

恒投证券

HENGTOU SECURITIES

(a joint stock company incorporated in the People's Republic of China with limited liability under the Chinese corporate name "恒泰证券股份有限公司" and carrying on business in Hong Kong as "恒投證券" (in Chinese) and "HENGTOU SECURITIES" (in English))

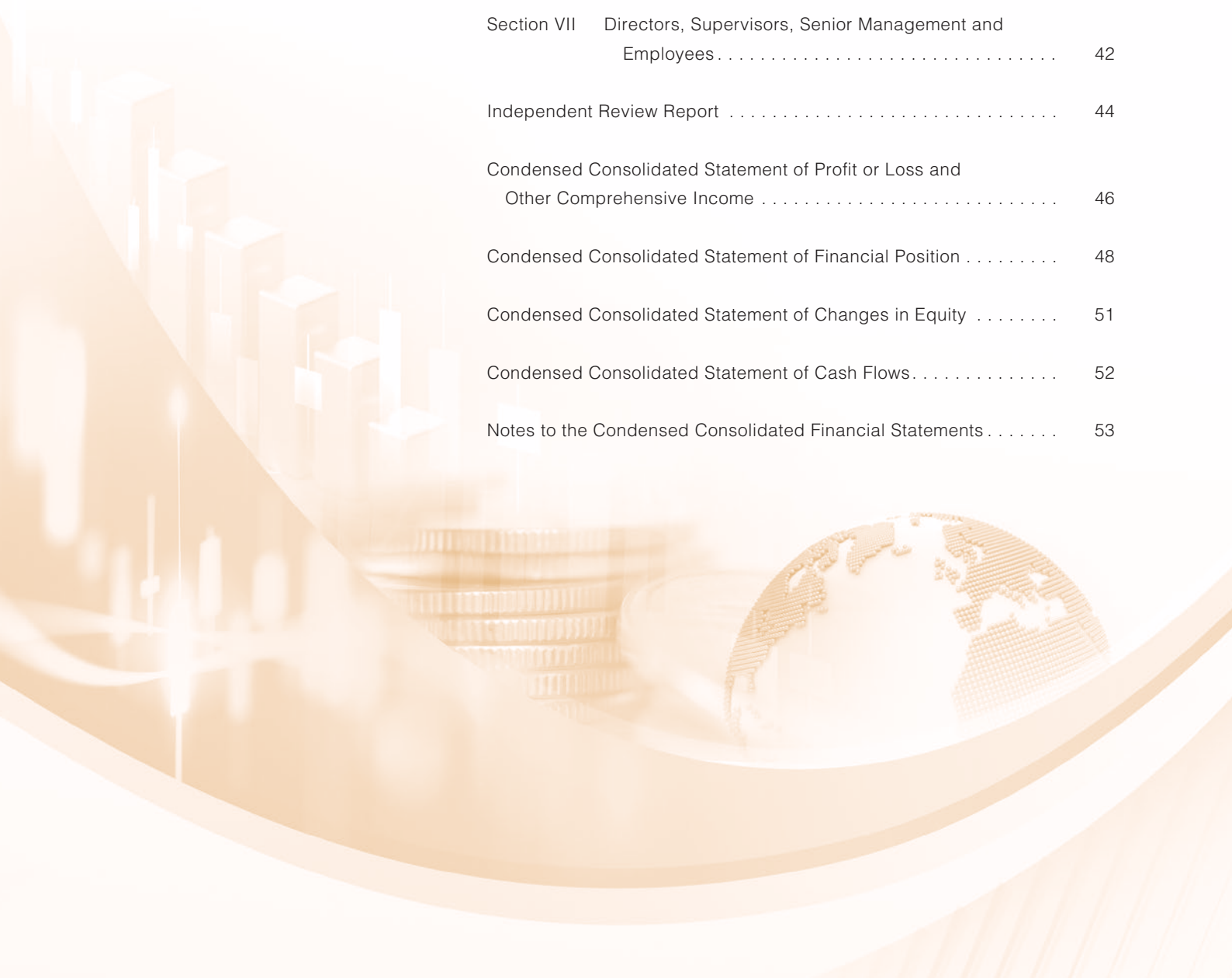
Stock Code: 1476



2025
INTERIM REPORT

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Important Notice

The Board, Supervisory Committee, Directors, Supervisors and senior management of the Company warrant that the contents of this report are true, accurate and complete without any false representation, misleading statement or material omission, and assume several and joint liability in respect thereof.

This report has been considered and approved at the fifth meeting of the fifth session of the Board and the fifth meeting of the fifth session of the Supervisory Committee where all the Directors and Supervisors were present, respectively. None of the Directors, Supervisors or senior management of the Company has declared that they could not guarantee or had any objection to the truthfulness, accuracy and completeness of this report.

The interim financial information for the six months ended 30 June 2025 is prepared by the Company in accordance with the International Financial Reporting Standards, and has been reviewed by Grant Thornton Hong Kong Limited in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. All amounts set out in this report are stated in RMB unless otherwise stated.

Mr. Zhu Yanhui (the Chairman of the Board), Mr. Yin Guohong (the president) and Mr. Sun Hang (the chief financial officer) declared that they warrant the truthfulness, accuracy and completeness of the interim financial information contained in this report.

The forward-looking statements including future plans and development strategies set out in this report do not constitute the Company's substantive commitment to investors. The investors are advised to pay attention to investment risks.

Section I Definitions

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

Articles of Association	the articles of association of the Company, as amended from time to time
Baotou Huazi	Baotou Huazi Industry Co., Ltd. (包頭華資實業股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600191) and a substantial shareholder of the Company
Board	the board of directors of the Company
Company or Hengtou Securities	a company established as a limited liability company in the PRC on 28 December 1998 and converted into a joint stock company with limited liability under the PRC laws on 3 November 2008 under the corporate name “恒泰证券股份有限公司”(Hengtai Securities Co., Ltd.), and carrying on business in Hong Kong as “恒投證券”(in Chinese) and “HENGTOU SECURITIES” (in English) as approved by and registered with the Hong Kong Companies Registry on 27 April 2015, and whose H Shares are listed on the Main Board of the Hong Kong Stock Exchange
Corporate Governance Code	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
CSRC	the China Securities Regulatory Commission (中國證券監督管理委員會)
Director(s)	director(s) of the Company
Domestic Share(s)	ordinary share(s) with a nominal value of RMB1.00 each in the share capital of the Company, which are subscribed for or credited as paid-up in RMB
end of the Reporting Period	30 June 2025
Financial Street Capital	Beijing Financial Street Capital Operation Investment (Group) Co., Ltd. (北京金融街資本運營集團有限公司), formerly known as Beijing Financial Street Capital Management Centre (北京金融街資本運營中心), which holds 62.06% equity interest in Financial Street Investment and is a subsidiary of SASAC Xicheng District
Financial Street Investment	Beijing Financial Street Investment (Group) Co., Ltd. (北京金融街投資(集團)有限公司), formerly known as Beijing Financial Street Construction Group Co., Ltd. (北京金融街建設集團), a subsidiary of SASAC Xicheng District
Financial Street Xihuan Properties	Beijing Financial Street Xihuan Properties Co., Ltd. (北京金融街西環置業有限公司), formerly known as Beijing Xihuan Properties Co., Ltd. (北京西環置業有限公司), a shareholder of the Company

Section I Definitions

FOF	Fund of Fund, a fund which is specially invested in other securities investment funds
GDP	gross domestic product
Group	the Company and its subsidiaries
H Share(s)	overseas listed foreign ordinary share(s) with a nominal value of RMB1.00 each in the share capital of the Company, which are listed on the Main Board of the Hong Kong Stock Exchange
Hangzhou Ruisi	Hangzhou Ruisi Industrial Co., Ltd. (杭州瑞思實業有限公司), which holds 98.67% equity interest in Shaanxi Tianchen
Hengtai Capital	Hengtai Capital Investment Co., Ltd. (恒泰資本投資有限責任公司), 100% equity interest of which is held by the Company
Hengtai Changcai	Hengtai Changcai Securities Co., Ltd. (恒泰長財證券有限責任公司), 100% equity interest of which is held by the Company
Hengtai Futures	Hengtai Futures Co., Ltd. (恒泰期貨股份有限公司), 95.10% and 4.90% equity interest of which are held by the Company and Hengtai Pioneer, respectively
Hengtai Pioneer	Hengtai Pioneer Investment Co., Ltd. (恒泰先鋒投資有限公司), 100% equity interest of which is held by the Company
HK\$	Hong Kong dollars, the lawful currency of Hong Kong
Hong Kong	the Hong Kong Special Administrative Region of the PRC
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
Hongzhi Huitong	Beijing Hongzhi Huitong Industrial Co., Ltd. (北京鴻智慧通實業有限公司), a shareholder of the Company
Huarong Infrastructure	Beijing Huarong Infrastructure Investment Co., Ltd. (北京華融基礎設施投資有限責任公司), which holds 90% equity interest in Financial Street Xihuan Properties
Huarong Zonghe Investment	Beijing Huarong Zonghe Investment Co., Ltd. (北京華融綜合投資有限公司), formerly known as Beijing Huarong Zonghe Investment Company (北京華融綜合投資公司), a subsidiary of Financial Street Investment and a substantial shareholder of the Company

Section I Definitions

Huifa Technology	Zhejiang Free Trade Zone Huifa Technology Co., Ltd. (浙江自貿區匯發科技有限公司), formerly known as Tibet Dazi Huifa Technology Co., Ltd. (西藏達孜匯發科技有限公司) and Tibet Dazi Huifa Investment Co., Ltd. (西藏達孜匯發投資有限公司), a shareholder of the Company
Listing	the listing of the H Shares on the Main Board of the Hong Kong Stock Exchange on the Listing Date
Listing Date	15 October 2015
Listing Rules	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
margin financing and securities lending	a collateral-backed operating activity in which securities firms provide clients with monies to buy listed securities or with listed securities for sale
Model Code	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
NEEQ	National Equities Exchange and Quotations
New China Fund	New China Fund Management Co., Ltd. (新華基金管理股份有限公司), 52.99% equity interest of which is held by the Company
PRC or China	for the purpose of this report, the People's Republic of China (excluding Hong Kong, Macau Special Administration Region of the PRC and Taiwan)
Reporting Period	the six months ended 30 June 2025
RMB	Renminbi, the lawful currency of China, the basic unit of which is Yuan
SASAC Xicheng District	The State-owned Assets Supervision and Administration Commission of Xicheng District People's Government of Beijing Municipality (北京市西城區人民政府國有資產監督管理委員會), which holds 100% and 37.94% equity interest in each of Financial Street Capital and Financial Street Investment, respectively
SFO	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
Shaanxi Tianchen	Shaanxi Tianchen Technology Trading Co., Ltd. (陝西天宸科貿有限公司), which holds 97.67% equity interest in Hongzhi Huitong

Section I Definitions

stock pledged repurchase transaction	a transaction in which a qualified borrower pledges his shares or other securities held as collaterals to obtain financing funds from a qualified lender, and agrees to repay the funds on a future date to release the pledge
substantial shareholder(s)	has the meaning ascribed thereto under the Listing Rules
Supervisor(s)	supervisor(s) of the Company
Supervisory Committee	the supervisory committee of the Company
Suzhou Bingtai	Suzhou Bingtai Trading Co., Ltd. (蘇州秉泰貿易有限公司), which holds 100% equity interest in Hangzhou Ruisi
this report	the 2025 interim report of the Company
Tianfeng Securities	Tianfeng Securities Co., Ltd. (天風證券股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 601162) and a substantial shareholder of the Company
Wind Info	Wind Info Co., Ltd. (萬得信息技術股份有限公司), a joint stock company incorporated in the PRC with limited liability and a service provider of financial data, information and software, being an independent third party of the Company

Section II Company Profile

I. NAME OF COMPANY

Chinese name: 恒泰证券股份有限公司, being the corporate name in the PRC (carrying on business in Hong Kong as “恒投證券”)

English name: HENGTAI SECURITIES CO., LTD., being English translation of the corporate name in the PRC (carrying on business in Hong Kong as “HENGTOU SECURITIES”)

II. BOARD OF DIRECTORS

Executive Director

Mr. Zhu Yanhui (*Chairman*)

Non-executive Directors

Mr. Pang Jiemin

Mr. Wang Linjing

Mr. Li Ye

Ms. Yang Qin

Mr. Li Yanyong

Independent Non-executive Directors

Mr. Chen Xin

Mr. Xu Hongcai

Ms. Cheng Zhuo

Special Committees of the Board

Strategy and Investment Committee

Mr. Zhu Yanhui (*Chairman of the Committee*)

Mr. Xu Hongcai

Mr. Li Ye

Risk Control and Supervisory Committee

Mr. Zhu Yanhui (*Chairman of the Committee*)

Mr. Wang Linjing

Mr. Li Yanyong

Audit Committee

Mr. Chen Xin (*Chairman of the Committee*)

Mr. Wang Linjing

Ms. Cheng Zhuo

Remuneration and Nomination Committee

Mr. Chen Xin (*Chairman of the Committee*)

Mr. Xu Hongcai

Mr. Zhu Yanhui

Section II Company Profile

III. SUPERVISORY COMMITTEE

Ms. Yu Lei (*Chairlady of the Supervisory Committee*)

Mr. Chen Feng

Mr. Wang Hui

IV. SECRETARY OF THE BOARD

Mr. Zhang Jingshun

Tel: +86 10 8327 0999

Fax: +86 10 8327 0998

Email: zhangjingshun@cnht.com.cn

Correspondence address: 12/F, Tower B, Desheng International Center, No. 83, Deshengmenwai Street, Xicheng District, Beijing, the PRC (post code: 100088)

V. JOINT COMPANY SECRETARIES

Mr. Zhang Jingshun, Dr. Ngai Wai Fung

VI. AUTHORIZED REPRESENTATIVES

Mr. Zhu Yanhui, Dr. Ngai Wai Fung

VII. HEAD OFFICE IN CHINA

Registered address: Manshishangdu Office and Commercial Complex, Hailaer East Street, Xincheng District, Hohhot, Inner Mongolia Autonomous Region, the PRC (post code : 010051)

Head office address: 12/F, Tower B, Desheng International Center, No. 83, Deshengmenwai Street, Xicheng District, Beijing, the PRC (post code: 100088)

Website: www.cnht.com.cn

Email: dongban@cnht.com.cn

VIII. PLACE OF BUSINESS IN HONG KONG

40th Floor, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong



Section II Company Profile

IX. AUDITORS

International accounting firm:	Grant Thornton Hong Kong Limited
Domestic accounting firm:	Grant Thornton Certified Public Accountants

X. HONG KONG LEGAL ADVISOR

Guantao & Chow Solicitors and Notaries

XI. H SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited

XII. STOCK CODE (H SHARES)

01476

Section III Summary of Accounting Data and Financial Indexes

I. PRINCIPAL ACCOUNTING DATA AND FINANCIAL INDEXES

(Unaudited accounting data and financial indexes set out in this report are prepared in accordance with the International Financial Reporting Standards)

Item	1 January 2025 to 30 June 2025	1 January 2024 to 30 June 2024	Increase/ (decrease) from last period
Operating results (RMB'000)			
Total operating income	1,665,642	1,169,284	42.45%
Profit before tax	314,359	75,098	318.60%
Profit for the period – attributable to ordinary shareholders of the Company	240,733	53,872	346.86%
Net cash generated from/(used in) operating activities	389,736	(129,342)	401.32%
Earnings per share (RMB/share)			
Basic earning per share ¹	0.0924	0.0207	346.38%
Diluted earning per share ¹	0.0924	0.0207	346.38%
Profitability index			
Weighted average rate of return on net assets (%) ²	2.86	0.67	Increased by 2.19 percentage points
Item	30 June 2025	31 December 2024	Increase/ (decrease) from the end of last year
Scale indicators (RMB'000)			
Total assets	43,186,520	39,981,081	8.02%
Total liabilities	34,261,815	31,274,058	9.55%
Accounts payable to brokerage clients	20,121,543	16,700,618	20.48%
Equity attributable to ordinary shareholders and holders of perpetual capital securities	8,544,448	8,295,533	3.00%
Total share capital ('000 shares)	2,604,567	2,604,567	0.00%
Net assets per share attributable to ordinary shareholders³ (RMB/share)	3.28	3.18	3.14%
Gearing ratio (%)⁴	61.31	62.60	Decreased by 1.29 percentage points

Section III Summary of Accounting Data and Financial Indexes

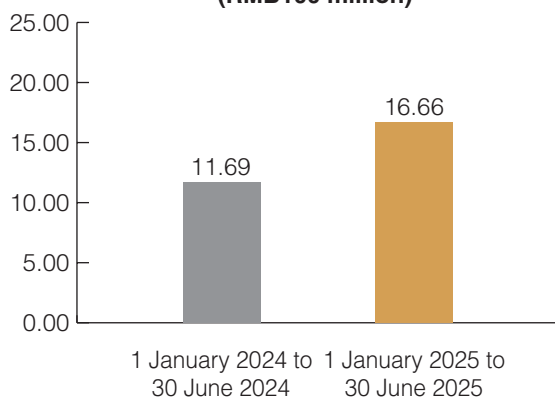
I. PRINCIPAL ACCOUNTING DATA AND FINANCIAL INDEXES (CONTINUED)

Notes:

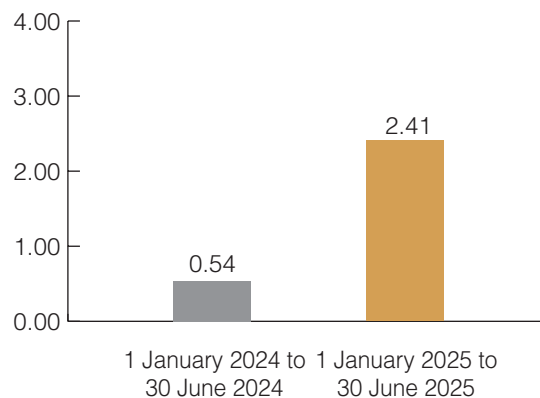
1. The index is calculated based on the assumption of deducting the dividends of the holders of cumulative perpetual capital securities.
2. Weighted average rate of return on net assets (%) = $P / (E_o + P \div 2 + E_i \times M_i \div M_o - E_j \times M_j \div M_o)$, in which P represents net profit attributable to ordinary shareholders of the Company during the Reporting Period; E_o represents net assets attributable to ordinary shareholders of the Company at the beginning of the period; E_i represents additional net assets from issuance of new shares or from debt to equity attributable to ordinary shareholders of the Company during the Reporting Period; E_j represents reduced net assets from repurchase or from cash dividend attributable to ordinary shareholders of the Company during the Reporting Period; M_o represents the number of months of the Reporting Period; M_i represents the accumulative number of months calculated from the month following the additional net assets to the end of the Reporting Period; M_j represents the accumulative number of months calculated from the month following the reduced net assets to the end of the Reporting Period.
3. Net assets per share attributable to ordinary shareholders = (equity attributable to ordinary shareholders and holders of perpetual capital securities – perpetual capital securities) \div total share capital.
4. Gearing ratio (%) = (total liabilities – account payables to brokerage clients) / (total assets – account payables to brokerage clients).

Section III Summary of Accounting Data and Financial Indexes

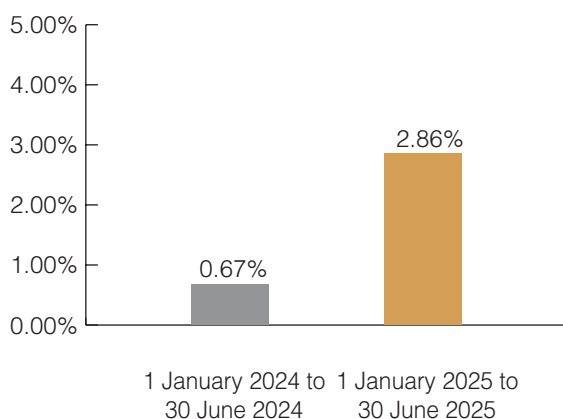
**Total operating income
(RMB100 million)**



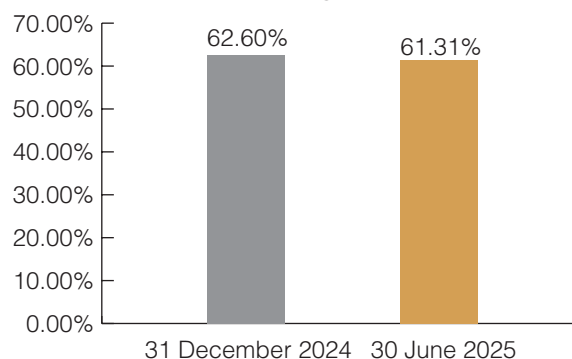
**Profit for the period – attributable to ordinary
shareholders of the Company
(RMB100 million)**



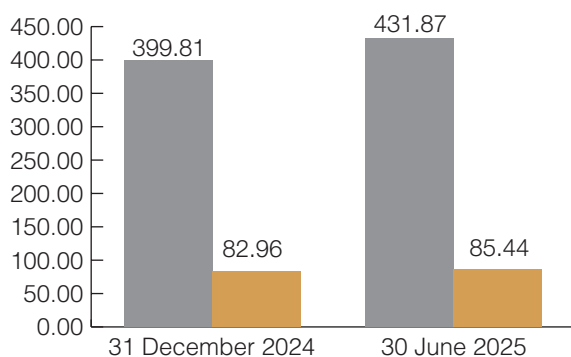
**Weighted average
return on net assets**



Gearing ratio



**Scale indicators
(RMB100 million)**



■ Total assets
■ Equity attributable to ordinary shareholders of the Company and holders of perpetual capital securities

Section III Summary of Accounting Data and Financial Indexes

II. NET CAPITAL AND OTHER RISK CONTROL INDEXES OF THE COMPANY

As at 30 June 2025, the Company's net capital amounted to RMB5,615.40 million, representing a decrease of RMB288.27 million as compared with RMB5,903.67 million as at the end of 2024. During the Reporting Period, the net capital and related risk control indexes of the Company met the regulatory requirements.

Unit: in RMB'000

Item	30 June 2025	31 December 2024	Regulatory standard
Net capital	5,615,398	5,903,665	N/A
Including: Net core capital	5,465,398	5,153,665	N/A
Net supplement capital	150,000	750,000	N/A
Net assets	8,547,167	8,274,815	N/A
Total risk capital provision	3,411,162	3,359,516	N/A
Total assets on and off statement of financial position	22,488,879	22,342,377	N/A
Risk coverage ratio	164.62%	175.73%	≥100%
Capital leverage ratio	24.85%	23.62%	≥8%
Liquidity coverage ratio	175.47%	182.28%	≥100%
Net stable funding ratio	164.45%	173.37%	≥100%
Net capital/net assets	65.70%	71.34%	≥20%
Net capital/liabilities	43.31%	44.21%	≥8%
Net assets/liabilities	65.92%	61.97%	≥10%
Proprietary equity securities and securities derivatives/net capital	19.39%	22.61%	≤100%
Proprietary non-equity securities and securities derivatives/net capital	166.21%	147.18%	≤500%

Section IV Management Discussion and Analysis

I. ECONOMIC AND MARKET ENVIRONMENT DURING THE REPORTING PERIOD

During the Reporting Period, all regions and departments earnestly implemented the decisions and arrangements of the Party Central Committee and the State Council, adhered to the general principle of seeking progress while maintaining stability, fully, accurately, and comprehensively implemented the new development philosophy, accelerated the building of a new development paradigm, and effectively implemented more proactive and effective macro policies. The overall economic performance remained stable with continued development, as production and demand grew steadily, the employment situation remained generally stable and continued increases in household income, together with the expansion of new growth drivers and new progress in high-quality development. In the first half of 2025, GDP recorded a year-on-year increase of 5.30%. By industries, the primary industry, the secondary industry and the tertiary industry recorded a year-on-year increase of 3.70%, 5.30% and 5.50%, respectively. By quarters, the first quarter and the second quarter recorded a year-on-year increase of 5.40% and 5.20%, respectively. In the first half of 2025, the nationwide value-added of industrial enterprises above designated size increased by 6.40% year-on-year, the value-added of the service industry increased by 5.50% year-on-year, the total social retail sales of consumer goods increased by 5.00% year-on-year, the nationwide fixed asset investment increased by 2.80% year-on-year, and the national consumer price index (CPI) decreased by 0.10% year-on-year. During the Reporting Period, to implement a moderately accommodative monetary policy, the People's Bank of China (PBOC) further intensified the counter-cyclical regulation and introduced a package of financial support measures. By comprehensively employing various monetary policy tools, it maintained ample liquidity and facilitated reasonable growth in monetary credit. It refined the market-oriented interest rate regulation framework, strengthened the implementation and supervision of interest rate policies, and worked to lower the overall financing costs across society. At the end of June 2025, broad measure of money supply (M2) recorded a year-on-year increase of 8.30%, the stock of social financing scale recorded a year-on-year increase of 8.90%, and the RMB loans recorded a year-on-year increase of 7.10%.

During the Reporting Period, the A-share market in China exhibited a volatile upward trend, with trading activity continuing to intensify. The Shanghai Stock Exchange Composite Index increased by 2.76%, the Shenzhen Stock Exchange Component Index increased by 0.48%, and the ChiNext Index increased by 0.53%. The total transaction value of stocks and funds on the Shanghai Stock Exchange and the Shenzhen Stock Exchange amounted to RMB188,782.814 billion, among which, the total trading volumes of stocks and funds on the Shanghai Stock Exchange amounted to RMB84,858.801 billion, representing an increase of 50.80% as compared with that of the same period in 2024, and the total trading volumes of stocks and funds on the Shenzhen Stock Exchange amounted to RMB103,924.013 billion, representing an increase of 76.35% as compared with that of the same period in 2024. (Sources: websites of National Bureau of Statistics, the People's Bank of China, the Shanghai Stock Exchange, the Shenzhen Stock Exchange and Wind Info)

Section IV Management Discussion and Analysis

II. ANALYSIS OF PRINCIPAL BUSINESSES

During the Reporting Period, the Group recorded operating income of RMB1,665.64 million and net profit of RMB209.50 million, representing an increase of 42.45% and 1,003.21%, respectively, as compared with that of the same period of 2024.

(I) Brokerage and Wealth Management Business

During the Reporting Period, the operating income from brokerage and wealth management business amounted to RMB950.77 million, representing an increase of 36.19% as compared with that of the same period of 2024.

1. Securities Brokerage

During the Reporting Period, the Company adjusted and optimized the organizational structure to further strengthen the role of the Company's headquarters support and empowerment functions for branch institutions while fully leveraging its key role in driving business development. The Company enhanced online service capabilities, committed to the transformation of traditional marketing models toward digitalization and intelligent upgrading. The Company refined its tiered service system for wealth management client groups, and expanded multi-channel client acquisition approaches to sustain business growth and strengthen competitiveness. The Company actively cultivated professional wealth advisory teams, contributing to the high-quality development of the economy through measures such as improving investment advisory expertise, reinforcing platform service capabilities, and intensifying investor education initiatives.

During the Reporting Period, the number of new accounts opened reached 143,900, and total number of clients reached 4,118,900, representing an increase of 3.21% as compared with that at the end of 2024. The total assets under custody for clients reached RMB189,284.21 million, representing an increase of 5.55% as compared with that at the end of 2024. The turnover of stocks and funds reached RMB1,375,839.14 million, representing an increase of 65.04% as compared with that of the same period of 2024, while the market share of stocks and funds was 0.3645%, representing an increase of 0.64% as compared with that of the same period of 2024.

2. Futures Brokerage

During the Reporting Period, Hengtai Futures strengthened forward-looking researches, and implemented targeted measures to continuously solidify the foundation of its brokerage business. Hengtai Futures deepened its engagement with financial institution businesses, driving the overall equity scale to a record high; adhered to the "market + research + investor education" model, actively advanced industrial institution development services and focused on building a trustworthy industrial service brand; adjusted customer structure and revenue composition, optimising fee income structure and overall volume increase; consistently expanded business scale and customer base, creating strong guarantee for the subsequent development of new businesses in the future. During the Reporting Period, Hengtai Futures added 3,044 new clients.

Section IV Management Discussion and Analysis

II. ANALYSIS OF PRINCIPAL BUSINESSES (CONTINUED)

(I) Brokerage and Wealth Management Business (continued)

3. Wealth Management

During the Reporting Period, the Company has been exploring the wealth management sector by consolidating its existing foundation while proactively pursuing innovation and transformation. It has now preliminarily transitioned from the traditional single sales model to the buyer business model centered on asset allocation. Focusing on deepening the development of securities settlement services, the Company established its own securities settlement product system and built a private fund product system. The public fund investment advisory business has begun to yield results. Under the client oriented philosophy, the Company provided clients with one-stop advisory wealth management service. During the Reporting Period, the Company sold 2,346 financial products and recorded sales of RMB9,019.66 million. As at the end of the Reporting Period, the existing size of its financial products was RMB19,478.06 million.

4. Capital-based Intermediary

During the Reporting Period, the Company adhered to the principle of prudent operation by continuously optimizing its margin trading and securities lending service system amid of implementing strict risk management requirements. By improving the operational management mechanism for credit business, the Company effectively enhanced client service quality and experience. As at the end of the Reporting Period, the balance of the margin financing and securities lending businesses amounted to RMB5,500.31 million.

5. Asset Custody

During the Reporting Period, the Company actively leveraged the value-added potential of its custody business to advance and implement the custody of standardized products such as asset management plans and private securities investment funds, which added 1 new asset management plan and 12 new private securities investment funds for its custody. As at the end of the Reporting Period, the Company provided custody services for 771 funds, fund services for 250 funds and fund raising supervision services for 300 funds. The aggregate size of asset custody, fund services and fund raising supervision amounted to RMB115,050 million.

Section IV Management Discussion and Analysis

II. ANALYSIS OF PRINCIPAL BUSINESSES (CONTINUED)

(II) Investment Banking Business

During the Reporting Period, the operating income from investment banking business amounted to RMB92.68 million, representing an increase 41.54% as compared with that of the same period of 2024.

1. Equity Financing

During the Reporting Period, Hengtai Changcai has focused on core clients, with continuously strengthened in-depth cooperations, completed one financial advisory project for a listed company, and steadily advanced multiple refinancing and M&A restructuring projects. Hengtai Changcai will actively seize market development opportunities, with a particular focus on projects related to the Beijing Stock Exchange and M&A restructuring opportunities within industrial chains. By continuously refining its capabilities, enhancing professional expertise, and adhering to compliance as the bottom line, the company will persistently strengthen core competencies in research, value discovery, transaction structuring, and integration facilitation, aiming to build a full-service investment banking chain.

2. Debt Financing

During the Reporting Period, Hengtai Changcai focused on municipal investment bonds as its core business while simultaneously engaging in the underwriting and issuance of industrial bonds. In the course of business expansions, Hengtai Changcai built up a pipeline of business bonds, including industrial bonds, sci-tech innovation bonds, and rural revitalization bonds in order to align with the “Five Major Articles”. During the Reporting Period, Hengtai Changcai’s bond business concentrated on key regions, with 24 corporate bond projects of a total underwriting scale of RMB5,652 million completed.

3. NEEQ Referral Business

During the Reporting Period, Hengtai Changcai has fully leveraged the advantages of its existing NEEQ projects by systematically overseeing project services and ensuring quality control; establishing strategic partnerships with corporate clients to provide tailored, high-quality, and differentiated financing services; focusing on key regions, with specialized in niche sectors and deepened its presence in local markets, while strengthening the development and reserve of NEEQ projects in key areas. During the Reporting Period, Hengtai Changcai submitted 1 project and completed 4 NEEQ financing projects. As of the end of the Reporting Period, Hengtai Changcai had 132 projects to be continuously supervised.

Section IV Management Discussion and Analysis

II. ANALYSIS OF PRINCIPAL BUSINESSES (CONTINUED)

(III) Investment Management Business

During the Reporting Period, the operating income from investment management business amounted to RMB132.08 million, representing a decrease of 12.85% as compared with that of the same period of 2024.

1. Assets Management

During the Reporting Period, the asset management business continued to enhance its investment and research capabilities, innovated product solutions, optimize organizational structure, and strengthened risk management. During the Reporting Period, the Company launched two fixed-income collective asset management schemes and one FOF collective asset management scheme, further diversifying its product portfolio. Due to adjustments in the bond market, the total asset management scale experienced a decline compared to the end of 2024. In terms of product performance, the Company proactively responded to market volatility by adjusting investment strategies to stabilize product returns. Based on the data provided by Wind Info, the net value of fixed-income products had sustained recovery during the Reporting Period, with all products achieving positive growth. The Company's existing asset management schemes ranked in the top 1/2 of the market for average comprehensive performance among its peer products. During the Reporting Period, the asset management business actively expanded institutional client coverage and explored customized products and innovative business models with initial results achieved. Concurrently, efforts were made to strengthen internal synergies through conducting collaborative demand research, and mobilizing retail channel initiatives. The asset securitization business project reserves maintained steadily with breakthroughs in underwriting scale achieved, and established strategic partnerships with exchanges to actively develop innovative and international businesses, with all demonstrating the sign of favorable growth momentum.

As at the end of the Reporting Period, the total size of asset management business was RMB15,333.40 million, of which the size of collective asset management schemes amounted to RMB3,763.53 million, the size of single asset management schemes amounted to RMB2,389.28 million, the size of the asset-backed securities special schemes amounted to RMB9,180.59 million.

As at the end of the Reporting Period, the numbers of subsisting products of the collective, single asset management schemes and the asset-backed securities special schemes were 33, 11 and 5, respectively.

Section IV Management Discussion and Analysis

II. ANALYSIS OF PRINCIPAL BUSINESSES (CONTINUED)

(III) Investment Management Business (Continued)

2. Fund Management

During the Reporting Period, New China Fund maintained steady and positive business development. New China Fund successfully launched two new equity index products, reshaped product strategies and sales tactics, deepened reforms in the investment and research system, and achieved steady performance improvement. It also completed the orderly implementation of supervisory committee reforms, leading to consistent enhancements in corporate governance effectiveness and internal management quality. According to Haitong Securities' "Performance Rankings of Equity and Fixed Income Assets of Fund Managers", New China Fund's performance of equity assets showed significant improvement and the fixed income funds showed excellent performance during the Reporting Period, secured a prominent position in the market rankings.

As at the end of the Reporting Period, there were a total of 47 public funds with amounts of RMB53,206 million managed under New China Fund, representing a year-on-year increase of RMB3,795 million or 7.68%. The dedicated account business launched two new products while strictly reducing legacy product scale in compliance with regulatory requirements. As at the end of the Reporting Period, the size of New China Fund's dedicated account under management was RMB809 million, representing a year-on-year decrease of RMB37 million or 4.37%.

3. Private Equity Investment

During the Reporting Period, Hengtai Capital intensified its research on sectors including new materials, new energy, and new infrastructure, actively explored new businesses, and proposed to establish relevant industrial funds through collaboration with local state-owned capital platforms and private capital to vigorously advance the implementation of new projects. At the end of the Reporting Period, Hengtai Capital managed a total of 2 private equity funds, with a total fund management scale of RMB2,900 million.

4. Alternative Investment

During the Reporting Period, Hengtai Pioneer continued to strengthen post-investment for its portfolio, conducting specialized post-investment reviews for selected projects. These reviews involved in-depth analysis through document review, field research, and executive interviews to comprehensively evaluate project performance. Applying principles of objective analysis, stakeholder-centric assessment, and industry benchmarking, Hengtai Pioneer analyzed the development status of the invested enterprises and assessed the investment value of the projects. At the end of the Reporting Period, Hengtai Pioneer had directly invested in 22 projects.

Section IV Management Discussion and Analysis

II. ANALYSIS OF PRINCIPAL BUSINESSES (CONTINUED)

(IV) Proprietary Trading Business

During the Reporting Period, the operating income from the proprietary trading business amounted to RMB475.12 million, representing an increase 102.99% as compared with that of the same period of 2024.

During the Reporting Period, China's A-share market showed a "N-shaped" trend. From the beginning of 2025 to mid-March, the AI industry experienced accelerated development, with relevant enterprises intensively launching new AI achievements, attracting capital inflows. Meanwhile, favorable policies contributed to a fluctuating upward trend in the market. In early April 2025, as international trade frictions escalated and uncertainties grew, investor sentiment turned cautious, with risk appetite reduced and led to volatile adjustments in the A-share market. From mid-April to June 2025, proactive domestic policy measures helped restoration of investors confidence, driving with sustained market sentiment continuing to market recovery. The three major indices exhibited a fluctuating rebound during this period.

In terms of stock investment business, the Company strived to reduce portfolio volatility and enhanced return stability through building tiered equity investment system to achieve scalable returns. For asset allocation, the Company focused on core assets while prioritizing investments in high-dividend and cyclical growth assets. Through high dividend investments in A-shares and the Hong Kong stock market, the Company was able to receive stable dividend income through building tiered. Through investments in small-cap companies with high volatility using quantitative strategies and stock index futures, the Company captured growth income; and the Company effectively saved capital costs and boosted investment returns through optimizing capital efficiency via index futures participation.

In terms of fixed income business, the bond market experienced certain volatilities under the combined effects of domestic aggregate demand policies taking effect and global trade conflicts. On one hand, the Company demonstrated timely portfolio adjustments by swiftly reducing long-duration bond exposures in early 2025 while gradually increasing allocations to high-grade credit bonds, achieving solid returns. On the other hand, the Company's alternative asset allocation, including private exchangeable bonds and public Real Estate Investment Trusts (REITs) delivered outperforming performance. At the same time, the Company actively engaged in interest rate derivatives trading, which effectively enhanced overall returns.

In terms of the multi-strategy investment business, the Beijing Stock Exchange stood out among market sectors in the first half of 2025, attracting strong market capital inflows due to its high volatility and unique positioning as a hub for "Specialized and Sophisticated (專精特新)" enterprises. The outperform performance of the Beijing Stock Exchange also improved the enthusiasm of companies considering to be listed on the NEEQ, in both the quantity and quality. The Company, having long-term expertise in both NEEQ and the Beijing Stock Exchange, actively adapted to market conditions and seized the market opportunities. In terms of seed funds, the Company increased equity exposure in the first half of 2025 based on an optimistic equity market outlook. Additionally, the Company conducted preparatory work for commodity futures investments.



Section IV Management Discussion and Analysis

III. PROSPECTS AND FUTURE PLANS

(I) Development Prospect of the Industry

Currently, the reform of China's capital market has been advancing steadily and deeply. On the basis of continuously improving the institutional framework of the capital market, systematic efforts are being made to enhance the functions of the capital market and promote healthy and stable development. These reforms have achieved remarkable results, significantly strengthening the capital market's ability to serve the real economy. Meanwhile, the path for high-quality development in the securities industry is becoming increasingly clear.

With the ongoing deepening of capital market reforms, consolidation within the securities industry is accelerating. The new "Nine Measures" explicitly support leading institutions in enhancing their core competitiveness through mergers and acquisitions, organizational innovation, and other means. Since 2025, multiple securities firms have successfully completed mergers and it is expected that top-tier securities companies are expected to accelerate integration, paving the way for the emergence of internationally competitive "super-sized" securities firms. For small and medium-sized securities firms, amid the reshaping of industry's landscape, it will be essential to leverage their regional advantages, shareholder resources, and business strengths, adopting differentiated operating strategies to explore new growth avenues for high-quality development. The proportion of traditional brokerage business in the securities industry is declining, with an accelerated shift toward a client-oriented investment advisory model. Growing demand for professional investment advisory services is increasing, placing higher requirements on securities firms' wealth management capabilities, necessitating continuous transformation of brokerage revenue models and enhanced talent development. Investment banking are expected to align with the "Five Key Articles" guidance, actively participating in the cultivation of new productive forces through innovative models such as M&A integration and industrial chain facilitation. Asset management will undergo profound transformation focused on structural optimization, capability upgrades, and differentiated competition. Fintech empowerment is expected to comprehensively enhance the service quality and efficiency of the securities industry. The industry will take fintech as its core engine, driving full-chain digital restructuring of business operations, achieving service efficiency leaps and structural optimization of operational costs through technological empowerment.

Section IV Management Discussion and Analysis

III. PROSPECTS AND FUTURE PLANS (CONTINUED)

(II) Development Plan of the Company

In 2025, the Company will adhere to Party-building leadership to build a distinctive corporate culture, continuously improve corporate governance, strengthen the foundation of compliance and risk control, enhance internal control management, initiate a talent renewal program, and improve operational efficiency. In terms of business development, the Company will continue to enhance its capabilities with advance transformation and upgrading, accelerate the development of its business branded system, strengthen the empowerment of fintech, improve customer service capabilities, enhance comprehensive service capabilities for institutional clients, build specialized business competencies, and establish differentiated competitive advantages. In terms of securities brokerage, the Company will closely follow market trends and transformation dynamics. Supported by a comprehensive and well-rounded business platform, the Company will deepen its ability to refine operating customer segments, further optimize revenue structure, client composition, and trading patterns. By improving resource allocation efficiency and elevating service quality, the company aims to elevate its competitiveness in internet-based services to a new level. The Company will continue to strengthen investment advisory business development, providing full technical and product architecture support for its investment advisory brand system, achieving a closed-loop process of “production, distribution, and service quality control” for investment advisory products, and increasing investment in product research and development. Upholding strict compliance, the Company will promote high-quality, sustainable growth of its brokerage business on the premise of robust investor suitability management and the integrated advancement of investor education alongside business operations. In terms of proprietary trading, the Company will enhance macroeconomic analysis and policy foresight, actively engaging in discretionary investments based on assessments of macro trends and sector rotation insights. Simultaneously, the Company will continue exploring new profit models, such as options trading, ETF arbitrage, convertible bond investments, and participation in Hong Kong stock investments through total return swaps, continuously improving investment profitability. In terms of asset management business, the Company will align with its strategic plan to further diversify product strategies and build a comprehensive product system. It will strengthen the issuance of equity products based on fixed-income products, actively participate in and support the ETF ecosystem, and accelerate the implementation of asset-backed securities reserve projects. By leveraging external institutional partnerships, the Company will establish a branded asset management business brand through customized and professional services. In terms of investment banking, the Company will focus on national strategic priorities and client needs, concentrating on industries such as new energy, advanced technology, and high-end manufacturing. The Company will enhance industry research and market analysis to make forward-looking business deployments and provide clients with professional service solutions. The Company will deepen its engagement with existing high-quality clients, explore their potential business opportunities, and continuously develop and serve new clients and projects. By fostering synergies, the Company will establish an integrated service ecosystem combining investment, financing, and research capabilities to empower its investment banking operations.

Section IV Management Discussion and Analysis

IV. FINANCIAL STATEMENTS ANALYSIS

(I) Analysis on Profitability during the Reporting Period

During the Reporting Period, the Group recorded an operating income of RMB1,665.64 million, representing an increase of 42.45% as compared to that of the same period in 2024; net profit attributable to the shareholders of the Company amounted to RMB240.73 million, representing an increase of 346.86% as compared to that of the same period in 2024; earnings per share amounted to RMB0.0924, representing an increase of 346.38% as compared to that of the same period in 2024; and the weighted average return on net assets was 2.86%, representing an increase of 2.19 percentage points as compared to that of the same period in 2024.

(II) Asset Structure and Asset Quality

As at the end of the Reporting Period, total assets of the Group amounted to RMB43,186.52 million, increased by 8.02% as compared to RMB39,981.08 million as at the end of 2024. Total liabilities amounted to RMB34,261.82 million, increased by 9.55% as compared to RMB31,274.06 million as at the end of 2024. Equity attributable to ordinary shareholders and holders of perpetual capital securities of the Company amounted to RMB8,544.45 million, increased by 3.00% as compared with RMB8,295.53 million as at the end of 2024.

The Group's asset structure remained stable with sound asset quality and liquidity. As at the end of the Reporting Period, the total assets of the Group comprised of: cash assets, which primarily included cash and cash equivalents (including cash held on behalf of brokerage clients), clearing settlement funds and refundable deposits, amounted to RMB23,605.71 million, representing 54.66% of the Group's total assets; margin assets, which primarily included margin accounts receivable, financial asset held under resale agreements and placements with a financial institution, amounted to RMB5,788.25 million, representing 13.40% of the Group's total assets; financial investment assets, amounted to RMB12,057.11 million, representing 27.92% of the Group's total assets; and property, equipment and other operating assets, which primarily included property and equipment, investment properties, intangible assets, rights-of-use assets, amounted to RMB1,735.45 million, representing 4.02% of the Group's total assets.

The Group's gearing ratio and financial leverage ratio remained relatively stable. As at the end of the Reporting Period, liabilities after deducting accounts payable to brokerage clients amounted to RMB14,140.27 million, representing a decrease of RMB433.17 million or 2.97% as compared with that at the end of 2024. The gearing ratio of the Group was 61.31%, decreased by 1.29 percentage points from 62.60% as at the end of 2024 (Note: gearing ratio = (total liabilities – accounts payable to brokerage clients)/(total assets – accounts payable to brokerage clients)). Financial leverage ratio was 2.70 folds, increased by 3.91% from 2.81 folds as at the end of 2024 (Note: financial leverage ratio = (total assets – accounts payable to brokerage clients)/equity attributable to ordinary shareholders and holders of perpetual capital securities of the Company).

Section IV Management Discussion and Analysis

IV. FINANCIAL STATEMENTS ANALYSIS (CONTINUED)

(III) Financing Channels and Financing Ability

During the Reporting Period, the Company met its operating capital requirement through debt financing. Debt financing of the Company included beneficiary certificates, margin and securities refinancing, borrowing of subordinated debts, etc. During the Reporting Period, accumulated placements from China Securities Finance Corporation Limited amounted to RMB2,200 million, capital inflow from beneficiary certificates amounted to RMB1,350 million, and borrowing of subordinated debts amounted to RMB150 million. Meanwhile, the Company received comprehensive credit line with greater limit granted by several banks.

(IV) Liquidity Management

The Company focuses on its liquidity management. It has established a specific department responsible for liquidity management. The Company's liquidity management focused on the organic combination of the security, liquidity and profitability of capital. As requested by the CSRC, the Company established sound management system and contingency measure for liquidity risks. The Company has prepared monthly liquidity monitor statement. The liquidity monitor index of the Company in each month throughout the Reporting Period complied with the regulatory requirements.

(V) Cash Flow

During the Reporting Period, net cash flow arising from operating activities amounted to RMB389.74 million, increased by RMB519.08 million from RMB-129.34 million in the corresponding period of 2024; net cash flow arising from investment activities during the Reporting Period amounted to RMB305.51 million, increased by RMB714.83 million from RMB-409.32 million in the corresponding period of 2024; net cash flow arising from financing activities during the Reporting Period amounted to RMB-850.35 million, decreased by RMB1,464.34 million from RMB613.99 million in the corresponding period of 2024. Cash and cash equivalents at the end of the Reporting Period amounted to RMB2,086.77 million, decreased by RMB22.91 million from RMB2,109.68 million in the corresponding period in 2024.

(VI) Changes in Significant Accounting Policies

During the Reporting Period, there was no change in the significant accounting policies of the Company.

Section IV Management Discussion and Analysis

V. BRANCHES AND SUBSIDIARIES

(I) Branch Offices and Securities Branches

As at the end of the Reporting Period, the Company had 7 branch offices and 102 securities branches.

1. Establishment of securities branches and changes in securities branches

(1) Newly-established securities branches

None in the Reporting Period.

(2) Relocation of securities branches

During the Reporting Period, 5 securities branches of the Company were relocated, details of which are as follows:

No.	Name of securities branch before relocation	Name of securities branch after relocation	Address of securities branch after relocation (PRC)
1	Hengtai Securities Co., Ltd. Chengdu Tianfu Avenue Securities Branch (恒泰证券股份有限公司成都天府大道證券營業部)	Hengtai Securities Co., Ltd. Chengdu Tianfu Avenue Securities Branch ¹ (恒泰证券股份有限公司成都天府大道證券營業部)	Room 1402, 14/F, Unit 1, Building 2, No. 188, Jirui 2nd Road, Chengdu High-Tech Zone, China (Sichuan) Pilot Free Trade Zone (中國(四川)自由貿易試驗區成都高新區吉瑞二路188號2棟1單元14層1402號)
2	Hengtai Securities Co., Ltd. Chongqing Taishan Avenue Securities Branch (恒泰证券股份有限公司重慶泰山大道證券營業部)	Hengtai Securities Co., Ltd. Chongqing Jiangbeizui Securities Branch (恒泰证券股份有限公司重慶江北嘴證券營業部)	Unit 1, 23A/F, Mingyiceng, Building 3, No. 25, Juxian Street, Jiangbei District, Chongqing (重慶市江北區聚賢街25號3幢名義層第23A層1號單元)
3	Hengtai Securities Co., Ltd. Hangzhou Wujiang Road Securities Branch (恒泰证券股份有限公司杭州婺江路證券營業部)	Hengtai Securities Co., Ltd. Hangzhou Wujiang Road Securities Branch ¹ (恒泰证券股份有限公司杭州婺江路證券營業部)	Room 2104, 21/F, Building 1, No. 217, Wujing Road, Wangjiang Subdistrict, Shangcheng District, Hangzhou City, Zhejiang Province (浙江省杭州市上城區望江街道婺江路217號1號樓21層2104室)
4	Hengtai Securities Co., Ltd. Shanghai Lujiazui Securities Branch (恒泰证券股份有限公司上海陸家嘴證券營業部)	Hengtai Securities Co., Ltd. Shanghai Lujiazui Securities Branch ¹ (恒泰证券股份有限公司上海陸家嘴證券營業部)	Room 903-A, No. 33, Huayuan Shiqiao Road, China (Shanghai) Pilot Free Trade Zone (中國(上海)自由貿易試驗區花園石橋路33號903室-A)
5	Hengtai Securities Co., Ltd. Shanghai Longhua East Road Securities Branch (恒泰证券股份有限公司上海龍華東路證券營業部)	Hengtai Securities Co., Ltd. Shanghai Huangpu District Gaoxiong Road Securities Branch (恒泰证券股份有限公司上海黃浦區高龍路證券營業部)	1/F, No. 309 and 1/F, No. 307, Gaoxiong Road, Huangpu District, Shanghai (上海市黃浦區高龍路307號1層、309號1層)

Note:

1. Name of the securities branch remained unchanged after relocation.

(3) Deregistration of securities branches

None in the Reporting Period.

Section IV Management Discussion and Analysis

V. BRANCHES AND SUBSIDIARIES (CONTINUED)

(I) Branch Offices and Securities Branches (Continued)

2. Establishment of new branch offices and changes in branch offices

The establishment of new branch offices and changes in branch offices during the Reporting Period are set out below:

1. Hengtai Securities Co., Ltd. Jinan West Road of Yanzi Mountain Securities Branch (恒泰证券股份有限公司济南燕子山西路證券營業部) was upgraded to Hengtai Securities Co., Ltd. Shandong Branch. On 19 December 2024, Shandong Branch obtained the business licence. On 3 January 2025, Shandong Branch obtained the securities and futures business operation licence.
2. Hengtai Securities Co., Ltd. Shanghai Zhangyang Road Securities Branch (恒泰证券股份有限公司上海張楊路證券營業部) was upgraded to Hengtai Securities Co., Ltd. Shanghai First Branch. On 23 April 2025, Shanghai First Branch obtained the business licence. On 5 June 2025, Shanghai First Branch obtained the securities and futures business operation licence.
3. Hengtai Securities Co., Ltd. Shanghai Jiujiang Road Securities Branch (恒泰证券股份有限公司上海九江路證券營業部) was upgraded to Hengtai Securities Co., Ltd. Shanghai Second Branch. On 23 May 2025, Shanghai Second Branch obtained the business licence. On 5 June 2025, Shanghai Second Branch obtained the securities and futures business operation licence.
4. Hengtai Securities Co., Ltd. Hangzhou Qianjiang Road Securities Branch (恒泰证券股份有限公司杭州錢江路證券營業部) was upgraded to Hengtai Securities Co., Ltd. Zhejiang Branch. On 19 March 2025, Zhejiang Branch obtained the business licence. On 20 June 2025, Zhejiang Branch obtained the securities and futures business operation licence.
5. Hengtai Securities Co., Ltd. Shenzhen Branch completed the industrial and commercial registration change of its business scope from “specialized in securities proprietary trading business” to “securities brokerage; securities investment consulting; financial advisory related to securities trading and securities investment activities; margin financing; securities investment fund distribution; agency sale of financial products” on 23 June 2025. On 14 July 2025, Shenzhen Branch obtained the securities and futures business operation licence.

Section IV Management Discussion and Analysis

V. BRANCHES AND SUBSIDIARIES (CONTINUED)

(II) Subsidiaries of the Company

The changes in major subsidiaries during the Reporting Period are set out below:

1. On 24 January 2025, Hengtai Futures completed the industrial and commercial change of registered capital from RMB125,000,000 to RMB228,030,300. The Company's shareholding ratio in Hengtai Futures remained unchanged.
2. On 10 March 2025, New China Fund completed the industrial and commercial change of registered capital from RMB217,500,000 to RMB627,756,410. The Company's shareholding ratio in New China Fund changed from 58.62% to 52.99%.
3. On 1 April 2025, Hengtai Pioneer completed the registration of industrial and commercial change of legal representative to Ms. Yang Shufei.

VI. MAJOR FINANCING

(I) Equity Financing

None in the Reporting Period.

(II) Major Debt Financing

1. Issuance of beneficiary certificates

The Company raised an aggregate of RMB1,350 million through issuance of beneficiary certificates during the Reporting Period. As at 30 June 2025, the outstanding balance of the beneficiary certificates amounted to RMB1,580 million. The particulars of the issuance of beneficiary certificates of the Company during the Reporting Period are set out below:

Name	Size of the issuance (RMB'00 million)	Interest rate	Term (days)	Issue date	Maturity date
Hengchuangtaifu No. 59	3.00	2.30%	91	2025-1-22	2025-4-23
Hengchuangtaifu No. 60	4.00	2.80%	356	2025-2-11	2026-2-2
Hengchuangtaifu No. 61	3.00	2.40%	91	2025-3-28	2025-6-27
Hengchuangtaifu No. 62	3.00	2.40%	90	2025-4-29	2025-7-28
Hengfu No. 41	0.50	2.60%	347	2025-6-13	2026-5-26

Section IV Management Discussion and Analysis

VI. MAJOR FINANCING (CONTINUED)

(II) Major Debt Financing (Continued)

2. Issuance of subordinated bonds

During the Reporting Period, the Company has not issued subordinated bonds. As at 30 June 2025, the outstanding balance of the subordinated bonds amounted to RMB1,500 million.

3. Issuance of corporate bonds

During the Reporting Period, the Company has not issued corporate bonds. As at 30 June 2025, the outstanding balance of the corporate bonds amounted to RMB1,950 million.

4. Borrowing of subordinated debts

The Company raised an aggregate of RMB150 million through borrowing of subordinated debts during the Reporting Period. As at 30 June 2025, the outstanding balance of the subordinated debts amounted to RMB150 million. The particulars of the borrowing of subordinated debts by the Company during the Reporting Period are set out below:

Name	Size of the borrowing (RMB'00 million)	Interest rate	Term (years)	Date of value	Maturity date
Subordinated debts	1.50	4.00%	5	2025-5-15	2030-5-14

VII. MAJOR INVESTMENT

None in the Reporting Period.

Section IV Management Discussion and Analysis

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

During the Reporting Period, there was no acquisition and disposal of the Company's material assets and business merger, nor any material contingent liabilities that may affect the Company's financial position and operating results.

During the Reporting Period, the Company's external guarantee, mortgage and pledge were as follows:

On 21 September 2023, Financial Street Investment (as guarantor), the Company (as counter-guarantor) and New China Fund (as debtor) entered into the Counter-Guarantee Agreement, particulars of which are set out in the sub-section headed "IV. Connected Transactions" under Section 7 "Other Material Particulars" in the Company's 2023 annual report. Pursuant to the Counter-Guarantee Agreement, the Company shall mortgage or pledge the following assets of the Company to Financial Street Investment as security in relation to the Guaranteed Amount to be guaranteed by Financial Street Investment in accordance with the Implementation Settlement Agreement, the Guarantee Agreement and the Guarantee Letter:

1. an immovable property, being a residential property of the Company located at Unit 1, Building 2, Block 6, Dongjing Road, Xicheng District, Beijing, with a gross floor area of 1,658.56 square meters and an appraisal value of approximately RMB130 million. It is currently leased to an individual, being an independent third party;
2. an immovable property, being the Manshi Shangdu Office and Commercial Complex Building of the Company located at Hailar East Street, Xincheng District, Hohhot City, Inner Mongolia Autonomous Region, with a gross floor area of 15,106.98 square meters and an appraisal value of approximately RMB120 million. It is currently used by the Company as its office; and
3. 50% equity and derivative interest of Hengtai Changcai (a wholly-owned subsidiary of the Company) with an appraisal value of approximately RMB550 million (being 50% of approximately RMB1,100 million).

The period of Counter-Guarantee shall be 2 years from the date when Financial Street Investment actually performs its guarantee obligations.

Section IV Management Discussion and Analysis

IX. RISK MANAGEMENT

(I) Major Risks and Countermeasures relating to Operation of the Company

1. Credit Risk

Credit risk is the possibility of loss caused by our counterparty's failure to perform a contract or a change in its credit rating or ability to perform. Credit risk of the Company is mainly generated from two aspects: (i) financing business such as margin financing and securities lending and stock pledged repurchase transaction; and (ii) proprietary credit bond investment business.

Credit risk associated from financing activities, the Company can employ: (i) carrying out credit application and collateral risk grading for clients via the credit rating system and the risk stock layering system; and (ii) continuously managing the risk potentials in the process of business development through client suitability management, margin translation, daily mark to market, risk reminders and forced liquidation of client's positions. Credit risks associated from investment business can be managed by establishing internal credit rating, blacklist and whitelist mechanism, credit management, daily risk monitoring, risk monitoring indicator limit, identification of the same customer and other measures.

2. Market Risk

Market risk refers to risk of unexpected potential value losses of the financial assets held by the Company resulting from adverse changes in securities price, interest rate and exchange rate. In particular, risk of adverse price fluctuations refers to the risk that the stock market may fluctuate and cause the prices of stocks and other securities products to change, which may incur losses for the Company. Interest rate risk refers to the risk of loss to the Company arising from changes in market interest rates and credit spread that could result in changes in the prices of bonds and other fixed-income securities. Exchange rate risk refers to possibility that the Company may incur losses due to changes in exchange rates during operating activities involving possession or use of foreign exchanges. Market risk of the Company mainly derives from proprietary businesses including equity securities investment, fixed income securities investment, financial derivatives investment and NEEQ market making business.

Market risk is mainly managed by the Company through implementation of limit management, securities pool system, daily mark to market, stress test, monitoring and warning, stop-loss, risk hedge, risk report and other systems and measures. Based on risk tolerance preferences, the Company sets the annual overall limits of market risk for proprietary businesses which are decomposed and assigned to the respective business departments level by level. The Company has established a market risk indicator system including Value at Risk (VaR), Dollar Value of At Risk (DV01) and Max Drawdown. The risk management department conducts a daily monitoring over the proprietary position risk and regularly carries out stress test to estimate the losses under extreme circumstances and timely make risk warning and urge relevant business department to handle it when the risk control indicator exceeds the warning threshold.

Section IV Management Discussion and Analysis

IX. RISK MANAGEMENT (CONTINUED)

(I) Major Risks and Countermeasures relating to Operation of the Company (Continued)

3. Liquidity Risk

Liquidity risk refers to risk where the Company fails to obtain sufficient funds in time at reasonable costs in order to repay mature debts, fulfill other payment obligations and satisfy the funding needs for carrying on normal business. The financial management department of the Company takes the lead in liquidity risk management. The Company constantly monitors Liquidity Coverage Ratio (LCR), Net Stable Funding Ratio (NSFR) and other liquidity risk control indicators and conducts semi-annual liquidity risk stress tests through which its liquidity risk level under the extreme circumstance is evaluated and the risk emergency plans are established. The Company has set threshold values for liquidity risk control indicators, and a risk warning will be sent to the relevant department of the Company based on the real-time monitoring of the indicators. The Company monitors and analyzes the matching of the Company's assets and liabilities from various time periods under both normal and stressed situations, the diversification and stability of the Company's capital resources, the capability of high-quality liquid assets and market liquidity and at the same time strengthens the management of the Company's liquidity during operating hours and makes reasonable arrangements for financing activities to maintain adequate intraday liquidity position.

4. Compliance Risk

Compliance risk refers to the risk that the Company may incur legal liability, face regulatory actions, receive disciplinary measures, suffer financial loss, or sustain reputational damage whereby its business operations or professional conduct, whether by the Company or its personnel, violates applicable laws, regulations, and industry standards. The Company has established an effective and sound compliance management system and compliance management mechanism. In accordance with regulatory requirements, the compliance management department of the Company manages compliance risk through compliance review, compliance monitoring, compliance examination, compliance supervision, compliance assessment and compliance training.

5. Operational Risk

Operational risk is possibility of losses caused by the failures of internal systems and procedures, improper employee behaviors, information system defect and the influence of external events. The Company has formulated operational risk management system and internal management system of various businesses and regulated its business activities. It has established an identification, assessment and control system for operational risk that fully covers the Company's business activities. The Company mainly manages operational risks through risk and control self-assessment (RCSA), loss data collection (LDC), key risk indicator (KRI) monitoring, operational risk events accountability management and other measures.

Section IV Management Discussion and Analysis

IX. RISK MANAGEMENT (CONTINUED)

(I) Major Risks and Countermeasures relating to Operation of the Company (Continued)

6. Reputational Risk

Reputational risk refers to the risk to form negative opinions of investors, issuers, regulatory authorities, self-regulatory organizations, the public and the media on the Company as a result of the business act or external events of the Company and the violation of integrity requirements, professional ethics, business norms, rules and regulations by its employees, thereby damaging the Company's brand value, posing detrimental impact to its normal operations and even affecting market stability and social stability. The Company's management, led by the chief risk officer, is responsible for and establishes a reputational risk management team, which is composed of the office of the Board, the risk management department, the development planning department, the compliance management department and the human resources department. The Company has established a sound reputation risk management system and workflow to provide guarantee for the enhancement of the reputation risk management capability and the maintenance and promotion of the reputation and image of the Company. The Company dynamically monitors the evolution and development of various reputational risk events through public sentiment monitoring system, organizes the information about the overall situation of the reputational risk events and the corresponding measures to be taken and reports the same to the Company in a timely manner. The reputational risk management team studies and formulates comprehensive response plans for major reputation events.

(II) Construction of Risk Management System and Comprehensive Risk Management Implementation of the Company

During the Reporting Period, the Company actively implemented various requirements of the Norms for the Comprehensive Risk Management of Securities Companies (《證券公司全面風險管理規範》), conducted routine risk management and various key projects based on the requirements of full coverage, detectability, measurability, analysis and risk-response ability on risk management and continuously improved the comprehensive risk management system.

1. Management System

In accordance with the Securities Law of the PRC (《中華人民共和國證券法》), the Regulations on the Supervision and Administration of Securities Companies (《證券公司監督管理條例》), the Norms for the Comprehensive Risk Management of Securities Companies (《證券公司全面風險管理規範》) and other laws, regulations and regulatory provisions, the Company has formulated the Measures for Comprehensive Risk Management of Hengtai Securities Co., Ltd. (《恒泰證券股份有限公司全面風險管理辦法》) and the Risk Management and Cultural Manual of Hengtai Securities Co., Ltd. (《恒泰證券股份有限公司風險管理文化手冊》), which set overall requirements on the comprehensive risk management and special management systems have been established for liquidity risks, market risks, credit risks, operation risks, reputation risks and other risks. In the first half of 2025, the Company conducted a comprehensive review of its current risk management system. In response to revisions in external regulatory requirements and the Company's practical risk control needs, the Company amended and improved ten systems, including the Measures for Comprehensive Risk Management of Hengtai Securities Co., Ltd. (《恒泰證券股份有限公司全面風險管理辦法》), the Measures for Stress Testing of Hengtai Securities Co., Ltd. (《恒泰證券股份有限公司壓力測試管理辦法》) the Management Regulations on Market Risk of Hengtai Securities Co., Ltd. (《恒泰證券股份有限公司市場風險管理規定》).

Section IV Management Discussion and Analysis

IX. RISK MANAGEMENT (CONTINUED)

(II) Construction of Risk Management System and Comprehensive Risk Management Implementation of the Company (Continued)

2. Framework

The Company established a four-level risk management system including the Board, the Party Committee, the management, the risk management department and business departments. It specified the responsibilities of the Board, the Party Committee, the Supervisory Committee, the management, all departments, branches and subsidiaries in performing the comprehensive risk management and established a multi-layered and inter-connected operation mechanism with effective balances. Meanwhile, the Company has integrated all subsidiaries into the comprehensive risk management system and guided subsidiaries in establishing and improving the governance structure, setting risk appetite and enhancing the risk monitoring, reporting and response mechanism. The responsible person for the risk management of each subsidiary is nominated by the chief risk officer of the Company, and the chief risk officer of the Company conducts appraisal on the responsible person.

3. Information Technology

The Company has established a risk management system commensurate with the complexity of its business activities and risk profile. The Company has established a securities risk monitoring and management platform with the integration of dynamic risks monitoring on net capitals, market risk management, credit risk management, operation risk management, liquidity risk management, abnormal transaction monitoring and other functions on the basis of its business practice. It supports the collection, identification, measurement, appraisal, monitoring and reporting of various risk information and can meet the demands of the Company in risk management and decision-making. In the first half of 2025, the Company continuously enhanced its risk management system functions, based on operational needs and upgraded dynamic net capital monitoring system. The Company continued to roll out the "Same Business, Same Client" risk monitoring system, enabling calculation of credit risk exposure for the same client and relevant risk information for the same business, and enhanced the risk penetration management for subsidiaries with automated systematic collection of subsidiary risk data enabled to ensure stable and effective risk monitoring and other relevant works.

4. Indicator System

The Company has established a risk preference indicator system with net capital and liquidity as the core covering market risks, credit risks, operation risks and concentration risks. The risk preference of the Company has fully covered all business line and subsidiaries, including proprietary investment, asset management, securities brokerage and investment banking business. Based on the development strategy, operation targets and financial conditions of the Company, it sets management and control quota on major risks, including but not limited to risk quota, business size, value at risk, sensitivity indicator, concentration, and stop loss and take profit. It also regularly appraises the risk tolerance through stress test and other methods and guides resources allocation.

Section IV Management Discussion and Analysis

IX. RISK MANAGEMENT (CONTINUED)

(II) Construction of Risk Management System and Comprehensive Risk Management Implementation of the Company (Continued)

5. Talent Team

The risk management department of the Company has established four secondary department professional teams for market risks, credit risks, operation risks and comprehensive risks. The financial management department and the board office designate special persons to be responsible for the management of liquidity risks and reputation risks. Currently, risk management staff with over three years of relevant working experience account for over 2% of the total staff at the head office of the Company, which provided talent guarantees to effectively conducting the comprehensive risk management work. Each business department of the Company has set risk management positions as an integral part of the risk management system. They accept the business guidance and assessment of the risk management department and serve as the bridge link between the business departments and the risk management department.

6. Response Mechanism

The Company established a working mechanism on net assets trend monitoring, risk authorization, regular risk reporting, regular stress test and risk management meeting to identify significant potential risks in the business process in a timely manner and actively take prevention and response measures. The Company also has risk emergency preplans on significant risks and emergencies, specified the emergency triggering conditions, the organizational system, measures, methods and procedures in risk disposal and continuously improved them through emergency exercises. The Company has established a performance appraisal and accountability mechanism linked to risk management results. It regularly appraises the risk management performance of all business departments, subsidiaries and branches and the appraisal results are included in the performance appraisal system. Meanwhile, the audit department regularly appraises the comprehensive risk management system to guarantee the effectiveness of the comprehensive risk management.

Section V Other Material Particulars

I. PROFIT DISTRIBUTION AND PROFIT DISTRIBUTION PLAN

(I) Implementation of the 2024 Profit Distribution Plan

The Company held the 2024 annual general meeting on 16 May 2025 to consider and approve the resolution in relation to the 2024 Profit Distribution Plan, pursuant to which, the Company did not conduct profit distribution for the year ended 31 December 2024.

(II) The 2025 Interim Profit Distribution Plan

The Company did not have any profit distribution plan for the first half of 2025.

II. SHARE OPTION SCHEME OR EQUITY INCENTIVE SCHEME

During the Reporting Period, the Company did not adopt nor implement any share option scheme or equity incentive scheme.

III. SIGNIFICANT LAWSUITS AND ARBITRATIONS

(I) Significant Lawsuits and Arbitrations Newly Increased during the Reporting Period

None in the Reporting Period.

(II) Subsequent Progress of the Significant Lawsuits and Arbitrations in the Previous Years

1. The dispute with regard to the Qinghui Leasing asset-backed special scheme Phase I under the management of the Company

For details of the case, please refer to II. "Significant Lawsuits and Arbitrations" in Section 7 "Other Material Particulars" of the 2018 annual report, 2019 annual report, 2020 annual report, 2021 annual report, 2022 annual report, 2023 annual report and 2024 annual report of the Company.

Complaints filed by the Company against Hongyuan Petrochemical and Qinghui Leasing

As the manager, the Company set up the Qinghui Leasing asset-backed special scheme Phase I (the "Project", the "Special Scheme") on 7 January 2016. The basic assets are the rent claim and other rights under a single lease contract and their collateral security interests. The Project was originally scheduled to expire on 4 November 2018. In December 2017, the Company learned that Xianyang Hongyuan Petrochemical Co., Ltd. (咸陽鴻元石油化工有限公司) ("Hongyuan Petrochemical"), the single lessee of the Special Scheme, was in a state of suspension of production, and Hongyuan Petrochemical had been taken legal procedures by many financial institutions to collect debts. The early termination of the Special Scheme was triggered by the risk that Hongyuan Petrochemical could not pay the rent in full. In order to safeguard the legitimate rights and interests of the priority holders of this Project, on 15 January 2018, the Company filed a lawsuit with the Beijing High People's Court, suing Qinghui Leasing Co., Ltd. (慶匯租賃有限公司) ("Qinghui Leasing"), the equity originator of the Special Scheme, and Hongyuan Petrochemical

Section V Other Material Particulars

III. SIGNIFICANT LAWSUITS AND ARBITRATIONS (CONTINUED)

(II) Subsequent Progress of the Significant Lawsuits and Arbitrations in the Previous Years (Continued)

1. The dispute with regard to the Qinghui Leasing asset-backed special scheme Phase I under the management of the Company (Continued)

Complaints filed by the Company against Hongyuan Petrochemical and Qinghui Leasing (Continued)

with a total amount of approximately RMB530 million, and the Beijing High People's Court filed the case on 22 January 2018. On 17 November 2021, the Beijing High People's Court ruled on such case and suspended the trial as involving criminal cases. In December 2021, the High People's Court of Shaanxi Province made a final judgment on the criminal cases involved. On 11 August 2022, the Company agreed to Qinghui Leasing's application to add King & Wood Mallesons, China Chengxin Certification and Evaluation Information Technology Co., Ltd. (中誠信證評資料科技有限公司) and BDO China Shu Lun Pan CPAs as defendants, and applied to the Beijing High People's Court to change the litigation request to order the defendants to jointly bear the losses and legal fees of the Company. On 14 July 2023, Beijing High People's Court ruled on such case and rejected the application made by the Company. On 25 July 2023, the Company filed an appeal to the Supreme People's Court through the Beijing High People's Court, and the Company received a notice of acceptance of the case from the Supreme People's Court on 8 March 2024. On 30 June 2025, the Company received the second-instance ruling from the Supreme People's Court, which the Supreme People's Court has revoked the first-instance ruling and instructing the Beijing High People's Court to conduct the trial.

IV. ENGAGEMENT OF AUDITORS

During the Reporting Period, the Company re-appointed Grant Thornton Certified Public Accountants as its domestic auditor for the year 2025 for providing relevant audit service and review service based on China Accounting Standards for Business Enterprises. The Company also re-appointed Grant Thornton Hong Kong Limited as its international auditor for the year 2025 for providing relevant audit and review services based on the International Financial Reporting Standards.

V. COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company exerts its effort in maintaining high quality corporate governance in order to protect the interest of its shareholders and enhance its corporate value and accountability. During the Reporting Period, the Company strictly complied with all provisions under Part 2 of the Corporate Governance Code, where applicable, and the Company will continue to review and enhance its corporate governance practices to ensure compliance with the Corporate Governance Code.

Section V Other Material Particulars

VI. CORPORATE GOVERNANCE

(I) General Meeting

The Articles of Association and the Rules of Procedure for General Meetings of the Company have stipulated the rights and obligations of shareholders and the convocation, voting and proposal of general meetings. During the Reporting Period, the Company convened 3 general meetings.

(II) Operation of the Board and its Special Committees

The Board comprises 9 Directors, including 1 executive Director (Mr. Zhu Yanhui (*Chairman*)), 5 non-executive Directors (Mr. Pang Jiemin, Mr. Wang Linjing, Mr. Li Ye, Ms. Yang Qin, Mr. Li Yanyong) and 3 independent non-executive Directors (Mr. Chen Xin, Mr. Xu Hongcai and Ms. Cheng Zhuo).

The Board consists of 4 special committees, including Strategy and Investment Committee, Risk Control and Supervisory Committee, Audit Committee and Remuneration and Nomination Committee. The special committees of the Board shall, within their terms of reference specified in the rules of respective procedures, conduct work and be accountable to the Board.

Composition of the current special committees of the Board:

Strategy and Investment Committee:	Zhu Yanhui (<i>Chairman of the Committee, executive Director</i>), Xu Hongcai (<i>independent non-executive Director</i>), Li Ye (<i>non-executive Director</i>)
Risk Control and Supervisory Committee:	Zhu Yanhui (<i>Chairman of the Committee, executive Director</i>), Wang Linjing (<i>non-executive Director</i>), Li Yanyong (<i>non-executive Director</i>)
Audit Committee:	Chen Xin (<i>Chairman of the Committee, independent non-executive Director</i>), Wang Linjing (<i>non-executive Director</i>), Cheng Zhuo (<i>independent non-executive Director</i>)
Remuneration and Nomination Committee:	Chen Xin (<i>Chairman of the Committee, independent non-executive Director</i>), Xu Hongcai (<i>independent non-executive Director</i>), Zhu Yanhui (<i>executive Director</i>)

During the Reporting Period, the Board convened 5 meetings to consider 27 proposals; the Strategy and Investment Committee convened 1 meeting, the Risk Control and Supervisory Committee convened 1 meeting, the Audit Committee convened 5 meetings, and the Remuneration and Nomination Committee convened 1 meeting.

The Audit Committee has reviewed and confirmed this report.

Section V Other Material Particulars

VI. CORPORATE GOVERNANCE (CONTINUED)

(III) Operation of the Supervisory Committee

Supervisory Committee currently consists of 3 Supervisors, namely, Ms. Yu Lei, the chairlady of the Supervisory Committee, Mr. Chen Feng, the shareholder representative Supervisor, and Mr. Wang Hui, the employee representative Supervisor. During the Reporting Period, the Supervisory Committee convened 1 meeting to consider 7 proposals. The Supervisors performed their duties diligently and supervised the operation of the Company in accordance with relevant laws and regulations and the relevant requirements of the Articles of Association, so as to protect the legitimate interests of the Company, shareholders and investors.

VII. COMPLIANCE WITH MODEL CODE

The Company has also adopted the Model Code as its code of conduct regarding securities transactions by the Directors and Supervisors. The Company has made specific enquiry of all Directors and Supervisors, and all Directors and Supervisors confirmed that they had complied with the required standards set out in the Model Code during the Reporting Period.

VIII. DIRECTOR AND SUPERVISOR SERVICE CONTRACT

No Directors or Supervisors entered into any service contract with the Company or its subsidiaries which shall be compensated (except for statutory compensation) upon termination within one year.

IX. DIRECTORS' AND SUPERVISORS' RIGHT TO PURCHASE SHARES OR DEBENTURES

During the Reporting Period, no Directors, Supervisors of the Company or their respective spouse or children under the age of 18 purchased the shares or debentures of the Company to obtain rights, or such persons exercised any such right; or no arrangements have been made by the Company or any of its subsidiaries to entitle such right to the Company's Directors, Supervisors or their respective spouse or children under the age of 18 in any other body corporate.

Section VI Changes in Shareholdings and Particulars about Shareholders

I. SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2025, to the knowledge of the Directors after having made reasonable enquiries, the following persons (excluding the Directors, Supervisors or chief executives of the Company) had interests or short positions in shares or underlying shares of the Company which are required to be notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, as recorded in the register required to be kept pursuant to Section 336 of the SFO:

Names of substantial shareholders	Class of shares	Nature of interest	Number of shares held (shares)	Approximate percentage of total number of issued shares of the Company ¹	Approximate percentage of the Company's total issued Domestic Shares/H Shares ¹	Long positions/ short positions/ shares available for lending
				(%)	(%)	
Huarong Zonghe Investment ²	Domestic Shares	Beneficial owner	569,895,304	21.8806	26.4610	Long positions
Financial Street Xihuan Properties ³	Domestic Shares	Beneficial owner	211,472,315	8.1193	9.8189	Long positions
Huarong Infrastructure ³	Domestic Shares	Interests of controlled corporation	211,472,315	8.1193	9.8189	Long positions
Financial Street Investment ^{2, 3, 4}	Domestic Shares	Interests of controlled corporation	781,367,619	29.9999	36.2799	Long positions
Financial Street Capital ^{2, 3, 4}	Domestic Shares	Interests of controlled corporation	781,367,619	29.9999	36.2799	Long positions
SASAC Xicheng District ^{2, 3, 4}	Domestic Shares	Interests of controlled corporation	781,367,619	29.9999	36.2799	Long positions
Tianfeng Securities	Domestic Shares	Beneficial owner	440,618,114	16.9171	20.4585	Long positions
Baotou Huazi	Domestic Shares	Beneficial owner	308,000,000	11.8254	14.3008	Long positions
Huifa Technology ⁵	Domestic Shares	Beneficial owner	154,000,000	5.9127	7.1504	Long positions
Ms. Chen Shan ⁵	Domestic Shares	Interests of controlled corporation	154,000,000	5.9127	7.1504	Long positions
Mr. Shen Weimin ⁵	Domestic Shares	Interests of controlled corporation	154,000,000	5.9127	7.1504	Long positions
Hongzhi Huitong ⁶	Domestic Shares	Beneficial owner	123,500,000	4.7417	5.7343	Long positions
Shaanxi Tianchen ⁶	Domestic Shares	Interests of controlled corporation	123,500,000	4.7417	5.7343	Long positions
Hangzhou Ruiji ⁶	Domestic Shares	Interests of controlled corporation	123,500,000	4.7417	5.7343	Long positions
Suzhou Bingtai ⁶	Domestic Shares	Interests of controlled corporation	123,500,000	4.7417	5.7343	Long positions
Mr. Zhou Zhiqiang ⁶	Domestic Shares	Interests of controlled corporation	123,500,000	4.7417	5.7343	Long positions
Glowing Lane Limited ⁷	H Shares	Beneficial owner	124,724,000	4.7887	27.6644	Long positions
KUO YUNG CHUN ⁷	H Shares	Interests of controlled corporation	124,724,000	4.7887	27.6644	Long positions
Ravi Global Limited ⁸	H Shares	Beneficial owner	123,206,000	4.7304	27.3277	Long positions
Quick Idea Investments Limited ⁸	H Shares	Interests of controlled corporation	123,206,000	4.7304	27.3277	Long positions
G-Resources Group Limited ⁸	H Shares	Interests of controlled corporation	123,206,000	4.7304	27.3277	Long positions
Guotai Fund Management Co., Ltd. (國泰基金管理有限公司)	H Shares	Investment manager	72,161,000	2.7706	16.0057	Long positions

Section VI Changes in Shareholdings and Particulars about Shareholders

I. SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY (CONTINUED)

Notes:

1. As at 30 June 2025, there was a total of 2,604,567,412 shares of the Company in issue, comprising 2,153,721,412 Domestic Shares and 450,846,000 H Shares.
2. 100% of the equity interest in Huarong Zonghe Investment is held by Financial Street Investment. Therefore, Financial Street Investment is deemed to be interested in the 569,895,304 Domestic Shares held by Huarong Zonghe Investment.
3. 90.00% of the equity interest in Financial Street Xihuan Properties is held by Huarong Infrastructure, and 100% of the equity interest in Huarong Infrastructure is held by Financial Street Investment. Therefore, each of Huarong Infrastructure and Financial Street Investment are deemed to be interested in the 211,472,315 Domestic Shares held by Financial Street Xihuan Properties.
4. 62.06% and 37.94% of the equity interest in Financial Street Investment is held by Financial Street Capital and SASAC Xicheng District, respectively, and 100% of the equity interest of Financial Street Capital is held by SASAC Xicheng District. Therefore, each of Financial Street Capital and SASAC Xicheng District is deemed to be interested in the 781,367,619 Domestic Shares held indirectly by Financial Street Investment.
5. 53.33% and 46.67% of the equity interest in Huifa Technology is held by Mr. Shen Weimin (沈為民) and Ms. Chen Shan (陳珊), respectively. Therefore, each of Mr. Shen Weimin (沈為民) and Ms. Chen Shan (陳珊) is deemed to be interested in the 154,000,000 Domestic Shares held by Huifa Technology.
6. 97.67% of the equity interest in Hongzhi Huitong is held by Shaanxi Tianchen. 98.67% of the equity interest in Shaanxi Tianchen is held by Hangzhou Ruisi. 100% of the equity interest in Hangzhou Ruisi is held by Suzhou Bingtai. 81.82% of the equity interest in Suzhou Bingtai is held by Mr. Zhou Zhiqiang (周志強). Therefore, each of Shaanxi Tianchen, Hangzhou Ruisi, Suzhou Bingtai and Mr. Zhou Zhiqiang (周志強) is deemed to be interested in the 123,500,000 Domestic Shares held by Hongzhi Huitong.
7. 100% of the equity interest in Glowing Lane Limited is held by KUO YUNG CHUN. Therefore, KUO YUNG CHUN is deemed to be interested in the 124,724,000 H Shares held by Glowing Lane Limited.
8. 100% of the equity interest in Ravi Global Limited is held by Quick Idea Investments Limited. 100% of the equity interest in Quick Idea Investments Limited is held by G-Resources Group Limited. Therefore, each of Quick Idea Investments Limited and G-Resources Group Limited is deemed to be interested in the 123,206,000 H Shares held by Ravi Global Limited.

Save as disclosed above, as at 30 June 2025, the Company is not aware of any other persons (excluding the Directors, Supervisors and chief executives of the Company) having any interest or short position in the shares or underlying shares of the Company which will be required to be recorded in the register under Section 336 of the SFO.

Section VI Changes in Shareholdings and Particulars about Shareholders

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

As at 30 June 2025, based on the information acquired by the Company and to the knowledge of the Directors, the Directors, Supervisors and chief executives of the Company have no (i) interests and short positions (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) which shall be notified to the Company and the Hong Kong Stock Exchange in accordance with Sections 7 and 8 of Part XV under the SFO, or (ii) interests or short positions which shall be recorded in the interests register in accordance with section 352 of the SFO, or (iii) interest and short positions which shall be notified to the Company and the Hong Kong Stock Exchange in accordance with the requirements of the Model Code in the shares, underlying shares or debentures of the Company or any of its associated corporations (as defined in Part XV of the SFO).

III. PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, redeemed or sold any listed securities (including sale of treasury shares (within the meaning of the Listing Rules)) of the Company during the Reporting Period. As at the end of the Reporting Period, the Company did not hold any treasury shares.

Section VII Directors, Supervisors, Senior Management and Employees

I. CHANGES IN DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Save for the followings, there was no change in details of Directors and Supervisors which are required to be disclosed pursuant to Rule 13.51B of the Listing Rules as compared with those disclosed in the 2024 annual report.

(I) Changes in Directors

On 10 January 2025, the resolution in relation to the Election of Mr. Pang Jiemin as a Non-executive Director of the Fifth Session of the Board was considered and approved at the 2025 first extraordinary general meeting. Mr. Pang Jiemin was appointed as a non-executive director of the fifth session of the Board for a term commencing from 10 January 2025 until the expiration of the term of office of the fifth session of the Board. Mr. Yu Lei resigned as a non-executive director of the fifth session of the Board with effect from 10 January 2025.

(II) Changes in Supervisors

None in the Reporting Period.

(III) Changes in Senior Management

On 29 March 2025, the resolution in relation to the Appointment of Mr. Yang Jinliang as the Company's Vice President was considered and approved at the 21st extraordinary meeting of the fifth session of the Board. It was agreed to appoint Mr. Yang Jinliang as the Company's vice president for a term commencing from 29 March 2025 until the expiration of the term of office of the fifth session of the Board.

(IV) Change in Directors' and Supervisors' information

1. Mr. Zhu Yanhui ceased to be a director of Beijing Xicheng Charity Association (北京西城慈善協會) since July 2025.
2. Ms. Yang Qin ceased to be a supervisor of Greatwall Life Insurance Co., Ltd. (長城人壽保險股份有限公司) since August 2025.
3. Mr. Li Yanyong ceased to be the legal representative, the executive director and the chief financial officer of Hainan Shengtai Chuangfa Industrial Co., Ltd. (海南盛泰創發實業有限公司) since April 2025. Mr. Li Yanyong also ceased to be the legal representative and chairman of Baotou Huazi Industry Co., Ltd. (包頭華資實業股份有限公司) and has been assumed the role of the senior advisor of Baotou Huazi Industry Co., Ltd. (包頭華資實業股份有限公司) since July 2025.
4. Mr. Chen Xin ceased to be a director of Yunnan Investment Holding Group Co., Ltd. (雲南省投資控股集團有限公司) since April 2025 and he has been the deputy director of Shanghai University of Finance and Economics-Shanghai Pudong Development Bank Financial Innovation Research Institute (上海財經大學浦發銀行金融創新研究院) since June 2025.

Section VII Directors, Supervisors, Senior Management and Employees

5. Mr. Xu Hongcai ceased to be an independent director of Yunnan Jinggu Forestry Co., Ltd. (雲南景谷林業股份有限公司) since May 2025.
6. Mr. Wang Hui ceased to be a supervisor of Hengtai Pioneer since March 2025 and he ceased to be a supervisor of Hengtai Futures since June 2025.

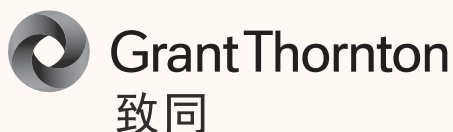
II. EMPLOYEES, REMUNERATION POLICY AND TRAINING

As at the end of the Reporting Period, the Group had 2,491 employees in total, including 2,075 employees of the Company and 416 employees of its subsidiaries.

The Company was committed to establishing a stable and long-term remuneration management mechanism that integrated incentives and constraints, and integrated fairness and efficiency, aiming to implement the principle of prudent operation, ensure compliance requirements, and promote the formation of positive incentives. By establishing and improving a sound remuneration system, the Company consolidated the governance foundation, risk control foundation, compliance foundation, cultural foundation and talent base for high-quality development. The Company has built a diversified remuneration structure consisting of fixed remuneration, variable remuneration and benefits, continuously improved the income distribution system, and given full play to the incentivization effect of remuneration and the talent filtration role. The Company established a mechanism for deferred payment of remuneration allocation and a mechanism for recovery and deduction of wages, completely utilizing the role of remuneration in corporate governance and risk control and promoting its sound operation and sustainable development. The Company has made contributions to various social insurance and housing provident funds on behalf of employees in accordance with relevant laws and regulations of the PRC. The Company has strictly observed the Labor Law of the PRC, Labor Contract Law of the PRC, the PRC Social Insurance Law and other applicable laws and regulations, and has established a sound human resources management system and process to ensure its recruitment complies with regulation, thus effectively protecting the rights and interests of the employees. In 2025, the Company formulated an enterprise annuity plan tailored to its actual circumstances in compliance with relevant policies and regulations, and launched and implemented the corporate pension scheme, thereby further enhancing employees' welfare benefits.

The Company has always paid special attention to staff training. The Company made investigations and surveys in respect of training needs for all staff at the beginning of 2025, and prepared the 2025 Training Plan of Hengtai Securities Co., Ltd. based on the strategic planning of the Company. During the Reporting Period, various trainings regarding compliance and risks management, internal control, Party building culture, macroeconomics and business skill were organized and carried out, which deepened the execution of the internal control system, strengthened the promotion of the Party building, the industry and the corporate culture on the development of the Company, improved the professional quality and operational capabilities of the staff, strengthened the compliance awareness of the staff, built the risks control culture of the Company, raised the awareness of integrity practice enhanced the awareness of information security and cultivated innovation and creativity. During the Reporting Period, a total of 41 internal and external training sessions were organised and implemented following a total of 7,849 participants and a training coverage rate of 100%. The Company implemented its talent-driven corporate strategy through tiered training programs such as the "Kunpeng Program (鯤鵬計劃)" and "Hundred Talents Program (百人計劃)", which focused on building leadership pipelines for critical positions, significantly enhancing the depth and quality of key talent reserves, and providing robust support for the Company's business innovation and sustainable growth.

Independent Review Report



To the Board of Directors of Hengtou Securities

(a joint stock company incorporated in the People's Republic of China with limited liability under the Chinese corporate name "恒泰证券股份有限公司" and carrying on business in Hong Kong as "恒投證券" (in Chinese) and "HENGTOU SECURITIES" (in English))

INTRODUCTION

We have reviewed the interim financial information of Hengtou Securities (the "Company") and its subsidiaries (together, the "Group") set out on pages 46 to 92, which comprises the condensed consolidated statement of financial position as at 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 interim financial information, including material accounting policy information. 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" as issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting".

Our responsibility is to express a conclusion on this interim financial information 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 Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", as issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong 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.



Independent Review Report

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 “Interim Financial Reporting”.

Grant Thornton Hong Kong Limited

Certified Public Accountants
11th Floor, Lee Garden Two
28 Yun Ping Road
Causeway Bay
Hong Kong SAR

22 August 2025

Chiu Wing Ning

Practising Certificate No.: P04920

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the six months ended 30 June 2025

		Six months ended 30 June	
	Note	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Fees and commission income	3	838,699	572,872
Interest income	4	353,446	353,347
Net investment income	5	258,674	187,962
Other income and gains	6	214,823	55,103
Total operating income		1,665,642	1,169,284
Fees and commission expenses	7	(118,523)	(74,127)
Interest expenses	8	(195,238)	(198,485)
Staff costs	9	(604,588)	(362,163)
Depreciation and amortisation	10	(92,141)	(103,729)
Taxes and surcharges		(8,662)	(6,694)
Other operating expenses	11	(208,881)	(158,110)
Impairment losses, net	12	(106,746)	(42,409)
Unrealised fair value losses from financial assets at fair value through profit or loss		(16,504)	(148,469)
Total operating expenses		(1,351,283)	(1,094,186)
Profit before tax		314,359	75,098
Income tax expenses	13	(104,859)	(56,104)
Profit for the period		209,500	18,994

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the six months ended 30 June 2025

		Six months ended 30 June	
	Note	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Other comprehensive income:			
<i>Item that may not be reclassified subsequently to profit or loss:</i>			
Equity investments at fair value through other comprehensive income			
– Net change in fair value		20,305	12,111
– Income tax impact		(5,076)	(3,028)
		<u>15,229</u>	<u>9,083</u>
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Debt investments at fair value through other comprehensive income			
– Net change in fair value		(9,396)	7,385
– Income tax impact		2,349	(1,846)
		<u>(7,047)</u>	<u>5,539</u>
Other comprehensive income for the period, net of tax		<u>8,182</u>	<u>14,622</u>
Total comprehensive income for the period		<u><u>217,682</u></u>	<u><u>33,616</u></u>
Profit for the period attributable to:			
Ordinary shareholders of the Company		240,733	53,872
Non-controlling interests		(31,233)	(34,878)
		<u><u>209,500</u></u>	<u><u>18,994</u></u>
Total comprehensive income for the period attributable to:			
Ordinary shareholders of the Company		248,915	68,494
Non-controlling interests		(31,233)	(34,878)
		<u><u>217,682</u></u>	<u><u>33,616</u></u>
Earnings per share			
Basic and diluted	14	<u><u>RMB0.0924</u></u>	<u><u>RMB0.0207</u></u>

Condensed Consolidated Statement of Financial Position

as at 30 June 2025

	Note	As at 30 June 2025 RMB'000 (unaudited)	As at 31 December 2024 RMB'000 (audited)
Non-current assets			
Property and equipment	15	262,263	271,372
Right-of-use assets	16	91,482	119,783
Investment properties		32,023	33,111
Goodwill		43,739	43,739
Intangible assets		140,425	161,615
Refundable deposits		1,501,255	1,002,472
Deferred tax assets		671,204	708,012
Other non-current assets	17	75,277	71,224
Total non-current assets		2,817,668	2,411,328
Current assets			
Margin account receivables	18	5,445,620	5,840,304
Other current assets	19	419,045	379,999
Placements with a financial institution	20	52,122	82,961
Financial assets held under resale agreements	21	290,509	152,884
Financial assets at fair value through other comprehensive income	22	2,073,637	2,418,119
Financial assets at fair value through profit or loss	23	9,983,470	9,645,475
Cash held on behalf of brokerage clients	24	19,271,204	16,178,519
Clearing settlement funds		1,073,293	964,243
Cash and bank balances	25	1,759,952	1,907,249
Total current assets		40,368,852	37,569,753
Total assets		43,186,520	39,981,081

Condensed Consolidated Statement of Financial Position

as at 30 June 2025

	Note	As at 30 June 2025 RMB'000 (unaudited)	As at 31 December 2024 RMB'000 (audited)
Current liabilities			
Debt instruments	26	3,067,462	2,420,000
Placements from a financial institution		3,200,000	2,700,000
Account payables to brokerage clients	27	20,121,543	16,700,618
Employee benefit payables		571,851	468,296
Contract liabilities		57	120
Lease liabilities		60,253	68,861
Other current liabilities	28	650,554	515,333
Current tax liabilities		10,461	5,935
Financial assets sold under repurchase agreements	29	3,776,815	4,099,600
Total current liabilities		31,458,996	26,978,763
Net current assets		8,909,856	10,590,990
Total assets less current liabilities		11,727,524	13,002,318
Non-current liabilities			
Debt instruments	26	1,923,894	3,394,895
Lease liabilities		22,924	44,391
Other non-current liabilities	28	856,000	856,000
Deferred tax liabilities		1	9
Total non-current liabilities		2,802,819	4,295,295
Net assets		8,924,705	8,707,023

Condensed Consolidated Statement of Financial Position

as at 30 June 2025

	Note	As at 30 June 2025 RMB'000 (unaudited)	As at 31 December 2024 RMB'000 (audited)
Equity			
Share capital	30	2,604,567	2,604,567
Share premium		1,665,236	1,665,236
Reserves		4,274,645	4,025,730
Total equity attributable to ordinary shareholders of the Company		8,544,448	8,295,533
Non-controlling interests		380,257	411,490
Total equity		8,924,705	8,707,023

Approved by the Board of Directors on 22 August 2025 and are signed on its behalf by:

Zhu Yanhui

Chairman of Board of Directors

Sun Hang

Chief Financial Officer

Condensed Consolidated Statement of Changes in Equity

for the six months ended 30 June 2025

	Attributable to ordinary shareholders of the Company								Non-controlling interests	Total equity
	Share capital	Share premium	Surplus reserve	General risk reserve	Transaction risk reserve	Investment revaluation reserve	Retained profits	Total		
	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000
As at 1 January 2025 (audited)	2,604,567	1,665,236	682,940	1,073,607	804,352	(9,122)	1,473,953	8,295,533	411,490	8,707,023
Profit for the period	-	-	-	-	-	-	240,733	240,733	(31,233)	209,500
Other comprehensive income for the period	-	-	-	-	-	8,182	-	8,182	-	8,182
Total comprehensive income for the period	-	-	-	-	-	8,182	240,733	248,915	(31,233)	217,682
Appropriation to general risk reserve	-	-	-	6,458	-	-	(6,458)	-	-	-
As at 30 June 2025 (unaudited)	2,604,567	1,665,236	682,940	1,080,065	804,352	(940)	1,708,228	8,544,448	380,257	8,924,705
As at 1 January 2024 (audited)	2,604,567	1,665,236	642,525	1,017,226	762,088	(50,639)	1,412,412	8,053,415	136,649	8,190,064
Profit for the period	-	-	-	-	-	-	53,872	53,872	(34,878)	18,994
Other comprehensive income for the period	-	-	-	-	-	14,622	-	14,622	-	14,622
Total comprehensive income for the period	-	-	-	-	-	14,622	53,872	68,494	(34,878)	33,616
Appropriation to general risk reserve	-	-	-	7,445	-	-	(7,445)	-	-	-
Disposal of equity investments at FVOCI (non-cycling)	-	-	-	-	-	(3,240)	3,240	-	-	-
As at 30 June 2024 (unaudited)	2,604,567	1,665,236	642,525	1,024,671	762,088	(39,257)	1,462,079	8,121,909	101,771	8,223,680

Condensed Consolidated Statement of Cash Flows

for the six months ended 30 June 2025

	Note	Six months ended 30 June	
		2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Net cash generated from/(used in) operating activities		389,736	(129,342)
Cash flows from investing activities			
Proceeds from disposal of property and equipment		148	374
Purchases of property and equipment, intangible assets and other non-current assets		(29,241)	(23,644)
Proceeds/(Purchases) of financial assets at fair value through other comprehensive income, net		480,200	(456,292)
Proceeds from disposal of debt investments measured at amortised cost		—	220,246
Increase in time deposits with original maturities exceeding three months		(145,600)	(150,000)
Net cash generated from/(used in) investing activities		305,507	(409,316)
Cash flows from financing activities			
Proceeds from issuance of debt instruments		1,350,000	1,201,000
Repayments of debt instruments		(2,190,000)	(450,000)
Advance from a related company		150,000	—
Interest paid for financing activities		(122,990)	(94,530)
Payment of lease liabilities		(37,362)	(42,478)
Net cash (used in)/generated from financing activities		(850,352)	613,992
Net (decrease)/increase in cash and cash equivalents		(155,109)	75,334
Cash and cash equivalents at beginning of period		2,242,066	2,034,205
Effect of foreign exchange rate changes		(187)	138
Cash and cash equivalents at end of period	25	2,086,770	2,109,677

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2025

1. BASIS OF PREPARATION

These condensed consolidated financial statements (the “Interim Financial Information”) of the Company's and its subsidiaries (together, referred to as the “Group”) for the six months ended 30 June 2025 have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” as issued by the International Accounting Standards Board (“IASB”) and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Interim Financial Information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2024. The accounting policies and methods of computation used in the preparation of the Interim Financial Information are consistent with those used in the annual financial statements for the year ended 31 December 2024 except as stated below.

The Interim Financial Information are presented in thousands of Renminbi (“RMB'000”), unless otherwise stated.

2. ADOPTION OF NEW AND AMENDED IFRS ACCOUNTING STANDARDS

2.1 Amended IFRS Accounting Standards that are effective for annual periods beginning on 1 January 2025

The condensed consolidated interim financial statements for the six months ended 30 June 2025 have been prepared in accordance with the accounting policies adopted in the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the Amendments to IAS 21 “Lack of Exchangeability” which are effective as of 1 January 2025.

The amendments to IAS 21 specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. Besides, the amendments also require an entity to disclose additional information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments did not have a material impact on the condensed consolidated interim financial statements of the Group.

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2025

2. ADOPTION OF NEW AND AMENDED IFRS ACCOUNTING STANDARDS (CONTINUED)

2.2 Issued but not yet effective IFRS Accounting Standards

At the date of authorisation of the Interim Financial Information, certain new and amended IFRS Accounting Standards have been published but are not yet effective, and have not been adopted early by the Group.

IFRS 18	Presentation and Disclosure in Financial Statements ²
IFRS 19	Subsidiaries without Public Accountability: Disclosures ²
Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments ¹
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity ¹
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to IFRS accounting standards	Annual Improvements – Volume 11 ¹

1 Effective for annual periods beginning on or after 1 January 2026

2 Effective for annual periods beginning on or after 1 January 2027

3 Effective date not yet determined

The directors anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning on or after the effective date of the pronouncement. The new and amended IFRS Accounting Standards are not expected to have a material impact on the Group's Interim Financial Information.

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2025

3. FEES AND COMMISSION INCOME

	Six months ended 30 June	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Fees and commission income arising from:		
– Securities brokerage business	544,618	364,314
– Assets management business	95,994	93,099
– Underwriting and sponsoring business	66,631	35,861
– Financial advisory business	21,237	22,077
– Future brokerage business	68,469	35,663
– Investment advisory business	37,051	14,317
– Custody business	4,699	7,541
Revenue from contracts with customers within the scope of IFRS 15	838,699	572,872

The following table shows revenue disaggregation by timing of revenue recognition:

	Securities and futures brokerage businesses	Assets management, financial and investment advisory businesses	Underwriting and sponsoring business	Custody business	Total
	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (unaudited)
For the six months ended 30 June 2025					
– Over time	–	154,282	–	4,699	158,981
– Point in time	613,087	–	66,631	–	679,718
For the six months ended 30 June 2024					
– Over time	–	129,493	–	7,541	137,034
– Point in time	399,977	–	35,861	–	435,838

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2025

4. INTEREST INCOME

	Six months ended 30 June	
	2025 <i>RMB'000</i> (unaudited)	2024 <i>RMB'000</i> (unaudited)
Interest income arising from:		
– Margin financing	182,693	168,188
– Deposits in financial institutions	143,221	145,729
– Financial assets held under resale agreements	2,136	7,485
– Financial assets at fair value through other comprehensive income (“FVTOCI”)	25,396	31,204
– Debt investments measured at amortised cost	–	741
	353,446	353,347

5. NET INVESTMENT INCOME

	Six months ended 30 June	
	2025 <i>RMB'000</i> (unaudited)	2024 <i>RMB'000</i> (unaudited)
Dividend income and interest income from financial assets at fair value through profit or loss (“FVTPL”), FVTOCI and debt investments measured at amortised cost	110,132	116,625
Net realised gains from disposal of financial assets at FVTPL, FVTOCI and debt investments measured at amortised cost	148,542	71,337
	258,674	187,962

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2025

6. OTHER INCOME AND GAINS

	Six months ended 30 June	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Foreign exchange (loss)/gain, net	(186)	138
Rental income	2,342	2,219
Government grants (<i>Note</i>)	2,803	2,305
Gain on disposal of property and equipment	126	62
Unrealised fair value gain from financial assets at FVTPL	209,372	49,616
Others	366	763
	214,823	55,103

Note: Government grants were received from several local government authorities for supporting the Group's operation, of which the entitlement was unconditional.

7. FEES AND COMMISSION EXPENSES

	Six months ended 30 June	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Expenses arising from:		
– Securities brokerage business	112,604	67,383
– Underwriting and sponsoring business	5,919	5,800
– Investment advisory business	–	944
	118,523	74,127

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2025

8. INTEREST EXPENSES

	Six months ended 30 June	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Interest expenses arising from:		
– Account payables to brokerage clients	9,426	10,972
– Placements from a financial institution	31,375	27,293
– Financial assets sold under repurchase agreements	37,462	45,381
– Finance charges on lease liabilities	2,033	2,940
– Debt instruments	108,411	104,817
– Short-term borrowing from an immediate holding company	713	–
– Amount due to a related company	773	–
– Other investors of consolidated asset management schemes	(255)	7,082
– Compensation payable	5,300	–
	195,238	198,485

9. STAFF COSTS

	Six months ended 30 June	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Short-term benefits	540,362	320,339
Severance payment	3,356	2,545
Defined contribution plan (<i>Note</i>)	60,870	39,279
	604,588	362,163

Note: The Group is required to participate in pension schemes in the People's Republic of China ("PRC") whereby the Group is required to pay contributions for its employees at certain rates of the wages of employees. In addition to the aforementioned contributions, the Group has established an annuity plan, in which employees voluntarily participate and the Group contributes to them at a certain rate based on their salary.

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2025

10. DEPRECIATION AND AMORTISATION

	Six months ended 30 June	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Depreciation of:		
– property and equipment	18,077	22,563
– investment properties	1,088	1,076
– right-of-use assets	35,588	41,840
Amortisation of:		
– intangible assets	31,405	31,679
– leasehold improvements, long-term prepaid expenses and other foreclosed assets (Note 17)	5,983	6,571
	92,141	103,729

11. OTHER OPERATING EXPENSES

	Six months ended 30 June	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Business entertainment expenses	6,457	6,854
Business travel expenses	6,256	6,371
Consulting fees	11,951	9,960
Electronic equipment operating expenses	53,719	35,476
Miscellaneous office expenses	531	802
Other commission expenses	20,066	21,726
Outsourcing fee	17,609	15,685
Postal and communication expenses	10,652	5,415
Compensation expenses on litigations	8,843	3,389
Lease charges for short-term leases	3,981	14,091
Securities investor protection funds	8,214	4,854
Utilities and building management fees	9,243	10,191
Others (Note)	51,359	23,296
	208,881	158,110

Note: Others mainly consist of marketing expenses, membership fee and other daily operating expenses

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2025

12. IMPAIRMENT LOSSES, NET

	Six months ended 30 June	
	2025 <i>RMB'000</i> (unaudited)	2024 <i>RMB'000</i> (unaudited)
Impairment losses/(Reversal of impairment losses) on:		
– margin financing	3,598	3,755
– financial assets held under resale agreements	–	34,890
– financial assets at FVTOCI	(105,753)	(483)
– debt investments measured at amortised cost	–	(674)
– other current assets	208,901	4,921
	106,746	42,409

13. INCOME TAX EXPENSES

	Six months ended 30 June	
	2025 <i>RMB'000</i> (unaudited)	2024 <i>RMB'000</i> (unaudited)
Current tax	70,786	1,564
Deferred tax	34,073	54,540
Total income tax expenses	104,859	56,104

The provision for the PRC enterprise income tax is calculated based on the statutory income tax rate of 25% (six months ended 30 June 2024: 25%).

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2025

14. EARNINGS PER SHARE

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

	Six months ended 30 June	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Earnings		
Profit for the period attributable to ordinary shareholders of the Company	<u>240,733</u>	<u>53,872</u>
Number of shares		
Weighted average number of ordinary shares used in basic earnings per share calculation (in thousands)	<u><u>2,604,567</u></u>	<u><u>2,604,567</u></u>

For the six months ended 30 June 2025 and 2024, there were no dilutive potential ordinary shares, hence the diluted earnings per share equals to the basic earnings per share.

15. PROPERTY AND EQUIPMENT

During the six months ended 30 June 2025, the Group acquired property and equipment of approximately RMB8,990,000 (six months ended 30 June 2024: RMB2,332,000) and disposed property and equipment of approximately RMB22,000 (six months ended 30 June 2024: RMB21,000).

16. RIGHT-OF-USE ASSETS

During the six months ended 30 June 2025, the Group entered into 9 (six months ended 30 June 2024: 14) new lease agreements in respect of properties for initial periods ranging from two to five years (six months ended 30 June 2024: two to three years). These leases do not contain any option to renew the lease and subject to agreed fixed rental payment. For the six months ended 30 June 2025, the total additions to right-of-use assets amounted to RMB8,697,000 (six months ended 30 June 2024: RMB11,189,000).

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2025

17. OTHER NON-CURRENT ASSETS

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Leasehold improvements, long-term prepaid expenses and other foreclosed assets (<i>Note</i>)	37,640	31,749
Prepayments	37,637	39,475
	75,277	71,224

Note:

The movements of leasehold improvements, long-term prepaid expenses and other foreclosed assets are as below:

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
At beginning of the period/year	31,749	38,401
Transfer	–	330
Additions	11,874	5,903
Amortisation	(5,983)	(12,885)
At end of the period/year	37,640	31,749

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2025

18. MARGIN ACCOUNT RECEIVABLES

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Individual receivables	5,456,070	5,865,790
Institution receivables	44,237	25,603
Less: Accumulated impairment losses	(54,687)	(51,089)
	5,445,620	5,840,304

The fair value of collaterals for margin financing business is analysed as follows:

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Equity securities	16,480,595	16,536,364
Cash	1,034,826	1,176,696
	17,515,421	17,713,060

As at 30 June 2025, the margin account receivables carried interests at 4.0% to 8.6% (31 December 2024 (audited): 4.0% to 8.4%) per annum.

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2025

19. OTHER CURRENT ASSETS

	Notes	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Accounts receivable	(a)	149,073	98,360
Interest receivables	(b)	203,134	190,116
Prepaid expenses		13,615	15,575
Income tax recoverable		4,754	12,278
Other receivables	(c)	48,469	63,670
		419,045	379,999

Notes:

(a) Accounts receivable

The ageing analysis of accounts receivable, based on the invoice date, is as follows:

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Within one year	244,580	86,980
Over one year	195,275	203,450
Less: Accumulated impairment losses	(290,782)	(192,070)
	149,073	98,360

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2025

19. OTHER CURRENT ASSETS (CONTINUED)

Notes: (Continued)

(b) Interest receivables

Interest receivables arising from:

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Financial assets at FVTOCI	66,918	53,430
Financial assets at FVTPL	76,407	79,694
Margin financing	99,990	89,540
Bank deposits	4,622	5,822
Financial assets held under resale agreements	107,424	113,874
Placements with a financial institution	7,226	7,225
Less: Accumulated impairment losses	(159,453)	(159,469)
	203,134	190,116

(c) Other receivables

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Other receivables	130,399	145,254
Less: Accumulated impairment losses	(81,930)	(81,584)
	48,469	63,670

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for the six months ended 30 June 2025

20. PLACEMENTS WITH A FINANCIAL INSTITUTION

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
A non-bank financial institution		
Cost	311,660	342,499
Less: Accumulated impairment losses	(259,538)	(259,538)
	52,122	82,961

During the year ended 31 December 2022, the Group placed RMB375,000,000 placements to GMK Finance Company Limited ("GMK Finance") through the National Interbank Funding Centre. Amount of RMB150,000,000 was due on 30 March 2022 and amount of RMB225,000,000 was due on 31 March 2022. On 28 March 2022, the Company and the certain shareholders and related companies of GMK Finance ("GMK Group Companies") entered into a debt-creditor relationship confirmation and extension agreement in agreement to extend the placements to 22 April 2022 and the placements to be guaranteed by the certain shareholders and related companies of GMK Finance. On 22 April 2022, GMK Finance and GMK Group Companies failed to make the repayment. Subsequently, the Group filed a civil claim to the Intermediate People's Court of Hohhot, Inner Mongolia Autonomous Region for demanding the repayment. On 19 June 2023, the Intermediate People's Court of Hohhot, Inner Mongolia Autonomous Region ruled that GMK Finance for the repayment of RMB375,000,000 and the interest payable. On 10 July 2023, the Group filed a claim report of the payable of RMB375,000,000 and interest payable of RMB7,016,000 to the administrator of the restructuring of GMK Group Companies. On 28 June 2024, Shandong Yanggu People's Court ruled to declare GMK Finance bankrupt. As at 30 June 2025, the restructure of GMK Group Companies are still in progress.

During the six months ended 30 June 2025, the Group received RMB30,839,000 (year ended 31 December 2024 (audited): RMB24,928,000) as partial of the amount due.

As at 30 June 2025, the provision of expected credit loss on placements with a financial institution was RMB259,538,000 (31 December 2024 (audited): RMB259,538,000).

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for the six months ended 30 June 2025

21. FINANCIAL ASSETS HELD UNDER RESALE AGREEMENTS

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Analysis by collateral type:		
– Equity securities	363,103	363,103
– Debt securities	358,105	220,480
Less: Accumulated impairment losses	(430,699)	(430,699)
	290,509	152,884
Analysis by market:		
– Shenzhen Stock Exchange	519,614	461,443
– Shanghai Stock Exchange	201,594	122,140
Less: Accumulated impairment losses	(430,699)	(430,699)
	290,509	152,884

As at 30 June 2025, the fair values of the collaterals were amounted to RMB426,234,000 (31 December 2024 (audited): RMB287,586,000).

As at 30 June 2025, the financial assets held under resale agreements carried interests at 1.7% to 8% (31 December 2024 (audited): 8.0%) per annum.

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2025

22. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Analysis by collateral type:		
Debt securities	1,749,488	2,413,811
Equity securities	324,149	4,308
	2,073,637	2,418,119
Analysis into:		
Listed outside Hong Kong	551,608	490,060
Listed in Hong Kong	319,841	–
Unlisted	1,202,188	1,928,059
	2,073,637	2,418,119
Accumulated impairment losses	48,703	154,456

Financial assets at FVTOCI comprise debt securities and equity securities which are not held for trading.

As at 30 June 2025, the financial assets at FVTOCI carried interest at 1.57% to 7.5% (31 December 2024 (audited): 2.2% to 7.5%) per annum.

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for the six months ended 30 June 2025

23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Held for trading:		
– Debt securities	6,289,991	5,696,155
– Equity securities	1,670,322	1,734,029
– Investment funds	1,504,380	1,839,490
– Assets management schemes	484,994	342,018
– Collective trust schemes	33,783	33,783
	9,983,470	9,645,475
Analysis into:		
– Listed in Hong Kong	133,186	650,972
– Listed outside Hong Kong	4,136,517	3,785,193
– Unlisted	5,713,767	5,209,310
	9,983,470	9,645,475

24. CASH HELD ON BEHALF OF BROKERAGE CLIENTS

The Group maintains segregated deposit accounts with banks and authorised institutions to hold clients' monies arising from its normal course of business. The Group classified the brokerage clients' monies as cash held on behalf of brokerage clients under the current assets section of the condensed consolidated statement of financial position, and recognised the corresponding account payables to the respective brokerage clients on the grounds that the Group is liable for any loss or misappropriation of their brokerage clients' monies. Cash held on behalf of brokerage clients for their transaction and settlement purposes is subject to regulatory oversight by third-party depository institutions in accordance with China Securities Regulatory Commission regulations.

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for the six months ended 30 June 2025

25. CASH AND CASH EQUIVALENTS

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Cash in hand	3	3
Bank balances	1,759,949	1,907,246
Cash and bank balances per the condensed consolidated statement of financial position	1,759,952	1,907,249
Add: Clearing settlement funds	1,073,293	964,243
Add: Financial assets held under resale agreements with original maturities within three months	358,105	220,480
Less: Time deposits with original maturities exceeding three months	(625,600)	(480,000)
Less: Restricted bank deposits	(478,980)	(369,906)
Cash and cash equivalents per the condensed consolidated statement of cash flows	2,086,770	2,242,066

Restricted bank deposits represent future risk reserve and deposits restricted for the repayment to provision of compensation.

26. DEBT INSTRUMENTS

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Beneficiary certificates	1,580,000	2,420,000
Subordinated bonds	1,487,462	1,481,096
Long-term corporate bonds	1,923,894	1,913,799
	4,991,356	5,814,895
Analysis by remaining maturity:		
Current		
Within one year	3,067,462	2,420,000
Non-current		
Between two years and five years	1,923,894	3,394,895
	4,991,356	5,814,895

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2025

26. DEBT INSTRUMENTS (CONTINUED)

Beneficiary certificates:

30 June 2025 (unaudited)										
Name	Par value RMB'000	Issuance date	Due date	Interest rate	Par value					
					As at			As at		Book value as at 30 June 2025
					1 January 2025 RMB'000	Issuance RMB'000	Redemption RMB'000	30 June 2025 RMB'000	Accrued Interest RMB'000	
恒創泰富No.49	400,000	26.01.2024	23.01.2025	3.30%	400,000	-	(400,000)	-	-	-
恒創泰富No.50	400,000	26.01.2024	23.01.2025	3.25%	400,000	-	(400,000)	-	-	-
恒富No.35	40,000	08.02.2024	06.02.2025	3.30%	40,000	-	(40,000)	-	-	-
恒創泰富No.52	400,000	02.08.2024	05.02.2025	2.79%	400,000	-	(400,000)	-	-	-
恒富No.38	50,000	30.08.2024	03.03.2025	2.60%	50,000	-	(50,000)	-	-	-
恒創泰富No.54	260,000	24.09.2024	24.09.2025	2.90%	260,000	-	-	260,000	5,784	260,000
恒富No.39	30,000	25.09.2024	25.09.2025	2.80%	30,000	-	-	30,000	642	30,000
恒富No.40	10,000	25.09.2024	25.09.2025	2.90%	10,000	-	-	10,000	222	10,000
恒創泰富No.55	200,000	17.10.2024	17.10.2025	2.85%	200,000	-	-	200,000	4,013	200,000
恒創泰富No.56	300,000	23.10.2024	23.07.2025	2.95%	300,000	-	-	300,000	6,086	300,000
恒創泰富No.58	300,000	17.12.2024	24.03.2025	2.50%	300,000	-	(300,000)	-	-	-
恒創泰富No.57	30,000	25.10.2024	24.10.2025	2.85%	30,000	-	-	30,000	583	30,000
恒創泰富No.59	300,000	22.01.2025	23.04.2025	2.30%	-	300,000	(300,000)	-	-	-
恒創泰富No.60	400,000	11.02.2025	02.02.2026	2.80%	-	400,000	-	400,000	4,296	400,000
恒創泰富No.61	300,000	28.03.2025	27.06.2025	2.40%	-	300,000	(300,000)	-	-	-
恒創泰富No.62	300,000	29.04.2025	28.07.2025	2.40%	-	300,000	-	300,000	1,243	300,000
恒富No.41	50,000	13.06.2025	26.05.2026	2.60%	-	50,000	-	50,000	61	50,000
					2,420,000	1,350,000	(2,190,000)	1,580,000	22,930	1,580,000

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for the six months ended 30 June 2025

26. DEBT INSTRUMENTS (CONTINUED)

Beneficiary certificates: (Continued)

31 December 2024 (audited)										
Par value										
Name	Par value RMB'000	Issuance date	Due date	Interest rate	As at				Accrued	Book value
					1 January 2024 RMB'000	Issuance RMB'000	Redemption RMB'000	As at 31 December 2024 RMB'000	Interest RMB'000	as at 31 December 2024 RMB'000
恒富No.34	50,000	08.02.2023	05.02.2024	4.00%	50,000	–	(50,000)	–	–	–
恒創泰富No.43	100,000	28.02.2023	28.02.2024	4.20%	100,000	–	(100,000)	–	–	–
恒創泰富No.47	500,000	25.08.2023	23.08.2024	3.45%	500,000	–	(500,000)	–	–	–
恒創泰富No.48	300,000	28.08.2023	07.02.2024	3.30%	300,000	–	(300,000)	–	–	–
恒創泰富No.49	400,000	26.01.2024	23.01.2025	3.30%	–	400,000	–	400,000	12,332	400,000
恒創泰富No.50	400,000	26.01.2024	23.01.2025	3.25%	–	400,000	–	400,000	12,145	400,000
恒富No.35	40,000	08.02.2024	06.02.2025	3.30%	–	40,000	–	40,000	1,186	40,000
恒富No.36	61,000	24.05.2024	31.10.2024	2.47%	–	61,000	(61,000)	–	–	–
恒創泰富No.51	300,000	27.06.2024	08.10.2024	2.38%	–	300,000	(300,000)	–	–	–
恒創泰富No.52	400,000	02.08.2024	05.02.2025	2.79%	–	400,000	–	400,000	4,647	400,000
恒創泰富No.53	300,000	06.08.2024	04.12.2024	2.38%	–	300,000	(300,000)	–	–	–
恒富No.38	50,000	30.08.2024	03.03.2025	2.60%	–	50,000	–	50,000	442	50,000
恒創泰富No.54	260,000	24.09.2024	24.09.2025	2.90%	–	260,000	–	260,000	2,045	260,000
恒富No.39	30,000	25.09.2024	25.09.2025	2.80%	–	30,000	–	30,000	226	30,000
恒富No.40	10,000	25.09.2024	25.09.2025	2.90%	–	10,000	–	10,000	78	10,000
恒創泰富No.55	200,000	17.10.2024	17.10.2025	2.85%	–	200,000	–	200,000	1,187	200,000
恒創泰富No.56	300,000	23.10.2024	23.07.2025	2.95%	–	300,000	–	300,000	1,697	300,000
恒創泰富No.58	300,000	17.12.2024	24.03.2025	2.50%	–	300,000	–	300,000	308	300,000
恒創泰富No.57	30,000	25.10.2024	24.10.2025	2.85%	–	30,000	–	30,000	159	30,000
					950,000	3,081,000	(1,611,000)	2,420,000	36,452	2,420,000

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26. DEBT INSTRUMENTS (CONTINUED)

Subordinated bonds:

Name	Issuance date	Due date	Nominal interest rate	30 June 2025 (unaudited)			
				As at 1 January 2025	Issuance	Redemption	As at 30 June 2025
				RMB'000			RMB'000
23恒泰C1次級債*	08.06.2024	08.06.2026	5.30%	400,000	–	–	400,000
23恒泰C2次級債*	08.06.2024	08.06.2026	4.00%	<u>1,100,000</u>	–	–	<u>1,100,000</u>
Total				1,500,000	–	–	1,500,000
Amortised cost				1,481,096			1,487,462

Name	Issuance date	Due date	Nominal interest rate	31 December 2024 (audited)			
				As at 1 January 2024	Issuance	Redemption	As at 31 December 2024
				RMB'000			RMB'000
23恒泰C1次級債*	08.06.2024	08.06.2026	5.30%	400,000	–	–	400,000
23恒泰C2次級債*	08.06.2024	08.06.2026	4.00%	<u>1,100,000</u>	–	–	<u>1,100,000</u>
Total				1,500,000			1,500,000
Amortised cost				1,468,584			1,481,096

- * On 8 June 2023, the Company issued a 3-year subordinated bond with a par value of RMB1,500,000,000. The subordinated bond was listed at Shanghai Stock Exchange. The subordinated bond was divided into 2 classes. 23恒泰C1次級債 was unsecured and with par value of RMB400,000,000 and 23恒泰C2次級債 was guaranteed by Beijing Financial Street Investment (Group) Co., Ltd and with par value of RMB1,100,000,000.

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26. DEBT INSTRUMENTS (CONTINUED)

Long-term corporate bonds:

Name	Issuance date	Due date	Nominal interest rate	30 June 2025 (unaudited)			
				As at 1 June 2025	Issuance	Redemption	As at 30 June 2025
				RMB'000	RMB'000	RMB'000	RMB'000
23恒泰F1私募债#	26.09.2024	26.09.2026	3.50%	<u>1,950,000</u>	–	–	<u>1,950,000</u>
Amortised cost				1,913,799			1,923,894

Name	Issuance date	Due date	Nominal interest rate	31 December 2024 (audited)			
				As at 1 January 2024	Issuance	Redemption	As at 31 December 2024
				RMB'000	RMB'000	RMB'000	RMB'000
23恒泰F1私募债#	26.09.2024	26.09.2026	3.50%	<u>1,950,000</u>	–	–	<u>1,950,000</u>
Amortised cost				1,894,053			1,913,799

On 26 September 2023, the Company issued 3-year long-term corporate bond with a par value of RMB1,950,000,000. The long-term corporate bond was listed at Shanghai Stock Exchange and guaranteed by Beijing Financial Street Investment (Group) Co., Ltd.

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27. ACCOUNT PAYABLES TO BROKERAGE CLIENTS

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Clients' deposits for:		
– margin financing business	990,172	1,129,223
– other brokerage business	19,131,371	15,571,395
	20,121,543	16,700,618

Account payables to brokerage clients represent the monies received from and repayable to brokerage clients. Account payables to brokerage clients are interest bearing at the prevailing interest rate.

The majority of the account payables balances are repayable on demand except where certain account payables to brokerage clients represent monies received from clients for the margin financing activities under normal course of business. Only the amounts in excess of the required amount of margin deposits and cash collateral are repayable on demand.

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

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28. OTHER LIABILITIES

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Third-party interests in consolidated asset management schemes (<i>note (a)</i>)	59,026	68,078
Future risk reserve	52,845	49,421
Other payables (<i>note (b)</i>)	177,882	161,618
Amount due to a related company (<i>note (c)</i>)	150,000	–
Interest payables	90,575	104,093
Taxes and surcharges payables	18,981	32,981
Compensation payable	936,000	936,000
Provision of compensation	21,245	19,142
	1,506,554	1,371,333
Less: Portion due within one year included under current liabilities	(650,554)	(515,333)
Portion due after one year included under non-current liabilities	856,000	856,000

Notes:

- a) Third-party interests in consolidated asset management schemes consist of third-party unit holders' interests in these consolidated structured entities which are recognised as a liability since they can be put back to the Group for cash.
- b) Other payables mainly consist of accrued professional fees, securities investor protection funds and other daily operating expenses and deposits received.
- c) The amount due is unsecured, bears interest at 4% p.a..

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29. FINANCIAL ASSETS SOLD UNDER REPURCHASE AGREEMENTS

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Analysis by collateral type:		
– Debt securities	3,776,815	4,099,600
Analysis by market:		
– Inter-bank market	3,574,815	3,712,069
– Shanghai Stock Exchange	202,000	359,408
– Shenzhen Stock Exchange	–	28,123
	3,776,815	4,099,600
Analysis by transaction type:		
– Pledged	3,776,815	4,099,600

As at 30 June 2025, the financial assets sold under repurchase agreements carried interests at 1.6% to 3.5% (31 December 2024 (audited): 1.95% to 2.6% per annum).

As at 30 June 2025 and 31 December 2024, the carrying amount of the financial assets that had been placed as financial assets sold under repurchase agreements are noted as below:

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Financial assets at FVTPL	3,142,615	3,002,765
Financial assets at FVTOCI	1,142,671	1,556,453
	4,285,286	4,559,218

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30. SHARE CAPITAL

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

	Number of shares (in thousands)	RMB'000
As at 1 January 2024, 31 December 2024 (audited), 1 January 2025 and 30 June 2025 (unaudited)	2,604,567	2,604,567

31. COMMITMENTS

(a) Capital commitments

At the reporting date, the capital commitments outstanding not provided for in the Interim Financial Information are as follows:

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Acquisition of property and equipment, intangible assets and other non-current assets	11,489	17,770

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31. COMMITMENTS (CONTINUED)

(b) Lease commitments

The Group as lessee

At the reporting date, the lease commitments for short-term leases are as follows:

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Properties	1,182	1,469

The Group as lessor

At the reporting date, the total future minimum lease receivables under non-cancellable operating leases falling due as follows:

	30 June 2025 RMB'000 (unaudited)	31 December 2024 RMB'000 (audited)
Within 1 year (inclusive)	3,357	4,090
Later than 1 year and not later than 2 years	2,929	3,618
Later than 2 years and not later than 3 years	2,942	2,852
Later than 3 years and not later than 4 years	2,790	2,868
Later than 4 years and not later than 5 years	1,048	1,760
After 5 years	499	601
	13,565	15,789

(c) Underwriting commitments

As at 30 June 2025, according to the relevant underwriting agreements, underwriting commitments taken but not provided for by the Group are amounted to RMB14,312,000,000 (31 December 2024 (audited): RMB19,318,000,000).

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32. PROVISION OF COMPENSATION AND COMPENSATION EXPENSES ON LITIGATIONS

Arbitration case with regard to Dongxu-series special account product managed by New China Fund

In 2018, New China Fund Management Co., Ltd. ("New China Fund"), which is an indirect subsidiary of the Company, Industrial and Commercial Bank of China Beijing Branch (the "ICBC Beijing branch") which acted as the custodian bank and four third parties investors entered into certain Dongxu-series bonds (the "Bonds") financial product managed by New China Fund. In 2019, the four investors failed to provide fund to the account to cover the short position of the margin accounts following the drops in market price of the Bonds. ICBC Beijing branch, as a clearing participant, advanced the funds of approximately RMB1,169 million (the "Advance Settlement") to China Securities Depository and Clearing Corporation Limited to settle this margin account.

In 2021, New China Fund then received the disputes brought by the ICBC Beijing Branch which submitted four arbitration applications to the Beijing Arbitration Commission (the "Arbitration Commission") for compensating the Advance Settlement and interest losses. In 2023, New China Fund and ICBC Beijing branch entered into the final implementation settlement agreement (the "Final Implementation Settlement Agreement"). According to the Final Implementation Settlement Agreement, ICBC Beijing branch agreed to transfer the rights of the Bonds to New China Fund and New China Fund shall repay the remaining payable to the ICBC Beijing branch from 1 January 2024 to 31 August 2030 in seven instalments of RMB996 million.

In 2024, New China Fund entered into a debt restructure agreement (the "Debt Restructure Agreement") with Dongxu Group Co., Ltd. ("Dongxu Group"), the issuer of the Bonds. Pursuant to the Debt Restructure Agreement, Dongxu Group agreed to compensate New China Fund for the losses in its role as investment manager and losses arising from the arbitration case (the "Dongxu Repayment"). The Dongxu Repayment, with an aggregate amount approximately of RMB1,255 million, includes the Advance Settlement, other losses claimed by New China Fund and the cost of advances.

Under the terms of the Debt Restructure Agreement, Dongxu Group shall settle the Dongxu Repayment to New China Fund in certain instalments, with a final payment due by 28 September 2032. The first repayment was due on 28 September 2024, however, Dongxu Group failed to make the payment as stipulated.

for the six months ended 30 June 2025

	Six months ended 30 June	
	2025 <i>RMB'000</i> (unaudited)	2024 <i>RMB'000</i> (unaudited)
Transactions during the period:		
– Fees and commission income from a related party	2,713	–
– Interest expenses to a related party	783	34
– Interest expenses to an immediate holding company	827	143
– Utility charges and other miscellaneous expenses to a related party	529	529
– Benefit payment to a related party	8	61
– Property fees to a related party	135	156
– Utility charges and other miscellaneous expenses to an immediate holding company	708	708
– Business travel expenses to a related party	22	–
– Outsourcing fee to a related party	74	–
– Business entertainment expenses to a related party	4	–
– Conference fee to a related party	114	25
– Client maintenance fees to a related party	103	111

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33. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(ii) Key management personnel remuneration

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. The total remuneration includes fees, salaries, bonus, allowances, benefits in kind, discretionary bonuses (including deferred bonuses paid) and contribution to social pension schemes.

	Six months ended 30 June	
	2025 <i>RMB'000</i> (unaudited)	2024 <i>RMB'000</i> (unaudited)
Fees, salaries, allowance and bonus	7,086	5,942
Contribution to pension schemes	630	314
	<u>7,716</u>	<u>6,256</u>

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2025

34. SEGMENT REPORTING

	Brokerage and wealth management <i>RMB' 000</i>	Investment banking <i>RMB' 000</i>	Proprietary trading <i>RMB' 000</i>	Investment Management <i>RMB' 000</i>	Others <i>RMB' 000</i>	Total <i>RMB' 000</i>
Six months ended						
30 June 2025 (unaudited)						
Revenue						
– External	949,321	92,565	272,635	124,757	11,541	1,450,819
– Inter-segment	(13)	–	13	–	–	–
Other income and gains	1,460	113	202,471	7,326	3,453	214,823
Segment revenue and other income	950,768	92,678	475,119	132,083	14,994	1,665,642
Segment expenses	(738,286)	(80,521)	(144,334)	(241,788)	(146,354)	(1,351,283)
Profit/(Loss) before tax	212,482	12,157	330,785	(109,705)	(131,360)	314,359
Other segment information:						
– Interest income	299,312	4,968	27,699	10,565	10,902	353,446
– Interest expenses	(98,840)	(110)	(89,339)	(5,858)	(1,091)	(195,238)
– Depreciation and amortisation	(51,428)	(4,506)	(3,834)	(16,600)	(15,773)	(92,141)
– Impairment losses/(Reversal of impairment losses), net	(4,746)	47	226	(101,273)	(1,000)	(106,746)
– Capital expenditure	6,069	1,512	1,300	2,435	19,764	31,080
– Right-of-use assets additions	8,697	–	–	–	–	8,697

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2025

34. SEGMENT REPORTING (CONTINUED)

	Brokerage and wealth management <i>RMB'000</i>	Investment banking <i>RMB'000</i>	Proprietary trading <i>RMB'000</i>	Investment Management <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
Six months ended 30 June 2024 (unaudited)						
Revenue						
– External	695,998	65,339	234,036	101,844	16,964	1,114,181
– Inter-segment	(12)	–	12	–	–	–
Other income and gains	2,148	142	14	49,713	3,086	55,103
Segment revenue and other income	698,134	65,481	234,062	151,557	20,050	1,169,284
Segment expenses	(581,980)	(49,405)	(147,797)	(251,906)	(63,098)	(1,094,186)
Profit/(Loss) before tax	116,154	16,076	86,265	(100,349)	(43,048)	75,098
Other segment information:						
– Interest income	290,451	7,674	34,138	4,897	16,187	353,347
– Interest expenses	(87,739)	(213)	(101,077)	(8,669)	(787)	(198,485)
– Depreciation and amortisation	(59,241)	(4,651)	(3,222)	(19,145)	(17,470)	(103,729)
– Impairment losses/(Reversal of impairment losses), net	(45,382)	338	1,156	1,112	367	(42,409)
– Capital expenditure	8,138	284	599	467	24,198	33,686
– Right-of-use assets additions	10,041	–	–	1,148	–	11,189

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2025

34. SEGMENT REPORTING (CONTINUED)

	Brokerage and wealth management <i>RMB'000</i>	Investment banking <i>RMB'000</i>	Proprietary trading <i>RMB'000</i>	Investment management <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
As at 30 June 2025 (unaudited):						
Segment assets	27,055,378	604,345	10,112,272	3,379,044	1,364,277	42,515,316
Deferred tax assets						671,204
Total assets						<u>43,186,520</u>
Segment liabilities	25,513,177	153,760	6,907,421	1,174,795	512,661	34,261,814
Deferred tax liabilities						1
Total liabilities						<u>34,261,815</u>
As at 31 December 2024 (audited):						
Segment assets	24,432,678	580,919	10,247,479	3,102,404	909,589	39,273,069
Deferred tax assets						708,012
Total assets						<u>39,981,081</u>
Segment liabilities	22,530,198	141,173	7,156,470	1,212,206	234,002	31,274,049
Deferred tax liabilities						9
Total liabilities						<u>31,274,058</u>

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2025

35. FAIR VALUE MEASUREMENTS

(a) Fair value hierarchy

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 participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three level inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and not using significant unobservable inputs.

Level 3 inputs: significant unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2025

35. FAIR VALUE MEASUREMENTS (CONTINUED)

(a) Fair value hierarchy (Continued)

Disclosures of level in fair value hierarchy:

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Recurring fair value measurements:				
As at 30 June 2025 (unaudited)				
Financial assets at FVTPL:				
– Debt securities	1,086,381	5,203,610	–	6,289,991
– Equity securities	1,521,646	54,287	94,389	1,670,322
– Investment funds	1,300,901	201,454	2,025	1,504,380
– Assets management schemes	–	484,994	–	484,994
– Collective trust schemes	–	31,406	2,377	33,783
	3,908,928	5,975,751	98,791	9,983,470
Financial assets at FVTOCI:				
– Debt securities	53,770	1,695,718	–	1,749,488
– Equity securities	319,841	–	4,308	324,149
	373,611	1,695,718	4,308	2,073,637
	4,282,539	7,671,469	103,099	12,057,107

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2025

35. FAIR VALUE MEASUREMENTS (CONTINUED)

(a) Fair value hierarchy (Continued)

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Recurring fair value measurements:				
As at 31 December 2024 (audited)				
Financial assets at FVTPL:				
– Debt securities	786,376	4,909,779	–	5,696,155
– Equity securities	1,361,148	288,971	83,910	1,734,029
– Investment funds	1,702,395	133,146	3,949	1,839,490
– Assets management schemes	–	342,018	–	342,018
– Collective trust schemes	–	31,406	2,377	33,783
	<u>3,849,919</u>	<u>5,705,320</u>	<u>90,236</u>	<u>9,645,475</u>
Financial assets at FVTOCI:				
– Debt securities	2,946	2,410,865	–	2,413,811
– Equity securities	–	–	4,308	4,308
	<u>2,946</u>	<u>2,410,865</u>	<u>4,308</u>	<u>2,418,119</u>
	<u>3,852,865</u>	<u>8,116,185</u>	<u>94,544</u>	<u>12,063,594</u>

There were no significant transfers between Level 1, Level 2 and Level 3 of the fair value hierarchy during the six months ended 30 June 2025 and the year ended 31 December 2024.

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2025

35. FAIR VALUE MEASUREMENTS (CONTINUED)

(b) Fair value of the financial instruments that are not presented at fair value

The carrying amount and fair value of debt instruments which are not presented at fair value are as below:

	30 June 2025		31 December 2024	
	Carrying amount RMB'000 (unaudited)	Fair value RMB'000 (unaudited)	Carrying amount RMB'000 (audited)	Fair value RMB'000 (audited)
Financial liabilities:				
– Subordinated bonds	1,487,462	1,530,768	1,481,096	1,544,149
– Long-term corporate bonds	1,923,894	1,986,855	1,913,799	1,999,150
	3,411,356	3,517,623	3,394,895	3,543,299

Except as disclosed above, the directors of the Company considers that the carrying amount of the Group's financial liabilities as reflected in the condensed consolidated statement of financial position approximate their respective fair values.

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2025

35. FAIR VALUE MEASUREMENTS (CONTINUED)

- (c) Valuation process used by the Group and valuation techniques and inputs used in fair value measurements (Continued)

Level 1 fair value measurements

Fair value of financial instruments under Level 1 fair value measurement is based on quoted prices (unadjusted) reflected in active markets.

Level 2 fair value measurements

As at 30 June 2025 and 31 December 2024, the Group's financial assets at FVTPL and FVTOCI under Level 2 fair value measurements consist of debt securities, equity securities, investment funds, assets management schemes and collective trust schemes and their fair value measurements were determined as follows:

Debt securities of RMB6,337,090,000 (31 December 2024 (audited): RMB6,704,981,000), of which value are available on China bond pricing system on the valuation date, fair values are determined by using the latest valuation results published by China bond pricing system.

For equity securities of RMB54,287,000 (31 December 2024 (audited): RMB288,971,000), fair values are determined by using the latest quoted price adjusted by certain observable inputs.

For investment funds, assets management schemes and collective trust schemes of RMB201,454,000 (31 December 2024 (audited): RMB133,146,000), RMB484,994,000 (31 December 2024 (audited): RMB342,018,000) and RMB31,406,000 (31 December 2024 (audited): RMB31,406,000), respectively, fair values are determined based on the quoted prices or recent market transaction price of the underlying investments in each portfolio or the net asset values as published by the fund managers.

During the six months ended 30 June 2025 and the year ended 31 December 2024, there were no significant changes of valuation techniques for Level 2 fair value measurements.

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2025

35. FAIR VALUE MEASUREMENTS (CONTINUED)

- (c) Valuation process used by the Group and valuation techniques and inputs used in fair value measurements (Continued)

Level 3 fair value measurements

For financial instruments under Level 3 fair value measurements, prices are determined using valuation methodologies such as market comparable method, discounted cash flow models or other similar techniques. The fair value measurements of these financial instruments may involve unobservable inputs such as Price-to-Book ratio, price to earnings ratio, liquidity discount, etc. The Group periodically reviews all significant unobservable inputs and valuation adjustments used to measure the fair values of financial instruments in Level 3 fair value measurements.

The quantitative information of fair value measurements for Level 3 is as follows:

Description	Fair value as at		Valuation technique	Unobservable inputs	Relationship of unobservable input(s) to fair value
	30 June 2025 (unaudited) RMB'000	31 December 2024 (audited) RMB'000			
Unlisted equity investments	96,766	86,287	Market comparable companies	Discount rate for lack of marketability – 40% (31 December 2024 (audited): 40%)	The higher the discount rate, the lower the fair value
Unlisted equity investments	4,308	4,308	Market comparable companies	Price-to-Book ratio – 1:1 (31 December 2024: 1:1)	The higher the ratio, the higher the fair value
Unlisted investment funds	2,025	3,949	Market comparable companies	Discount rate for lack of marketability – 40% (31 December 2024 (audited): 40%)	The higher the discount rate, the lower the fair value
	<u>103,099</u>	<u>94,544</u>			

During the six months ended 30 June 2025 and the year ended 31 December 2024, there were no significant changes of valuation techniques for Level 3 fair value measurements.

Notes to the Condensed Consolidated Financial Statements

for the six months ended 30 June 2025

35. FAIR VALUE MEASUREMENTS (CONTINUED)

- (d) Reconciliation of financial assets measured at fair value under Level 3 fair value measurements:

	Financial assets at FVTPL RMB'000	Financial assets at FVTOCI RMB'000	Total RMB'000
As at 1 January 2025 (audited)	90,236	4,308	94,544
Changes in fair value recognised in profit or loss or other comprehensive income	<u>8,555</u>	<u>—</u>	<u>8,555</u>
As at 30 June 2025 (unaudited)	<u>98,791</u>	<u>4,308</u>	<u>103,099</u>
Total loss included in profit or loss for financial assets during the period	<u>(8,555)</u>	<u>—</u>	<u>(8,555)</u>
As at 1 January 2024 (audited)	99,704	9,369	109,073
Changes in fair value recognised in profit or loss or other comprehensive income	(14,332)	(5,061)	(19,393)
Additions	<u>4,864</u>	<u>—</u>	<u>4,864</u>
As at 31 December 2024 (audited)	<u>90,236</u>	<u>4,308</u>	<u>94,544</u>
Total loss/(gain) included in profit or loss for financial assets during the year	<u>14,332</u>	<u>5,061</u>	<u>19,393</u>

36. APPROVAL OF FINANCIAL STATEMENTS

The Interim Financial Information were approved and authorised for issue by the Board of Directors on 22 August 2025.