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

(Stock Code: 01456)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025

The board of directors (the “**Board**”) of Guolian Minsheng Securities Company Limited (the “**Company**”) hereby announces the unaudited interim results of the Company and its subsidiaries for the six months ended 30 June 2025. This announcement, containing the full text of the 2025 interim report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in relation to preliminary announcements of interim results. The 2025 interim report of the Company will be published on the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk and the website of the Company at www.glsc.com.cn in due course and will be dispatched to the H shareholders of the Company in the manner in which the H shareholders of the Company have elected to receive corporate communications.

By order of the Board

Guolian Minsheng Securities Company Limited

Gu Wei

Chairman

Wuxi, Jiangsu Province, the PRC

28 August 2025

As of the date of this announcement, the executive Director of the Company is Mr. Ge Xiaobo; the non-executive Directors of the Company are Mr. Gu Wei, Mr. Zhou Weiping, Mr. Wu Weihua, Mr. Yang Zhenxing and Mr. Liu Hailin; and the independent non-executive Directors of the Company are Mr. Gao Wei, Mr. Guo Chunming and Ms. Hsu Wai Man Helen.

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Company Information

COMPANY NAME

Chinese Name: 國聯民生證券股份有限公司

English Name: Guolian Minsheng Securities Company Limited

LEGAL REPRESENTATIVE

Mr. Gu Wei

DIRECTORS

Executive Director

Mr. Ge Xiaobo (President)

Non-executive Directors

Mr. Gu Wei (Chairman of the Board)

Mr. Zhou Weiping

Mr. Wu Weihua

Mr. Yang Zhenxing

Mr. Liu Hailin

Independent Non-executive Directors

Mr. Gao Wei

Mr. Guo Chunming

Ms. Hsu Wai Man Helen

SUPERVISORS

Ms. Xue Chunfang (Chairman)

Mr. Xu Kan

Ms. Xu Jingyan

Ms. Wu Lingyun

Mr. Zhou Min

BOARD COMMITTEES

Strategy and ESG Committee

Mr. Gu Wei (Chairman)

Mr. Ge Xiaobo

Mr. Zhou Weiping

Mr. Wu Weihua

Ms. Hsu Wai Man Helen

Remuneration and Nomination Committee

Mr. Gao Wei (Chairman)

Mr. Guo Chunming

Mr. Gu Wei

Audit Committee

Mr. Guo Chunming (Chairman)

Mr. Gao Wei

Ms. Hsu Wai Man Helen

Risk Control Committee

Mr. Gu Wei (Chairman)

Mr. Ge Xiaobo

Mr. Zhou Weiping

Mr. Liu Hailin

Mr. Guo Chunming

SECRETARY OF THE BOARD

Mr. Wang Jie

JOINT COMPANY SECRETARIES

Ms. Hui Yu, Ms. Zhang Xiao

AUTHORIZED REPRESENTATIVES

Mr. Ge Xiaobo, Ms. Zhang Xiao

HEADQUARTERS IN THE PRC

Registered address of the Company:

No. 8 Jinrong One Street, Wuxi, Jiangsu Province, the PRC

Office address of the Company:

No. 8 Jinrong One Street, Wuxi, Jiangsu Province, the PRC

Website of the Company: www.glsc.com.cn

E-mail: glsc-ir@glsc.com.cn

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40/F, Dah Sing Financial Centre, 248 Queen's Road East, Wanchai, Hong Kong

AUDITORS

Domestic: ShineWing Certified Public Accountants LLP

International: SHINEWING (HK) CPA Limited

LEGAL ADVISOR AS TO HONG KONG LAWS

Clifford Chance

STOCK CODE

HK Stock Exchange H Shares Stock Code: 01456

Shanghai Stock Exchange A Shares Stock Code: 601456

SHARE REGISTRARS

Share Registrar for A Shares:

China Securities Depository and Clearing Corporation Limited
Shanghai Branch

Share Registrar for H Shares:

Computershare Hong Kong Investor Services Limited

Financial Highlights

Accounting data and financial indicators set out herein are prepared in accordance with IFRS

PRINCIPAL ACCOUNTING DATA AND FINANCIAL INDICATORS

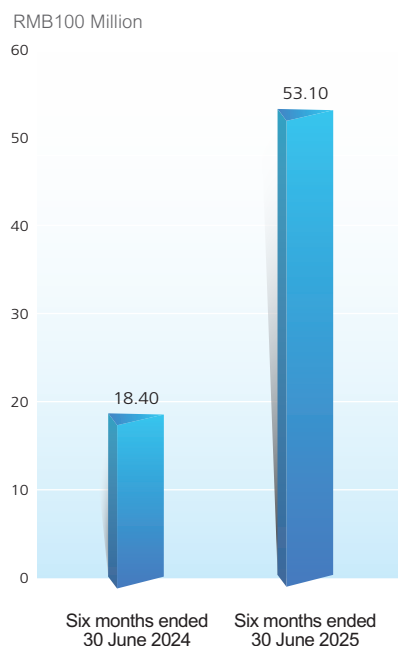
Items	Six months ended 30 June 2025	Six months ended 30 June 2024	Variance in comparison with the corresponding period of last year (%)
Operating results (RMB'000)			
Total revenue, net investment gains and other income	5,309,801	1,840,238	188.54
Profit before income tax	1,402,946	54,531	2,472.75
Interim profit – attributable to shareholders of the Company	1,127,232	87,708	1,185.19
Net cash from operating activities	47,775	5,401,936	-99.12
Earnings per share (RMB/share)			
Basic earnings per share	0.20	0.03	566.67
Diluted earnings per share	0.20	0.03	566.67
Profitability index			
Weighted average returns on net assets ^(note 1) (%)	2.52	0.48	Increased by 2.04 percentage points
Items	As of 30 June 2025	As of 31 December 2024	Variance in comparison with the end of last year (%)
Scale index (RMB'000)			
Total assets	185,396,985	97,208,144	90.72
Total liabilities	133,810,602	78,260,128	70.98
Accounts payable to brokerage clients	34,495,160	14,565,167	136.83
Equity attributable to shareholders of the Company	51,087,714	18,584,334	174.90
Share capital ('000 shares)	5,680,593	2,831,773	100.60
Net asset value per share attributable to shareholders of the Company (RMB/share)	8.99	6.56	37.04
Gearing ratio ^(note 2) (%)	65.81	77.07	Decreased by 11.26 percentage points

1. Prepared in accordance with the relevant requirements of the Compilation Rules for Information Disclosures by Companies that Offer Securities to the Public (No. 09) – Calculations and Disclosures for the Returns on Net Assets and Earnings per Share (as amended in 2010) issued by the CSRC.

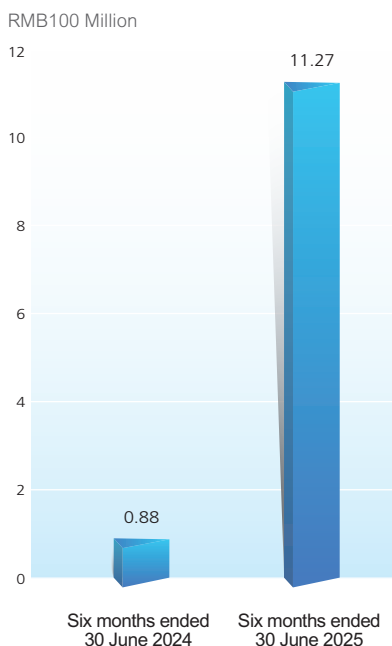
2. Gearing ratio = (total liabilities – accounts payable to brokerage clients)/(total assets – accounts payable to brokerage clients).

Financial Highlights

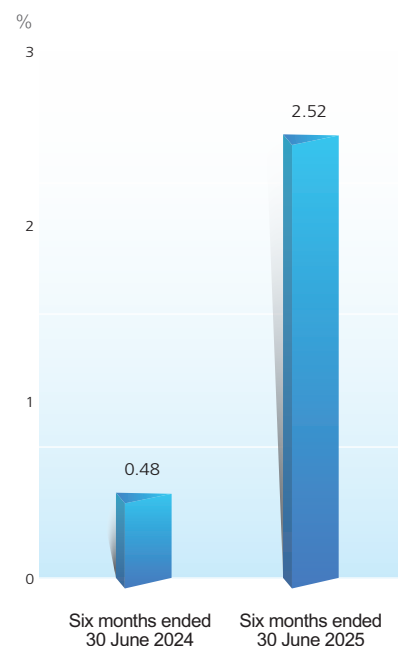
Revenue, net investment gains and other income



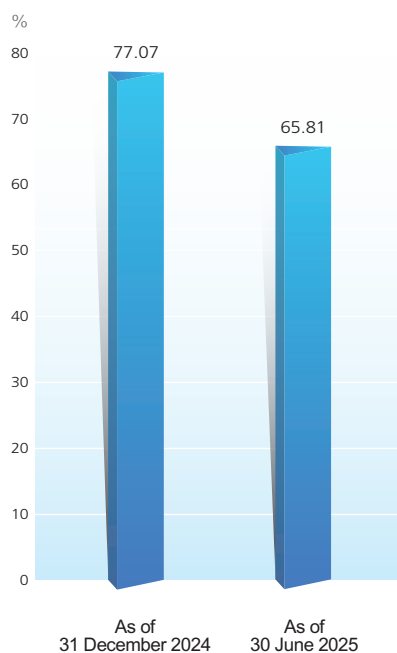
Interim profit – attributable to shareholders of the Company



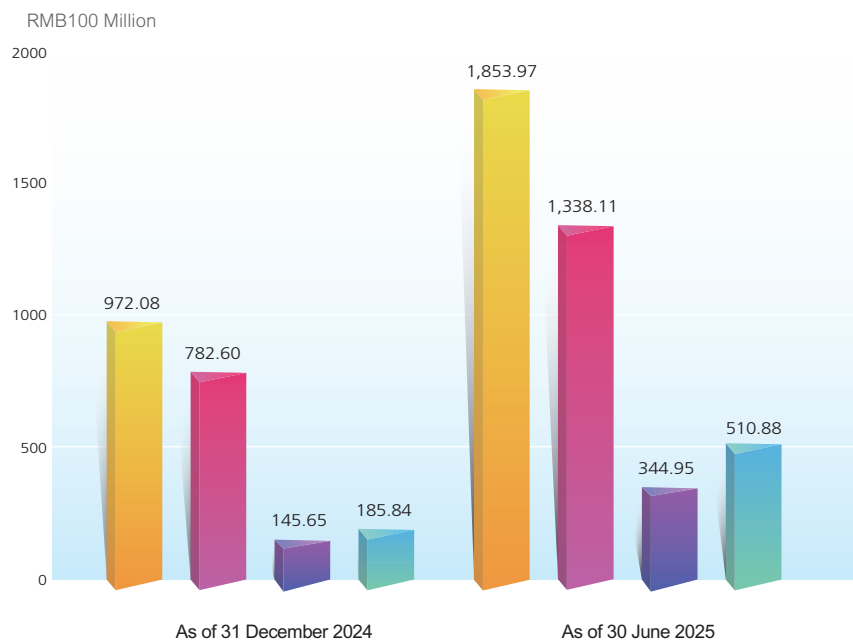
Weighted average returns on net assets



Gearing ratio



Scale index



■ Total assets
■ Total liabilities
■ Accounts payable to brokerage clients
■ Equity attributable to shareholders of the Company

Management Discussion and Analysis

I. INDUSTRY SITUATION IN WHICH THE COMPANY OPERATED DURING THE REPORTING PERIOD

In the first half of 2025, the global macroeconomic environment faced multiple challenges. The global economy faced substantial headwinds from the continued rise of trade protectionism. The new round of U.S. tariff policies has exerted substantial impacts on global supply chains and trade systems, leading to a broad slowdown in major overseas economies. In particular, the U.S. experienced negative quarter-on-quarter GDP growth in the first quarter of 2025, while economies such as Europe and Japan also faced risks of declining exports. Supply chain disruptions and rising production costs triggered by tariff policies heightened inflation expectations in the United States. In this environment, the Fed paused its previously widely anticipated interest rate cut process, with monetary policy entering a wait-and-see phase.

Meanwhile, the domestic economy has demonstrated remarkable resilience. In the first half of 2025, China's GDP grew by 5.3% year-on-year. This growth rate not only exceeded the 5.0% recorded in the same period of the last year but also indicates that achieving the annual GDP growth target is well within reach. The stable development of China's economy has been underpinned by supportive government policies: support for technological innovation has strengthened the resilience of industrial chains, helping to partially mitigate external risks arising from U.S. tariff hikes; the trade-in policy for consumer goods has effectively stimulated consumption, leading to significant retail sales increases in related products; and intensified efforts to reduce local government debt have created more fiscal space, allowing for greater allocation of local expenditures toward livelihood sectors. Amid global market volatility in the first half of 2025, Chinese stock markets still managed to deliver positive returns. In particular, the SSE Composite Index, SZSE Component Index, and ChiNext Index rose by 2.76%, 0.48%, and 0.53%, respectively. After an adjustment in the first quarter, the bond market resumed its bull trend, with yields fluctuating at low levels and credit spreads remaining narrow.

Since the beginning of the year, amid complex and severe risks and challenges, the CSRC has collaborated with various parties to steadily implement the Certain Opinions on Strengthening Supervision, Preventing Risks and Promoting the High-Quality Development of the Capital Market (《關於加強監管防範風險推動資本市場高質量發展的若干意見》) (the new "Nine Opinions of the State Council (國九條)"), and the "1+N" policy documents for the capital market. These coordinated efforts have formed a "combination of policies" aimed at maintaining market stability and smooth operation. Breakthroughs have been made in a number of landmark reforms, including facilitating the entry of medium- and long-term funds, reforming public-offered funds, advancing the "1+6" policy measures for the STAR Market, and promoting mergers and acquisitions and restructuring of listed companies. These measures effectively boosted market confidence, enhanced the market's inherent stability, and created a virtuous cycle with the development of new quality productivity and the high-quality growth of the real economy. As a new round of top-down supply-side reforms in the securities industry continues to progress, the securities industry is currently characterised by the parallel trends of "increasing concentration among top-tier firms" and "differentiated development", with the future industry landscape expected to evolve at an accelerated pace. Among them, top-tier securities firms are enhancing their comprehensive service capabilities through mergers and acquisitions and restructuring, focusing on investment banking, wealth management and cross-border business, while small and medium-sized securities firms seek breakthroughs by leveraging regional resources or niche services. Meanwhile, the industry's digital transformation is also accelerating, positioning financial technology as a key factor in achieving differentiated competition. With the further deepening of capital market reforms, securities institutions with full-chain service capabilities will gain increasingly prominent competitive advantages.

Management Discussion and Analysis

II. OVERALL OPERATION

As of 30 June 2025, total assets of the Group were RMB185.397 billion, representing an increase of 90.72% as compared to 31 December 2024; and equity attributable to shareholders of the Company was RMB51.088 billion, representing an increase of 174.90% as compared to 31 December 2024. During the Reporting Period, the Group achieved total revenue, net investment gains and other income amounting to RMB5.310 billion, representing a year-on-year increase of 188.54%; and net profit attributable to shareholders of the Company was RMB1.127 billion, representing a year-on-year increase of 1,185.19%.

The revenue generated from the brokerage and wealth management business was RMB1.58 billion, representing a year-on-year increase of 238.07%; the revenue generated from the investment banking business was RMB581 million, representing a year-on-year increase of 223.02%; the revenue generated from the asset management and investment business was RMB299 million, representing a year-on-year decrease of 8.58%; the revenue generated from the credit transaction business was RMB482 million, representing a year-on-year increase of 58.69%; and the revenue generated from the proprietary trading business was RMB2.187 billion, representing a year-on-year increase of 515.02%.

III. ANALYSIS OF PRINCIPAL BUSINESSES

The businesses of the Group can be categorised into five segments, including brokerage and wealth management business, investment banking business, asset management and investment business, credit transaction business, and proprietary trading business.

(I) Brokerage and Wealth Management Business

1. Brokerage and Wealth Management Business

Market Environment

In the first half of 2025, the overall trading sentiment of the domestic securities market was significantly more robust as compared with the same period of the last year. According to the data from the Shanghai, Shenzhen and Beijing Stock Exchanges, the stocks trading volume of the Shanghai, Shenzhen and Beijing markets in the first half of 2025 was RMB162.83 trillion. The average daily turnover of stocks and funds in the Shanghai and Shenzhen markets was RMB1,613.5 billion, representing a year-on-year increase of 63.87%.

Management Discussion and Analysis

Actions and Achievements

During the Reporting Period, the Company continued to advance the transformation of buyer's investment advisory towards a broader wealth management approach by establishing a tiered service mechanism and business model tailored to different client categories. For retail clients, tools such as fund investment advisory were deployed to determine strategic portfolios that aligned with market trends to guide them toward long-term asset allocation. For high-net-worth clients, the sales model was restructured to deliver diversified customised portfolio strategies to enhance the resilience of assets against market fluctuations and improve overall returns, while new trading models and intelligent trading service tools were being leveraged to expand traffic channels. For institutional clients, the Company addressed their comprehensive needs through methods such as fund investment advisory and institutional wealth management platforms, optimising client risk-return profiles through diversified strategies. The "Good Doctor" service system was continuously optimised through foundational technical systems enhancements and experimental AI applications while accelerating underlying data governance and full-spectrum digital construction. During the Reporting Period, its client size continued to grow, adding 117,600 new clients and the cumulative total number of clients reached 3,455,900. The sales scale of the Company's financial products (excluding the cash management products) amounted to RMB87.02 billion, while the retention of financial products at the end of the period amounted to RMB31.436 billion. The fund investment advisory business maintained its industry-leading position with continuous business scale expansion. As of the end of the Reporting Period, the retention size of fund investment advisory reached RMB9.708 billion.

Outlook for the Second Half of 2025

In the second half of 2025, the Company will remain committed to advancing a buyer's investment advisory service mechanism with trust and professionalism at its core elements, establish support frameworks for both standardised and non-standardised businesses to foster trust and co-create value. In addition, the Company will enhance its investor education system by adopting effective approaches and methods to help clients establish proper investment concepts, and optimise trading behaviours. The Company will explore new pathways for online transformation, intensify research and innovation to iteratively upgrade service offerings, optimise client experiences, and reduce client solicitation costs. In team building and talent development, the Company will concentrate on key regions with ramp up investments to cultivate management cadres and enhance leadership capabilities, thereby supporting business growth. The wealth management system of the Company will integrate resources to empower the real economy, leveraging advantages in capital and service chains to assist corporate clients' development, explore project resources, and achieve upgraded wealth management business.

Management Discussion and Analysis

2. Research Business

In the first half of 2025, the Company continued to enhance its research capabilities, refine its research product system, and strengthen its professional service capability for both internal and external clients of its research business. By fostering collaboration among investment, investment research, and investment banking, it aimed to meet the growing demand for professionalised and customised research business from both internal and external clients. The Company further optimised its digital platform functionalities, reinforced investment research infrastructure, and systematically accumulated investment research data resources. It advanced platform synergy enhancement, refined product full lifecycle management, and comprehensively improved platform output efficiency and intelligent operational standards, significantly expanding the coverage and application depth of research output. In terms of the institutional sales business, it focused on client needs, providing differentiated research service strategies tailored to various institutions such as public-offering, insurance, and private equity.

During the Reporting Period, the Company's research business published 2,983 research reports and hosted thematic salons and forums including “Industry Chain Response Under the Tariff Storm (關稅風暴下產業鏈應對)”, humanoid robots, and AI pharmaceuticals, deepening industry research and client engagement. In February 2025, the Company successfully hosted its first public event under the new name with the theme “Converging Forces, Surging Toward Innovation (融匯江湖 潮湧向新)” in Wuxi, which attracted over 2,000 guests and featured 11 industry-focused thematic sessions, demonstrating the new momentum of its comprehensive financial services. As of the end of the Reporting Period, the Company's research business was equipped with comprehensive industry research capabilities, covering six major research areas: macroeconomic research, financial industry, cyclical industry, technology industry, manufacturing industry, and consumer industry, encompassing 34 research directions.

In the second half of 2025, the Company's research business will continue to expand both its research coverage and mutual engagement with institutional clients. Through differentiated, forward-looking, and in-depth research, it will enhance its market share and drive its research influence toward the top-tier. Meanwhile, it will reinforce its distinctive industry-expert-driven research approach, develop a product matrix with enhanced value identification and recommendation capabilities to consistently provide high-quality insights for both internal and external clients' research and investment decisions. Furthermore, it will deepen its presence in key industrial chains, further strengthening research support for the Company's various business and government departments, thereby fostering a synergistic and cohesive research ecosystem and elevating the professional brand influence of the Company's research business.

Management Discussion and Analysis

3. Futures business

Market Environment

In the first half of 2025, according to statistics from the China Futures Association, in terms of one-side trading, China's futures market recorded a cumulative trading volume of 4.076 billion lots, with a cumulative turnover of RMB339.73 trillion, representing a year-on-year increase of 17.82% and 20.68%, respectively. As of the end of June 2025, China's futures market had offered nearly 150 futures and options products, with continuous improvements in its green product system. Participation by industrial clients has increased significantly, while the share of financial futures turnover has also risen markedly. The futures market has strengthened its linkage with spot supply chains, providing more effective risk management tools for real-economy enterprises, demonstrating a significant enhancement in serving the real economy, with the service efficacy being profoundly realised.

The improvement of policies and systems, optimisation of trading rules, and enhancement of regulatory efficiency in the futures industry have elevated market operational efficiency, providing a guarantee for the market to better serve the real economy and establish a new development layout. At the futures company level, industry fragmentation has intensified, with persistent challenges including homogenised competition and mounting profitability pressures, while top-tier consolidation continues to strengthen.

Actions and Achievements

During the Reporting Period, the Company's futures brokerage business maintained healthy and stable operations, with an emphasis on its principal business. In response to evolving policy dynamics, the Company promptly adjusted its business strategies to better align with both market conditions and the Company's current development situation. The Company continuously improved its client service capabilities, optimized its client structure, and continually expanded both the scope and depth of its services to the real economy. At the same time, it strengthened cost control measures and focused on enhancing operational efficiency. As of the end of June 2025, the Company's average daily client equity of futures brokerage business reached RMB5.282 billion, while its market share by trading volume was 7.14%.

Management Discussion and Analysis

Outlook for the Second Half of 2025

In the second half of 2025, the Company's futures brokerage business will continue to seize development opportunities arising from deepening market reforms, adhere to its orientation of serving the real economy, further implement the requirements of the new "Nine Opinions of the State Council (國九條)" and a series of supporting policy documents, focus on its core responsibilities and principal businesses, pursue progress while maintaining stability, and capitalise on structural opportunities. The Company will continue to enhance client services, consolidate its futures brokerage foundation, expand institutional business, optimise income structure, and enhance business synergies. Concurrently, it will maintain stringent risk control, strengthen real-time monitoring and early warning capabilities for all types of risks, and ensure fully compliant operations throughout all business processes.

(II) Investment Banking Business

1. Equity Financing Business

Market Environment

According to the statistics from Wind, in the first half of 2025, 135 equity financing projects were completed in the A-share market, representing a year-on-year increase of 22 projects, with total financing amount reaching to RMB714.151 billion, representing a substantial increase of 524.44% year-on-year. In particular, 48 IPOs were completed, up by 5 year-on-year, achieving a financing amount of RMB38.002 billion, representing a year-on-year increase of 25.53%; 87 refinancing were completed, up by 17 year-on-year, achieving a financing amount of RMB676.148 billion, representing a substantial increase of 704.04% year-on-year. The substantial increase in refinancing scale was largely attributable to the special treasury bond capital replenishment programme led by the Ministry of Finance, directly boosting the overall financing scale of the A-share market in the first half of the year. If the aforementioned policy-driven factors are excluded, total equity financing project scale in the A-share market for the first half of 2025 adjusted to RMB194.151 billion, representing a year-on-year increase of 69.76%. The total financing scale of refinancing was RMB156.148 billion, representing a year-on-year increase of 85.68%.

Management Discussion and Analysis

Actions and Achievements

The Company's equity financing business is dedicated to empowering the real economy through professional financial services. By precisely connecting with the capital market, it effectively injects vitality into the real economy and supports the high-quality development of more new quality productivity with the power of capital. During the Reporting Period, the Company's equity financing business delivered strong performance, completing a total of 6 IPO projects and refinancing projects (including mergers and acquisitions and restructuring supporting financing), with an aggregate underwriting amount of RMB2.620 billion. According to the statistics from Wind, during the Reporting Period, the Company ranked 8th and 5th in the industry respectively in terms of the number of equity underwriting deals and underwriting income.

In terms of IPO business, the Company successfully completed 3 IPO projects, namely ChiNext IPO of Taili Technology (太力科技), ChiNext IPO of UUGreenPower (優優綠能), and STAR Market IPO of Xingfu Electronics (興福電子), with a total underwriting amount of RMB1.520 billion. According to the statistics from Wind, during the Reporting Period, the Company ranked 7th in the industry in terms of both the number of IPO underwriting deals and underwriting amount, while securing the 5th position in the industry in terms of underwriting income. As of the end of the Reporting Period, the Company also has 1 approved IPO project pending issuance and 12 IPO projects under review, of which the quantity of IPO projects under review ranked 8th in the industry. The Company ranked 5th in the industry in terms of number of IPO filings this year.

In terms of refinancing business, the Company completed refinancing project for Nanshan Fashion (南山智尚) and mergers and acquisitions and restructuring supporting financing projects for Ningbo JDM (寧波精達) and Guolian Minsheng, with a total underwriting amount of RMB1.10 billion. As of the end of the Reporting Period, the Company had an additional 5 refinancing projects under review.

The table below shows the details of equity financing business in the first half of 2025:

Currency: RMB

Items	First half of 2025		First half of 2024	
	Underwriting amount (In 100 million)	Number of issuances (Unit)	Underwriting amount (In 100 million)	Number of issuances (Unit)
Initial public offering	15.20	3	0.17	1
Refinancing issuance	11.00	3	2.78	1
Total	26.20	6	2.95	2

Note: The above equity projects include lead underwriting, joint lead underwriting and sub-underwriting.

Management Discussion and Analysis

Outlook for the Second Half of 2025

In the second half of 2025, the Company will continue deepening the “investment banking + investment + investment research” tripartite synergy mechanism for its equity financing business, steadfastly implementing the strategic positioning of industrial investment banking, technology investment banking, and wealth investment banking. It will optimise the industry groupings mechanism, expand coverage in key and emerging industries, and intensify efforts to develop and expand high-growth potential projects, proactively positioning itself in future industries, technological innovation, and new quality productivity, and diligently serve national strategies. It will remain firmly rooted in its Wuxi strategic stronghold, thoroughly exploring the market potential of Wuxi and other key regions. By actively participating in the construction and development of Wuxi’s industrial clusters and cultivating local industrial and client resources, it will strive to become the preferred regional investment bank. On this foundation, it will steadily expand into the market nationwide, and continuously enhance its brand influence.

2. Debt Financing Business

Market Environment

In the first half of 2025, the debt financing market maintained its growth momentum. According to the data released by the People’s Bank of China, a total of RMB44.53 trillion of various bonds were issued in the debt market in the first half of the year, representing a year-on-year increase of 16.74%, including RMB23.55 trillion of financial bonds, representing a year-on-year increase of 8.99%; RMB7.65 trillion of credit bonds, representing a year-on-year increase of 5.79%; and RMB13.33 trillion of other types of bonds, representing a year-on-year increase of 43.24%.

Actions and Achievements

During the Reporting Period, the Company achieved both quantitative growth and qualitative enhancement in debt financing business, completed a total of 245 debt projects with a total underwriting amount of RMB73.988 billion. Leveraging its professional expertise, it maintained a sharp focus on technology-driven finance, successively completing 9 technology innovation bonds including “25 Xinchuang YK (25新創YK)”, “25 Xin YK2 (25新YK2)” and “25 Shen YK01 (25神YK01)”, achieving total underwriting amount of RMB2.037 billion. Furthermore, the Company made sustained efforts in green finance, successfully issued the rural revitalisation bond “25 Huoze V1 (25濩澤V1)” and 3 low-carbon transition-linked corporate bonds, namely “25 Xianyang 02 (25咸陽02)”, “25 Xianyang 03 (25咸陽03)” and “25 Xianyang 04 (25咸陽04)”, contributing to highly influential benchmark projects with distinctive features by leveraging its high-quality debt professional service capabilities. As of the end of the Reporting Period, the Company had an additional 61 debt projects that had already obtained approvals and were pending issuance, and 21 debt projects under review.

Management Discussion and Analysis

The table below shows the details of debt financing business in the first half of 2025:

Currency: RMB

Items	First half of 2025		First half of 2024	
	Underwriting amount (In 100 million)	Number of issuances (Unit)	Underwriting amount (In 100 million)	Number of issuances (Unit)
Corporate bonds	462.77	181	188.27	68
Financial bonds	32.72	6	5.10	3
Local government bonds	244.39	58	15.80	10
Total	739.88	245	209.17	81

Note: The above debt projects include lead underwriting, joint lead underwriting and sub-underwriting.

Outlook for the Second Half of 2025

In the second half of 2025, the Company will strengthen its debt financing business across multiple dimensions. Firstly, by leveraging the advantages of merged branches and business teams to continuously deepen and widen its business coverage and enrich business reserves. Secondly, in response to regulatory calls for specialised products, with enhanced policy interpretation and promotion efforts focusing on targeted bond varieties, and increased underwriting participation in key nationally supported bonds including technology innovation bonds, carbon-neutral bonds, rural revitalisation bonds and micro, small, and medium-sized enterprises (MSMEs) support bonds. Thirdly, through full swing synergistic resources, concentrating on high-credit clients in Jiangsu region while actively pursuing participation in underwriting syndicates for bonds issued by central state-owned enterprises (SOEs) to increase the proportion of premium clients.

Management Discussion and Analysis

3. Financial Advisory Business

Market Environment

According to the statistics from Wind, the number of announced transactions in China's mergers and acquisitions and restructuring market (excluding overseas mergers and acquisitions) in the first half of 2025 was 3,539, down by 139 transactions year-on-year, with a transaction value of RMB803.880 billion, representing a year-on-year increase of 1.59%. The number of completed transactions was 1,378, down by 568 transactions year-on-year, with a transaction value of RMB218.179 billion, representing a year-on-year decrease of 35.01%.

Actions and Achievements

During the Reporting Period, the Company's financial advisory business delivered notable achievements with its focused efforts on mergers and acquisitions and restructuring business and NEEQ business. For the mergers and acquisitions and restructuring business, the Company completed 5 projects including Ningbo JDM's acquisition of assets by issuing shares and Hubei Agricultural Development's acquisition of Runnong Water-saving (潤農節水), with 2 additional mergers and acquisitions and restructuring projects under review. For the NEEQ business, the Company completed 11 NEEQ listing projects, 4 private placement projects, 2 mergers and acquisitions and restructuring projects, and ongoing supervision for 195 enterprises. According to the statistics from Wind, the Company ranked second in the industry in terms of number of listed enterprises on the NEEQ, establishing a solid foundation for high-quality project pipelines for the Beijing Stock Exchange.

Outlook for the Second Half of 2025

In the second half of 2025, the Company's financial advisory business will actively capitalise the benefits of mergers and acquisitions and restructuring policy incentives to focus on fostering mergers and acquisitions and restructuring business into a new profit growth driver. The Company will strengthen synergies between the NEEQ and the Beijing Stock Exchange, leveraging the reserve advantages of the NEEQ, and cultivating project resources for the Beijing Stock Exchange. Furthermore, it will deepen its commitment to serving the real economy while fully enhancing its comprehensive financial advisory service capabilities.

Management Discussion and Analysis

(III) Asset Management and Investment Business

1. Securities Asset Management Business

Market Environment

In the first half of 2025, against the backdrop of deepening supply-side structural reforms in the financial sector, China's asset management industry is ushering in a strategic transformation opportunity period for high-quality development. With the increasingly matured multi-tiered capital market system and ongoing optimisation of regulatory frameworks, the industry is accelerating its transition and upgrading toward refinement and standardisation. Against the backdrop of a persistently evolving low-interest-rate environment, investors are demonstrating significantly growing demand for differentiated and multi-strategy asset allocation. This trend not only brings new opportunities for the industry's development, but also prompts the industry to accelerate the optimisation of the product structure and innovation of service models, and go back to the industry's originality of "wealth management for and on behalf of the trustors (受人之託、代客理財)". Digital transformation, serving as an important engine for industry advancement, is comprehensively empowering key business areas such as investment research systems, risk control mechanisms, and client services.

Actions and Achievements

During the Reporting Period, the Company adheres to its core philosophy of "professionalism creates value and companionship forges growth" in terms of its securities asset management business focusing on differentiated strategies. We deepen specialization and precision in investment research, developed distinctive product portfolios and optimised our layout to achieve synergistic development of fixed income, equities, multi-asset deployment and ABS businesses. Leveraging digital and intelligent platform development, the Company comprehensively enhances its active management capabilities and comprehensive service efficiency, driving steady growth in assets under management and successfully establishing itself as a mid-sized asset management institution. These efforts have delivered consistent and stable value returns for investors.

Management Discussion and Analysis

As of the end of the Reporting Period, the entrusted funds of the Company's securities asset management business amounted to RMB198.417 billion. The total number of asset management schemes under management was 456. Among these, 4 were public-offered funds (including large-scale fund collections) products, with an asset management size of RMB10.222 billion; 215 were Collective Asset Management Schemes, with an asset management size of RMB98.010 billion; 147 were Single Asset Management Schemes, with an asset management size of RMB41.296 billion; and 90 were Specialized Asset Management Schemes, with an asset management size of RMB48.889 billion.

Categories	Asset management size (In RMB100 million)		Operating income ¹ (In RMB ten thousand)	
	First half of 2025	First half of 2024	First half of 2025	First half of 2024
Public-offered funds (including large-scale fund collections)	102.22	119.94	3,067.63	2,495.71
Collective Asset Management Scheme	980.10	346.45	3,785.82	4,284.91
Single Asset Management Scheme	412.96	424.28	1,677.92	1,757.69
Specialized Asset Management Scheme	488.89	357.50	2,553.21	2,137.09
Total	1,984.17	1,248.17	11,084.58	10,675.40

Note 1: According to the standards of SAC.

Outlook for the Second Half of 2025

In the second half of 2025, the Company will uphold professionalism in terms of its securities asset management business, practice social responsibility and deeply integrate into the national economic development strategy. Guided by clients' needs, it will continue to optimise dynamic asset deployment, build a multi-tiered and refined product system, create an intelligent and companion-style service framework, strengthen investment-research collaboration and shape differentiated competitive advantages. It will continue to improve the compliance and risk control system, optimise digital-intelligent operational platforms, driving the business toward high-quality development.

Management Discussion and Analysis

2. Public-offered Fund Management Business

Market Environment

In the first half of 2025, the macro policies worked synergistically to drive steady and improved economic performance. With the implementation of the Action Plan for Promoting High-Quality Development of Public-offered Funds (《推動公募基金高質量發展行動方案》), the public-offered funds are undergoing a transformation from scale expansion to quality improvement. In the first half year, the total scale of public-offered funds continued to escalate, exceeding RMB33 trillion, and the fund issuance market showed apparent signs of recovery. Since 2025, driven by favourable policies, accommodating liquidity and improving fundamentals, the A-share market has exhibited a fluctuating upward trend. Trading activities in both A-shares and Hong Kong stocks have increased significantly. Active equity funds have regained their ability to generate excess returns, fixed income+ funds performed well, pure bond funds performance remained stable and the scale of passive equity funds continued to expand.

Actions and Achievements

During the Reporting Period, Guolian Fund actively fulfilled its original mission of “serving the public through finance (金融為民)” and endeavoured to play its role as a “manager” of social wealth. Focusing on its principal business, it continued to optimise its product innovation layout, and actively expanded products such as ETFs, index enhancement and fixed income+ to provide investors with abundant investment tools. It consistently enhanced investment research capabilities, client service levels, compliance and risk management standards, and talent team building, comprehensively advancing high-quality business development. As of the end of June 2025, the total asset management size of Guolian Fund was RMB196.916 billion. Of which, the non-monetary public-offered funds management size was RMB130.556 billion, with 90 public-offered funds under management. According to the data of China Galaxy Securities Fund Research Center, in the past three years, Guolian Fund ranked 51st among the 122 companies in terms of active stock management ability and ranked 39th among the 121 companies in terms of active bond management ability.

Management Discussion and Analysis

Outlook for the Second Half of 2025

In the second half of 2025, Guolian Fund will implement new development requirements that oriented toward investor returns and high-quality transformation, closely follow the guiding opinions of the “five major financial areas of technology finance, green finance, inclusive finance, pension finance, and digital finance” of the financial affairs and actively practice the reform programme of high-quality development for public-offered funds. At this industry pivoting point, Guolian Fund will earnestly fulfill the mission of public-offered funds in financial inclusion and adhere to the principle of “investor-oriented”. With the goal of helping investors achieve long-term wealth preservation and appreciation, it will deepen the enhancement of investment research capabilities to higher standards, optimise product offerings, and forge core competitiveness through professional expertise, driving comprehensive high-quality growth across all business operations.

3. Private Equity Investment Business

Market Environment

Since 2025, the primary market has continued the trends observed in 2024, with fundraising and investment market activity still in the recovery phase. On the fundraising side, the volume of newly established funds declined compared with the same period of the last year, and the pace of institutional fundraising dampened. According to CVSource, the volume of new funds in China's private equity market in the first half of 2025 was 1,966, representing a year-on-year decrease of 17.84%. Amid persistent market sluggishness, the state-owned LPs remained dominant with several national-level mega-funds, including the National Artificial Intelligence Industry Investment Fund, completing their establishment in the first half of the year. On the investment side, the electronic information industry remained as a key area of sustained market optimism and heavy capital allocation. Industries such as new materials and medical devices attracted significant investment, with top-tier sectors demonstrating pronounced capital concentration effects.

Management Discussion and Analysis

Actions and Achievements

During the Reporting Period, the Company's private equity investment business actively advanced the establishment of new funds and equity investment business. We successfully completed the fundraising and establishment of 9 funds, including Yitong Consumer Fund (益通消費基金), Anhui Zhongding Fund (安徽中鼎基金) and Hangzhou Hurun Fund (杭州湖潤基金). We had 58 subsisting filing funds, with the subscribed scale of RMB26.890 billion and cumulative investment of RMB7.943 billion. Meanwhile, the influence of the Company's private equity investment business continued to improve, having been honored with awards such as "TOP100 Venture Capital Institutions in China in 2024 (2024年度中國創業投資機構TOP100)" by China Bridge and "TOP10 Best Brokerage Private Equity Fund Subsidiaries in China (中國最佳券商私募基金子公司TOP10)" by CVINFO.

Outlook for the Second Half of 2025

In the second half of 2025, the Company's private equity investment business will focus on improving management efficiency across the entire lifecycle management of funds. We will systematically consolidate fund resources and prudently select high-quality projects to drive a steady growth in fund scale and management fee income. Simultaneously, we will deepen our presence in key Yangtze River Delta regions, leveraging major project investments and industrial fund partnerships to expand management size and optimise product layout. Efforts will be made to develop new products such as merger and acquisition funds and asset-holding funds, fostering new drivers of business growth. Furthermore, we will continue to strengthen professional capabilities by establishing dedicated industry research teams, with a focus on core areas such as energy materials, equipment and military industry, automotive equipment, high technology, medical and healthcare and large-scale consumption. This will enhance our project excavation and risk identification capabilities and solidify our investment research foundation. In terms of post-investment management, we will build a comprehensive risk management system to ensure the safe and orderly exit of invested capital.

Management Discussion and Analysis

(IV) Credit Transaction Business

1. Margin Financing and Securities Lending Business

Market Environment

In the first half of 2025, the domestic margin financing and securities lending market maintained stable growth against the backdrop of ongoing improvements in regulatory policies. The balance of margin financing and securities lending in the entire market increased steadily as compared to the end of 2024, with improved market activities, but industry competition intensified and downward pressure on interest rates became significant. As of the end of the Reporting Period, the balance of margin financing and securities lending in the entire market reached RMB1,850.452 billion, of which the balance of margin financing was RMB1,838.149 billion and the balance of securities lending was RMB12.303 billion, representing a year-on-year increase of 24.95%.

Actions and Achievements

During the Reporting Period, the margin financing and securities lending business of the Company continued to optimise its client segmentation and tiering and value system, strengthened its capability to solicit new clients while maintaining its existing clients. Through differentiated strategies to attract new clients, the Company accurately targeted high-net-worth client groups. The Company strengthened foundational investor mentoring and internal training empowerment, developed a collateral tiering management plan, and reinforced blacklist management to ensure risk-free business operations. The Company also deepened technology applications, advanced the development of margin financing and securities lending information service support products to enhance trading experiences, thereby facilitated high-quality business development.

The Company's margin financing and securities lending business capitalized on market opportunities, optimized its business structure, and strengthened risk management, resulting in significant growth both in business size and market share. As of the end of the Reporting Period, the balance of margin financing and securities lending reached RMB17.207 billion with market share rising to 9.299%.

Management Discussion and Analysis

Outlook for the Second Half of 2025

In the second half of 2025, the Company's margin financing and securities lending business will integrate internal and external resources, fully explore clients' needs and leverage financial technology empowerment to further enhance business competitiveness. By implementing precise client acquisition strategies and propelling tiered pricing policies, the Company will effectively mitigate the impact of declining interest rates. Through launching margin financing and securities lending account value-added products, the Company will unlock data value and improve operational efficiency, as well as implement and dynamically optimise collateral management systems to ensure risk-free operations. By expanding business application scenarios, the Company will deeply integrate its operations into the client service system, establishing distinctive competitive advantages and driving the business toward a more differentiated and comprehensive direction.

2. **Stock Pledged Repurchase Business**

Market Environment

In the first half of 2025, the scale of the market's stock pledged repurchase business maintained a downward trend, and market risks mitigated as stock indices rose. With the easing of monetary and financial conditions and the influx of bank funds, market interest rates went down overall, and competition in the existing market intensified.

Actions and Achievements

During the Reporting Period, the Company conducted its stock pledged repurchase business according to market conditions and under the principles of stability and conservation. As of the end of the Reporting Period, the principal balance of stock pledged repurchase business of the Company was RMB1.255 billion, representing a drop compared with the scale at the end of 2024. Of which, the balance of investment (on-balance sheet) stock pledged repurchase business was RMB1.131 billion, representing a decrease of RMB199 million compared with the scale of RMB1.330 billion at the end of 2024, with an average performance guarantee ratio of 377.03%. The balance of management (off-balance sheet) stock pledged repurchase business was RMB124 million, representing a decrease of RMB67 million compared with the scale of RMB191 million at the end of 2024, with an average performance guarantee ratio of 330.65%.

Management Discussion and Analysis

Outlook for the Second Half of 2025

In the second half of 2025, the Company shall continue to adhere to the principle of stability and conservation in conducting stock pledged repurchase business, constantly prevent business risks, and assist shareholders of listed companies in serving the development of the real economy. At the same time, relying on the share management platform, the Company has digitally empowered the full cycle management of the shares of its specific shareholders, we shall deepen internal business synergy and provide comprehensive financial service solutions for listed companies, thereby boosting market competitiveness.

(V) Proprietary Trading Business

1. Trading business

Market Environment

In the first half of the year, China's economy achieved solid progress in high-quality development, the stock trading market saw a recovery before the Chinese New Year, marking a robust start to the year. However, after the holiday, the index experienced a rapid adjustment due to expected impact of the U.S. trade policies with the SSE Composite Index approaching 3,000 points once again. In the second quarter, as U.S. trade policies eased and trade negotiations between China and the U.S. progressed, market risk appetite gradually recovered, and the index rose steadily, with the Wind All-A Index going up by 5.83%. Structurally, large-cap sectors such as banking and non-ferrous metals saw significant gains, while small- and mid-cap sectors performed actively overall in the first half of the year. Yields in the bond trading market struggled to decline in the first half year but surging sharply after the Chinese New Year due to a series of factors, however, it fell again after the trade conflict escalation in April. The bond market experienced significant volatility overall. Specifically, the yield on the 10-year government bond fell from 1.68% at the end of last year to 1.65% by the end of June, a decline of 3 basis points, with a volatility range of 1.6% to 1.9%. The valuation yield of 3-year AA+ medium-term notes decreased from 1.91% at the end of last year to 1.90% by the end of June, a decline of 1 basis point, with a fluctuation range of 1.83% to 2.30%.

Management Discussion and Analysis

Actions and Achievements:

In terms of equity proprietary trading business, the Company has all along been taking absolute return as its target and adhering to its principle of value investment, adopted fundamental research as a starting point, and developed the business steadily while taking risks and returns into consideration. In the first half of 2025, the proprietary trading business adopted a barbell strategy, using dividend value shares deployment as the backing and selected growth stocks as the target, fully captured the upward market trend since the second quarter, with the investment allocation focusing on sectors such as non-ferrous metals, pharmaceuticals, and defence, through which we achieved stable returns overall, with the yield rate outperforming that of the CSI 300 index significantly.

In terms of fixed income business, the Company has always adhered to the business philosophy of prudent investment and clients' needs as the core. For investment transactions, the Company achieved stable returns through optimising position structure and stringently controlling credit risk. As bond yields fluctuate at low levels, the Company increased its investment in market-making business to provide the clients with liquidity services while achieving stable returns.

In terms of equity derivatives business, the Company was committed to green finance, enriched green financial product services, and guided investors toward green-themed asset allocations. It committed to pension finance, focused on meticulous wealth management for residents, continuously deepened product innovation to meet clients' investment and deployment needs in the domestic market. Furthermore, it committed to digital finance by conducting forward-looking and applicable research on artificial intelligence, increasing investment in information technology, and further promoting smart business operations, digitalised operations, and the construction of an intelligent comprehensive risk management system. The quantitative investment business adhered to an absolute return business strategy, strengthened risk control, and focused on enhancing research and investment capabilities and strategy iteration. Focusing on fulfilling its social responsibility, the Company actively applied for the qualification of share options market-making business and listed securities market-making trading business for its market-making business (preparation) to provide high-quality liquidity to the market.

Management Discussion and Analysis

Outlook for the Second Half of 2025

In terms of equity proprietary trading business, the Company will continue to intensify its macro and market research and judgment, strengthen fundamental research, enhance the construction of its investment research and risk control system to develop a stock investment business steadily. In the second half year, the domestic A-share market will face a series of marginal improvement factors, with domestic macro fundamentals stabilizing under the anti-involution backdrop, the Fed rate cuts expecting to further improve, and an accommodative domestic and external liquidity layout further boost market risk appetite. In the second half of 2025, the Company will further optimise the current position structure of its equity investment business, thereby further selecting growing individual stocks, and focusing on industry targets with reversal or long-term growth potential, supplementing with multi-strategic investment models such as private placement and convertible bonds to achieve a balance between risks and returns, and carry out stock investment business steadily.

In terms of fixed income business, the domestic and international economic environment will remain complex and volatile in the second half year. The domestic economy is relatively resilient, and bond yields are expected to remain at low levels. The Company will continue to optimise its position structure, increase its investment in market-making business, and increase and stabilize its income by continuing to serve its clients.

In terms of equity derivatives business, the Company will continue to focus on the “five major financial areas of technology finance, green finance, inclusive finance, pension finance, and digital finance”, further optimise core capabilities such as trading, products, and services to provide clients with full-fledged financial services. It will also support national strategies and continue to promote license applications in nihce areas.

Management Discussion and Analysis

2. Alternative Investment Business

Market Environment

According to the statistics from CVSource, in the first half of 2025, the number of investments in China's VC/PE market was 5,074, representing a year-on-year increase of 28%. The total transaction volume of the market amounted to RMB574.8 billion, representing a year-on-year increase of 18%. The market showed signs of recovery, already approaching the highest point in recent three years, reflecting an ongoing improvement in market confidence and a rise in capital activity.

In the first half of 2025, the robust industries in China's VC/PE market mainly focused on electronic information, advanced manufacturing, and medical healthcare. In terms of sub-sectors, semiconductors continued to dominant the market position, followed by artificial intelligence, new materials, and medical devices in the second tier, with relatively vibrant activities.

Actions and Achievements

During the Reporting Period, the Company's alternative investment business closely followed policy directions and market conditions to prudently carry out investment activities. With a core focus on supporting the real economy, the Company expanded its investment layout in hard technology areas. In terms of existing project management, the Company optimised exit mechanisms to foster sustainable investment cycles, actively promoting project exits through various means such as secondary market divestment, buybacks, mergers and acquisitions.

Work Outlook for the Second Half of 2025

In the second half of 2025, the Company will continue to steadily advance the high-quality development of its alternative investment business, focusing on core areas of hard technology such as semiconductors, aerospace, advanced manufacturing, and biopharmaceuticals. It will strive to identify high-quality projects with leading technology and significant growth potential, screen targets precisely that align with capital market demands, continuously enhance its portfolio of high-quality projects, and leverage business synergy functions. Meanwhile, the Company will continue to ensure the effective management and successful exit of existing projects to enhance capital utilization efficiency.

Management Discussion and Analysis

IV. PROSPECTS AND FUTURE PLANS

The future vision of the Company is to establish a leading modern investment bank that earns the trust of clients, featured with technological innovation, driven by industry, and possesses international influence and core competitiveness. It aims to leverage its strengths in institutional business, strives to rank among the top ten in the industry, and maintains its core business in the top tier of the industry. Adhering to the development philosophy of “deeply cultivating regions and meticulously developing industries,” the Company sets the strategic goal of building an “industrial investment bank, technology investment bank, and wealth investment bank” and constructs a business portfolio centered on “Great investment bank + Great investment + Great investment research + Great wealth + Great asset management.” It focuses on further serving the real economy and strives to become a leading client-oriented investment bank that provides comprehensive financial solutions and the most important investment and financing arranger, transaction organizer, wealth manager and liquidity provider in the local regional market and even the national market (in certain sectors), thus positively contributing to the economic and social development of Wuxi and Southern Jiangsu district.

In the second half of the year, the Company will focus on serving the high-quality development of the economy and society, efforts will be made to push forward the strategy of “forging of strengths (鑄長板)” and create more first-class products and services in niche areas; deepening the transformation of wealth management, establishing and improving a buyer-side investment advisory service regime centred on asset deployment to practise the people’s nature of financial work by maintaining and increasing the value of clients’ assets; improving the core capabilities and service capabilities of investment research, optimizing strategies and channel layout, further expanding the management scale of asset management subsidiaries and Guolian Fund, and shaping the brand of active management; creating a number of high-quality and distinctive investment banking projects, and striving to form influence in some niche areas; actively applying for new sub-business licences to improve the diversification and anti-cyclical capabilities of financial market business; strengthening vertical and unified management of compliance and risk to lay a solid foundation for sustained and stable development; improving independent IT research and development capabilities and exploring the application scenarios of AI and large models in business and daily operations; building a refined and scientific human resources management system based on market leading institutions, and steadily promoting the integration of Minsheng Securities to create a new layout for the Company’s leapfrog development.

V. LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As of 30 June 2025, the equity attributable to shareholders of the Company was RMB51.088 billion, representing an increase of 174.90% as compared with RMB18.584 billion at the end of 2024.

During the Reporting Period, the securities market experienced volatility but maintained upward trends. The Group actively seized market opportunities, strictly adhered to compliance and risk bottom line, and actively explored the deep integration of technology, finance, and industry. With a focus on “synergistic empowerment” and “organic growth,” the Group enhanced its comprehensive financial services capabilities and proceeded in an orderly manner with the integration process of Minsheng Securities, with total assets size increasing by 90.72% as compared with the end of last year, while the quality of assets and liquidity remaining sound. Due to strong liquidity nature of the Group’s business, the balance sheet mainly includes current assets and current liabilities. As at the end of the Reporting Period, cash assets accounted for 23.31% of total assets; financial investment assets (including interests in an associate and joint ventures, and financial assets investment, mainly investment in financial assets with strong liquidity) accounted for 50.23% of total assets; financing assets (including margin accounts receivable and financial assets held under resale agreements) accounted for 14.91% of total assets; and other property and equipment, goodwill, intangible assets, right-of-use assets and other operational assets accounted for 11.55% of total assets. The Group’s total self-owned assets (total assets less accounts payable to brokerage clients) were RMB150.902 billion, representing an increase of RMB68.259 billion, or 82.59%, as compared with the end of 2024.

The overall level of the gearing ratio of the Company remained stable. As at the end of the Reporting Period, the gearing ratio of the Group (both total assets and total liabilities less accounts payable to brokerage clients) was 65.81%, representing a decrease of 11.26 percentage points as compared with 77.07% at the end of 2024. The Group’s operating leverage (total assets less accounts payable to brokerage clients divided by equity attributable to shareholders of the Company) was 2.95 times, representing a decrease of 1.50 times as compared to the 4.45 times at the end of 2024. The Group has developed stringent risk management measures for net capital and other risk control indicators. A stress test will be conducted on the general liquidity and other financial indicators before making any material capital investment.

The Group has met its operating capital requirements, maintained its liquidity and supplemented its net capital through debt financing. Debt financing of the Company included the issuance of short-term financing bonds, subordinated bonds, income certificates and refinancing, interbank borrowings as well as transfer of equity rights in margin financing and securities lending so as to meet capital demands for business development through various channels.

Management Discussion and Analysis

VI. ESTABLISHMENT OF BRANCHES

1. Securities brokerage business branches of the Company (including Minsheng Securities)

As of the end of the Reporting Period, the Company had a total of 48 securities branch offices and 125 securities branches. During the Reporting Period, the Company newly established Qingdao branch office of Guolian Minsheng Securities Company Limited (國聯民生證券股份有限公司青島分公司) and Ningbo Caishendian South Road Securities Branch of Guolian Minsheng Securities Company Limited (國聯民生證券股份有限公司寧波財神殿南路證券營業部), and de-registered Beijing Zhongguancun East Road Securities Branch of Guolian Securities Co., Ltd. (國聯證券股份有限公司北京中關村東路證券營業部) and Changzhou Guanghua Street Securities Branch of Minsheng Securities Co., Ltd. (民生證券股份有限公司常州廣化街證券營業部).

2. Branches of Minsheng Futures

As of the end of the Reporting Period, Minsheng Futures had a total of 20 branches. During the Reporting Period, Minsheng Futures de-registered Yuncheng Branch of Minsheng Futures Co., Ltd. (民生期貨有限公司運城營業部).

VII. MAJOR INVESTMENT AND FINANCING ACTIVITIES

(I) Major Investment Activities

During the Reporting Period, the Company had no major external investment events.

(II) Major Financing Activities

1. Equity Financing

Matters in relation to the acquisition of assets by issuing shares and raising supporting funds and related party transaction by the Company are set out in "IX. ISSUANCE OF SHARES AND USE OF PROCEEDS" in this section.

2. Debt Financing

In the first half of 2025, the cumulative additional credit debt financing amount of the Company (excluding inter-bank borrowing transactions and issued floating-income type income certificates) was RMB7.686 billion, and the cumulative principal repayment of matured debt financing amounted to RMB8.916 billion. The remaining principal amount of outstanding debt financing of the Company as of 30 June 2025 was RMB31.701 billion. In addition, there was an outstanding inter-bank credit borrowing of RMB14.479 billion.

Management Discussion and Analysis

The remaining amount of various outstanding credit indebtedness was as follows:

- (1). The new public issuance of corporate bonds to professional investors was RMB3.65 billion during the Reporting Period, with the principal of RMB1.75 billion being repaid. The outstanding public issuance of corporate bonds to professional investors as at 30 June 2025 was RMB14.95 billion, the particulars of the remaining amounts were as follows:

Financing Projects	Amount (In RMB ten thousand)	Financing Date	Maturity Date	Term (Days)
Public issuance of	100,000.00	2022/3/23	2027/3/23	1,826
corporate bonds to	100,000.00	2022/4/28	2027/4/28	1,826
professional investors	100,000.00	2022/11/11	2025/11/11	1,096
	130,000.00	2023/4/25	2026/3/18	1,058
	150,000.00	2024/1/22	2027/1/22	1,096
	200,000.00	2024/4/1	2031/4/1	2,556
	200,000.00	2024/11/13	2027/11/13	1,096
	150,000.00	2025/3/6	2028/3/6	1,096
	50,000.00	2025/5/19	2028/5/19	1,096
Public issuance of	150,000.00	2024/4/17	2026/4/17	730
corporate bonds to	165,000.00	2025/3/20	2028/3/20	1,096
professional investors (Minsheng Securities)				

- (2). The new private issuance of corporate bonds was RMB0 during the Reporting Period, with the principal of RMB1.0 billion being repaid. The outstanding private issuance of corporate bonds as at 30 June 2025 was RMB5.0 billion, the particulars of the remaining amounts were as follows:

Financing Projects	Amount (In RMB ten thousand)	Financing Date	Maturity Date	Term (Days)
Private issuance of	200,000.00	2023/8/25	2026/8/25	1,096
corporate bonds	300,000.00	2023/10/20	2026/10/20	1,096

Management Discussion and Analysis

- (3). The new private issuance of subordinated bonds was RMB0 during the Reporting Period, with the principal of RMB0 being repaid. The outstanding private issuance of subordinated bonds as at 30 June 2025 was RMB1.5 billion, the particulars of the remaining amounts were as follows:

Financing Projects	Amount (In RMB ten thousand)	Financing Date	Maturity Date	Term (Days)
Private issuance of subordinated bonds	150,000.00	2024/2/23	2027/2/23	1,096

- (4). The new public issuance of subordinated bonds was RMB0 during the Reporting Period, with the principal of RMB2.0 billion being repaid. The outstanding subordinated bonds as at 30 June 2025 was RMB6.0 billion, the particulars of the remaining amounts were as follows:

Financing Projects	Amount (In RMB ten thousand)	Financing Date	Maturity Date	Term (Days)
Public issuance of subordinated bonds	150,000.00	2022/8/11	2025/8/11	1,096
	100,000.00	2023/4/17	2026/4/17	1,096
	100,000.00	2023/7/21	2026/7/21	1,096
	150,000.00	2024/12/4	2027/10/13	1,096
Public issuance of subordinated bonds (Minsheng Securities)	100,000.00	2023/12/13	2026/12/13	1,096

- (5). The new private issuance of short-term corporate bonds to professional investors was RMB1.0 billion during the Reporting Period, with the principal of RMB0 being repaid. The remaining amount of the outstanding short-term corporate bonds as at 30 June 2025 was RMB1.0 billion, the particulars of the remaining amount were as follows:

Financing Projects	Amount (In RMB ten thousand)	Financing Date	Maturity Date	Term (Days)
Private issuance of short-term corporate bonds to professional investors (Minsheng Securities)	100,000.00	2025/1/20	2026/1/20	365

Management Discussion and Analysis

- (6). The new issuing amounts of fixed-income type income certificates were RMB236 million during the Reporting Period, with the principal of RMB1.866 billion being repaid. The remaining amount of the outstanding fixed-income type income certificates as at 30 June 2025 was RMB951 million, the particulars of the remaining amount were as follows:

Financing Projects	Amount (In RMB ten thousand)	Financing Date	Maturity Date	Term (Days)
Income certificates – fixed-income type	1,500.00	2024/8/23	2025/8/20	362
	7,000.00	2025/6/12	2026/3/11	272
	4,000.00	2025/6/17	2025/7/23	36
	5,000.00	2025/6/17	2025/7/9	22
Income certificates – fixed-income type (Minsheng Securities)	198.60	2025/6/26	2026/7/21	391
	500.00	2025/6/24	2027/6/21	728
	401.40	2025/6/19	2026/12/15	545
	174.50	2025/6/17	2026/9/9	450
	10.00	2025/6/12	2026/7/7	391
	278.80	2025/6/10	2027/6/1	722
	415.80	2025/6/5	2026/12/1	545
	30.00	2025/5/29	2026/8/24	453
	20.00	2025/5/27	2026/6/21	391
	192.90	2025/5/22	2027/5/19	728
	215.00	2025/5/20	2026/11/10	540
	380.00	2025/5/15	2026/8/10	453
	393.20	2025/5/13	2026/6/7	391
	110.00	2025/5/8	2027/5/5	728
	157.00	2025/4/30	2026/7/26	453
	285.70	2025/4/29	2026/5/24	391
	107.60	2025/4/24	2027/4/21	728
	20.00	2025/4/22	2026/10/13	540
	116.00	2025/4/17	2026/7/13	453
	302.00	2025/4/15	2026/5/10	391
	69.00	2025/4/10	2027/4/7	728
	10.00	2025/4/8	2026/9/28	539
	156.00	2025/4/3	2026/6/28	452
	21.00	2025/4/1	2026/4/26	391
	170.00	2025/3/27	2027/3/16	720
	331.40	2025/3/25	2026/9/15	540
	65.00	2025/3/20	2026/6/15	453
	154.80	2025/3/13	2027/3/2	720

Management Discussion and Analysis

Financing Projects	Amount (In RMB ten thousand)	Financing Date	Maturity Date	Term (Days)
	102.00	2025/3/11	2026/9/1	540
	155.00	2025/3/6	2026/6/1	453
	30.00	2025/3/4	2026/3/29	391
	271.00	2025/2/27	2026/5/24	452
	149.00	2025/2/20	2027/2/14	725
	45.00	2025/2/18	2026/8/11	540
	107.40	2025/2/13	2026/5/10	452
	156.00	2025/2/11	2026/3/8	391
	403.10	2025/1/23	2026/4/20	453
	280.50	2025/1/16	2027/1/5	720
	264.00	2025/1/14	2026/7/7	540
	252.00	2025/1/9	2026/4/6	453
	100.00	2025/1/7	2026/2/1	391
	190.60	2024/12/26	2025/9/23	272
	70.60	2024/12/19	2025/12/17	364
	409.80	2024/12/12	2025/9/9	272
	5,000.00	2024/12/12	2025/12/7	361
	860.20	2024/12/5	2025/12/3	364
	3,000.00	2024/11/28	2025/8/27	273
	3,000.00	2024/10/31	2025/7/29	272
	4,000.00	2024/10/31	2025/7/30	273
	2,660.90	2024/10/24	2025/10/22	364
	999.70	2024/10/17	2025/7/15	272
	1,000.00	2024/10/10	2025/10/8	364
	996.50	2024/9/12	2025/9/10	364
	4,000.00	2024/9/5	2025/9/3	364
	3,000.00	2024/9/5	2025/9/3	364
	3,000.00	2024/9/5	2025/9/3	364
	1,000.00	2024/8/29	2025/8/27	364
	999.40	2024/8/15	2025/8/13	364
	2,831.10	2024/4/26	2026/4/22	727
	1,122.70	2024/4/19	2025/10/19	549
	1,935.00	2024/4/12	2026/4/8	727
	2,000.00	2024/3/29	2026/3/25	727
	2,000.00	2024/3/22	2025/9/21	549

Management Discussion and Analysis

Financing Projects	Amount (In RMB ten thousand)	Financing Date	Maturity Date	Term (Days)
	2,000.00	2024/3/15	2026/3/11	727
	1,996.00	2024/3/8	2025/9/7	549
	1,999.00	2024/3/1	2026/2/25	727
	2,000.00	2024/2/23	2025/8/24	549
	997.80	2024/2/2	2025/8/3	549
	1,000.00	2024/1/26	2026/1/21	727
	999.00	2024/1/19	2025/7/20	549
	1,000.00	2024/1/12	2026/1/7	727
	1,000.00	2024/1/5	2025/7/6	549
	911.50	2023/12/22	2025/12/17	727
	2,000.00	2023/12/8	2025/12/3	727
	999.70	2023/11/24	2025/11/19	727
	996.10	2023/11/10	2025/11/5	727
	999.00	2023/10/27	2025/10/22	727
	1,000.00	2023/10/13	2025/10/8	727
	1,000.00	2023/9/22	2025/9/17	727
	995.10	2023/9/8	2025/9/3	727
	1,000.00	2023/8/25	2025/8/20	727
	1,000.00	2023/8/11	2025/8/6	727
	1,000.00	2023/7/28	2025/7/23	727
	999.40	2023/7/14	2025/7/9	727

- (7). The additional refinancing was RMB2.8 billion during the Reporting Period, with the principal of RMB2.3 billion being repaid. The remaining amount of the outstanding refinancing as at 30 June 2025 was RMB2.3 billion, the particulars of the remaining amount were as follows:

Financing Projects	Amount (In RMB ten thousand)	Financing Date	Maturity Date	Term (Days)
Refinancing	30,000.00	2025/02/10	2025/08/11	182
(Minsheng Securities)	30,000.00	2025/02/13	2025/08/14	182
	50,000.00	2025/05/06	2025/11/04	182
	50,000.00	2025/05/21	2025/11/19	182
	20,000.00	2025/05/28	2025/11/26	182
	50,000.00	2025/06/19	2025/12/18	182

Management Discussion and Analysis

VIII. MATERIAL ACQUISITION OR DISPOSAL OF ASSETS, EXTERNAL GUARANTEE, MORTGAGE, PLEDGE AND MATERIAL CONTINGENT LIABILITIES

Matters in relation to the acquisition of assets by issuing shares and raising supporting funds and related party transaction by the Company are set out in “IX. ISSUANCE OF SHARES AND USE OF PROCEEDS” in this section.

In addition to the above, during the Reporting Period, there was no other material acquisition, disposal or replacement of assets and business combination of the Company. During the Reporting Period, the Company did not record any major external guarantee, mortgage, pledge, material contingent liabilities and other major off-balance-sheet items that may affect the Company's financial position and operating results.

IX. ISSUANCE OF SHARES AND USE OF PROCEEDS

Acquisition of assets by issuing shares and raising supporting funds and related party transaction

The Company acquired the control of Minsheng Securities and raised supporting funds by issuing A shares (hereinafter referred to as the “Transactions”). On 14 May 2024, the sixteenth meeting of the fifth session of the Board of the Company considered and approved the Resolution on the Proposal for Acquisition of Assets by Issuing Shares and Raising Supporting Funds and Related Party Transaction (《關於發行股份購買資產並募集配套資金暨關聯交易方案的議案》) and other resolutions. On 8 August 2024, the seventeenth meeting of the fifth session of the Board of the Company considered and approved the Resolution on the Report on Acquisition of Assets by Issuing Shares and Raising Supporting Funds by Guolian Securities Co., Ltd. and Related Party Transaction (Draft) and its Summary (《關於〈國聯證券股份有限公司發行股份購買資產並募集配套資金暨關聯交易報告書(草案)〉及其摘要的議案》) and other resolutions in relation to the Transactions, the Company proposed to acquire 99.26% shares of Minsheng Securities held in aggregate by 45 entities including Guolian Group and Fengquanyu by issuing A shares, and raise supporting funds. On 4 September 2024, at the first extraordinary general meeting for the year 2024, the first A shareholders' class meeting for the year 2024 and the first H shareholders' class meeting for the year 2024 of the Company, the relevant resolutions in relation to the Transactions were considered and approved. On 27 September 2024, the Company received the Notice on Accepting the Application for Acquisition of Assets by Issuing Shares and Raising Supporting Funds by Guolian Securities Co., Ltd. (Shangzheng Shangshen (Merger, Acquisition and Reorganization) (2024) No. 26) (《關於受理國聯證券股份有限公司發行股份購買資產並募集配套資金申請的通知》(上證上審(併購重組)(2024)26號)) issued by the Shanghai Stock Exchange. The Shanghai Stock Exchange checked the application documents of the Company in accordance with the relevant regulations, considered that the application documents were complete and in compliance with the statutory form, and decided to accept and review the documents according to the law. On 17 December 2024, the Company received the Announcement on the Results of the Sixth Review Meeting of the Merger, Acquisition and Reorganisation Review Committee of the Shanghai Stock Exchange in 2024 (《上海證券交易所併購重組審核委員會2024年第6次審議會議結果公告》) issued by the Merger, Acquisition and Reorganisation Review Committee of the Shanghai Stock Exchange, and the Transactions have been approved by the Shanghai Stock Exchange. On 27 December 2024, the Company received the Reply on Approving the Registration of the Acquisition of Assets by Issuing Shares and Raising Supporting Funds of Guolian Securities Co., Ltd., Ratifying the Change of Substantial Shareholders of Guolian Securities Co., Ltd. and Minsheng Securities Co., Ltd. and the Change of Actual Controller of Minsheng Fund Management Co., Ltd. and Minsheng Futures Co., Ltd. (Zheng Jian Xu Ke [2024] No. 1911) (《關於同意國聯證券股份有限公司發行股份購買資產並募集配套資金註冊、核准國聯證券股份有限公司和民生證券股份有限公司變更主要股東、民生基金管理有限公司和民生期貨有限公司變更實際控制人等的批覆》(證監許可[2024]1911號)) issued by the CSRC, and the Transactions have been registered with the CSRC. The overall plan of the Transactions consists of two parts, namely the acquisition of assets by issuing shares and raising supporting funds.

Management Discussion and Analysis

The transaction price for the Acquisition of Assets by Issuing Shares under the Transactions was RMB29,491,805,700, the issue price was RMB11.17 per share and the closing price of the A Shares as at the Price Determination Date of the Issuance (i.e. 15 May 2024) was RMB11.51 per share. The registration, custody and restriction of sale with the Shanghai Branch of China Securities Depository and Clearing Corporation Limited for 2,640,269,065 new A Shares have been completed since 3 January 2025. Upon completion of the Acquisition of Assets by Issuing Shares, the registered capital (total share capital) of the Company increased from RMB2,831,773,168 to RMB5,472,042,233.

The raising supporting funds by issuing shares under the Transactions was conducted by way of price bidding. The Company and the joint lead underwriters have agreed, based on market-based bidding and following the principles of price priority, amount priority and time priority, that the issue price was RMB9.59 per share, and the closing price of the A Shares as at the Price Determination Date of the Issuance (i.e. 18 February 2025) was RMB11.22 per share. A total of 208,550,573 A Shares were issued to 15 target subscribers through raising supporting funds by issuing shares under the Transactions, with total funds raised of RMB1,999,999,995.07. After deducting the issuance expenses of RMB29,104,687.17 (excluding value-added tax), the actual net funds raised amounted to RMB1,970,895,307.90, and the net price per share was RMB9.45. The registration, custody and restriction of sale with the Shanghai Branch of China Securities Depository and Clearing Corporation Limited for the new A Shares in respect of raising supporting funds has been completed since 10 March 2025. Upon completion of raising supporting funds, the registered capital (total share capital) of the Company increased from RMB5,472,042,233 to RMB5,680,592,806. After deducting the intermediaries' fees and transaction taxes, all of the raised supporting funds will be used for capital increase in Minsheng Securities, which will then be used for the development of Minsheng Securities' business. There is no change in the items of the supporting funds raised, and the funds raised are expected to be fully utilised within 3-5 years, with the specific uses as set out below:

Investment of the Funds Raised	Amount (RMB)	Principal Use of the Funds Raised
Wealth management business	Not more than RMB1 billion	Used for enhancing professional service capability of wealth management, building a service ecosystem, optimizing the layout of outlets and enhancing brand image
Information Technology	Not more than RMB1 billion	Used for consolidating the base of science and technology, strengthening the construction of digital central control platform, continuously promoting the innovation of application products and strengthening the empowerment of science and technology

As of the end of the Reporting Period, the Company has not utilized the aforementioned funds raised.

For details, please refer to the relevant announcements of the Company dated 25 April, 14 May, 8 August, 4 September, 27 September, 17 December and 27 December 2024, 6 January and 11 March 2025, and the circular dated 20 August 2024 published on the HKEXnews website of the HK Stock Exchange.

Management Discussion and Analysis

X. EMPLOYEES, REMUNERATION POLICIES AND TRAINING PROGRAMS

As of 30 June 2025, the number of staff was 5,762, of which the number of staff of parent company was 2,080. During the Reporting Period, the Company's remuneration policies and the status of training programs were set out as follows:

The Company deeply embedded the cultural concepts of “compliance, integrity, professionalism and stability” into its compensation management system. Through the establishment of a compensation and performance management system that takes into account work performance, honesty in practice, compliance and integrity in practice, risk management, and fulfilment of the industry and the Company's cultural concepts, the Company ensures that employee compensation is closely linked to the Company's economic performance, compliance and risk control effectiveness, and performance of their positions. The Company steadfastly complies with relevant laws and regulations, and strictly implements deferred remuneration policies, ensuring the compliance of compensation arrangements while maximizing long-term incentive effects. Looking ahead to the second half of the year, the Company will continue to follow the guidance of regulatory policies, deepen the implementation of sound remuneration management, strengthen the dynamic monitoring, analysis and adjustment of remuneration management, aiming to ensure that the remuneration system is able to adapt to changes in policy and market.

Aligned with the Company's strategy and talent development needs, it has initiated the establishment of a talent development system. In the first half of the year, through research interviews and strategic planning, the Company formulated a talent development plan and revised supporting measures, including training and reserve talent management. At the same time, the Company launched specialised training and deployed in-house training programs in line with business needs and staff development, and actively participated in the application of long-distance training courses of the Securities Association of China. Looking ahead to the second half year, the Company will steadily advance the systematic development of its talent development system according to work plan, and implement key training projects to serve the Company and the career development of employees.

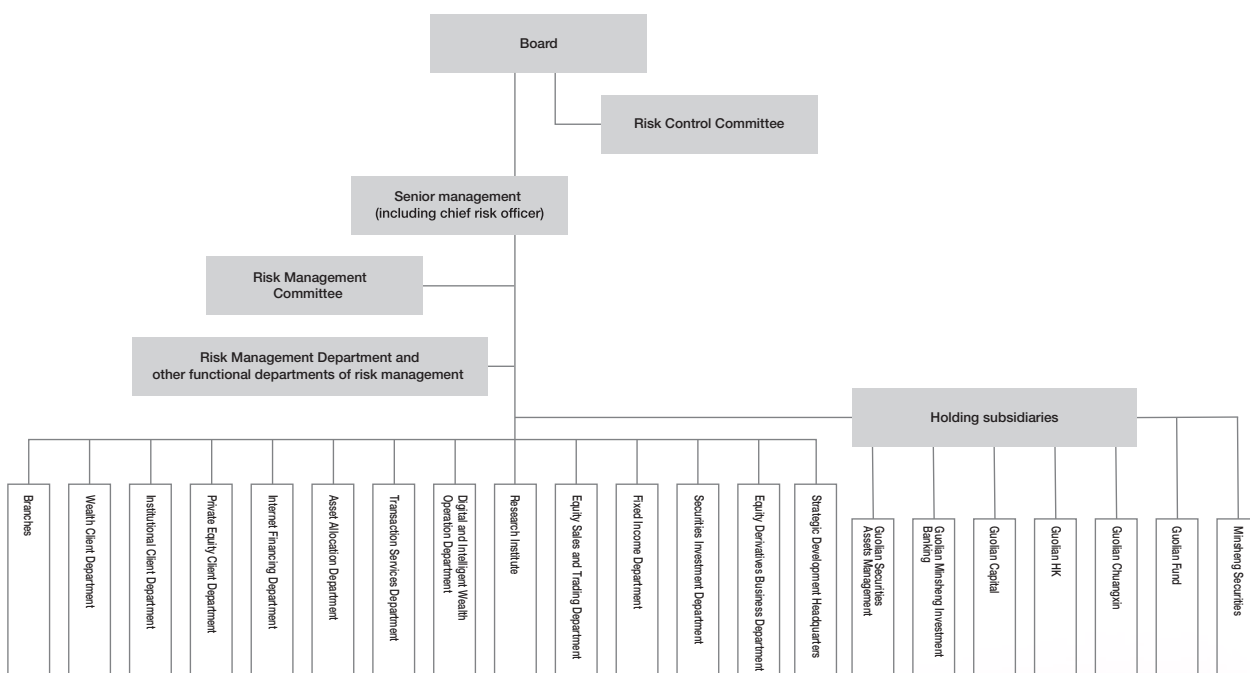
XI. Risk Management

(I) General Description

Guided by development strategy, the Company has established a comprehensive risk management system covering various businesses, various risks and the entire process and applied a variety of risk management tools based on quantitative indicators to ensure its risk exposure remains aligned with overall strategic objectives, so as to maximize the long-term value of the Company, and promote the formation of a sound risk management culture within the Company, strengthen the risk management awareness to provide “secured escort” for achieving the Company’s overall strategic objectives.

(II) Risk Management Organizational Structure of the Company

The comprehensive risk management structure of the Company includes four levels: Board and Risk Control Committee, senior management and Risk Management Committee, Risk Management Department and other functional departments of risk management as well as risk management organizations set up within the departments. The organizational structure of the Company’s risk management is shown in the following chart:



Management Discussion and Analysis

1. Board and Risk Control Committee

The Board is the highest decision-making body of the risk management of the Company and has the ultimate responsibility for its risk management. The Board is mainly responsible for the following duties: considering and approving the overall objectives of the risk management of the Company and the basic system of comprehensive risk management in respect of major issues of its risk management, such as risk preference, risk tolerance, significant risk limit, etc.; appointing chief risk officer; considering the regular risk management reports of the Company and their implementation; and advancing the construction of risk culture of the Company to ensure that the Company establishes and maintains an effective risk management regime and system. The Board may delegate the Risk Control Committee set up under it to fulfill part of its function of comprehensive risk management.

2. Senior Management (Including Chief Risk Officer) and Risk Management Committee

The senior management of the Company is responsible for organizing and implementing various works in comprehensive risk management in the operation and management process, and mainly performs the following duties: establish a risk management system and make timely adjustment; establish and perfect the operation management structure for the Company's comprehensive risk management, clarify the duty allocation of risk management among various departments, and establish a working mechanism that features effective checking and balance and good coordination among the departments; establish a complete information technology system and data quality control mechanism; establish a performance assessment system for all staff that covers the effectiveness of risk management; formulate the specific execution plans for risk management according to the risk preference, risk tolerance extent and significant risk limit approved by the Board and ensure the effective implementation of the plans; and regularly assess the overall risk of the Company and various types of material risk management conditions, resolve problems that are found in risk management and report to the Board.

The Company establishes a Risk Management Committee under the senior management, which is responsible for the overall risk management within the scope of authorization of the Board and management, formulation and adjustment of the Company's risk management policy, approval of various risk limits, and making decisions and approvals for important matters involving risk management.

Management Discussion and Analysis

The Company has a chief risk officer who is a senior management member of the Company and is appointed and removed by the Board. The main responsibilities of the chief risk officer include: organize and implement the overall risk management work of the Company; review and approve the Company's risk management plan and risk measurement methods, models and indicators; organize the formulation of the Company's internal risk management system and policies, and evaluate major market, credit, liquidity, reputation and other risks; and organize investigation and inquiry for hidden risks existing in business operation and management activities; report major hidden risks discovered to the president of the Company in a timely manner, and put forward rectification opinions to the person-in-charge of other relevant departments; possesses the authority to report to the Board and its Risk Control Committee or the chairman of the Supervisory Committee had the major hidden risks or the rectification of hidden risks fails to meet the standards.

3. Risk Management Department and Other Functional Departments of Risk Management

The functional departments of risk management of the Company include the Risk Management Department and other functional departments of risk management, other functional departments of risk management of the Company include: Compliance and Legal Department, Financial and Accounting Department, Capital Operation Department, Information Technology Headquarter, Operation Management Headquarter and Party Committee Office, etc.

The main responsibilities of the Risk Management Department and other functional departments of risk management include: implementing laws, regulations and norms, formulating risk management systems and procedures and submitting them to the Risk Management Committee of the Company and the president's office for review and approval; responsible for researching and developing various risk management methods and tools, testing and evaluating the effectiveness of valuation and risk measurement models, establishing risk management indicator system and pre-warning mechanism to ensure that various risk management and control measures are appropriate and effective, and enable various business operations to conform to legal norms and risk management policies of the Company; evaluating the risks of new products and new businesses developed by the Company, designing risk management process and control measures, and reviewing business system and process; taking charge of the daily monitoring work of related risks, monitoring the compliance with the Company's risk management system, risk limit and authorized management system by relevant business departments and branches, and recording monitoring situation; recording, reporting and disposing of various risky behaviors in a timely manner; conducting stress test and sensitivity analysis, and carrying out post-testing and effectiveness assessments; providing independent risk management reports to the senior management of the Company (including chief risk officer) and completing other risk management related work.

Management Discussion and Analysis

4. Risk Management Organizations Set Up by Business Departments, Branches and Subsidiaries of the Company

The business departments, branches and subsidiaries undertake direct responsibility for risk management. The person-in-charge of the business departments, branches and subsidiaries shall fully understand and give due consideration to various risks related to business when making decisions, and timely identify, assess, respond to and report related risks. Each department shall appoint special personnel to assist in risk management works.

(III) Details of Major Risks Exposed to the Company's Operation

1. Market Risk

Market risk refers to the risk that may cause losses to the financial assets held by the Company resulting from the adverse changes in market prices. The categories mainly include stock price risk, interest rate risk, commodity price risk and exchange rate risk. The market risk of the Company mainly comes from domestic and overseas financial market businesses such as equity investment business, fixed income business and equity derivatives business.

The Company has established a top-down market risk limit management system, which allocates the overall risk limit of the Company to different business units. Business units, with direct responsibility for market risks and as the frontline management personnel, dynamically manage the business exposure and limit indicators. The Risk Management Department independently conducts a comprehensive assessment, monitoring and management of the overall market risk of the Company, and reports the results to the management of the Company.

The Company conducts comprehensive monitoring of market risks by calculating profit and losses, exposure, basis points, duration, Greek letters of derivatives and other indicators on a daily basis, continuously improves the VAR and stress test measurement mechanisms to monitor and analyze potential losses of the Company, and continuously optimizes the profit and loss analysis and option profit and loss attribution of swap businesses to enhance the sensitivity of risk management.

Management Discussion and Analysis

2. Credit Risk

Credit risk refers to the risk that may cause losses due to the default of financiers, counter-parties or issuers. The credit risk of the Company mainly arises from the following aspects: stock pledged repurchase transactions, margin financing and securities lending and other financing businesses; over-the-counter (“OTC”) derivative business, such as swaps, OTC options, forwards and credit derivatives; bond investment transactions (including bond-related transactions such as spot bonds transactions, bond repurchase transactions, bond forward transactions and bond lending business), in which bonds include but not limited to treasury bonds, local bonds, financial bonds, government-backed agency bonds, corporate bonds and non-financial enterprises debt financing instruments, corporate bonds, asset-backed securities, interbank certificates of deposit; non-standardized debt asset investment, etc.

The Company has assessed the credit ratings of counterparties or issuers through its internal credit rating system, measured its risk with methods such as stress tests and sensitivity analyses, and managed credit risks using access and concentration limits. Meanwhile, leveraging public opinion data and market tracking, the Company monitors changes in credit risk qualifications of various businesses and transaction counterparties in a timely manner, strengthens sensitivity management, and promptly addresses pre-warning and reporting measures. The Company has established a credit risk management system to measure and manage credit risk.

3. Liquidity Risk

Liquidity risk refers to the risk that the Company is unable to obtain sufficient funds in time at reasonable costs for paying indebtedness when it falls due, performing other payment obligations and meeting the funding needs of normal business operation. The rapid development of various businesses of the Company exerts higher requirements on liquidity.

The Company establishes a daily position management and regular liquidity analysis mechanism to dynamically manage the scale of capital usage of each business, and formulates corresponding financing plans to improve the daily control mechanism of liquidity risk by improving liquidity contingency plans and stress tests. The Company implements liquidity risk limit management and sets liquidity risk limits to monitor their implementation based on factors such as business scale, nature, liquidity risk appetite and market conditions. In addition, the Company has also established a liquidity reserve asset management system to meet potential capital needs by holding sufficient high-quality liquid assets that can be readily realized.

Management Discussion and Analysis

4. Operational Risk

Operational risk refers to the risk of losses resulting from inadequate or problematic internal procedures, personnel and information technology systems, as well as external events.

The Company continuously optimises the internal control mechanism by carrying out targeted identification and effectiveness assessment of operational risk. It consistently carries out various business assessment, business process rationalizing and system review to regulate business processes, identify operational risk points, and develop control measures to prevent risk incidents. It also continuously collects and sorts out internal and external risk events to supplement operational risk event database. At the same time, the Company has established an operational risk management system to realize the systematic control of the three major tools of operational risks. Furthermore, the Company constantly strengthens behavior adequacy and normative operation of staff from each position through various means, such as internal training and assessment, and enhances the risk awareness of employees through the promotion of risk control culture. It also improves emergency risk management plan with regular drills to ensure the security of equipment, data and system, thereby preventing the operational risk caused by information system failure.

5. Compliance Risk

Compliance risk refers to the risk that the Company or its staff will be investigated for legal responsibility, taken regulatory measures, taken disciplinary actions and suffered property losses or commercial goodwill losses due to violation of laws, regulations and standards in operation management or practice.

The Company has established an effective and impeccable compliance risks management system and compliance management and organization system. At the same time, the Company exerts an effective and comprehensive control on compliance risks encountered by the Company in its business operation by means of compliance monitoring, compliance inspection, compliance investigation, compliance supervision and compliance training, etc.

Management Discussion and Analysis

6. Reputation Risk

Reputation risk refers to the risk of negative comments on the Company by investors, issuers, regulatory authorities, self-regulatory organizations, the public and the media due to the Company's operations or external events, and its employees' violation of integrity regulations, professional ethics, business norms, industrial standards and regulations and other related behaviors, thereby damaging corporate brand value which is detrimental to its normal operation and even affects market stability and social stability.

The Company strengthens the concept that preventing and controlling reputation risk is the responsibility of every staff, forms an effective segregation of duties, establishes and improves the internal restraint mechanism, public opinion monitoring mechanism, emergency response mechanism, and external information release mechanism, reinforces daily public opinion analysis, and improves the risk prevention and control prospectively and pertinently, and takes multiple measures to enhance the prevention awareness and management standard of reputation risk.

Other Information

I. DIVIDENDS

The Company does not intend to distribute any interim dividend to its Shareholders.

II. INTERESTS AND SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

As of the end of the Reporting Period, based on the information available to the Company and to the knowledge of the Directors, the interest or short positions of Directors, Supervisors or chief executive of the Company 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) (i) which were required to be notified to the Company and HK Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which are taken or deemed to have under those provisions of the SFO), or (ii) which were required to be recorded in the equity register kept pursuant to Section 352 of the SFO, or (iii) which were required to be notified to the Company and HK Stock Exchange pursuant to the Model Code were as follows:

Name	Position	Types of shares	Number of shares (share) (Note 2)	Percentage of total issued shares (%) (Note 3)	Approximate percentage of total issued share capital of H shares (%) (Note 3)
Ge Xiaobo	Executive Director, President	H shares	1,340,478 (L)	0.0236	0.3028
Wu Lingyun	Employee Representative Supervisor	H shares	53,619 (L)	0.0009	0.0121
Zhou Min	Employee Representative Supervisor	H shares	13,404 (L)	0.0002	0.0030

Note 1: Mr. Ge Xiaobo, Ms. Wu Lingyun and Mr. Zhou Min were deemed to have interests in the H shares of the Company, respectively due to their participation in the employee stock ownership plan of the Company for the year 2022.

Note 2: (L) denotes long positions.

Note 3: As of the end of the Reporting Period, the Company issued 5,237,952,806 A shares and 442,640,000 H shares, a total of 5,680,592,806 shares.

Save as disclosed above, as at the end of the Reporting Period, no Directors, Supervisors or chief executive of the Company have any interest 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) (i) which were required to be notified to the Company and HK Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which are taken or deemed to have under those provisions of the SFO), or (ii) which were required to be recorded in the equity register kept pursuant to Section 352 of the SFO, or (iii) which were required to be notified to the Company and HK Stock Exchange pursuant to the Model Code.

III. INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN THE SHARES AND UNDERLYING SHARES

As at the end of the Reporting Period, to the knowledge of the Company's Directors after making reasonable enquiry, the following persons (not being the Directors, Supervisors or chief executive of the Company) have interests or short positions in the shares and underlying shares of the Company which shall be disclosed to the Company and recorded in the register required to be kept by the Company in accordance with Divisions 2 and 3 of Part XV of the SFO and Section 336 of the SFO:

Name of Shareholders	Class of shares	Nature of interest	Number of shares (share) (Note 1)	Percentage of total number of issued shares of the Company (Note 4)	Percentage of total number of issued shares in the relevant class of shares of the Company (Note 4)
Guolian Group (Note 2)	A shares	Beneficial owner and interest in controlled corporation	2,188,061,354 (L)	38.52%	41.77%
Guolian Trust	A shares	Beneficial owner	390,137,552 (L)	6.87%	7.45%
Guolian Industrial (Note 3)	A shares	Interest in controlled corporation	266,899,445 (L)	4.70%	5.10%
Wuxi Electric	A shares	Beneficial owner	266,899,445 (L)	4.70%	5.10%
Fengquanyu	A shares	Beneficial owner	361,431,213 (L)	6.36%	6.90%

Notes:

(1) (L) denotes long positions.

(2) Guolian Group is the beneficial owner of 1,355,626,560 A shares of the Company, and is deemed to have interests in the following shares in controlled corporations: (i) 390,137,552 A shares of the Company held by Guolian Trust; (ii) 266,899,445 A shares of the Company held by Wuxi Electric; (iii) 73,500,000 A shares of the Company held by Minsheng Investment; (iv) 72,784,141 A shares of the Company held by Cotton Textile; and (v) 29,113,656 A shares of the Company held by Huaguang Environmental.

Other Information

- (3) Guolian Industrial is deemed to have interests in the 266,899,445 A shares of the Company held by Wuxi Electric, its wholly-owned subsidiary.
- (4) As at the end of the Reporting Period, the Company issued 5,237,952,806 A shares and 442,640,000 H shares, a total of 5,680,592,806 shares.

Save as disclosed above, as at the end of the Reporting Period, the Company was not aware of any other person (other than the Directors, Supervisors and chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept pursuant to Section 336 of the SFO.

IV. PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities of the Company (including sale of treasury shares). As at the end of the Reporting Period, the Company did not hold any treasury shares.

V. CORPORATE GOVERNANCE

The Company has operated in strict compliance with the laws, regulations and normative documents, and kept committed to maintaining and improving its sound social image. Pursuant to the Company Law, the Securities Law and other laws, regulations and regulatory provisions, the Company has formed a corporate governance structure under which the general meeting, the Board, the Supervisory Committee, and the management have their respective authorities and duties and are with checks and balances, so as to ensure the regulated operation of the Company. The convening and voting procedures for general meetings and meetings of the Board and the Supervisory Committee are legal and valid; the information disclosed by the Company is true, accurate and is disclosed in time and completely; the management of investor relations is efficient and practical; and the corporate governance is based on scientific, rigorous and normative procedures. During the Reporting Period, the Company has strictly complied with the CG Code, complied with other applicable code provisions other than code provision C.2.1 and satisfied with most of the requirements of the recommended best practices specified in Part 2 of the CG Code.

Pursuant to code provision C.2.1, the roles of chairman and chief executive officer should be segregated and should not be performed by the same individual. As of the end of the Reporting Period, Mr. Ge Xiaobo, the chairman of the Company, concurrently serves as the president of the Company, despite deviating from code provision C.2.1 in Part 2 of the CG Code, under the supervision of the Board which comprises of one executive Director, five non-executive Directors and three independent non-executive Directors, the Board is appropriately structured with balance of power to provide sufficient checks to protect the interests of the Company and its Shareholders. On 8 August 2025, Mr. Ge Xiaobo resigned as the chairman of the Company due to work adjustments, but will continue to serve as the president of the Company. Upon approval by the Board, Mr. Gu Wei has been appointed as the chairman of the Company. The division of responsibilities between the chairman and the chief executive officer is clearly defined, with their respective duties and authorities explicitly outlined in the Articles of Association.

VI. SECURITIES TRANSACTIONS OF DIRECTORS AND SUPERVISORS

The Company has adopted the Model Code as its own code of conduct regarding Directors and Supervisors' securities transactions. Having made specific enquiries with all Directors and Supervisors, they have all confirmed that they have complied with the required standard of dealings as set out in the Model Code during the Reporting Period.

VII. OPERATION OF THE BOARD AND THE BOARD COMMITTEES

(I) Composition of the Board

As of the date of this report, the Board of the Company comprised nine Directors, including one executive Director, namely Mr. Ge Xiaobo, five non-executive Directors, namely Mr. Gu Wei (Chairman of the Board), Mr. Zhou Weiping, Mr. Wu Weihua, Mr. Yang Zhenxing and Mr. Liu Hailin, and three independent non-executive Directors, namely Mr. Gao Wei, Mr. Guo Chunming and Ms. Hsu Wai Man Helen.

During the Reporting Period, Mr. Hua Weirong and Ms. Li Suo resigned as non-executive Directors of the Company due to changes in their work arrangements. Upon consideration and approval by the first extraordinary general meeting for the year 2025 of the Company held on 6 February 2025, Mr. Gu Wei and Mr. Yang Zhenxing were appointed as non-executive Directors of the Company. On 8 August 2025, Mr. Ge Xiaobo resigned as the chairman of the Company due to work adjustments, but will continue to serve as an executive Director and president of the Company. Upon consideration and approval by the twenty-seventh meeting of the fifth session of the Board of the Company, Mr. Gu Wei was appointed as the chairman of the Company. Mr. Chu, Howard Ho Hwa has resigned as an independent non-executive Director of the Company due to having served for six consecutive years. Upon consideration and approval by the second extraordinary general meeting for the year 2025 of the Company held on 22 August 2025, Ms. Hsu Wai Man Helen was appointed as an independent non-executive Director of the Company.

During the Reporting Period, all Directors performed their statutory duties honestly and diligently and protected the interests of the Shareholders of the Company as a whole, especially the interests of minority Shareholders, in accordance with the relevant provisions of laws, regulations and articles of association of the Company. During the Reporting Period, the Board convened a total of 2 general meetings for Shareholders to consider and approve 16 resolutions, and convened 5 Board meetings, which considered and approved 43 resolutions.

Other Information

(II) Board Committees

There are four special committees established under the Board, namely, the Strategy and ESG Committee, the Remuneration and Nomination Committee, the Audit Committee and the Risk Control Committee. The responsibilities of each committee are clearly divided and defined. The committees assist the Board in conducting work within the terms of reference as specified in the rules of procedures, and are accountable to and report to the Board. The majority of the members of the Remuneration and Nomination Committee are independent non-executive Directors, and the chairman of the committee is an independent non-executive Director. All the members of the Audit Committee are independent non-executive Directors. As of the date of this report, the list of the members of the special committees under the Board is as follows:

Special Committees	Chairman	Members
Strategy and ESG Committee	Gu Wei	Ge Xiaobo, Zhou Weiping, Wu Weihua, Hsu Wai Man Helen
Remuneration and Nomination Committee	Gao Wei	Guo Chunming, Gu Wei
Audit Committee	Guo Chunming	Gao Wei, Hsu Wai Man Helen
Risk Control Committee	Gu Wei	Ge Xiaobo, Zhou Weiping, Liu Hailin, Guo Chunming

During the Reporting Period, the Strategy and ESG Committee convened 1 meeting, which considered and approved 5 resolutions. The Audit Committee convened a total of 2 meetings, which considered and approved 15 resolutions. The Remuneration and Nomination Committee convened a total of 4 meetings, which considered and approved 4 resolutions. The Risk Control Committee convened 1 meeting, which considered and approved 5 resolutions.

Of which, the Audit Committee and the management of the Company had reviewed the accounting policies adopted by the Company, and discussed issues including internal control, and financial report, and had fully reviewed the consolidated interim financial information during the Reporting Record (including unaudited consolidated financial statements set out in this interim report). The Audit Committee considered that the preparation of such consolidated financial report was in conformity with the applicable accounting standards and provisions and has made appropriate disclosures. The auditor of the Company, SHINEWING (HK) CPA Limited, has conducted the review in accordance with International Standard on Review Engagements 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the International Auditing and Assurance Standards Board.

VIII. OPERATION OF THE SUPERVISORY COMMITTEE

As of the date of this report, the Supervisory Committee of the Company comprised 5 Supervisors, among which there are three shareholder representative supervisors (namely, Ms. Xue Chunfang (Chairman of the Supervisory Committee), Mr. Xu Kan and Ms. Xu Jingyan) and two employee representative supervisors (namely, Ms. Wu Lingyun and Mr. Zhou Min).

During the Reporting Period, the Supervisory Committee convened a total of 2 meetings, which considered 14 resolutions. The Supervisors earnestly performed their duties and supervised the standard operation of the Company and safeguarded the legitimate rights and interests of the Company, Shareholders and investors in accordance with the relevant provisions of the Company Law, Securities Law and other relevant laws, regulations and the articles of association of the Company.

IX. MAJOR LITIGATIONS

As of the end of the Reporting Period, the litigation and arbitration matters disclosed by the Group with new developments are as follows:

1. The stock pledged repurchase transaction dispute case between the Company and Guangzhou Huiyin Huahe Investment Enterprise (Limited Partnership) (廣州匯垠華合投資企業(有限合夥)) and Zhang Guizhen

On 8 July 2025, the Wuxi Intermediate People's Court issued the Civil Judgment (2024) Su 02 Min Chu No. 236, rejecting all claims of the plaintiff Zhang Guizhen. The plaintiff has filed an appeal. As of the date of this report, the case remains pending.

2. Contract dispute case between the subsidiary Minsheng Securities and Liaocheng Heshan Haibo Technology Consulting Partnership (Limited Partnership) (聊城合杉海博科技諮詢合夥企業(有限合夥))

On 14 January 2025, the People's Court of Guang'an District, Guang'an, Sichuan Province issued the Ruling (2024) Chuan 1602 Min Chu No. 3952, granting the withdrawal of the lawsuit by the plaintiff, Liaocheng Heshan Haibo Technology Consulting Partnership (Limited Partnership). The case has been concluded.

Other Information

3. Tort liability dispute case between the subsidiary Minsheng Securities and Mr. Zhang

On 6 February 2025, the Xiaodian District People's Court of Taiyuan City ruled in the first instance that Minsheng Securities and Minsheng Securities Taiyuan Changzhi Road Branch (民生證券太原長治路營業部) shall compensate RMB34,902,861.5, while rejecting the other claims of the plaintiff. Minsheng Securities and Minsheng Securities Taiyuan Changzhi Road Branch have filed an appeal. On 27 August 2025, Minsheng Securities received the civil judgment from the Taiyuan Intermediate People's Court, which overturned the first-instance judgment and dismissed all claims brought by the plaintiff, Mr. Zhang. As of the date of this report, the case has been concluded.

4. Two bond trading dispute enforcement cases between the subsidiary Minsheng Securities and Wuhan Dangdai Technology Industry Group Co., Ltd. (武漢當代科技產業集團股份有限公司)

On 25 April 2025, the Wuhan Intermediate People's Court of Hubei Province issued the Announcement (2024) E 01 Po No. 22-1, ruling to approve the restructuring plan of Wuhan Dangdai Technology Industry Group Co., Ltd. and terminating the restructuring proceedings. As of the end of the Reporting Period, the enforcement proceedings were suspended due to the party subject to enforcement was undergoing restructuring.

5. Equity repurchase dispute case between the subsidiary Minsheng Securities Investment Company Limited (民生證券投資有限公司) and Huang Qizhen (黃啟鎮)

On 5 December 2024, the China International Economic and Trade Arbitration Commission issued the Arbitral Award [2024] Zhong Guo Mao Zhong Jing Cai Zi No. 126157, ruling in favor of the arbitration claim of Minsheng Securities Investment Company Limited. On 15 April 2025, Minsheng Securities Investment and Huang Qizhen entered into a Settlement Agreement. As of the end of the Reporting Period, the Settlement Agreement was being duly performed.

6. Dispute over the liability for misrepresentation of securities between the subsidiary Guolian Minsheng Investment Banking and Shandong Longlive Bio-Technology Co., Ltd.

On 25 August 2025, the subsidiary Guolian Minsheng Investment Banking received a Civil Judgment from the Jinan Intermediate People's Court of Shandong Province (山東省濟南市中級人民法院). The first-instance judgment ordered that the plaintiffs and plaintiff representatives hold creditor rights against the defendant, Shandong Longlive Bio-Technology Co., Ltd. (hereinafter referred to as "Longlive Bio"), for the losses from the differences in investment, notification fees, and attorney fees, totaling RMB274,983,353.5. The defendant, Cheng Shaobo (程少博), shall bear the joint and several liability for the aforementioned indebtedness of Longlive Bio, and the remaining defendants shall bear the joint and several liability within certain proportional limits, among which Guolian Minsheng Investment Banking shall bear the joint and several liability up to 5%. The court acceptance fee was RMB1,412,271, which shall be jointly borne by the defendants, Longlive Bio and Cheng Shaobo. The remaining defendants shall bear the aforementioned court acceptance fee within certain proportional limits, among which Guolian Minsheng Investment Banking shall bear up to 5%. For details, refer to the Announcement in Relation to the Progress of the Major Litigation Involving a Subsidiary disclosed by the Company on 26 August 2025. As of the date of this report, the judgment has not yet taken effect.

For details of the preceding matters of the aforesaid cases, as well as litigation and arbitration matters that have been disclosed by the Group but with no developments during the Reporting Period, please refer to the previous periodical reports of the Company and relevant announcements such as the Report on Acquisition of Assets by Issuing Shares and Raising Supporting Funds by Guolian Securities Co., Ltd. and Related Party Transaction (《國聯證券股份有限公司發行股份購買資產並募集配套資金暨關聯交易報告書》).

X. CHANGES OF INFORMATION IN RESPECT OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE

With effect from 6 February 2025, Mr. Gu Wei and Mr. Yang Zhenxing were appointed as non-executive Directors of the Company, while Mr. Hua Weirong and Ms. Li Suo ceased to serve as non-executive Directors of the Company. With effect from 8 August 2025, Mr. Gu Wei was appointed as the Chairman of the Company, while Mr. Ge Xiaobo ceased to serve as the Chairman of the Company. Mr. Ge Xiaobo served as the chairman of Guolian Capital from May 2025 to July 2025 and ceased to serve as the chairman of Guolian Minsheng Investment Banking from August 2025. With effect from 22 August 2025, Ms. Hsu Wai Man Helen was appointed as an independent non-executive Director of the Company, while Mr. Chu, Howard Ho Hwa ceased to serve as an independent non-executive Director of the Company. Mr. Wu Weihua has ceased to serve as a director of Guolian Life Insurance Co., Ltd. since July 2025. Ms. Xue Chunfang has been the general manager of Guolian Trust since May 2025.

XI. INFORMATION ABOUT THE COMPANY'S SHARE INCENTIVE SCHEME, EMPLOYEE STOCK OWNERSHIP PLAN OR OTHER EMPLOYEE INCENTIVE MEASURES AND THEIR IMPACTS

In order to further establish and improve the benefit sharing mechanism between employees and the Company, enhance the cohesion among employees and competitiveness of the Company, and attract and retain talents, so as to promote the long-term, sustainable and healthy development of the Company and maximize the benefits of the Company, its shareholders and employees as a whole, the Company has implemented the employee stock ownership plan for the year 2022.

The Company convened the twenty-fifth meeting of the fourth session of the Board and the annual general meeting for the year 2021 on 29 April 2022 and 10 June 2022, respectively, which considered and approved the Resolution on the Employee Stock Ownership Plan of Guolian Securities Co., Ltd. for the Year 2022 (Draft) and its Summary (《關於國聯證券股份有限公司2022年度員工持股計劃(草案)及其摘要的議案》) and the Resolution on Proposing at the General Meeting to Authorize the Board of Directors with Full Discretion to Handle the Matters related to the Employee Stock Ownership Plan of the Company for the Year 2022 (《關於提請股東大會授權董事會全權辦理公司2022年度員工持股計劃相關事宜的議案》).

In June 2022, the Company completed the fundraising for the subscription of the employee stock ownership plan of the Company for the year 2022, with the actual number of participants of 342. The participants included Directors, Supervisors, senior management, employees at VP level and above and other core backbone personnel of the Company or its controlled subsidiaries, and the total subscription amount was RMB68,110,000. The number of subject shares associated with the employee stock ownership plan units held by any individual holder shall not, in aggregate, exceed 0.1% of the Company's total share capital.

Other Information

The term of the employee stock ownership plan shall be 5 years with effect from the date of consideration and approval by the general meeting of the Company.

On 12 July 2022, the Company convened the first meeting of holders of the employee stock ownership plan for the year 2022, which considered and approved the Resolution on Review of the Rules for the Meeting of Holders of the Employee Stock Ownership Plan of Guolian Securities Co., Ltd. for the Year 2022 (《關於審議國聯證券股份有限公司2022年度員工持股計劃持有人會議規則的議案》), Resolution on Election of Members of the Management Committee for the Employee Stock Ownership Plan of Guolian Securities Co., Ltd. for the Year 2022 (《關於選舉國聯證券股份有限公司2022年度員工持股計劃管理委員會委員的議案》) and Resolution on Authorization of the Management Committee of the Employee Stock Ownership Plan of Guolian Securities Co., Ltd. to Deal with Matters in Relation to the Employee Stock Ownership Plan (《關於授權國聯證券股份有限公司員工持股計劃管理委員會辦理本次員工持股計劃相關事宜的議案》).

As of 22 December 2022, the employee stock ownership plan of the Company completed the purchase and registration of the subject shares, and purchased a total of 18,260,000 H Shares of the Company in the secondary market, accounting for approximately 0.6448% of the total share capital of the Company. The total consideration was HK\$73,759,900 (excluding transaction fees), and the remaining funds will be used for liquidity purpose. The lock-up period of the subject shares purchased under the employee stock ownership plan of the Company shall be 12 months effective from the date on which the Company announces that the latest purchased subject shares are transferred and registered. On 22 December 2023, the lock-up period of the Company's employee stock ownership plan for the year 2022 expired, and some holders withdrew from the employee stock ownership plan based on their personal wishes, resulting in changes in the number of holders, the number of shares held and the percentage of shares held under the employee stock ownership plan. As of the end of the Reporting Period, the total number of holders of the employee stock ownership plan was 180, and the total number of shares held was 7,941,500, representing 0.1398% of the total share capital of the Company.

The Company will continue to pay attention to the implementation progress of the employee stock ownership plan for the year 2022, and perform the information disclosure obligations in accordance with the requirements of relevant laws and regulations in a timely manner.

XII. EVENTS SUBSEQUENT TO THE REPORTING PERIOD

Save as those disclosed herein, there were no other major events subsequent to the period for the Company.

Definitions

“Beijing Stock Exchange”	the Beijing Stock Exchange
“Board”	the board of Director(s) of the Company
“CG Code”	the Corporate Governance Code contained in Appendix C1 of the Listing Rules
“China”, “PRC”	the People’s Republic of China
“Collective Asset Management Scheme”	an asset management contract entered into by a securities firm with multiple clients, pursuant to which the clients’ assets are placed in the custody of commercial banks or in other institutions approved by the CSRC which are qualified to hold client transaction settlement funds for entrustment, and the securities firm provides asset management services to the clients through designated accounts
“Company”	Guolian Minsheng Securities Company Limited (國聯民生證券股份有限公司, formerly known as Guolian Securities Co., Ltd. (國聯證券股份有限公司))
“Company Law”	the Company Law of the PRC
“Controlling Shareholders”	has the meaning ascribed to it under the Listing Rules and unless the context requires otherwise, refers to the controlling shareholders of the Company, namely, Guolian Group, Guolian Trust, Wuxi Electric, Minsheng Investment, Yimian Textile, Huaguang Environment, Guolian Industrial and Guolian Financial Investment
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of the Company
“Fengquanyu”	Shanghai Fengquanyu Enterprise Management Co., Ltd.* (上海豐泉峪企業管理有限公司), which holds 6.36% of the shares of the Company
“end of the Reporting Period”	30 June 2025
“Good Doctor”	a set of investment advisory service system based on client’s perspective launched by the Company
“Group”	the Company and its subsidiaries

Definitions

“Guolian Fund”	Guolian Fund Management Co., Ltd. (國聯基金管理有限公司), 75.5% of the equity interest of which is held by the Company
“Guolian Securities Assets Management”	Guolian Securities Assets Management Co., Ltd. (國聯證券資產管理有限公司), a wholly-owned subsidiary of the Company
“Guolian Capital”	Guolian Capital Co., Ltd. (國聯通寶資本投資有限責任公司), a limited liability company established in the PRC on 18 January 2010 and a wholly-owned subsidiary of the Company
“Guolian Chuangxin”	Wuxi Guolian Chuangxin Capital Company Limited (無錫國聯創新投資有限公司), a wholly-owned subsidiary of the Company
“Guolian Financial Investment”	Wuxi Guolian Financial Investment Group Co., Ltd. (無錫國聯金融投資集團有限公司), a wholly-owned subsidiary of Guolian Group
“Guolian Group”	Wuxi Guolian Development (Group) Co., Ltd. (無錫市國聯發展(集團)有限公司)
“Guolian HK”	Guolian Securities (Hong Kong) Limited (國聯證券(香港)有限公司)
“Guolian Industrial”	Wuxi Guolian Industrial Investment Group Co., Ltd. (無錫國聯實業投資集團有限公司)
“Guolian Trust”	Guolian Trust Co., Ltd. (國聯信託股份有限公司)
“HK Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Huaguang Environment”	Wuxi Huaguang Environment & Energy Group Co., Ltd. (無錫華光環保能源集團股份有限公司), a subsidiary of Guolian Group, listed on the Shanghai Stock Exchange (Stock Code: 600475), which holds 0.51% of the shares of the Company and was renamed from Wuxi Huaguang Boiler Co., Ltd. (無錫華光鍋爐股份有限公司)
“Guolian Minsheng Investment Banking”	Guolian Minsheng Investment Banking Company Limited (國聯民生證券承銷保薦有限公司, formerly known as Hua Ying Securities Co., Ltd. (華英證券有限責任公司)), a wholly-owned subsidiary of the Company
“IFRS”	include standards, amendments and interpretations promulgated by the International Accounting Standards Board and the International Accounting Standards and interpretation issued by the International Accounting Standards Committee
“IPO”	initial public offering

“Listing Rules”	the Rules Governing the Listing of Securities on the HK Stock Exchange
“Minsheng Investment”	Wuxi Minsheng Investment Co., Ltd. (無錫民生投資有限公司), a wholly-owned subsidiary of Guolian Financial Investment, which holds 1.29% of the shares of the Company
“Minsheng Securities”	Minsheng Securities Co., Ltd. (民生證券股份有限公司), 99.26% of the shares of which are held by the Company
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuer contained in Appendix C3 of the Listing Rules
“NEEQ”	National Equities Exchange and Quotations (全國中小企業股份轉讓系統)
“Reporting Period”	the period for the six months ended 30 June 2025
“RMB”	Renminbi, the lawful currency of the PRC
“Securities Law”	the Securities Law of the PRC
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Shanghai Stock Exchange”	the Shanghai Stock Exchange
“Shareholders”	holders of the shares of the Company
“Shenzhen Stock Exchange”	the Shenzhen Stock Exchange
“Single Asset Management Scheme”	an asset management contract entered into by a securities firm with a single client, pursuant to which the securities firm provides asset management services to the client through the accounts under the client’s name
“Specialized Asset Management Scheme”	an asset management contract entered into by a securities firm with client to specify the investment objectives that specifically cater for the special requirements and asset structure of each individual client and provides asset management service to client through a designated account
“SSE Composite Index”	Shanghai Stock Exchange Composite Index, reflecting changes of price of shares listed on Shanghai Stock Exchange
“Supervisor(s)”	the supervisor(s) of the Company

Definitions

“Supervisory Committee”	the supervisory committee of the Company
“SZSE Component Index”	Shenzhen Stock Exchange Composite Index, comprehensively reflecting changes of price of A and/or B shares listed on Shenzhen Stock Exchange
“Wind”	Wind Information Co., Ltd. (上海萬得信息技術股份有限公司), a joint stock limited liability company incorporated in the PRC and a service provider of financial data, information and software
“Wuxi Electric”	Wuxi Guolian Municipal Electric Power Co., Ltd. (無錫市國聯地方電力有限公司), a wholly-owned subsidiary of Guolian Industrial, which holds 4.70% of the shares of the Company, previously known as “Wuxi Municipal Electric Power Company (無錫市地方電力公司)”

This interim report is prepared both in Chinese and English. In the event of any discrepancy between the two versions, the Chinese version shall prevail.

The currency for the amounts included in this interim report, unless otherwise stated, is Renminbi.

Report on Review of Condensed Consolidated Financial Statements



SHINEWING (HK) CPA Limited
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香港銅鑼灣告士打道311號
皇室大廈安達人壽大樓17樓

TO THE BOARD OF DIRECTORS OF GUOLIAN MINSHENG SECURITIES CO., LTD.

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

Introduction

We have reviewed the condensed consolidated financial statements of Guolian Minsheng Securities Co., Ltd. (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 59 to 138, which comprise the condensed consolidated statement of financial position as of 30 June 2025 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”) issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

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



Report on Review of Condensed Consolidated Financial Statements

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

SHINEWING (HK) CPA Limited

Certified Public Accountants

Pang Wai Hang

Practising Certificate Number: P05044

Hong Kong

28 August 2025

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2025

	Notes	Six months ended 30 June	
		2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Revenue			
– Commission and fee income	5	2,270,419	878,760
– Interest income under effective interest method	6	934,500	582,390
Net investment gains	7	2,097,322	375,338
Other income	8	7,560	3,750
Total revenue, net investment gains and other income		5,309,801	1,840,238
Commission and fee expenses	9	(409,800)	(91,641)
Interest expenses	10	(907,714)	(671,378)
Staff costs	11	(1,876,843)	(633,133)
Depreciation and amortisation		(223,352)	(152,786)
Other operating expenses	12	(519,878)	(249,826)
Reversal of impairment losses under expected credit loss model (“ECL”), net	13	34,982	1,256
Total expenses		(3,902,605)	(1,797,508)
Total revenue, net investment gains and other income less total expenses		1,407,196	42,730
Share of results of an associate and joint ventures	19	1,877	1,616
Other (losses)/gains, net	14	(6,127)	10,185
Profit before income tax		1,402,946	54,531
Income tax (expense)/credit	15	(266,209)	36,090
Profit for the period		1,136,737	90,621
Attributable to:			
Shareholders of the Company		1,127,232	87,708
Non-controlling interests		9,505	2,913
		1,136,737	90,621
Earnings per share (Expressed in RMB per share)			
– Basic	16	0.20	0.03

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit for the period	1,136,737	90,621
Other comprehensive income:		
<i>Items that will not be reclassified to profit or loss:</i>		
Fair value gains on:		
– investments in equity instruments at fair value through other comprehensive income	418,682	1,075,384
Income tax relating to items that will not be reclassified to profit or loss	(104,670)	(268,846)
	314,012	806,538
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of foreign operations	(3,012)	1,705
Fair value (losses)/gains on:		
– debt instruments measured at fair value through other comprehensive income	(38,218)	10,006
Reversal of impairment losses for debt instruments at fair value through other comprehensive income included in profit or loss	(1,337)	(8,517)
Income tax relating to items that may be reclassified subsequently to profit or loss	9,888	(372)
	(32,679)	2,822
Other comprehensive income for the period, net of income tax	281,333	809,360
Total comprehensive income for the period	1,418,070	899,981
Attributable to:		
Shareholders of the Company	1,406,560	897,068
Non-controlling interests	11,510	2,913
	1,418,070	899,981

Condensed Consolidated Statement of Financial Position

At 30 June 2025

	Notes	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Assets			
Non-current assets			
Property and equipment	18	478,704	101,126
Right-of-use assets	18	367,361	241,153
Goodwill	20	14,071,922	1,142,579
Intangible assets	20	646,613	513,261
Interests in an associate and joint ventures	19	83,440	77,370
Equity instruments at fair value through other comprehensive income	21	13,138,339	5,200,853
Debt instruments at fair value through other comprehensive income	22	2,856,195	3,178,389
Financial assets at fair value through profit or loss	23	1,673,100	976,390
Financial assets held under resale agreements	24	70,019	–
Derivative financial assets	25	59,878	492,501
Deferred tax assets	26	727,833	40,014
Refundable deposits	27	2,873,092	369,915
Construction in progress		57,407	14,075
Other non-current assets	28	796,462	713,275
Total non-current assets		37,900,365	13,060,901
Current assets			
Other current assets	29	4,267,985	1,732,094
Margin accounts receivable	30	17,485,316	11,551,337
Financial assets held under resale agreements	24	10,080,818	10,473,607
Debt instruments at fair value through other comprehensive income	22	1,749,289	2,382,647
Financial assets at fair value through profit or loss	23	73,254,967	36,944,261
Derivative financial assets	25	309,599	430,689
Clearing settlement funds	31	8,815,802	5,220,252
Cash held for brokerage clients	32	23,929,220	11,096,743
Cash and bank balances	33	7,603,624	4,315,613
Total current assets		147,496,620	84,147,243
Total assets		185,396,985	97,208,144
Current liabilities			
Other current liabilities	34	7,491,602	4,013,347
Current income tax liabilities		43,338	46,868
Bonds in issue	35	8,606,607	6,003,157
Lease liabilities		165,121	107,171
Contract liabilities		63,333	18,123
Due to financial institutions		16,790,620	9,972,283
Derivative financial liabilities	25	184,163	299,611
Financial assets sold under repurchase agreements	36	35,609,749	17,349,424
Financial liabilities at fair value through profit or loss	37	1,638,753	764,348
Account payable to brokerage clients		34,495,160	14,565,167
Total current liabilities		105,088,446	53,139,499

Condensed Consolidated Statement of Financial Position

At 30 June 2025

	Notes	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Net current assets		42,408,174	31,007,744
Total assets less current liabilities		80,308,539	44,068,645
Equity			
Share capital	39	5,680,593	2,831,773
Share premium		36,755,158	8,189,045
Reserves		4,315,599	4,034,274
Retained earnings		4,336,364	3,529,242
Equity attributable to shareholders of the Company		51,087,714	18,584,334
Non-controlling interest		498,669	363,682
Total equity		51,586,383	18,948,016
Non-current liabilities			
Deferred tax liabilities	26	824,117	717,208
Bonds in issue	35	21,198,288	18,799,316
Lease liabilities		231,443	133,890
Derivative financial liabilities	25	109,218	66,654
Financial liabilities at fair value through profit or loss	37	3,839,019	70,321
Other non-current liabilities	38	2,520,071	5,333,240
Total non-current liabilities		28,722,156	25,120,629
Total equity and non-current liabilities		80,308,539	44,068,645

The condensed consolidated financial statements on pages 59 to 138 were approved and authorised for issue by the Board of Directors on 28 August 2025 and signed on behalf by:

Gu Wei

Chairman of the Board and Non-executive Director

Yin Lei

Vice President and Financial Officer

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2025

	Notes	Attributable to shareholders of the Company										Non-controlling interest	Total
		Share capital RMB'000	Share premium RMB'000	Surplus reserve RMB'000	General reserve RMB'000	Reserves				Retained earnings RMB'000	Sub-total RMB'000		
						Revaluation reserve RMB'000	Translation reserve RMB'000	Other reserve RMB'000					
Balance at 1 January 2024 (audited)		2,831,773	8,189,045	822,080	1,934,458	324,521	(3,329)	(14,817)	3,684,960	17,768,691	354,867	18,123,558	
Profit for the period		-	-	-	-	-	-	-	87,708	87,708	2,913	90,621	
Other comprehensive income for the period		-	-	-	-	807,655	1,705	-	-	809,360	-	809,360	
Total comprehensive income for the period		-	-	-	-	807,655	1,705	-	87,708	897,068	2,913	899,981	
Dividends recognised as distribution	17	-	-	-	-	-	-	-	(402,112)	(402,112)	-	(402,112)	
Appropriation to general reserve		-	-	-	26,381	-	-	-	(26,381)	-	-	-	
Disposal of investments in equity instruments at fair value through other comprehensive income		-	-	-	-	(589)	-	-	589	-	-	-	
Balance at 30 June 2024 (unaudited)		2,831,773	8,189,045	822,080	1,960,839	1,131,587	(1,624)	(14,817)	3,344,764	18,263,647	357,780	18,621,427	
Balance at 1 January 2025 (audited)		2,831,773	8,189,045	847,080	2,059,761	1,141,655	595	(14,817)	3,529,242	18,584,334	363,682	18,948,016	
Profit for the period		-	-	-	-	-	-	-	1,127,232	1,127,232	9,505	1,136,737	
Other comprehensive income for the period		-	-	-	-	282,340	(3,012)	-	-	279,328	2,005	281,333	
Total comprehensive income for the period		-	-	-	-	282,340	(3,012)	-	1,127,232	1,406,560	11,510	1,418,070	
Dividends recognised as distribution	17	-	-	-	-	-	-	-	(318,113)	(318,113)	-	(318,113)	
Appropriation to general reserve		-	-	-	29,407	-	-	-	(29,407)	-	-	-	
Disposal of investments in equity instruments at fair value through other comprehensive income		-	-	-	-	(27,410)	-	-	27,410	-	-	-	
Shares issued	39	208,551	1,762,344	-	-	-	-	-	-	1,970,895	-	1,970,895	
Acquisition of a subsidiary	44	2,640,269	26,803,769	-	-	-	-	-	-	29,444,038	123,477	29,567,515	
Balance at 30 June 2025 (unaudited)		5,680,593	36,755,158	847,080	2,089,168	1,396,585	(2,417)	(14,817)	4,336,364	51,087,714	498,669	51,586,383	

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
OPERATING ACTIVITIES		
Profit before income tax	1,402,946	54,531
Adjustments for:		
Depreciation and amortisation	223,352	152,786
Reversal of impairment losses under expected credit loss model, net	(34,982)	(1,256)
Net gains on disposal of property and equipment, other intangible assets and early termination of lease agreements	(1,698)	(4,622)
Unrealised fair value change of financial instruments at fair value through profit or loss	(445,990)	(736,246)
Provision on contingent liabilities	13,800	–
Foreign exchange losses	2,386	857
Share of results of an associate and joint ventures	(1,877)	(1,616)
Interest income from debt instruments at fair value through other comprehensive income	(67,581)	(83,984)
Realised gains from disposal of debt instruments at fair value through other comprehensive income	(15,083)	(32,073)
Dividends income from equity instruments at fair value through other comprehensive income	(529,462)	(172,663)
Interest expense of bonds in issue	436,178	429,933
Interest expense of lease liabilities	7,051	4,155
Operating cash flows before movements in working capital	989,040	(390,198)
Net (increase)/decrease in margin accounts receivable	(435,719)	1,552,197
Net (increase)/decrease in financial assets at fair value through profit or loss	(9,348,091)	469,433
Net decrease/(increase) in financial assets held under resale agreements	768,647	(154,122)
Net (increase)/decrease in refundable deposits	(334,077)	328,666
Net decrease/(increase) in cash held for brokerage clients	1,973,774	(807,302)
Net increase in clearing settlement funds held for clients	(2,460,705)	(158,390)
Net (increase)/decrease in other assets	(1,567,939)	1,850,494
Net increase in accounts payables to brokerage clients	2,040,452	165,074
Net increase in financial assets sold under repurchase agreements	11,713,605	1,865,466
Net (decrease)/increase in due to financial institutions	(2,160,166)	1,927,496
Net decrease in other liabilities	(1,630,738)	(1,184,079)
Net decrease in contract liabilities	(8,884)	–
Net increase/(decrease) in financial liabilities at fair value through profit or loss	780,458	(38,553)
Cash generated from operations	319,657	5,426,182
Income taxes paid	(271,882)	(24,246)
Net cash from operating activities	47,775	5,401,936

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
INVESTING ACTIVITIES		
Dividends received from investments	167,027	14,872
Interest received from investments	67,581	83,984
Proceeds on disposal of property and equipment, intangible assets and other non-current assets	6,669	20
Purchase of property and equipment, intangible assets and other non-current assets	(97,342)	(72,310)
Purchase of		
– debt instruments at fair value through other comprehensive income	(3,632,162)	(2,806,434)
– equity instruments at fair value through other comprehensive income	(3,722,564)	(181,764)
Proceeds from disposal of		
– debt instruments at fair value through other comprehensive income	4,549,495	4,471,191
– equity instruments at fair value through other comprehensive income	359,061	30,295
Net of cash acquired from the acquisition of a subsidiary	5,948,943	–
Net cash from investing activities	3,646,708	1,539,854
FINANCING ACTIVITIES		
Cash received from additional bonds in issue	5,626,187	6,797,152
Cash received from issuance of new shares	1,923,128	–
Repayments of leases liabilities	(85,799)	(64,335)
Cash paid for repayment of bonds in issue	(7,710,184)	(5,329,369)
Interest paid for bonds in issue	(558,692)	(470,462)
Net cash (used in)/from financing activities	(805,360)	932,986
Net increase in cash and cash equivalents	2,889,123	7,874,776
Cash and cash equivalents at the beginning of the period	14,612,717	7,321,005
Effect of exchange rate changes on the balance of cash held in foreign currencies	(5,389)	848
Cash and cash equivalents at the end of the period (Note 40)	17,496,451	15,196,629
Net cash from operating activities including:		
Interest received	1,317,948	1,065,691
Interest paid	(440,943)	(289,017)
Dividend received	95,222	48,737

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

1. General

Guolian Minsheng Securities Co., Ltd. (國聯民生證券股份有限公司) is a joint stock financial institution incorporated in Jiangsu Province, the People's Republic of China (the "PRC").

The Company, originally named as Wuxi Securities Company (無錫市證券公司), was set up upon approval from the People's Bank of China in November 1992 as a collectively owned enterprise with an initial registered capital of RMB32,000 thousand. On 8 January 1999, the Company was converted to a limited liability company and was renamed as Wuxi Securities Co., Ltd. (無錫證券有限責任公司). On 16 May 2008, Wuxi Securities Co., Ltd. was converted to a joint stock company upon approval by the China Securities Regulatory Commission (the "CSRC") with a registered capital of RMB1,500,000 thousand and was renamed as Guolian Securities Co., Ltd. (國聯證券股份有限公司).

The Company completed its initial public offering of overseas-listed foreign shares ("H" shares) on the Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") on 6 July 2015. Under the offering, the Company issued a total of 402,400 thousand shares with a nominal value of RMB1 per share. After this public offering, total share capital of the Company increased to RMB1,902,400 thousand.

The Company completed its initial public offering of A shares on the Shanghai Stock Exchange on 31 July 2020. Under this offering, the Company issued a total of 475,719 thousand shares with a nominal value of RMB1 per share. After this public offering, total share capital of the Company increased to RMB2,378,119 thousand.

On 27 July 2021, the Company received the approval for the non-public offering issued by the CSRC, according to which the Company could issue 453,654 thousand ordinary shares (A-shares) to 23 specific investors. On 15 October 2021, the newly issued shares have been registered in China Securities Depository & Clearing Co., LTD. Shanghai Branch (the "CDB Shanghai Branch"). After the non-public offering, total share capital of the Company increased to RMB2,831,773 thousand.

As at 31 December 2024, the registered capital of the Company is RMB2,831,773 thousand.

On 27 December 2024, the Company received the Reply on Approving the Acquisition of Assets by Issuing A Shares and Raising Supporting Funds of Guolian Securities Co., Ltd., Ratifying the Change of Substantial Shareholders of Guolian Securities Co., Ltd. and Minsheng Securities Co., Ltd. and the Change of Actual Controller of Minsheng Fund Management Co., Ltd. and Minsheng Futures Co., Ltd. (Zheng Jian Xu Ke [2024] No. 1911) issued by the China Securities Regulatory Commission. In respect of the acquisition of 99.26% shares of the Minsheng Securities Co., Ltd., the Company would issue 2,640,269 thousand ordinary shares (A Shares).

In January 2025, the registration with the Shanghai Branch of China Securities Depository and Clearing Corporation Limited for the new A Shares in respect of the acquisition of the Minsheng Securities Co., Ltd. by issuing shares has been completed.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

1. General (continued)

On 7 February 2025, the Company completed the registration procedures for the industrial and commercial changes of the company name and registered capital, and obtained the business license issued by the Wuxi Data Bureau. The Chinese name of the Company was changed from Guolian Securities Co., Ltd. (國聯證券股份有限公司) to Guolian Minsheng Securities Co., Ltd. (國聯民生證券股份有限公司), and the registered capital was changed from RMB2,831,773 thousand to RMB5,472,042 thousand. The other contents of the business licence remain unchanged.

On 10 March 2025, the Company completed the registration procedures to further change from RMB5,472,042 thousand to RMB5,680,593 thousand after the new issuance of ordinary share. The other contents of the business licence remain unchanged.

The Company holds the securities institution licence and business license No.91320200135914870B. The registered address of the Company is No.8 Jinrong One Street, Wuxi, Jiangsu Province, PRC.

The Company's ultimate holding company is Wuxi Guolian Development (Group) Co., Ltd. (collectively referred to as "Guolian Group" together with its subsidiaries). Guolian Group is a PRC enterprise regulated and directly managed by Wuxi State-Owned Assets Supervision and Administration Committee ("Wuxi SASAC"). Wuxi SASAC is the actual controller of the company.

The Company and its subsidiaries (the "Group") are engaged in the following principal activities: securities brokerage, investment consultancy and financial advisory services related to securities trading and securities investment, proprietary trading, asset management, agency sale of financial products, margin financing and securities lending, introducing broker for futures companies, investment management, proprietary investment in venture capital, industrial investment, equity investment, securities underwriting and sponsorship of stocks (including RMB ordinary shares and foreign shares) and bonds (including government bonds and corporate bonds), fund raising, fund sales, and specific customer asset management, fund asset management and other businesses approved by the CSRC (projects in accordance with the law and approved by relevant departments).

As of 30 June 2025, the Company has established 173 securities brokerage business branches, including 48 branch offices and 125 securities branches, which are mainly located in Jiangsu province and Henan province.

The condensed consolidated financial statements are presented in Renminbi ("RMB"), which is the same as functional currency of the Company. All financial statements and notes to the condensed consolidated financial statements are presented in RMB and has been rounded to the nearest thousands, except when otherwise indicates.

These condensed consolidated financial statements were authorised for issue by the Board of Directors (the "Board") on 28 August 2025.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

2. Basis of preparation and principal accounting policies

(a) Basis of preparation

The condensed consolidated financial statements of the Group for the six months ended 30 June 2025 have been prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting”, issued by the International Accounting Standards Board (“IASB”) as well as the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2024 annual financial statements. The condensed consolidated financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with IFRS Accounting Standards.

(b) Principal accounting policies

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

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2024.

Application of amendments to IFRS Accounting Standards

In the current interim period, the Group has applied, for the first time, the following amendments to IFRS Accounting Standards issued by the IASB which are effective for the Group’s financial year beginning 1 January 2025:

Amendments to IAS 21	Lack of Exchangeability
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The application of the amendments to IFRS Accounting Standards in the current interim period has had no material impact on the Group’s financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

3. Material accounting judgement and estimates

The significant accounting estimates used in the present interim financial statements are consistent with the significant accounting estimates used in the Group's 2024 financial statements.

4. Segment analysis

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

- (a) Brokerage and wealth management: securities and futures trading and brokering services, sales of wealth management products, investment consulting, and asset allocation;
- (b) Credit transaction: providing financial leverage for brokerage clients, securities-backed lending and securities repurchase business;
- (c) Investment banking: corporate finance and financial advisory services to institutional clients and market maker business;
- (d) Proprietary trading: trading in financial products;
- (e) Asset management and investment: direct investments and funds related business, in addition to portfolio management and maintenance, investment advisory and transaction execution services;
- (f) Other businesses: including headquarters operations and interest income and expenses relating to working capital in general.

Inter-segment transactions, if any, are conducted with reference to the prices charged to third parties and there was no change in the basis during the period ended 30 June 2025.

Minsheng Securities Co., Ltd., the subsidiary acquired in the current interim period, is included in all of above segments.

The Group mainly operates in Jiangsu Province and Henan Province, the PRC. Almost all of the revenue and other income of the Group are generated in the PRC.

Almost all of the non-current assets of the Group are all located in the PRC.

No income from any single customer contributed over 10% of the total revenue and other income of the Group.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

4. Segment analysis (continued)

	Six months ended 30 June 2025							
	Brokerage and wealth management RMB'000	Credit transaction RMB'000	Investment banking RMB'000	Proprietary trading RMB'000	Asset management and investment RMB'000	Others RMB'000	Elimination RMB'000	Total RMB'000
(Unaudited)								
Total revenue and other income								
Commission and fee income								
– external	1,337,686	–	570,151	15,829	346,753	–	–	2,270,419
– internal	17,767	–	1,863	–	399	–	(20,029)	–
Interest income under effective interest method								
– external	224,179	481,675	3,600	82,021	8,491	134,534	–	934,500
– internal	–	–	–	–	–	5,743	(5,743)	–
Net investment gains/(losses)								
– external	–	–	5,401	2,086,569	(56,603)	61,955	–	2,097,322
– internal	–	–	–	–	–	26,600	(26,600)	–
Other income								
– external	235	–	–	2,259	–	5,066	–	7,560
– internal	–	–	–	–	–	–	–	–
Total expenses (including reversal of impairment losses under ECL model, net)	(1,223,381)	(177,191)	(549,772)	(784,381)	(321,955)	(874,040)	28,115	(3,902,605)
Segment operating profit/(loss)	356,486	304,484	31,243	1,402,297	(22,915)	(640,142)	(24,257)	1,407,196
Other gains/(losses), net								
– external	6,889	–	3,842	(13,693)	4,007	(7,172)	–	(6,127)
– internal	–	–	–	–	–	–	–	–
Share of results of an associate and joint ventures	–	–	–	–	–	1,877	–	1,877
Profit/(loss) before income tax	363,375	304,484	35,085	1,388,604	(18,908)	(645,437)	(24,257)	1,402,946

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

4. Segment analysis (continued)

30 June 2025								
	Brokerage and wealth management RMB'000	Credit transaction RMB'000	Investment banking RMB'000	Proprietary trading RMB'000	Asset management and investment RMB'000	Others RMB'000	Elimination RMB'000	Total RMB'000
(Unaudited)								
Total assets	33,633,321	21,656,520	1,118,568	87,658,198	5,441,156	69,956,185	(34,066,963)	185,396,985
Total liabilities	34,829,969	11,198,164	797,292	58,130,210	332,379	28,447,146	75,442	133,810,602

Six months ended 30 June 2025								
	Brokerage and wealth management RMB'000	Credit transaction RMB'000	Investment banking RMB'000	Proprietary trading RMB'000	Asset management and investment RMB'000	Others RMB'000	Elimination RMB'000	Total RMB'000
(Unaudited)								
Supplemental information								
Interests in an associate and joint ventures	-	-	-	-	-	83,440	-	83,440
Depreciation and amortisation	72,490	962	12,476	6,983	38,634	91,807	-	223,352
Reversal of impairment losses under ECL model, net	1,118	(18,468)	(37)	(17,308)	565	(852)	-	(34,982)
Capital expenditure	26,757	55	6,384	926	8,840	134,371	-	177,333

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

4. Segment analysis (continued)

	Six months ended 30 June 2024							
	Brokerage and wealth management	Credit transaction	Investment banking	Proprietary trading	Asset management and investment	Others	Elimination	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
(Unaudited)								
Total revenue and other income								
Commission and fee income								
– external	387,876	–	167,264	14,528	309,092	–	–	878,760
– internal	–	–	3,936	–	–	–	(3,936)	–
Interest income under effective interest method								
– external	79,434	303,529	3,918	84,252	8,520	102,742	(5)	582,390
– internal	–	–	–	–	–	–	–	–
Net investment gains								
– external	–	–	4,751	256,630	9,509	104,448	–	375,338
– internal	–	–	–	–	–	–	–	–
Other income								
– external	12	–	–	135	1	3,602	–	3,750
– internal	–	–	–	–	–	–	–	–
Total expenses (including reversal of impairment losses under ECL model, net)	(395,570)	(191,003)	(167,119)	(393,979)	(249,157)	(411,963)	11,283	(1,797,508)
Segment operating profit/(loss)	71,752	112,526	12,750	(38,434)	77,965	(201,171)	7,342	42,730
Other gains/(losses), net								
– External	4,462	–	994	(1,012)	9	5,732	–	10,185
– Internal	–	–	–	–	–	–	–	–
Share of results of an associate and joint ventures	–	–	–	–	–	1,616	–	1,616
Profit/(loss) before income tax	76,214	112,526	13,744	(39,446)	77,974	(193,823)	7,342	54,531

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

4. Segment analysis (continued)

31 December 2024								
	Brokerage and wealth management	Credit transaction	Investment banking	Proprietary trading	Asset management and investment	Others	Elimination	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000

(Audited)

Total assets	12,581,044	15,088,900	769,786	48,162,321	4,733,462	20,433,089	(4,560,458)	97,208,144
Total liabilities	14,426,638	10,009,063	410,562	37,043,171	321,862	16,036,377	12,455	78,260,128

Six months ended 30 June 2024								
	Brokerage and wealth management	Credit transaction	Investment banking	Proprietary trading	Asset management and investment	Others	Elimination	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000

(Unaudited)

Supplemental information

Interests in an associate and

a joint venture	–	–	–	–	–	77,396	–	77,396
Depreciation and amortisation	61,916	595	13,373	2,483	43,393	31,026	–	152,786
Reversal of impairment losses under								
expected credit loss model, net	–	6,551	269	(8,517)	–	441	–	(1,256)
Capital expenditure	58,061	25	16,890	1,973	16,088	24,935	–	117,972

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

5. Commission and fee income

	Six months ended 30 June	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Revenue from contracts within the scope of IFRS 15:		
Securities brokerage	1,013,188	356,827
Futures brokerage	256,749	–
Underwriting and sponsorship	500,142	139,567
Investment consultancy and financial advisory	124,024	68,617
Asset management	357,261	313,749
Others	19,055	–
	2,270,419	878,760

6. Interest income under effective interest method

	Six months ended 30 June	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Interest income from margin financing	449,301	266,279
Interest income from bank deposits and clearing settlement funds	299,373	150,150
Interest income from financial assets held under resale agreements	118,199	81,977
Interest income from debt instruments at fair value through other comprehensive income	67,581	83,984
Others	46	–
	934,500	582,390

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

7. Net investment gains

	Six months ended 30 June	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Realised gains/(losses) from disposal of financial assets at fair value through profit or loss	475,462	(262,906)
Realised gains from disposal of debt instruments at fair value through other comprehensive income	15,083	32,073
Realised (losses)/gains from disposal of financial liabilities at fair value through profit or loss	(50,276)	13,233
Net realised gains/(losses) from derivative financial instruments	42,361	(784,645)
Dividends income from equity instruments at fair value through other comprehensive income	529,462	172,663
Dividends and interest income from financial assets at fair value through profit or loss	688,986	468,674
Interest expense from financial liabilities at fair value through profit or loss	(49,746)	–
Unrealised fair value change of financial instruments at fair value through profit or loss		
– Financial assets at fair value through profit or loss	376,373	(186,932)
– Derivative financial instruments	24,445	915,083
– Financial liabilities at fair value through profit or loss	45,172	8,095
	2,097,322	375,338

8. Other income

	Six months ended 30 June	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Rental income	4,883	3,352
Others	2,677	398
	7,560	3,750

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

9. Commission and fee expenses

	Six months ended 30 June	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Securities brokerage	206,587	77,428
Futures brokerage	158,727	–
Underwriting and sponsorship	40,634	7,859
Asset management	–	1,376
Others	3,852	4,978
	409,800	91,641

10. Interest expenses

	Six months ended 30 June	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Interest expense of bonds in issue	436,178	429,933
Interest expense of financial assets sold under repurchase agreements	282,824	195,988
Interest expense of accounts payable to brokerage clients	24,182	9,742
Interest expense of due to financial institutions	140,234	31,560
Interest expense of lease liabilities	7,051	4,155
Others	17,245	–
	907,714	671,378

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

11. Staff costs

	Six months ended 30 June	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Salaries and bonus	1,542,178	455,565
Pensions	151,557	93,351
Other social security	139,360	58,015
Labor union funds and employee education funds	15,091	7,839
Other welfare	28,657	18,363
	1,876,843	633,133

The Group had provided a pension plan for full-time employees in Mainland China as required by the government, including basic pension insurance and corporate annuity plan. Namely, the Group pays endowment insurance premiums to the social insurance institution designated by the government on a monthly basis, which account for a certain percentage of the total salaries of the staff. After the retirement of the employees, the government is obliged to pay the pensions to them. According to the aforesaid defined contribution plan, the Group shall not be liable for the post-retirement benefits beyond the above contributions. Contributions to the plan will be included in the cost at the time of occurrence.

In addition, the Group provides relevant defined contribution plan for its qualified employees outside of Mainland China in accordance with local labour laws.

The Group did not forfeit any retirement benefit plan contributions, and there are no forfeited contributions under the Group's retirement benefit plans that can be used to deduct the contributions payable in future years.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

12. Other operating expenses

	Six months ended 30 June	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Conference expenses	15,373	12,422
Consulting expenses	43,316	23,138
Marketing and distribution expenses	92,894	43,699
Office expenses	47,192	34,658
Postage and communication expenses	58,140	9,965
Professional service expenses	10,863	16,325
Property management expenses	22,464	10,457
Rentals	10,873	1,165
Sales service fee	41,773	28,366
Securities investors protection fund	30,966	3,827
Tax and surcharges	34,843	9,436
Travelling expenses	30,781	24,703
Others	80,400	31,665
	519,878	249,826

13. Reversal of impairment losses under expected credit loss model, net

	Six months ended 30 June	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Financial assets held under resale agreements	1,071	(1,335)
Accounts receivables and other receivables	15,176	(710)
Debt instruments at fair value through other comprehensive income	1,337	8,517
Margin accounts receivable	17,398	(5,216)
	34,982	1,256

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

14. Other (losses)/gains, net

	Six months ended 30 June	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Foreign exchange losses	(2,386)	(857)
Government grants (Note a)	20,886	6,999
Provision on contingent liabilities (Note b)	(13,800)	–
Others	(10,827)	4,043
	(6,127)	10,185

Note a: During the current interim period, the Group recognised government grants of RMB20,886 thousand (For the six months ended 30 June 2024: RMB6,999 thousand) mainly in respect of the allowance for bank and securities broker companies provided by tax authorities in accordance with relevant national regulations, the purpose of which is for the company to strengthen its contribution the local economy with no unfulfilled condition.

Note b: The amount represented the provision for the legal proceeding. For details, please refer to Note 41(2)(b).

15. Income tax (expense)/credit

	Six months ended 30 June	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Current income tax expense		
– Mainland China	(101,668)	(19,166)
Under provision in prior years		
– Mainland China	(56,913)	(4,609)
	(158,581)	(23,775)
Deferred taxation		
– Mainland China (Note 26)	(107,628)	59,866
– Hong Kong (Note 26)	–	(1)
	(107,628)	59,865
Income tax (expense)/credit	(266,209)	36,090

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

15. Income tax (expense)/credit (continued)

The mainland China income tax provision is based on the statutory tax rate of 25% of the taxable income of the Group as determined in accordance with the relevant PRC income tax rules and regulations.

The tax on the Mainland China's profit before tax differs from the theoretical amount that would arise using the taxation rate of 25%.

Hong Kong Profits tax has not been provided as the Company did not incur assessable profits for the periods ended 30 June 2025 and 2024.

As at 30 June 2025, the Group had estimated tax losses of approximately RMB132,267 thousand (31 December 2024: RMB62,769 thousand), estimated tax losses amounted to RMB34,820 thousand (31 December 2024: RMB44,254 thousand) has no expiry date and can be carried forward indefinitely subject to the approval of the Inland Revenue Department, estimated tax losses amounted to RMB1,132 thousand (31 December 2024: nil), RMB27,026 thousand (31 December 2024: RMB6,273 thousand), RMB25,327 thousand (31 December 2024: RMB3,525 thousand), RMB28,553 thousand (31 December 2024: RMB8,718 thousand) and RMB15,409 thousand (31 December 2024: nil) will be expired by 2026, 2027, 2028, 2029 and 2030, respectively. As at 30 June 2025, the Group had estimated temporary difference of approximately RMB12,634 thousand (31 December 2024: RMB39,318 thousand). No deferred tax assets has been recognised in respect of estimated tax losses and temporary difference as it is uncertain whether sufficient future taxable profits will be available in the future to offset the amount.

16. Earnings per share

16.1 Basic earnings per share

Basic earnings per share is calculated by dividing the profit for the period attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 June	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Profit attributable to shareholders of the Company (in RMB'000)	1,127,232	87,708
Weighted average number of ordinary shares in issue (in thousand)	5,557,329	2,831,773
Basic earnings per share (in RMB)	0.20	0.03

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

16. Earnings per share (continued)

16.2 Diluted earnings per share

For the six months ended 30 June 2025 and 2024, there were no potential diluted ordinary shares, so no diluted earnings per share was presented.

17. Profit distribution

For the six months ended 30 June 2025, RMB318,113 thousand final dividends in respect of the previous financial year were approved (For the six months ended 30 June 2024: RMB402,112 thousand final dividends were approved).

	Six months ended 30 June	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Dividends recognised as distribution	318,113	402,112

18. Property and equipment, and right-of-use assets

During the six months ended 30 June 2025, the Group purchased property and equipment with a cost of RMB30,947 thousand (unaudited) and recognised gains from disposal of property and equipment amounted to RMB1,700 thousand (unaudited) with the carrying amount of RMB4,974 thousand (unaudited). The Group acquired property and equipment with a fair value amounted to RMB396,553 thousand (unaudited) through the acquisition of a subsidiary.

During the six months ended 30 June 2024, the Group purchased property and equipment with a cost of RMB9,262 thousand (unaudited) and recognised losses from disposal of property and equipment amounted to RMB265 thousand (unaudited) with the carrying amount of RMB283 thousand (unaudited).

During the six months ended 30 June 2025, the Group entered into several new lease agreements with lease terms ranged from 1 year to 5 years. The Group is required to make fixed payments. On lease commencement, the Group recognised right-of-use assets of RMB93,205 thousand (unaudited) and lease liabilities of RMB93,205 thousand (unaudited). The Group recognised losses from early termination of lease agreements amounted to RMB2 thousand. The Group acquired right-of-use assets of RMB146,004 thousand (unaudited) and lease liabilities of RMB166,347 thousand (unaudited) through the acquisition of a subsidiary.

During the six months ended 30 June 2024, the Group entered into several new lease agreements with lease terms ranged from 1 year to 10 years. The Group was required to make fixed payments. On lease commencement, the Group recognised right-of-use assets of RMB54,578 thousand (unaudited) and lease liabilities of RMB54,578 thousand (unaudited). The Group recognised gains from early termination of lease agreements amounted to RMB4,887 thousand.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

19. Interests in an associate and joint ventures

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Cost of investments in joint ventures, unlisted	–	–
Addition through acquisition of a subsidiary	4,193	–
Share of post-acquisition losses and other comprehensive expense	(558)	–
	3,635	–

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Cost of investment in an associate, unlisted	49,000	49,000
Share of post-acquisition gains and other comprehensive income	30,805	28,370
	79,805	77,370

Set out below is the material associate of the Group as at 30 June 2025 and 31 December 2024, which is held directly by the Group; the country of incorporation or registration is also the principal place of business.

Name of Entity	Place of business/ country of incorporation	% of ownership interest as at 30 June 2025	% of ownership interest as at 31 December 2024	Measurement Method
Zhonghai Fund Management Co., Ltd. ^(Note a)	China	33.409%	33.409%	Equity

Note a: Zhonghai Fund Management Co., Ltd. held by the Company, provides funds distribution, asset management and other services authorised by the CSRC.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

19. Interests in an associate and joint ventures (continued)

The entity is a private company and there is no quoted market prices available for its shares.

There are no contingent liabilities relating to the Group's interest in an associate.

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Balance at beginning of the period/year	77,370	75,780
Share of results in an associate	2,435	1,590
Balance at end of the period/year	79,805	77,370

20. Goodwill and intangible assets

20.1 Goodwill

20.1.1 Goodwill arising on the acquisition

Goodwill arising on the acquisition of Minsheng Securities Co., Ltd.

The Group acquired 99.26% of Minsheng Securities Co., Ltd. in 2025 and the goodwill arose on the acquisition amounted to RMB12,929,343 thousand. The Group recognised the excess of fair value of the consideration transferred over the fair value of the net identifiable assets and non-controlling interests acquired as the goodwill of Minsheng Securities Co., Ltd. Details are disclosed in note 44.

Goodwill arose on the acquisition of Minsheng Securities Co., Ltd. because the acquisition included the assembled workforce of Minsheng Securities Co., Ltd. and some potential contracts which are still under negotiation with prospective new customers as at the date of acquisition. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising on this acquisition is expected to be deductible for tax purposes.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

20. Goodwill and intangible assets (continued)

20.1 Goodwill (continued)

20.1.1 Goodwill arising on the acquisition (continued)

Goodwill arising on the acquisition of Guolian Fund

The Group acquired 75.50% of Guolian Fund Management Co., Ltd. ("Guolian Fund") in 2023 and the goodwill arose on the acquisition amounted to RMB1,142,579 thousand.

20.1.2 Impairment testing on goodwill

The recoverable amount of the goodwill is determined based on fair value less cost of the disposal. In the opinion of the management, no impairment of goodwill was required for the period ended 30 June 2025.

20.2 Intangible assets

During the six months ended 30 June 2025, the Group acquired intangible assets with a cost of RMB47,959 thousand (unaudited) (30 June 2024: 45,036 thousand (unaudited)). In addition, the Group acquired intangible assets with a fair value amounted to RMB158,139 thousand (unaudited) through the acquisition of a subsidiary.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

21. Equity instruments at fair value through other comprehensive income

Non-current assets

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Equity securities (Note)	13,138,339	5,200,853
Analysed as:		
Listed in Hong Kong	9,595,188	4,597,206
Listed outside Hong Kong	3,541,751	603,647
Unlisted	1,400	–
	13,138,339	5,200,853

Note:

The above equity investments include common stocks, perpetual bonds and restricted shares (31 December 2024: common stocks and perpetual bonds) of entities listed on the Shanghai Stock Exchange and The Stock Exchange of Hong Kong Limited. These investments are not held for trading, but for long-term strategic purposes. The Group has chosen to designate these investments as equity instruments measured at fair value with changes included in other comprehensive income because the Group considered that the short-term fluctuations in the fair value of such investments recognised in profit or loss will be different from the Group's strategy of holding such investments for long-term purposes, so their performance potential will be recognised from a long-term perspective.

As a result of the change of investment strategies, the Group disposed of certain equity instrument at fair value through other comprehensive income, and the corresponding gains attributable to shareholders of the Company amounted to RMB27,410 thousand was reclassified from revaluation reserve to retained earnings (During the six months ended 30 June 2024: the corresponding gains amounted to RMB589 thousand).

As at 30 June 2025, the equity instruments at fair value through other comprehensive income amounted to RMB3,721,370 thousand were pledged for swap facilitation business and RMB214,524 thousand were offsetting the refinancing margin (31 December 2024: RMB 164,963 thousand were collateralised for repurchase agreements).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

22. Debt instruments at fair value through other comprehensive income

Non-current assets

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Analysed by the type of issuers:		
Government	1,228,386	2,036,214
Corporate entities	1,627,809	1,142,175
	2,856,195	3,178,389
Analysed as:		
Listed outside Hong Kong	218,157	279,435
Unlisted	2,638,038	2,898,954
	2,856,195	3,178,389
Expected credit losses	(21,210)	(21,705)

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

22. Debt instruments at fair value through other comprehensive income (continued)

Current assets

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Analysed by the type of issuers:		
Government	20,427	227,619
Corporate entities	1,728,862	2,155,028
	1,749,289	2,382,647
Analysed as:		
Listed outside Hong Kong	–	3,050
Unlisted	1,749,289	2,379,597
	1,749,289	2,382,647
Expected credit losses	(1,096)	(1,938)

As of 30 June 2025, the fair value of securities of the Group which have been placed as collateral for financial assets sold under repurchase agreements was RMB2,050,445 thousand (31 December 2024: RMB4,479,578 thousand), and for bond lending was RMB1,288,769 thousand (31 December 2024: RMB742,463 thousand).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

22. Debt instruments at fair value through other comprehensive income (continued)

The following table shows reconciliation of loss allowances that have been recognised for debt instruments at fair value through other comprehensive income.

	Stage 1 12m ECL RMB'000	Stage 2 Lifetime ECL (not credit- impaired) RMB'000	Stage 3 Lifetime ECL (credit- impaired) RMB'000	Total RMB'000
As at 1 January 2025	(5,850)	–	(17,793)	(23,643)
Changes in the loss allowances:				
– Credited to profit or loss	1,084	–	253	1,337
As at 30 June 2025	(4,766)	–	(17,540)	(22,306)

	Stage 1 12m ECL RMB'000	Stage 2 Lifetime ECL (not credit- impaired) RMB'000	Stage 3 Lifetime ECL (credit- impaired) RMB'000	Total RMB'000
As at 1 January 2024	(13,421)	–	(17,722)	(31,143)
Changes in the loss allowances:				
– Credited/(charged) to profit or loss	7,571	–	(71)	7,500
As at 31 December 2024	(5,850)	–	(17,793)	(23,643)

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

22. Debt instruments at fair value through other comprehensive income (continued)

The table below details the credit risk exposures of the debt instruments at fair value through other comprehensive income, which are subject to ECL assessment.

Gross carrying amount

	Stage 1 12m ECL RMB'000	Stage 2 Lifetime ECL (not credit- impaired) RMB'000	Stage 3 Lifetime ECL (credit- impaired) RMB'000	Total RMB'000
As at 30 June 2025	4,602,897	–	2,587	4,605,484
As at 31 December 2024	5,557,702	–	3,334	5,561,036

23. Financial assets at fair value through profit or loss

Non-current assets

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Financial assets mandatorily measured at fair value through profit or loss		
– Investments in unlisted companies	1,477,629	862,291
– Investment funds	195,471	114,099
Total non-current assets	1,673,100	976,390
Analysed as:		
– Unlisted	1,673,100	976,390

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For the six months ended 30 June 2025

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

Current assets

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Financial assets mandatorily measured at fair value through profit or loss		
– Debt securities	55,957,024	23,247,686
– Equity securities	2,282,215	1,976,096
– Investment funds	3,643,838	4,379,636
– Asset backed securities	1,067,328	1,947,034
– Trust schemes	1,066,162	873,990
– Collective asset management schemes	1,218,945	1,090,216
– Private equity funds	2,528,158	883,023
– Commercial papers	2,406,903	556,473
– Wealth management products	3,084,394	1,990,107
Total current assets	73,254,967	36,944,261
Analysed as:		
Financial assets mandatorily measured at fair value through profit or loss:		
– Listed in Hong Kong	835,954	62,118
– Listed outside Hong Kong	8,054,382	9,052,412
– Unlisted	64,364,631	27,829,731
	73,254,967	36,944,261

As at 30 June 2025, financial assets at fair value through profit or loss collateralised for repurchase arrangements, securities lending and futures account deposits amounted to RMB31,900,681 thousand (31 December 2024: RMB14,519,420 thousand), RMB5,876,630 thousand (31 December 2024: RMB451,211 thousand) and RMB950,270 thousand (31 December 2024: RMB1,207,581 thousand), respectively.

As at 30 June 2025, the fair value of investment funds and trust schemes which was in the lock-up period and the fair value in structured entities, of which the redemption was restricted due to the Group's participation in the schemes which were managed by the Group, was RMB956,046 thousand (31 December 2024: RMB115,115 thousand).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

24. Financial assets held under resale agreements

Non-current assets

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Analysed by asset type:		
– Equity securities	70,094	–
Less: impairment allowance	(75)	–
	70,019	–
Analysed by market:		
– Shenzhen Stock Exchange	70,019	–

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For the six months ended 30 June 2025

24. Financial assets held under resale agreements (continued)

Current assets

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Analysed by asset type:		
– Equity securities	1,062,415	1,332,231
– Debt securities	9,018,611	9,142,607
Less: impairment allowance	(208)	(1,231)
	10,080,818	10,473,607
Analysed by market type:		
– Interbank market	1,721,498	1,449,781
– Shanghai Stock Exchange	7,478,275	7,871,096
– Shenzhen Stock Exchange	881,045	1,152,730
	10,080,818	10,473,607

The following tables show reconciliation of loss allowances that has been recognised for financial assets held under resale agreements.

	Stage 1 12m ECL RMB'000	Stage 2 Lifetime ECL (not credit- impaired) RMB'000	Stage 3 Lifetime ECL (credit- impaired) RMB'000	Total RMB'000
As at 1 January 2025	(637)	(594)	–	(1,231)
Changes in the loss allowance				
– Credited to profit or loss	354	594	123	1,071
– Others	–	–	(123)	(123)
As at 30 June 2025	(283)	–	–	(283)

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24. Financial assets held under resale agreements (continued)

	Stage 1 12m ECL RMB'000	Stage 2 Lifetime ECL (not credit- impaired) RMB'000	Stage 3 Lifetime ECL (credit- impaired) RMB'000	Total RMB'000
As at 1 January 2024	(1,351)	–	–	(1,351)
Changes in the loss allowance				
– Credited/(charged) to profit or loss	714	(594)	10,377	10,497
– Others	–	–	(10,377)	(10,377)
As at 31 December 2024	(637)	(594)	–	(1,231)

The tables below details the credit risk exposures of the Group's financial assets held under resale agreements, which are subject to ECL assessment.

Gross carrying amount

	Stage 1 12m ECL RMB'000	Stage 2 Lifetime ECL (not credit- impaired) RMB'000	Stage 3 Lifetime ECL (credit- impaired) RMB'000	Total RMB'000
As at 30 June 2025	10,130,731	20,389	–	10,151,120
As at 31 December 2024	10,434,576	40,262	–	10,474,838

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For the six months ended 30 June 2025

25. Derivative financial instruments

	30 June 2025			31 December 2024		
	Nominal Value RMB'000	Asset RMB'000 (Unaudited)	Liabilities RMB'000 (Unaudited)	Nominal Value RMB'000	Asset RMB'000 (Audited)	Liabilities RMB'000 (Audited)
Futures contracts ^(a)	19,608,330	–	–	12,500,205	–	–
Stock options	2,411,190	8,022	(9,580)	1,935,044	14,110	(13,736)
Commodity options	512,084	1,582	(1,859)	714,066	3,509	(2,570)
OTC options	10,333,644	162,916	(105,354)	9,435,536	684,198	(56,166)
Interest rate swaps	82,535,000	97	(30,846)	57,660,000	–	(30,226)
Return swaps	9,899,068	168,937	(140,312)	12,110,759	194,380	(259,476)
Credit default swaps	50,000	27,137	–	50,000	26,257	–
Foreign exchange forwards	732,754	786	(5,430)	35,949	736	(4,091)
	126,082,070	369,477	(293,381)	94,441,559	923,190	(366,265)

Analysed for reporting purpose as:

	30 June 2025		31 December 2024	
	Asset RMB'000 (Unaudited)	Liabilities RMB'000 (Unaudited)	Asset RMB'000 (Audited)	Liabilities RMB'000 (Audited)
Current	309,599	(184,163)	430,689	(299,611)
Non-current	59,878	(109,218)	492,501	(66,654)
	369,477	(293,381)	923,190	(366,265)

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

25. Derivative financial instruments (continued)

(a) Futures contracts

	30 June 2025		31 December 2024	
	Nominal value	Fair value	Nominal value	Fair value
	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Audited)	RMB'000 (Audited)
Commodity futures	4,923,581	15,945	1,398,111	30,976
Foreign exchange futures	65,942	87	82,651	(700)
Stock index futures	9,742,449	228,882	9,568,457	(215,334)
Treasury futures	4,876,358	1,600	1,450,986	(2,133)
Less: cash paid as settlement		246,514		(187,191)
Net position of future contracts		—		—

The futures contracts of the Group represent treasury futures contracts, commodity futures contracts, foreign exchange futures contracts and stock index futures contracts. The Group settles its gains or losses on treasury futures contracts, commodity futures contracts, foreign exchange futures contracts and stock index futures (“SIF”) position on a daily basis.

26. Deferred tax assets and liabilities

- (1) For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Deferred tax assets	727,833	40,014
Deferred tax liabilities	(824,117)	(717,208)
	(96,284)	(677,194)

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

26. Deferred tax assets and liabilities (continued)

(2) The gross movements in deferred tax assets and liabilities during the period are as follows:

	Impairment losses RMB'000	Changes in fair value of financial assets/ liabilities at fair value through profit or loss RMB'000	Changes in fair value of derivatives RMB'000	Debt instruments at fair value through other comprehensive income RMB'000	Equity instrument at fair value through other comprehensive income RMB'000	Others RMB'000	Total RMB'000
As at 1 January 2024	4,490	(83,772)	(300,404)	(6,636)	(93,751)	(37,105)	(517,178)
(Charged)/credited to profit or loss	(737)	56,653	206,794	(1,875)	–	(148,472)	112,363
Charged to equity for the year	–	–	–	–	(241)	–	(241)
Charged to other comprehensive income	–	–	–	(4,452)	(267,686)	–	(272,138)
As at 31 December 2024	3,753	(27,119)	(93,610)	(12,963)	(361,678)	(185,577)	(677,194)
Charged to profit or loss	(8,980)	(90,227)	(5,987)	(333)	–	(2,101)	(107,628)
Credited to equity for the period	–	–	–	–	9,204	–	9,204
Credited/(charged) to other comprehensive income	–	–	–	9,888	(104,670)	–	(94,782)
Addition through acquisition of a subsidiary (Note 44)	113,864	674,729	21,734	–	(186,469)	150,258	774,116
As at 30 June 2025	108,637	557,383	(77,863)	(3,408)	(643,613)	(37,420)	(96,284)

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

27. Refundable deposits

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Deposits with Stock Exchanges		
– Shanghai Stock Exchange	85,598	55,729
– Shenzhen Stock Exchange	76,863	43,176
– China Beijing Equity Exchange	6,211	2,707
Deposits with securities brokers	271,547	–
Deposits with futures and commodities exchange	2,432,873	268,303
	2,873,092	369,915

28. Other non-current assets

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Long-term prepaid assets	73,660	60,737
Margin deposits of derivative contracts	719,766	652,010
Others	3,036	528
	796,462	713,275

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

29. Other current assets

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Accounts receivable ^(a)	2,024,185	233,087
Dividends receivable	393,827	31,392
Prepaid expenses	38,564	22,341
Other receivables ^(b)	522,563	40,581
Margin deposits of derivative contracts	1,701,374	1,394,240
Others	41,150	15,177
Less: Impairment allowance	(453,678)	(4,724)
	4,267,985	1,732,094

(a) Accounts receivable

The aging analysis of accounts receivable based on the date of rendering services is as follows:

	30 June 2025		31 December 2024	
	Amount RMB'000 (Unaudited)	Impairment allowance RMB'000 (Unaudited)	Amount RMB'000 (Audited)	Impairment allowance RMB'000 (Audited)
Up to 1 year	1,982,966	(5,723)	227,825	(537)
1 to 2 years	26,016	(2,314)	4,624	(8)
Over 2 years	15,203	(15,203)	638	(638)
	2,024,185	(23,240)	233,087	(1,183)

In accordance with the requirements of IFRS 9, the Group adopts a simplified method to measure the expected credit loss for accounts receivable, that is, the Group always recognises lifetime ECL for accounts receivable. As at 30 June 2025, accounts receivable of the Group which are credit-impaired amount to RMB15,203 thousand (31 December 2024: RMB638 thousand), and the credit impairment allowance was RMB15,203 thousand (31 December 2024: RMB638 thousand). As at 30 June 2025, the credit risk exposure of accounts receivable amounted to RMB2,027,221 thousand (31 December 2024: RMB233,615 thousand).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

29. Other current assets (continued)

(b) Other receivables

Other receivables of the Group are mainly refundable rental deposits and government grants.

The following tables show reconciliation of loss allowances that has been recognised for other receivables.

	Stage 1 12m ECL RMB'000	Stage 2 Lifetime ECL (not credit- impaired) RMB'000	Stage 3 Lifetime ECL (credit-impaired) RMB'000	Total RMB'000
As at 1 January 2025	(295)	(2,225)	(1,021)	(3,541)
Addition through acquisition of a subsidiary	(624)	(5,900)	(437,946)	(444,470)
Changes in the loss allowance:				
– Transfer	413	(101)	(312)	–
– (Charged)/credited to profit or loss	(389)	1,579	16,383	17,573
As at 30 June 2025	(895)	(6,647)	(422,896)	(430,438)

	Stage 1 12m ECL RMB'000	Stage 2 Lifetime ECL (not credit- impaired) RMB'000	Stage 3 Lifetime ECL (credit-impaired) RMB'000	Total RMB'000
As at 1 January 2024	(430)	(2,112)	(1,938)	(4,480)
Changes in the loss allowance:				
– Transfer	236	475	(711)	–
– (Charged)/credited to profit or loss	(101)	(588)	1,628	939
As at 31 December 2024	(295)	(2,225)	(1,021)	(3,541)

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

29. Other current assets (continued)

(b) Other receivables (continued)

The tables below details the credit risk exposures of the Group's other receivables, which are subject to ECL assessment.

Gross carry amount

	Stage 1 12m ECL RMB'000	Stage 2 Lifetime ECL (not credit- impaired) RMB'000	Stage 3 Lifetime ECL (credit-impaired) RMB'000	Total RMB'000
As at 30 June 2025	62,610	13,662	446,291	522,563
As at 31 December 2024	24,061	15,500	1,020	40,581

30. Margin accounts receivable

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Margin accounts receivable	17,489,145	11,561,577
Less: Impairment allowance	(3,829)	(10,240)
	17,485,316	11,551,337

Margin accounts are the funds the Group lends to the customers in margin financing and securities lending business. As at 30 June 2025, impairment allowance amounting to RMB3,829 thousand was provided (31 December 2024: RMB10,240 thousand).

Margin accounts receivable as at 30 June 2025 is secured by the customers' securities as collateral with undiscounted market value of approximately RMB52,152,996 thousand (31 December 2024: RMB32,116,950 thousand) and cash of RMB2,587,687 thousand (31 December 2024: RMB1,986,071 thousand).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

30. Margin accounts receivable (continued)

The following tables show reconciliation of loss allowances that has been recognised for margin account receivable.

	Stage 1 12m ECL RMB'000	Stage 2 Lifetime ECL (not credit- impaired) RMB'000	Stage 3 Lifetime ECL (credit- impaired) RMB'000	Total RMB'000
As at 1 January 2025	(7,118)	(3,122)	–	(10,240)
Addition through acquisition of a subsidiary	(10,987)	–	–	(10,987)
Changes in the loss allowance:				
– Transfer	(145)	145	–	–
– Credited to profit or loss	16,948	450	–	17,398
As at 30 June 2025	(1,302)	(2,527)	–	(3,829)

	Stage 1 12m ECL RMB'000	Stage 2 Lifetime ECL (not credit- impaired) RMB'000	Stage 3 Lifetime ECL (credit- impaired) RMB'000	Total RMB'000
As at 1 January 2024	(3,715)	(8,415)	–	(12,130)
Changes in the loss allowance:				
– Transfer	(2,539)	2,539	–	–
– (Charged)/credited to profit or loss	(864)	2,754	–	1,890
As at 31 December 2024	(7,118)	(3,122)	–	(10,240)

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For the six months ended 30 June 2025

30. Margin accounts receivable (continued)

The tables below details the credit risk exposures of the Group's margin accounts receivable, which are subject to ECL assessment.

Gross carrying amount

	Stage 1 12m ECL RMB'000	Stage 2 Lifetime ECL (not credit- impaired) RMB'000	Stage 3 Lifetime ECL (credit- impaired) RMB'000	Total RMB'000
As at 30 June 2025	17,032,296	456,849	–	17,489,145
As at 31 December 2024	11,143,529	418,048	–	11,561,577

31. Clearing settlement funds

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Clearing settlement funds held for clients	7,125,878	3,144,540
Proprietary clearing settlement funds	1,689,924	2,075,712
	8,815,802	5,220,252

32. Cash held for brokerage clients

The Group maintains separate accounts with banks and authorised institutions for clients' monies arising from the normal course of business. The Group records these monies as cash held for brokerage clients under current assets and recognises them as due to clients given that they are held liable for any loss or appropriation of these monies. Cash held for brokerage clients for their transaction and settlement purposes is subject to regulatory oversight by third-party depository institutions as per CSRC regulations or restricted and governed by the Securities and Futures (Client Money) Rules under the Securities and Futures Ordinance.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

33. Cash and bank balances

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Bank balances	7,593,734	4,315,613
Other monetary assets (Note)	9,890	—
	7,603,624	4,315,613

Note: Other monetary assets of the Group are mainly represented cash deposited in securities and futures companies.

34. Other current liabilities

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Salaries, bonus, allowances and benefits payable	1,477,708	349,868
Accounts payable (Note a)	584,178	159,678
Receipts in advance	152,950	—
Other taxes payable	84,091	66,945
Securities investor protection fund	28,562	7,036
Provisions (Note b)	50,676	1,869
Margin deposits of derivative contracts	4,192,537	3,135,740
Deferred income	32,360	4,258
Dividend payable	346,190	—
Others	542,350	287,953
	7,491,602	4,013,347

Note a: The amount mainly represented the clearance settlement fee which was subsequently settled within one to three trading days after the transaction date. The ageing analysis does not give additional value in view of the nature of business, no ageing analysis is disclosed in respect of accounts payable.

Note b: The amount represented the provision for the legal proceeding. For details, please refer to Note 41(2).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

35. Bonds in issue

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Current		
Corporate bonds with fixed rate – 2025 ^(a)	–	1,000,000
Corporate bonds with fixed rate – 2025 ^(b)	–	1,100,000
Corporate bonds with fixed rate – 2025 ^(c)	1,000,000	1,000,000
Corporate bonds with fixed rate – 2026 ^(d)	1,300,000	–
Corporate bonds with fixed rate – 2026 ^(e)	1,500,000	–
Corporate bonds with fixed rate – 2026 ^(f)	1,000,000	–
Subordinated bonds with fixed rate – 2025 ^(g)	–	1,000,000
Subordinated bonds with fixed rate – 2025 ^(h)	1,500,000	1,500,000
Subordinated bonds with fixed rate – 2026 ⁽ⁱ⁾	1,000,000	–
Income certificates ^(j)	907,330	15,000
Interest payable	399,277	388,157
	8,606,607	6,003,157
Non-current		
Corporate bonds with fixed rate – 2026 ^(k)	2,000,000	2,000,000
Corporate bonds with fixed rate – 2026 ^(l)	3,000,000	3,000,000
Corporate bonds with fixed rate – 2026 ^(d)	–	1,300,000
Corporate bonds with fixed rate – 2027 ^(m)	1,000,000	1,000,000
Corporate bonds with fixed rate – 2027 ⁽ⁿ⁾	1,000,000	1,000,000
Corporate bonds with fixed rate – 2027 ^(o)	1,500,000	1,500,000
Corporate bonds with fixed rate – 2027 ^(p)	2,000,000	2,000,000
Corporate bonds with fixed rate – 2028 ^(q)	1,500,000	–
Corporate bonds with fixed rate – 2028 ^(r)	500,000	–
Corporate bonds with fixed rate – 2028 ^(s)	1,650,000	–
Corporate bonds with fixed rate – 2031 ^(t)	2,000,000	2,000,000
Subordinated bonds with fixed rate – 2026 ⁽ⁱ⁾	–	1,000,000
Subordinated bonds with fixed rate – 2026 ^(u)	1,000,000	1,000,000
Subordinated bonds with fixed rate – 2026 ^(v)	1,000,000	–
Subordinated bonds with fixed rate – 2027 ^(w)	1,499,784	1,499,720
Subordinated bonds with fixed rate – 2027 ^(x)	1,499,670	1,499,596
Income certificates ^(y)	48,834	–
	21,198,288	18,799,316
	29,804,895	24,802,473

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

35. Bonds in issue (continued)

- (a) On 24 January 2022, the Company issued RMB1,000,000 thousand of corporate bonds on Shanghai Stock Exchange with a term of 3 years and a fixed coupon rate of 3.14% paid annually.
- (b) On 7 June 2022, the Company issued RMB1,100,000 thousand of corporate bonds on Shanghai Stock Exchange with a term of 3 years and a fixed coupon rate of 2.99% paid annually.
- (c) On 11 November 2022, the Company issued RMB1,000,000 thousand of corporate bonds on Shanghai Stock Exchange with a term of 3 years and a fixed coupon rate of 2.70% paid annually.
- (d) On 25 April 2023, the Company issued RMB1,300,000 thousand of corporate bonds on Shanghai Stock Exchange with a term of 1,058 days and a fixed coupon rate of 3.15% paid annually.
- (e) On 17 April 2024, Minsheng Securities Co., Ltd. issued RMB1,500,000 thousand of corporate bonds on Shanghai Stock Exchange with a term of 2 years and a fixed coupon rate of 2.45% paid annually.
- (f) On 20 January 2025, Minsheng Securities Co., Ltd. issued RMB1,000,000 thousand of corporate bonds on Shanghai Stock Exchange with a term of a year and a fixed coupon rate of 2.45% paid annually.
- (g) On 24 February 2022, the Company issued RMB1,000,000 thousand of subordinated bonds on Shanghai Stock Exchange with a term of 3 years and a fixed coupon rate of 3.45% paid annually.
- (h) On 11 August 2022, the Company issued RMB1,500,000 thousand of subordinated bonds on Shanghai Stock Exchange with a term of 3 years and a fixed coupon rate of 3.10% paid annually.
- (i) On 17 April 2023, the Company issued RMB1,000,000 thousand of subordinated bonds on Shanghai Stock Exchange with a term of 3 years and a fixed coupon rate of 3.65% paid annually.
- (j) As at 30 June 2025, income certificates were with a maturity of 22 days to 727 days and bore interest rates of 1.60% to 3.95% per annum paid at maturity (As at 31 December 2024, income certificates were with a maturity of 362 days and bore interest rates of 1.95% per annum paid at maturity).
- (k) On 25 August 2023, the Company issued RMB2,000,000 thousand of corporate bonds on Shanghai Stock Exchange with a term of 3 years and a fixed coupon rate of 2.89% paid annually.
- (l) On 20 October 2023, the Company issued RMB3,000,000 thousand of corporate bonds on Shanghai Stock Exchange with a term of 3 years and a fixed coupon rate of 3.14% paid annually.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

35. Bonds in issue (continued)

- (m) On 23 March 2022, the Company issued RMB1,000,000 thousand of corporate bonds on Shanghai Stock Exchange with a term of 5 years and a fixed coupon rate of 3.80% paid annually.
- (n) On 28 April 2022, the Company issued RMB1,000,000 thousand of corporate bonds on Shanghai Stock Exchange with a term of 5 years and a fixed coupon rate of 3.60% paid annually.
- (o) On 22 January 2024, the Company issued RMB1,500,000 thousand of corporate bonds on Shanghai Stock Exchange with a term of 3 years and a fixed coupon rate of 2.80% paid annually.
- (p) On 13 November 2024, the Company issued RMB2,000,000 thousand of corporate bonds on Shanghai Stock Exchange with a term of 3 years and a fixed coupon rate of 2.20% paid annually.
- (q) On 6 March 2025, the Company issued RMB1,500,000 thousand of corporate bonds on Shanghai Stock Exchange with a term of 3 years and a fixed coupon rate of 2.13% paid annually.
- (r) On 19 May 2025, the Company issued RMB500,000 thousand of corporate bonds on Shanghai Stock Exchange with a term of 3 years and a fixed coupon rate of 1.89% paid annually.
- (s) On 20 March 2025, Minsheng Securities Co., Ltd. issued RMB1,650,000 thousand of corporate bonds on Shanghai Stock Exchange with a term of 3 years and a fixed coupon rate of 2.27% paid annually.
- (t) On 1 April 2024, the Company issued RMB2,000,000 thousand of corporate bonds on Shanghai Stock Exchange with a term of 7 years and a fixed coupon rate of 2.79% paid annually.
- (u) On 21 July 2023, the Company issued RMB1,000,000 thousand of subordinated bonds on Shanghai Stock Exchange with a term of 3 years and a fixed coupon rate of 3.28% paid annually.
- (v) On 13 December 2023, Minsheng Securities Co., Ltd. issued RMB1,000,000 thousand of subordinated bonds on Shanghai Stock Exchange with a term of 3 years and a fixed coupon rate of 4.20% paid annually.
- (w) On 23 February 2024, the Company issued RMB1,500,000 thousand of subordinated bonds on Shanghai Stock Exchange with a term of 3 years and a fixed coupon rate of 2.84% paid annually.
- (x) On 4 December 2024, the Company issued RMB1,500,000 thousand of subordinated bonds on Shanghai Stock Exchange with a term of 3 years and a fixed coupon rate of 2.14% paid annually.
- (y) As at 30 June 2025, income certificates were with a maturity of 391 days to 728 days and bore interest rates of 1.80% to 2.25% per annum paid at maturity (As at 31 December 2024, nil income certificates expiry date more than 365 days).

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For the six months ended 30 June 2025

36. Financial assets sold under repurchase agreements

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Analysed by asset type:		
– Debt securities	31,852,007	14,472,598
– Funds	2,461,404	2,316,251
– Commercial papers	1,296,338	560,575
	35,609,749	17,349,424
Analysed by market:		
– Interbank market	31,567,959	13,868,568
– Shanghai Commercial Paper Exchange	1,296,338	560,574
– Shanghai Stock Exchange	101,356	456,268
– Shenzhen Stock Exchange	2,360,048	2,209,992
– Others	284,048	254,022
	35,609,749	17,349,424
Analysed by transaction type:		
– Pledged	31,539,585	17,095,402
– Outright	4,070,164	254,022
	35,609,749	17,349,424

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

37. Financial liabilities at fair value through profit or loss

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Interests of other holders in consolidated structured entities	718	56,792
Income certificates with variable interests	437,705	777,877
Bond lending	4,432,328	–
Debt securities repurchase	607,021	–
	5,477,772	834,669
Analysed for reporting purpose as:		
Non-current liabilities	3,839,019	70,321
Current liabilities	1,638,753	764,348
	5,477,772	834,669

38. Other non-current liabilities

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Margin deposits of derivative contracts	2,520,071	5,333,240

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

39. Share capital

All shares issued by the Company are fully paid common shares, with a notional value of RMB1 per share. The number of shares and nominal value of the Company's share capital are as follows:

	Domestic shares		H shares		Total	
	Number	Amount	Number	Amount	Number	Amount
	of shares '000	RMB'000	of shares '000	RMB'000	of shares '000	RMB'000
Registered, issued and fully paid at RMB1.0 per share:						
At 1 January 2024 and 31 December 2024	2,389,133	2,389,133	442,640	442,640	2,831,773	2,831,773
Issuance of A-shares for acquisition of a subsidiary (Note 44)	2,640,269	2,640,269	–	–	2,640,269	2,640,269
Issuance of A shares (Note)	208,551	208,551	–	–	208,551	208,551
At 30 June 2025	5,237,953	5,237,953	442,640	442,640	5,680,593	5,680,593

Note: On 10 March 2025, the Company issued 208,551 thousand A shares to specific subscribers on the Shanghai Stock Exchange with issue price RMB9.59 per share.

The excess of RMB1,762,344 thousand over the par value of RMB208,551 thousand for the 208,551 thousand ordinary issued, net of the relevant incremental costs of RMB29,105 thousand directly contributed to the newly issued shares of the Group, was credited to "share premium".

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

40. Cash and cash equivalents

For the purpose of the condensed consolidated statement of cash flows, cash and cash equivalents include amounts that can be used to meet short-term cash commitments.

	30 June 2025 RMB'000 (Unaudited)	30 June 2024 RMB'000 (Unaudited)
Cash	–	2
Bank balances (Note)	6,793,297	6,309,821
Proprietary clearing settlement funds	1,689,924	1,137,935
Cash equivalents		
– Financial assets held under resale agreements with original maturity at or less than 3 months	9,013,230	7,748,871
	17,496,451	15,196,629

Note: Bank balances do not include interest receivable from deposits and are all with original maturity of three months or less.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

41. Commitments and contingent liabilities

(1) Commitments

As at 30 June 2025, the Group was not involved in any material commitments (31 December 2024: Nil).

(2) Legal proceedings

- (a) On 20 September 2019, the Company received a notice of response to a lawsuit filed by a client in Wuxi Intermediate People's Court of Jiangsu Province against the Company over dispute over securities pledged repurchase transaction, claiming that the Company should refund the overcharged amount and should reimburse losses totaling RMB55,517 thousand to a third-party. On 15 April 2020, Wuxi Intermediate People's Court issued a civil ruling which rejected this lawsuit. The client filed an appeal on 29 May 2020, which was revoked by the Wuxi Intermediate People's Court. In May 2020, the client has filed an appeal to Jiangsu Provincial Higher People's Court of Jiangsu Province. On 11 January 2024, the Company received a Civil Ruling ((2021) Su Min Zhong No. 84) from the Jiangsu Provincial Higher People's Court dated 29 December 2023, which revoked the first instance ruling and ordered the Wuxi Intermediate People's Court to retrial the case. In July 2024, the Company received a summons and litigation materials from Wuxi Intermediate People's Court of Jiangsu Province for case number (2024) Su 02 Min Chu 236. Certain clients have changed their litigation request, regarding compensation and interest from the Company.

On 8 July 2025, the company received a civil judgment for (2024) Su 02 Min Chu 236 from the Intermediate People's Court of Wuxi City, court dismissed all of the client's claims. The client has filed an appeal. The Company has recognised provisions of RMB1,869 thousand in respect of the above case as at 30 June 2025 (31 December 2024: RMB1,869 thousand).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

41. Commitments and contingent liabilities (continued)

(2) Legal proceedings (continued)

- (b) In June 2021, 15 investors of Shandong Longli Biotechnology Co., Ltd. (hereinafter referred to as “Longli Biotechnology”) filed a lawsuit to the Intermediate People’s Court of Jinan City, Shandong Province for compensation of the investment loss of RMB2,762 thousand caused by the misrepresentation. The case was heard on 28 October 2021, the Intermediate People’s Court of Jinan City, Shandong Province ruled that the case should come to trial in accordance with the ordinary representative litigation procedure, and the registration of the right holder began.

In August 2022, Guolian Minsheng Investment Banking Company Limited (formerly known as Hua Ying Securities Co., Ltd.), a wholly-owned subsidiary of the Group, received the Summons for Court Session, the Notice to Produce Evidence, and the Notice of Notification to the Members of the Trial Division issued by the Intermediate People’s Court of Jinan City, Shandong Province on 2 August 2022, with 1,628 investors of Longli Biotechnology claiming for compensation of plaintiff for the investment loss, commission, stamp duty, litigation costs and other fees, caused by the misrepresentation. As the sponsor and securities underwriter of the listing of Longli Biotechnology, Guolian Minsheng Investment Banking Company Limited co-underwent joint and several liability with 12 other natural persons and BDO China Shu Lun Pan Certified Public Accountants LLP.

On 9 November 2022, the Jinan Intermediate People’s Court issued the Civil Ruling ((2021) 3 Lu 01 Minchu No. 1377-bis), holding that the case needed to be based on the outcome of other cases by the China Securities Regulatory Commission (“CSRC”), so it suspended the trial of the case.

On 4 September 2024, the Jinan Intermediate People’s Court issued the Notice Regarding the Composition of the Collegial Panel, formally resuming the proceedings of the case, which is scheduled for trial on 14 October 2024.

On 25 August 2025, the Jinan Intermediate People’s Court handed down the first-instance judgment on this case. The plaintiff and the representative of the plaintiff are entitled to a total creditor’s right amount of RMB274,983 thousand against 15 investors of Longli Biotechnology, covering investment difference losses, notice fees and attorney fees. Among them, Guolian Minsheng Investment Banking Company Limited shall bear joint and several liability within the scope of 5%. Furthermore, the case acceptance fee is RMB1,412 thousand, of which Guolian Minsheng Investment Banking Company Limited shall bear the amount within the scope of 5%.

Up to the report date, the Company has recognised provisions of RMB13,800 thousand in respect of the above case as at 30 June 2025.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

41. Commitments and contingent liabilities (continued)

(2) Legal proceedings (continued)

(c) In September 2011, Bank of Zhengzhou Co., Ltd. filed a lawsuit with Zhengzhou Intermediate People's Court on the grounds of a bond custody contract dispute, claiming Minsheng Securities Co., Ltd., a subsidiary of the Group, and Henan Branch of Minsheng Securities Co., Ltd. (民生證券股份有限公司河南分公司) to return the bonds under their custody and to pay compensation for the principal amount of the bonds of RMB17,670 thousand and interest of RMB42,453 thousand (provisionally calculated up to 16 September 2011) if the aforesaid bonds are not returned after the due date. The case was heard by Zhengzhou Intermediate People's Court of Henan Province, and no final judgement has been obtained. Subsequent to the date of the reporting period, the case has been under trial.

(d) In September 2024, a client filed a lawsuit against the court on the grounds of tort liability, seeking compensation from Minsheng Securities Co., Ltd., a subsidiary of the Group, and its affiliated branches for investment principal losses and requesting that the company bear all litigation costs.

On 27 August 2025, the company received a civil judgement from the Intermediate People's Court of Taiyuan City, revoked the first instance ruling and dismissed all of the client's claims.

(3) Guarantee for overseas subsidiaries

The Board Meeting of the Company held on 27 October 2023 approved the proposal on the renewal of the guarantee for Guolian securities (Hong Kong) Co., Ltd. and its wholly-owned subsidiaries with a total amount of no more than US \$100 million, which will be effective within 24 months from the date of approval by the Board of Directors. As at 30 June 2025 and 31 December 2024, no guarantee was utilised by Guolian securities (Hong Kong) Co., Ltd. and its wholly-owned subsidiaries.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

42. Related party transactions

42.1 Transactions and balances with the Company's controlling shareholder – Guolian Group

Wuxi Guolian Development (Group) Co., Ltd. (collectively referred to as “Guolian Group” together with its subsidiaries) is a wholly state-owned company established in the PRC with a registered capital of RMB8,689,130 thousand. As at 30 June 2025, Guolian Group directly held 23.86% (31 December 2024: 19.21%) of the equity interest in the Company. In addition, Guolian Group also indirectly held 14.65% (31 December 2024: 29.40%) equity interest in Company through its subsidiaries of Guolian Trust Co., Ltd. (“Guolian Trust”), Wuxi Guolian Municipal Electric Power Company (“Wuxi Electric”), Wuxi Yi Mian Textile Group Co., Ltd. (“Yi Mian Textile”), Wuxi Min Sheng Investment Co., Ltd. (“Min Sheng Investment”) and Wuxi Huaguang Environment&Energy Group Co., Ltd. (“Wuxi Huaguang”).

Guolian Trust is the subsidiary of Guolian Group who directly or indirectly held 91.87% of the equity interest. As at 30 June 2025, Guolian Trust held 6.87% of the equity interest in the Company. (31 December 2024: 13.78%).

Wuxi Electric is an indirectly wholly-owned subsidiary of Guolian Group. As at 30 June 2025, Wuxi Electric held 4.70% of the equity interest in the Company. (31 December 2024: 9.43%).

Yi Mian Textile is a direct wholly-owned subsidiary of Guolian Group. As at 30 June 2025, Yi Mian Textile held 1.28% of the equity interest in the Company. (31 December 2024: 2.57%).

Min Sheng Investment is an indirectly wholly-owned subsidiary of Guolian Group. As at 30 June 2025, Min Sheng Investment held 1.29% of the equity interest in the Company. (31 December 2024: 2.60%).

Wuxi Huaguang is the subsidiary of Guolian Group who directly held 51.95% of the equity interest. As at 30 June 2025, Wuxi Huaguang held 0.51% of the equity interest in the Company. (31 December 2024: 1.03%).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

42. Related party transactions (continued)

42.1 Transactions and balances with the Company's controlling shareholder – Guolian Group (continued)

Transactions during the period

	Six months ended 30 June	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Interest expense of lease liabilities	4	6
Income from providing bond underwriting services	325	340

Balances at the end of the period/year

	30 June	31 December
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Audited)
Accounts receivables	345	–
Lease liabilities	533	109

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

42. Related party transactions (continued)

42.2 Other major related party transactions and balances

The table below lists the Group's other significant related parties as at 30 June 2025.

Significant related entities	The relationship with the Group
Guolian Futures Co., Ltd. ("Guolian Futures")	Fellow subsidiary
Huaxin Design Group Limited	Fellow subsidiary
Jiangsu Asset Management Co., Ltd.	Fellow subsidiary
Jiangsu Lianjia Asset Management Co., Ltd. ("Lianjia Asset Management")	Fellow subsidiary
Shanghai Hongmao Properties Co., Ltd.	Fellow subsidiary
Shanghai Xixin Enterprise Management Consulting Co., Ltd. ("Xixin Enterprise Management Consulting")	Fellow subsidiary
Surrich International Company Limited	Fellow subsidiary
Wuxi Guolian Property Management Co., Ltd. ("Guolian Property Management")	Fellow subsidiary
Wuxi Guolian Xincheng Investment Co., Ltd. ("Guolian Xincheng")	Fellow subsidiary
Wuxi Taigong Sanatorium Co., Ltd. ("Taigong Sanatorium")	Fellow subsidiary
Wuxi Talent Group Co., Ltd.	Fellow subsidiary
Wuxi Youcheng International Travel Agency Co., Ltd.	Fellow subsidiary
Guolian CMS Tech Fund I LPF	Associate invested by the controlling shareholder of the Company
Guolian Green Technology (Wuxi) Co., Ltd.	Associate invested by the controlling shareholder of the Company
Guolian Life Insurance Co., Ltd.	Associate invested by the controlling shareholder of the Company
Shanghai Yicun Private Equity Fund Management Co., Ltd.	Associate invested by the controlling shareholder of the Company
Wuxi Culture Tourism Development Group Co., Ltd.	Associate invested by the controlling shareholder of the Company
Wuxi Guolian Industrial Investment Private Fund Management Co., Ltd.	Associate invested by the controlling shareholder of the Company
Huzhou Jianing Equity Investment Partnership ("Huzhou Jianing")	Company controlled by the company's director
Gongqing City Minsheng Hongjing Phase III Investment Center ("Gongqing City")	Significantly influenced by the company's director

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

42. Related party transactions (continued)

42.2 Other major related party transactions and balances (continued)

Transactions during the period

	Six months ended 30 June	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Income from providing securities brokerage services		
– Guolian Futures	–	336
– Guolian Trust	2,482	680
– Wuxi Huaguang	26	–
– Zhonghai Fund Management Co., Ltd.	497	698
– Others	276	414
Income from providing asset management services		
– Guolian CMS Tech Fund I LPF	1,724	–
– Guolian Life Insurance Co., Ltd.	–	57
– Guolian Trust	190	–
– Jiangsu Asset Management Co., Ltd.	94	99
– Huzhou Jianing	429	–
– Gongqing City	304	–
– Lianjia Asset Management	–	389
– Surrich International Company Limited	379	–
– Wuxi Huaguang	190	–
– Others	180	1,865
Interest expense of lease liabilities		
– Guolian Life Insurance Co., Ltd.	24	18
– Guolian Xincheng	80	105
– Shanghai Hongmao Properties Co., Ltd.	638	–
Investment gains		
– Guolian Trust	2,073	–
Income from providing bond underwriting services		
– Wuxi Public Utilities Industrial Group Co., Ltd.	–	768
– Wuxi Culture Tourism Development Group Co., Ltd.	557	453
– Xinfu Group	–	495
– Others	–	654

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

42. Related party transactions (continued)

42.2 Other major related party transactions and balances (continued)

Transactions during the period (continued)

	Six months ended 30 June	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Income from providing financial advisory services		
– Guolian Green Technology (Wuxi) Co., Ltd.	377	–
– Guolian Trust	–	248
– Wuxi Huaguang	–	85
Expense for receiving services		
– Guolian Property Management	3,505	3,129
– Guolian Xincheng	590	594
– Shanghai Hongmao Properties Co., Ltd.	20	–
– Taigong Sanatorium	1,250	7
– Wuxi Talent Group Co., Ltd.	2,549	–
– Xixin Enterprise Management Consulting	3,618	–
– Others	556	271
Income from providing investment advisory services		
– Guolian Trust	116	132
– Jiangsu Asset Management Co., Ltd.	–	6
– Wuxi Rural Commercial Bank	–	172
– Others	46	48
Interest income		
– Wuxi Rural Commercial Bank	–	253
Expense for receiving futures investment advisory		
– Guolian Futures	863	1,080
Interest expense on financial assets sold under repurchase agreements		
– Others	1	25
Others expenses		
– Guolian Life Insurance Co., Ltd.	190	222
– Huaxin Design Group Limited	364	–
– Wuxi Youcheng International Travel Agency Co., Ltd.	864	–
– Others	692	427

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

42. Related party transactions (continued)

42.2 Other major related party transactions and balances (continued)

Balances at the end of the period/year

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Accounts payable		
– Guolian Life Insurance Co., Ltd.	50	50
Lease liabilities		
– Guolian Life Insurance Co., Ltd.	1,448	1,849
– Guolian Xincheng	5,037	–
– Shanghai Hongmao Properties Co., Ltd.	44,700	59,227
Other receivables		
– Huzhou Jianing	1	–
– Gongqing City	1	–
– Surrich International Company Limited	377	1,813
Clearing settlement funds and refundable deposits		
– Guolian Futures	89,709	656,848
Financial assets sold under repurchase agreements		
– Others	114	–
Received in advance		
– Others	467	1,725

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

42. Related party transactions (continued)

42.2 Other major related party transactions and balances (continued)

Balances at the end of the period/year (continued)

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Cash held for brokerage clients		
– Guolian Trust	1	2,319
– Lianjia Asset Management	12	–
– Wuxi Huaguang	4,845	–
– Yi Mian Textile	239	–
– Zhonghai Fund Management Co., Ltd.	7	7
– Others	99,352	163,203

Note: As at 30 June 2025, the Group held the trust scheme issued by Guolian Trust amounted to RMB462,000 thousand, and the profit distribution of the trust scheme to the Group amounted to RMB2,073 thousand by Guolian Trust.

As at 30 June 2025, the Group held the private equity fund initiated by Shanghai Yicun Private Equity Fund Management Co., Ltd. amounted to RMB20,000 thousand, and no profit distribution of the private equity fund to the Group by Shanghai Yicun Private Equity Fund Management Co., Ltd.

For the year ended 2024, the Group traded securities with Minsheng Securities Co., Ltd. with a cumulative amount of RMB20,699 thousand. As at 30 June 2025, Minsheng Securities Co., Ltd. is a subsidiary through acquisition.

As at 31 December 2024, the product managed by Wuxi Rural Commercial Bank held the subordinated bonds issued by the Group amounted to RMB90,000 thousand, and the interest of subordinated bonds to Wuxi Rural Commercial Bank amounted to RMB2,790 thousand by the Group. As at 30 June 2025, Wuxi Rural Commercial Bank is not related party of the Group.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

42. Related party transactions (continued)

42.3 Key management personnel

Key management personnel are those persons who have the power to, directly or indirectly, plan, direct and control the activities of the Group, including members of the board of directors, board of supervisors and other members of the senior management.

	Six months ended 30 June	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Short term employee benefits	6,151	6,827
Post-employment benefits	837	847
	6,988	7,674

43. Fair value of financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participations at the measurement date.

43.1 Financial instruments not measured at fair value

The Group's fair value of the bonds in issue as at 30 June 2025 was amounted to RMB29,181,526 thousand (31 December 2024: RMB25,224,530 thousand), and the carrying amount was RMB29,804,895 thousand (31 December 2024: RMB24,802,473 thousand). The Group uses ChinaBond's valuation to evaluate the fair value of the bonds in issue.

Except above bonds in issue, the directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated statement of financial position approximate their fair values.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

43. Fair value of financial assets and liabilities (continued)

43.2 Financial instruments measured at fair value

As at 30 June 2025	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Assets				
Financial assets at fair value through profit or loss ("FVTPL")				
– Debt securities	2,290,480	53,112,305	554,239	55,957,024
– Commercial papers	–	2,406,903	–	2,406,903
– Equity securities	1,970,495	–	311,720	2,282,215
– Investment funds	780,652	3,058,657	–	3,839,309
– Private equity funds	–	924,956	1,603,202	2,528,158
– Collective asset management schemes	–	1,116,224	102,721	1,218,945
– Wealth management products	–	3,084,394	–	3,084,394
– Trust schemes	–	1,046,286	19,876	1,066,162
– Investments in unlisted companies	–	–	1,477,629	1,477,629
– Assets backed securities	–	162,517	904,811	1,067,328
Debt instrument at fair value through other comprehensive income ("FVTOCI")	–	4,604,402	1,082	4,605,484
Equity instruments at FVTOCI	12,970,596	166,343	1,400	13,138,339
Derivative financial assets	9,604	196,957	162,916	369,477
Total	18,021,827	69,879,944	5,139,596	93,041,367
Liabilities				
Financial liabilities at FVTPL				
– Interests of other holders of consolidated structured entities	–	–	(718)	(718)
– Income certificate with variable interest	–	–	(437,705)	(437,705)
– Bond lending	–	(4,432,328)	–	(4,432,328)
– Debt securities repurchase	–	(607,021)	–	(607,021)
Derivative financial liabilities	(11,439)	(176,588)	(105,354)	(293,381)
Total	(11,439)	(5,215,937)	(543,777)	(5,771,153)

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

43. Fair value of financial assets and liabilities (continued)

43.2 Financial instruments measured at fair value (continued)

As at 31 December 2024	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Assets				
Financial assets at FVTPL				
– Debt securities	134,951	22,936,332	176,403	23,247,686
– Commercial papers	–	556,473	–	556,473
– Equity securities	1,954,182	6,118	15,796	1,976,096
– Investment funds	1,014,770	3,478,965	–	4,493,735
– Private equity funds	–	862,580	20,443	883,023
– Collective asset management schemes	–	1,090,216	–	1,090,216
– Wealth management products	–	1,990,107	–	1,990,107
– Trust schemes	–	873,990	–	873,990
– Investments in unlisted companies	–	–	862,291	862,291
– Assets backed securities	–	380,120	1,566,914	1,947,034
Debt instruments at FVTOCI	–	5,559,208	1,828	5,561,036
Equity instruments at FVTOCI	5,035,890	164,963	–	5,200,853
Derivative financial assets	17,619	221,373	684,198	923,190
Total	8,157,412	38,120,445	3,327,873	49,605,730
Liabilities				
Financial liabilities at FVTPL				
– Interest of other holders of consolidated structured entities	–	–	(56,792)	(56,792)
– Income certificates with variable interests	–	–	(777,877)	(777,877)
Derivative financial liabilities	(16,307)	(293,792)	(56,166)	(366,265)
Total	(16,307)	(293,792)	(890,835)	(1,200,934)

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

43. Fair value of financial assets and liabilities (continued)

43.2 Financial instruments measured at fair value (continued)

Financial instruments in Level 2

The following table presents the Group's financial assets and liabilities that are measured at fair value by the level 2 in the fair value hierarchy into which the fair value measurement is categorised at 30 June 2025 and 31 December 2024.

Financial assets/liabilities	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000	Valuation technique(s) and key input(s)
Financial assets at FVTPL			
– Bonds	53,112,305	22,936,332	Discounted future cash flows estimated based on contractual amounts and coupon rates, discounted at rates that reflect the credit risk of the bonds which are estimated by dealers or independent pricing service vendors.
– Asset backed securities	162,517	380,120	Discounted future cash flows estimated based on expected recoverable amounts, discounted at rates that reflect credit risk of securities which are estimated by dealers or independent pricing service vendors.
– Commercial papers	2,406,903	556,473	Discounted future cash flows estimated based on contracts amounts and interests that reflect the risk credit of commercial papers.
– Equity securities listed on National Equities Exchange and Quotation	–	6,118	Recent transaction prices.
– Investment funds	3,058,657	3,478,965	Net asset value as published by the fund managers.
– Collective asset management schemes	1,116,224	1,090,216	Calculated by the managers of the collective asset management schemes based on the fair value of the underlying investments which are debt securities and publicly traded equity investments in each portfolio.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

43. Fair value of financial assets and liabilities (continued)

43.2 Financial instruments measured at fair value (continued)

Financial instruments in Level 2 (continued)

Financial assets/liabilities	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000	Valuation technique(s) and key input(s)
– Wealth management products	3,084,394	1,990,107	Discounted future cash flows estimated based on expected return that reflect the credit risk of the products which are estimated by the managers of wealth management products.
– Private equity funds	924,956	862,580	Calculated by the fund managers based on the fair value of the underlying investments which are debt securities and publicly traded equity investments in each portfolio.
– Trust schemes	1,046,286	873,990	Calculated by the trustees based on the fair value of the underlying investments which are debt securities and publicly traded equity investments in each portfolio.
Debt instruments at FVTOCI			
– Bonds	4,604,402	5,559,208	Discounted future cash flows estimated based on contractual amounts and coupon rates, discounted at rates that reflect the credit risk of the bond which are estimated by dealers or independent pricing service vendors.
Equity instruments at FVTOCI			
– Perpetual bonds	166,343	164,963	Discounted future cash flows estimated based on contractual amounts and coupon rates, discounted at rates that reflect the credit risk of the bond which are estimated by dealers or independent pricing service vendors.
Derivative financial assets			
– Return swaps	168,937	194,380	Calculated based on the difference between the equity return of underlying equity securities based on quoted price from stock exchanges and the fixed income agreed in the swap agreements.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

43. Fair value of financial assets and liabilities (continued)

43.2 Financial instruments measured at fair value (continued)

Financial instruments in Level 2 (continued)

Financial assets/liabilities	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000	Valuation technique(s) and key input(s)
– Credit default swap	27,137	26,257	Calculated based on the difference between the equity return of underlying equity securities based on quoted price from stock exchanges and the fixed income agreed in the swap agreements.
– Foreign exchange forward	786	736	Calculated based on the quoted price by counterparty.
– Interest rate swap	97	–	Discounted cash flows with future cash flows that are estimated based on contractual terms, discounted at a rate that reflects the credit risk which are estimated by dealers or independent pricing service vendors.
Financial liabilities at FVTPL			
– Bonds	(5,039,349)	–	Discounted future cash flows estimated based on contractual amounts and coupon rates, discounted at rates that reflect the credit risk of the bond which are estimated by dealers or independent pricing service vendors.
Derivative financial liabilities			
– Interest rate swaps	(30,846)	(30,226)	Discounted cash flows with future cash flows that are estimated based on contractual terms, discounted at a rate that reflects the credit risk which are estimated by dealers or independent pricing service vendors.
– Return swaps	(140,312)	(259,476)	Calculated based on the difference between the equity return of underlying equity securities based on quoted prices from stock exchanges and the fixed income agreed in the swap agreements.
– Foreign exchange forward	(5,430)	(4,090)	Calculated based on the quoted price by counterparty.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

43. Fair value of financial assets and liabilities (continued)

43.2 Financial instruments measured at fair value (continued)

Financial instruments in Level 3

The following table presents the Group's financial assets and liabilities that are measured at fair value by the level 3 in the fair value hierarchy into which the fair value measurement is categorised at 30 June 2025 and 31 December 2024.

Financial assets/liabilities	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000	Valuation technique(s) and key input(s)
Financial assets at FVTPL			
– Bonds	554,239	176,403	Discounted cash flow method. The future cash flows are estimated based on the expected recoverable amount and discounted at rates that reflect the credit risk of the bond.
– Asset backed securities	904,811	1,566,914	Discounted cash flow method. The future cash flows are estimated based on the expected recoverable amount and discounted at rates that reflect the credit risk of the securities.
– Private equity funds	1,603,202	20,443	Calculated based on the fair value of the underlying investments which invest in listed shares with lock-up periods in which the fair value is determined with reference to the quoted market prices with an adjustment or discount for lack of marketability.
– Unlisted equity investments	1,477,629	862,291	Calculated by using asset-based approach or market approach, with an adjustment or discount for lack of marketability. The key inputs are the value of the assets and liabilities or main financial indicators of target companies, indicators such as P/E and P/B multiples of comparable listed companies, and liquidity discount rate.
– Restricted stocks	222,243	15,796	The fair value is determined with reference to the quoted market prices with an adjustment or discount for lack of marketability.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

43. Fair value of financial assets and liabilities (continued)

43.2 Financial instruments measured at fair value (continued)

Financial instruments in Level 3 (continued)

Financial assets/liabilities	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000	Valuation technique(s) and key input(s)
– Collective asset management schemes	102,721		– Calculated by the managers of the collective asset management schemes based on the fair value with adjustment or discount for lack of marketability of the underlying investments which are debt securities and publicly traded equity investments in each portfolio.
– Equity securities listed on National Equities Exchange and Quotation	89,477		– Calculated by using market approach with reference to the quoted market prices with an adjustment or discount for lack of marketability. Calculated by using asset-based approach with value of asset and liabilities or main financial indicators.
– Trust schemes	19,876		– Present value of cash flows is calculated by discounting future amounts using the yield to maturity formula.
Debt instruments at FVTOCI			
– Bonds	1,082	1,828	Discounted future cash flows estimated based on expected recoverable amounts, and discounted at rates that reflect the credit risk of the bonds.
Equity instruments at FVTOCI			
– Investments in other equity instruments	1,400		– Calculated based on the fair value of the underlying investments and other inputs management considers to be appropriate.
Derivative financial assets			
– OTC options	162,916	684,198	The option pricing model is used which is calculated based on the option exercise price, the price and volatility of the underlying equity instrument, the option exercise time, and the risk-free interest rate.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

43. Fair value of financial assets and liabilities (continued)

43.2 Financial instruments measured at fair value (continued)

Financial instruments in Level 3 (continued)

Financial assets/liabilities	As at 30 June 2025 RMB'000	As at 31 December 2024 RMB'000	Valuation technique(s) and key input(s)
Financial liabilities at FVTPL			
– Interests of other holders of consolidated structured entities	(718)	(56,792)	Calculated based on the fair value of the underlying investments and other inputs management considers to be appropriate.
– Income certificates with variable interests	(437,705)	(777,877)	The fair value of the income certificate is the sum of the fair value of embedded option and the discounted future cash flows from the host contract of the debt instrument. The fair value of option is calculated using option pricing model with major inputs including the option exercise price, the price and volatility of the underlying financial instrument, the option exercise time and the risk-free interest rate, etc. The fair value of host contract of debt instrument is calculated based on expected future cash flow discounted by the discount rate reflecting the Company's own credit risk.
Derivative financial liabilities			
– OTC options	(105,354)	(56,166)	The option pricing model is used which is calculated based on the option exercise price, the price and volatility of the underlying equity instrument, the option exercise time, and the risk-free interest rate.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

43. Fair value of financial assets and liabilities (continued)

43.2 Financial instruments measured at fair value (continued)

Financial instruments in Level 3 (continued)

Financial assets/liabilities	Fair value hierarchy	Significant unobservable input(s)	Relationship of unobservable input(s) to fair value
Financial assets at FVTPL			
– Bonds	Level 3	– The estimated future cash flows	– The higher the estimated future cash flows, the higher the fair value.
		– Discount rates reflecting the credit risk of the bond	– The lower the discount rate, the higher the fair value.
– Asset backed securities	Level 3	– The estimated future cash flows	– The higher the estimated future cash flows, the higher the fair value.
		– Discount rates reflecting the credit risk of the securities	– The lower the discount rate, the higher the fair value.
– Private equity funds	Level 3	– The portfolio contains restricted stocks, whose fair value is determined with reference to the quoted market prices with an adjustment or discount for lack of marketability.	– The lower the discount rate, the higher the fair value.
– Unlisted equity investments	Level 3	– Valuation multiples e.g. P/E, P/B or P/S	– The higher the valuation multiples, the higher the fair value.
		– Discount rates that correspond to lack of marketability	– The lower the discount rate, the higher the fair value.
– Restricted stocks	Level 3	– An adjustment or discount for lack of marketability	– The lower the discount rate, the higher the fair value.
– Collective asset management schemes	Level 3	– An adjustment or discount for lack of marketability	– The lower the discount rate, the higher the fair value.

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For the six months ended 30 June 2025

43. Fair value of financial assets and liabilities (continued)

43.2 Financial instruments measured at fair value (continued)

Financial instruments in Level 3 (continued)

Financial assets/liabilities	Fair value hierarchy	Significant unobservable input(s)	Relationship of unobservable input(s) to fair value
– Equity securities listed on National Equities Exchange and Quotation	Level 3	– Valuation multiples e.g. P/E, P/B or P/S	– The higher the valuation multiples, the higher the fair value.
		– Discount rates that correspond to lack of marketability	– The lower the discount rate, the higher the fair value.
– Trust schemes	Level 3	– Discount rates reflecting the credit risk of the scheme	– The lower the discount rate, the higher the fair value.
Debt instruments at FVTOCI			
– Bonds	Level 3	– The estimated future cash flows	– The higher the estimated future cash flows, the higher the fair value.
		– Discount rates reflecting the credit risk of bond	– The lower the discount rate, the higher the fair value.
Equity instruments at FVTOCI			
– Investments in other equity instruments	Level 3	– Other adjustments based on the fair value of underlying assets	– The higher the adjusted value, the lower the fair value.
Derivative financial instruments			
– OTC options	Level 3	– The volatility of the underlying equity instrument for option	– The higher the volatility of the underlying equity instrument, the higher the fair value.
		– An adjustment or discount for lack of marketability	– The lower the discount rate, the higher the fair value.
Financial liabilities at FVTPL			
– Interests of other holders of consolidated structured entities	Level 3	– Other adjustments based on the fair value of underlying assets	– The higher the adjusted value, the lower the fair value.
– Income certificates with variable interests	Level 3	– The volatility of the underlying financial instrument for option	– The higher the volatility, the higher the fair value.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

43. Fair value of financial assets and liabilities (continued)

43.2 Financial instruments measured at fair value (continued)

Financial instruments in Level 3 (continued)

The following table presents the changes in Level 3 financial assets for the six months ended 30 June 2025 and 30 June 2024.

Financial assets	Financial assets at FVTPL:											Total
	Financial assets at FVTPL: Bonds	Financial assets at FVTPL: Asset-backed securities	Financial assets at FVTPL: Private equity funds	Financial assets at FVTPL: Unlisted equity investments	Financial assets at FVTPL: Restricted stocks	Financial assets at FVTPL: Trust schemes	Financial assets at FVTPL: Collective asset management schemes	Financial assets at FVTPL: Equity securities listed on National Equities Exchange and Quotation	Financial assets at FVTPL: Derivative financial assets: OTC options	Financial assets at FVTPL: Investments in other equity instruments	Financial assets at FVTPL: Bonds	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2025	176,403	1,566,914	20,443	862,291	15,796	-	-	-	684,198	-	1,828	3,327,873
Addition through acquisition of a subsidiary	284,001	-	1,477,296	881,128	226,534	19,876	-	55,518	-	1,400	-	2,945,753
Fair value change through profit or loss	28,165	58,098	27,820	(112,081)	60,603	-	2,221	23,802	(521,282)	-	-	(432,654)
Fair value change through other comprehensive income	-	-	-	-	-	-	-	-	-	-	254	254
Increase	141,933	85,558	137,710	399,728	84	-	100,500	48,243	-	-	-	913,756
Decrease	(76,263)	(805,759)	(60,067)	(553,437)	(60,774)	-	-	(38,086)	-	-	(1,000)	(1,615,386)
Balance at 30 June 2025	554,239	904,811	1,603,202	1,477,629	222,243	19,876	102,721	89,477	162,916	1,400	1,082	5,139,596

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

43. Fair value of financial assets and liabilities (continued)

43.2 Financial instruments measured at fair value (continued)

Financial instruments in Level 3 (continued)

The following table presents the changes in Level 3 financial assets for the six months ended 30 June 2025 and 30 June 2024. (continued)

Financial assets	Financial assets at FVTPL: Collective asset management schemes	Financial assets at FVTPL: Bonds	Financial assets at FVTPL: Asset-backed securities	Financial assets at FVTPL: Private equity funds	Financial assets at FVTPL: Unlisted equity investments	Financial assets at FVTPL: Restricted stocks	Derivative financial assets: OTC options	Derivative financial assets: Return swaps	Financial assets at FVTOCI: Bonds	Financial assets at FVTOCI: Restricted stocks	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2024	83,081	383,570	1,154,947	3,109,689	722,466	90,283	1,604,522	133	-	-	7,148,691
Fair value change through profit or loss	13,091	15,560	13,982	(202,874)	126	(6,071)	1,456,239	(133)	-	-	1,289,920
Fair value change through other comprehensive income	-	-	-	-	-	-	-	-	(14,487)	17,801	3,314
Increase	-	138,122	387,431	-	57,193	137	-	-	15,900	46,045	644,828
Decrease	(96,172)	(78,174)	(458,220)	(2,267,836)	-	(42,520)	-	-	-	-	(2,942,922)
Balance at 30 June 2024	-	459,078	1,098,140	638,979	779,785	41,829	3,060,761	-	1,413	63,846	6,143,831

During the period ended 30 June 2025, the Group's investments in restricted stocks measured at fair value through profit or loss of RMB76,594 thousand (31 December 2024: RMB66,469 thousand) were transferred from Level III to Level I, as the fair values of these securities were determined with the use of quoted prices instead of valuation techniques, due to expiration of lock-up period.

During the period ended 30 June 2025, the Group's investments in collective asset management schemes and private equity funds measured at fair value through profit loss were no transferred from Level III to Level II, as the fair value of these investments were determined with the use of fair values calculated by the investment managers instead of valuation techniques, due to expiration of lock-up period. (31 December 2024: RMB83,081 thousand and RMB3,109,689 thousand were transferred from Level III to Level II).

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For the six months ended 30 June 2025

43. Fair value of financial assets and liabilities (continued)

43.2 Financial instruments measured at fair value (continued)

Financial instruments in Level 3 (continued)

The following table presents the changes in Level 3 financial liabilities for the six months ended 30 June 2025 and 30 June 2024.

Financial liabilities	Financial liabilities at FVTPL – Interests of other holders of consolidated structured entities RMB'000	Financial liabilities at FVTPL – income certificates with variable interests RMB'000	Derivative financial liabilities – OTC options RMB'000	Derivative financial liabilities – return swaps RMB'000	Total RMB'000
Balance at 1 January 2025	56,792	777,877	56,166	–	890,835
Addition through acquisition of a subsidiary	150	–	–	–	150
Fair value change through profit or loss	(56,074)	13,726	49,188	–	6,840
Increase	–	377,830	–	–	377,830
Decrease	(150)	(731,728)	–	–	(731,878)
Balance at 30 June 2025	718	437,705	105,354	–	543,777

Financial liabilities	Financial liabilities at FVTPL – Interests of other holders of consolidated structured entities RMB'000	Financial liabilities at FVTPL – income certificates with variable interests RMB'000	Derivative financial liabilities – OTC options RMB'000	Derivative financial liabilities – return swaps RMB'000	Total RMB'000
Balance at 1 January 2024	75,203	1,087,549	173,905	166	1,336,823
Fair value change through profit or loss	364	(16,527)	121,344	(166)	105,015
Increase	–	258,591	–	–	258,591
Decrease	(27,661)	(700,809)	–	–	(728,470)
Balance at 30 June 2024	47,906	628,804	295,249	–	971,959

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For the six months ended 30 June 2025

44. Acquisition of a subsidiary

On 8 August 2024, the Company and the 45 shareholders of Minsheng Securities Co., Ltd. other than Oceanwide Holdings Co., Ltd. (the “Counterparties”) entered into the Acquisition Agreements “Acquisition” in relation to the Acquisition, pursuant to which, the Company has conditionally agreed to acquire, and the Counterparties have conditionally agreed to sell 99.26% shares of Minsheng Securities Co., Ltd., in consideration of the issuance a total of 2,640,269,065 of A Shares by the Company to the Counterparties.

On 30 December 2024, Minsheng Securities Co., Ltd issued the equity certificate of Minsheng Securities Co., Ltd. (《民生證券股份有限公司股權證》) to the Company and recorded the Company in its shareholder register. The Company has become a shareholder of Minsheng Securities Co., Ltd. since that date, holding 11,288,911,130 shares of Minsheng Securities (representing 99.26% of the total share capital of Minsheng Securities).

On 3 January 2025, the registration with the Shanghai Branch of China Securities Depository and Clearing Corporation Limited for the new A Shares in respect of the acquisition of the Minsheng Securities Co., Ltd. by issuing shares has been completed.

In January 2025, the acquisition has been completed.

According to the Certificate of Change in Registration of Securities (《證券變更登記證明》) issued by the Shanghai Branch of China Securities Depository and Clearing Corporation Limited in January 2025, the Company has completed the registration of the new A Shares in respect of the Acquisition of Assets by Issuing Shares, with an aggregate of 2,640,269,065 new A Shares, and the total number of shares after the registration is 5,472,042,233 shares.

Minsheng Securities Co., Ltd., is a nationwide comprehensive securities company approved by the CSRC, with brokerage branches in nearly 30 provinces (including municipalities directly under the Central Government and autonomous regions) and has an investment banking business with significant competitive advantages. Upon completion of the Acquisition, the business layout of the Company will become more reasonable, and the strength of each business line will improve comprehensively.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

44. Acquisition of a subsidiary (continued)

44.1 Consideration transferred

	RMB'000 (Unaudited)
Fair value of shares issued	29,491,806

44.2 Assets acquired and liabilities assumed at the date of acquisition

	RMB'000 (Unaudited)
Assets	
Cash and bank balances	2,282,086
Cash held for brokerage clients	14,806,251
Clearing settlement funds	1,697,296
Margin accounts receivable	5,480,862
Refundable deposits	2,169,100
Financial assets held under resale agreements	4,073,679
Financial assets at fair value through profit or loss	26,704,794
Equity instruments at fair value through other comprehensive income	4,149,422
Interest in a joint venture	4,193
Property and equipment	396,553
Construction in progress	30,110
Right-of-use assets	146,004
Intangible assets	158,139
Deferred tax assets	845,366
Other assets	548,086
Liabilities	
Bonds in issue	6,855,035
Due to financial institutions	8,978,503
Financial liabilities at fair value through profit or loss	4,175,796
Derivative financial liabilities	13,035
Financial assets sold under repurchase agreements	6,546,720
Accounts payable to brokerage clients	17,889,541
Current income tax liabilities	91,772
Contract liabilities	54,094
Lease liabilities	166,347
Deferred tax liabilities	71,250
Other liabilities	1,963,908
Net assets	16,685,940

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

44. Acquisition of a subsidiary (continued)

44.3 Non-controlling interests

Non-controlling interests of 0.74% in Minsheng Securities Co., Ltd. recognised at the acquisition date was measured by reference to the proportionate share of recognised amounts of net assets of Minsheng Securities Co., Ltd. and amounted to RMB123,477 thousand.

44.4 Goodwill arising on acquisition

	RMB'000 (Unaudited)
Consideration transferred	29,491,806
Plus: non-controlling interests	123,477
Less: recognised amounts of net assets acquired	16,685,940
	12,929,343

Goodwill arose on the acquisition of Minsheng Securities Co., Ltd. because the acquisition included the assembled workforce of Minsheng Securities Co., Ltd. and some potential contracts which are still under negotiation with prospective new customers as at the date of acquisition. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

44. Acquisition of a subsidiary (continued)

44.5 Net cash inflow on acquisition of a subsidiary

	RMB'000 (Unaudited)
Cash and cash equivalents acquired	5,948,943

44.6 Impact of acquisition on the results of the Group

Minsheng Securities Co., Ltd. generated revenue amounted to RMB2,396,805 thousand and the profit amounted to RMB545,641 thousand is attributable to the Group from the period of the completion date of acquisition to 30 June 2025.

45. Event after the reporting period

On 25 July 2025, the Company completed the issuance of Guolian Minsheng Securities Company Limited's 2025 public issuance of corporate bonds (second phase) to professional investors, with an issuance scale of RMB1.5 billion, a coupon rate of 1.87%, and a term of 3 years.