brand, provide clients with more quality and diversified wealth management services, and assist clients in realizing the long-term appreciation of their wealth.

## Enterprise Finance Business

The enterprise finance business consists of corporate finance business and investment business. The corporate finance business provides corporate clients with stock underwriting sponsorship, bond underwriting and financial advisory services, while investment business mainly includes self-financing equity investment, debt investment and other investments.

	For the six months ended		
	30 June		
	2025	2024	
	<i>HK\$'000</i>	<i>HK\$'000</i>	Change
Fee and commission income	50,235	32,192	56%
Losses from investment business	(17,076)	(94,092)	82%
	<u>33,159</u>	<u>(61,900)</u>	154%

In the first half of 2025, fee and commission income from the enterprise finance business increased by 56% year-on-year to HK\$50.24 million. In addition, due to the business valuation adjustment on investment projects, the consolidated investment funds recorded loss from investment business of HK\$17.08 million.

### – Sponsorship and underwriting and financial advisory

The Group adhered to its core mission of serving the national strategy, focused on the development of the real economy, deepened domestic and international business linkages, and continued to consolidate its professional capabilities. During the reporting period, the Group actively promoted the reserve of high-quality sponsored projects, especially in key areas such as technology and finance. The Group also steadily expanded its financial advisory business, including mergers and acquisitions and restructuring, demonstrating its strong potential for development. In the future, the Group will give full play to its advantages of integrated domestic and overseas full chain services, and actively provide more enterprises with high-quality comprehensive financial services such as sponsorship and financial consultancy, help the Shenwan Hongyuan Group to expand its international market territory and promote its high-quality development to new heights.

– ***Equity capital market***

During the reporting period, in the face of the increasingly volatile external environment, the Group further deepened its cross-border business cooperation, actively developed domestic project resources and participated in four Hong Kong IPO underwriting projects. The Group continued to enhance its support for quality enterprises seeking listing in Hong Kong, focused on key areas such as technology finance and green finance, and continued to improve its service capabilities, provided targeted solutions for enterprises. The Group will pay close attention to the regulatory policy developments in the equity capital market, explore potential business opportunities, further expand its domestic and overseas sales network, and endeavor to provide comprehensive and efficient professional services and support to our clients.

– ***Debt capital market***

During the reporting period, the Group completed a total of 114 offshore bond projects. According to the statistics of Bloomberg Database, the Group ranked 6th among Chinese securities firms in terms of the underwriting volume of Chinese-funded offshore bonds. Closely following the national strategic direction, the Group focused on key areas such as green finance and “Belt and Road”, continued to optimize its bond business structure, and successfully participated in a number of issuance projects in various currencies, including Shandong Yihe Holdings’ global first non-financial enterprise US dollar-denominated “Yulan Bond”, Dongtai Huimin’s Japanese yen bonds, and Jiangsu Tenghai’s Euro bonds, demonstrated the Group’s professional service capabilities in the international bond market. During the reporting period, the Group was awarded the “Most Influential Underwriting Institution Award” by the Shanghai Development Research Foundation, further demonstrated its market recognition and brand influence. In the face of the increasingly stringent regulatory environment of the offshore bond capital market, the Group will intensify its efforts in developing high-quality clients such as central enterprises and state-owned enterprises, assisting them in realizing their long-term development, and promoting the simultaneous enhancement of the Group’s business scale and efficiency.

## Institutional Services and Trading Business

The institutional services and trading business mainly provides one-stop integrated financial services for institutional and professional individual clients, such as brokerage and trading of global markets, research consulting, fixed income bonds, foreign exchange, over-the-counter derivatives and other trading investments, and investment and financing solutions.

	For the six months ended 30 June								
	Fee and commission		Interest income		Income from		Total		
	2025	2024	2025	2024	2025	2024	2025	2024	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	Change
Fixed income, currencies and									
commodities	-	-	-	-	65,971	7,999	65,971	7,999	725%
Structured products	-	-	-	-	11,737	24,032	11,737	24,032	(51%)
Stock business	29,839	26,872	23,396	8,992	-	-	53,235	35,864	48%
	<u>29,839</u>	<u>26,872</u>	<u>23,396</u>	<u>8,992</u>	<u>77,708</u>	<u>32,031</u>	<u>130,943</u>	<u>67,895</u>	93%

In the first half of 2025, the fixed income team seized the opportunity of the gradual recovery of the market environment, actively expanded the market making and trading business in the secondary market. By strengthening compliance and risk management, it accurately captured opportunities in a highly volatile market and realized solid returns from its trading positions in high credit-rated bonds. During the reporting period, the fixed income business realized revenue of approximately HK\$65.97 million, representing a year-on-year increase of 725%.

The financial innovation team has always focused on providing cross-market and cross-asset products to meet clients' diversified investment strategies and risk management needs, and is committed to providing more professional and efficient financial services to clients. During the reporting period, the team strictly complied with the regulatory requirements and ensured full compliance and standardization of the business by focusing on KYC audit, customer management, transaction process and risk control. As the team was still in the stage of business transformation, business revenue decreased by 51% year-on-year.

During the period under review, the Group adhered to a prudent and steady investment strategy amidst the volatile market environment, and the investment business revenue of the institutional services and trading business realized a gain of HK\$77.71 million, representing a year-on-year increase of 143%.

The institutional sales, institutional trading and corporate relations teams continued to expand overseas equity business services. In the first half of the year, the teams collaborated with SWS Research to conduct multiple analyst roadshows in Hong Kong, ASEAN, Japan, South Korea and the Middle East, thereby consolidating the foundation of cooperation with overseas institutions and strengthening ties with partners in the North American market. Income showed a diversified growth trend, and commission income from Japanese stocks and Hong Kong stocks increased by 44.8% and 33.7%, respectively. During the reporting period, fee and commission income from the institutional services and trading business amounted to HK\$29.84 million, representing a year-on-year increase of 11%, while interest income amounted to HK\$23.40 million, representing a year-on-year increase of 160%.

### Asset Management Business

The asset management business mainly provides public fund management, private fund management, investment advisory and discretionary managed account services.

	For the six months ended		
	30 June		
	2025	2024	
	HK\$'000	HK\$'000	Change
Fee and commission income	6,305	5,137	23%

In the first half of 2025, the returns of RMB-denominated assets fluctuated significantly due to internal and external factors, and coupled with continuous tightening of cross-border investment regulatory policies, the asset management business of the Group faced certain pressure. In the face of adverse impacts, the Group actively adjusted strategies, optimized business and management structure, strengthened risk management, enhanced professional service capabilities, improved product line layout, stabilized asset management fee level, and further enhanced the risk resistance capacity of core businesses. During the reporting period, fee and commission income from the asset management business amounted to HK\$6.31 million, representing a year-on-year increase of 23%.

Looking ahead, the Group's asset management business will continue to uphold a development philosophy that balances steadiness with innovation, focus on cooperation opportunities in countries (regions) along the Belt and Road, deepen cooperation with financial institutions in key countries (regions), explore and develop market-competitive and innovative landmark strategic products, constantly improve service quality and professional standards, and promote stable development of the business.

## **Future Plans & Prospects**

Looking ahead to the second half of 2025, the global economy is expected to continue its moderate recovery trend, though geopolitical frictions and divergent policies will remain significant challenges. The US policy of “reciprocal tariffs” continues to drive the restructuring of the global trade chain, and the market remains highly attentive to the macroeconomic policy trends of major economies. The US Federal Reserve may cut interest rates from the end of the third quarter to the beginning of the fourth quarter. The Eurozone, due to insufficient endogenous growth momentum, still has a slow pace of economic recovery. The European Central Bank is expected to sustain accommodative monetary policies to support the economy and stabilize price levels.

In Chinese Mainland, the economic operation structure may experience a transformation of driving forces in the second half of the year. As the “rush for exports” effect fades and the equipment renewal cycle comes to an end, the manufacturing sector, which was strong in the first half of the year, may face pressure; the service sector is showing signs of recovery in investment and consumption, and with further policy support, it is expected to become a new growth driver. Macroeconomic policies will focus on expanding domestic demand and optimizing the supply structure. On the one hand, measures such as consumption subsidies and cultural and tourism expansion will be adopted to stimulate service consumption and hedge against fluctuations in external demand. On the other hand, the manufacturing industry will be guided to transition from low-price competition to technological upgrading, thereby enhancing the value of the industrial chain. The forward-looking deployment of the 15th Five-Year Plan will also unleash more market vitality.

In Hong Kong, under the interest rate linkage mechanism of the Hong Kong pegged exchange rate system, as the timing for the US Federal Reserve to cut interest rates gradually approaches, the pressure on the cost of US dollar financing is expected to ease. Meanwhile, the continuous intensification of stable growth policies in Chinese Mainland and the deepening of medium- and long-term reforms have laid a solid foundation for the recovery of corporate profits, which will further support the fundamentals of Hong Kong stock market. The Hong Kong Stock Exchange will continue to optimize the listing rules, and attract the return of more US-listed Chinese shares, thereby consolidating Hong Kong’s functional advantages as an international financial center. Driven by multiple factors such as improved capital conditions, rising profit expectations and deepening institutional advantages, the Hong Kong stock market is anticipated to continue its upward trajectory while experiencing wide fluctuations in the second half of 2025.

In the second half of 2025, the Group will adapt to the global economic transformation and adjustment of the financial order, actively respond to the challenges of the international market, seize the opportunity of the internationalization of the RMB, steadily promote the optimization of business layout, and comprehensively enhance core competitiveness. As the core fulcrum of the overseas business of Shenyuan Hongyuan Group, the Group will focus on its functional positioning, deepen the breadth and depth of serving national strategies, seize the key opportunity of the return of US-listed Chinese shares, expand the stock sponsorship and underwriting business, promote the issuance of the Belt and Road themed offshore bonds, upgrade the “Cross-boundary Wealth Management Connect” service, and further enhance the cross-border financial service capabilities. The Group will also continue to optimize the product and service system, promote the upgrading of business structure towards high-value-added fields; strengthen compliance management and risk control to ensure stable operation; enhance the efficiency of capital allocation, strictly control operating costs, and optimize the quality and effectiveness of asset-liability management; accelerate the application of financial technology, advance digital transformation, and comprehensively enhance operational efficiency and customer experience to facilitate high-quality development.

### **Capital Structure**

During the period under review, there was no change to the share capital of the Company. As at 30 June 2025, the total number of the issued ordinary shares was 1,561,138,689 shares and total equity attributable to ordinary equity holders was approximately HK\$2,690 million (31 December 2024: HK\$2,629 million).

### **Treasury Policies**

The Group generally finances its business operations with internally generated cash flow and bank borrowings. The majority of Group’s banking facilities is renewable on a yearly basis and is on floating interest rates basis. In addition, it has been the policy of the Group to maintain adequate liquidity at all times to meet its liabilities as and when they fall due.

### **Liquidity, Financial Resources and Gearing Ratio**

As at 30 June 2025, the Group had cash and bank balances of HK\$1,135 million (31 December 2024: HK\$440 million) and investments at fair value through profit or loss of HK\$4,641 million (31 December 2024: HK\$3,032 million). As at 30 June 2025, the Group’s total unutilized banking facilities amounted to HK\$6,461 million (31 December 2024: HK\$7,406 million), of which HK\$6,161 million (31 December 2024: HK\$7,406 million) could be drawn down without the need of notice or completion of condition precedent.

As at 30 June 2025, the Group had outstanding short-term bank borrowings and notes issued amounting to HK\$1,391 million (31 December 2024: HK\$436 million) and HK\$354 million (31 December 2024: HK\$ nil million) respectively. The liquidity ratio (current assets to current liabilities) and gearing ratio (borrowings to net asset value) were 128% (31 December 2024: 142%) and 65% (31 December 2024: 17%) respectively.

The Group has sufficient financial resources for its day to day operations as well as spare capacity to take advantage of any investment opportunities when they arise.

### **Significant Investment Held, Material Acquisition and Disposal**

During the period under review, the Group did not hold any significant investment and did not have any material acquisition or disposal.

### **Charges on the Group's Asset**

No asset of the Group was subject to any charge as at 30 June 2025.

### **Risk Management**

The Group has properly put in place credit management policies which cover the examination of the approval of clients' trading and credit limits, regular reviews of facilities granted, monitoring of credit exposures and the follow up of credit risks associated with overdue debts. The policies are reviewed and updated regularly.

The management closely monitors the market condition so that precautionary measures will be taken to mitigate any risk that the Group may encounter. As at 30 June 2025, the advances to customers were overdue accounts receivable from cash clients and margin financing.

35% (31 December 2024: 33%) of margin financing was attributable to corporate customers with the rest attributable to individual customers.

### **Exposure to Fluctuations in Exchange Rates and Any Related Hedges**

The Group's principal operations are transacted and recorded in Hong Kong dollar and US dollar. The Group is not exposed to material foreign exchange risk because Hong Kong dollar is pegged with United States dollar. Other foreign currency exposure is relatively minimal to its total assets and liabilities. The Group has endeavored to closely monitor its foreign currency positions and takes measures when necessary.

### **Contingent Liabilities**

There were no material contingent liabilities as at 30 June 2025.

### **Future Plans for Material Investments or Capital Assets**

Except the future plans as disclosed in the paragraph of "Prospects", the Group had no other future plans for material investments or capital assets as at 30 June 2025.



## **Events After the Reporting Period**

With effect from 31 July 2025, Ms. Zhang Ying was appointed as the Non-executive Director of the Company. For details, please refer to the Company's circular dated 16 July 2025 and the Appointment of Non-executive Directors announcement dated 31 July 2025.

With effect from 5 August 2025, Mr. Cheung Kai Cheong Willie resigned as the Company Secretary and Authorised Representative of the Company, and Ms. Lin Sio Ngo was appointed as the Company Secretary and Authorised Representative of the Company. For details, please refer to the Company's Change of Company Secretary and Authorised Representative announcement dated 5 August 2025.

On 5 August 2025, the Company entered into the 2025 SWHYG MOU with Shenwan Hongyuan Group Co., Ltd., in relation to the transactions between Shenwan Hongyuan Group Co., Ltd. and its subsidiaries ("SWHYG") and the Group to replace the 2022 SWHYG MOU. The 2025 SWHYG MOU shall be effective from 1 September 2025 or upon approval by the Independent Shareholders at the EGM and shall expire on 31 May 2028. For details, please refer to the Company's Continuing Connected Transactions announcement dated 5 August 2025 and circular dated 12 August 2025.

Save as disclosed of this announcement, there were no important events affecting the Group since 30 June 2025 to the date of this announcement.

## **Employees**

As at 30 June 2025, the total number of full-time employees was 247 (2024: 256). The total staff costs for the period under review amounted to approximately HK\$122 million (2024: HK\$134 million).

The Group maintains policies for the recruitment, compensation, promotion and training of staff. Pay surveys are conducted periodically by independent consultants appointed by the Group to maintain the Group's competitiveness in the market. With reference to market conditions, the Group will formulate relevant and proper remuneration and incentive plans to attract and retain talent. The Group supports equal opportunities and recruits competent candidates globally.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares (as defined under the Listing Rules)) during the period under review. As at the end of the reporting period, the Company did not hold any treasury shares.



## CORPORATE GOVERNANCE CODE

To improve the Company's transparency and accountability to its shareholders, the Company is, so far as practicable, committed to maintaining high standard of corporate governance. Throughout the six months ended 30 June 2025, the Company has met all applicable code provisions set out in part 2 of Appendix C1, Corporate Governance Code (the "**CG Code**"), of the Listing Rules, save and except for code provision C.2.1 of the CG Code since 9 August 2024.

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. The Management Committee under the Board is mainly responsible for formulating policies on the day-to-day management and operations of the Group and setting out its specific terms of reference in writing in accordance with the applicable code provisions set out in part 2 of the CG Code contained in Appendix C1 of the Listing Rules. As disclosed in the announcement of the Company dated 9 August 2024, the Chairman of the Management Committee was changed from Mr. Liang Jun, an executive director and the Chief Executive Officer of the Company, to Ms. Wu Meng, the Chairman of the Board and an executive director of the Company, and Mr. Liang Jun was re-designated as the deputy chairman of the Management Committee with effect from 9 August 2024. The Chairman of the Board is primarily responsible for leading and managing the Board. The Board considers that the appointment of Ms. Wu Meng as the Chairman of the Management Committee is in the best interests of the Company and its shareholders, provides consistent leadership to the Company and ensures efficiency in formulating and executing the Group's business strategies while the Board continues to operate with sufficient balance of power and authority.

The Board will continue to review and monitor the corporate governance practices of the Company to ensure compliance with the CG Code.

## MODEL CODE FOR SECURITIES TRANSACTIONS

The Company adopted the “Model Code for Securities Transactions by Directors of Listed Issuers” (the “**Model Code**”) as set out in Appendix C3 of the Listing Rules as the Company’s code of conduct for dealings in securities of the Company by the directors. Based on replies from the Company’s directors on specific enquiry, all the directors complied with required standard set out in the Model Code throughout the period under review.

## AUDIT COMMITTEE

The Company established an audit committee (the “**Audit Committee**”) with its written terms of reference in compliance with the CG Code. Following Mr. Ng Wing Hang Patrick passed away (the former Independent Non-executive Director) on 9 November 2024, the Audit Committee was left with only two members and without the Chairman did not meet the requirement under Rule 3.21 of the Listing Rules.

According to the announcement of the Company dated 27 March 2025, the Company had been granted the waiver from strict compliance with the requirements under Rules 3.21 of the Listing Rules as well as an extension of time to 11 April 2025 by the Stock Exchange on 27 March 2025. With the appointment of Ms. Chiu Lai Kuen Susanna as the Chairman and member of Audit Committee on 11 April 2025, the Audit Committee comprises a minimum of three members, which fulfils the requirement under Rule 3.21 of the Listing Rules. All members are Independent Non-executive Directors. Ms. Chiu Lai Kuen Susanna, the Chairman of the Audit Committee and Mr. Kwok Lam Kwong Larry, a member of the Audit Committee, have the appropriate professional qualification as required by Rule 3.10(2) of the Listing Rules. As at the date of this announcement, the Audit Committee comprises three independent non- executive Directors, namely Ms. Chiu Lai Kuen Susanna (Chairman), Mr. Kwok Lam Kwong Larry and Mr. Liu Chijin.

The Audit Committee has reviewed the interim results announcement and the interim report for the six months ended 30 June 2025 of the Company.

## INDEPENDENT NON-EXECUTIVE DIRECTORS

As disclosed in the announcement of the Company dated 15 November 2025, following Mr. Ng Wing Hang Patrick passed away (the former Independent Non-executive Director) on 9 November 2024, the Company had only two Independent Non-executive Directors which did not meet the requirements under Rules 3.10(1) and 3.10A of the Listing Rules. According to the announcement of the Company dated 27 March 2025, the Company had been granted the waiver from strict compliance with the requirements under Rules 3.10(1) and 3.10A of the Listing Rules as well as an extension of time to 11 April 2025 by the Stock Exchange on 17 March 2025. With the appointment of Ms. Chiu Lai Kuen Susanna as an Independent Non-executive Director on 11 April 2025, the Board comprises three Independent Non-executive Directors representing at least one-third of the members of the Board, which fulfils the requirements under Rules 3.10(1) and 3.10A of the Listing Rules.

## **PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT**

This interim results announcement is published on the website of Hong Kong Exchanges and Clearing Limited (“**HKEx**”) at <http://www.hkexnews.hk> and on the Company’s website at <http://www.swhyhk.com>. The 2025 interim report of the Company will be dispatched to the shareholders in due course as required and will be available on the websites of HKEx and the Company in due course.

## **DIRECTORS**

As at the date of this announcement, the Board of the Company comprises nine directors, of which Ms. Wu Meng, Mr. Tan Weijun, Mr. Liang Jun and Mr. Hu Jing are Executive Directors, Mr. Zhang Lei and Ms. Zhang Ying are Non-executive Directors; Mr. Kwok Lam Kwong Larry, Mr. Liu Chijin and Ms. Chiu Lai Kuen Susanna are Independent Non-executive Directors.

By Order of the Board  
**Shenwan Hongyuan (H.K.) Limited**  
**Wu Meng**  
*Chairman*

Hong Kong, 22 August 2025