



光大证券
EVERBRIGHT SECURITIES

光大證券股份有限公司 EVERBRIGHT SECURITIES CO., LTD.

(A joint stock company incorporated in the People's Republic of China with limited liability)
Stock Code: 601788 (A Share) 06178 (H Share)



2024

INTERIM REPORT

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IMPORTANT NOTICE

1. The Board, the Supervisory Committee, Directors, Supervisors and senior management of the Company warrant that this interim report is true, accurate and complete and does not contain any false records, misleading statements or material omission and jointly and severally assume legal responsibility as to the contents herein.
2. This report was reviewed and passed at the 2nd meeting of the seventh session of the Board of the Company. The number of Directors that should attend the Board meeting was 13 and the number of Directors having voted at the Board meeting was 13. None of the Directors or Supervisors has made any objection to this report.
3. Unless otherwise specified, the financial data disclosed in this report are prepared in accordance with the International Financial Reporting Standards and have not been audited, while having been reviewed by KPMG. The data set out in this report is denominated in RMB.
4. Zhao Ling, the person-in-charge of the Company, Zhu Qin, the person-in-charge of accounting affairs, and Du Jia, the head of accounting department (accounting executive), declare that they warrant the truthfulness, accuracy and completeness of the financial statements contained in this interim report.
5. The profit distribution proposal or proposal on transfer of capital reserve into share capital approved by the Board through resolution for the Reporting Period

The Company's interim profit distribution proposal for 2024 that was considered and approved at the 2nd meeting of the seventh session of the Board of the Company is: on the basis of a total share capital of 4,610,787,639 shares (comprising A Shares and H Shares) in issue as at June 30, 2024, a cash dividend of RMB0.905 (tax inclusive) per 10 shares is proposed to be distributed to all holders of A Shares and H Shares, with total cash dividend amounting to RMB417,276,281.33. The above distribution proposal will be submitted for consideration at the general meeting of the Company and will be implemented after the proposal is approved by the general meeting.

6. Forward-looking statements included in this report, including future plans and development strategies, do not constitute actual commitment of the Company to the investors. The investors should be reminded of the risks of investment.
7. There was no appropriation of funds on a non-recurring basis by the Company's controlling shareholders and other related parties during the Reporting Period.
8. The Company has not provided any external guarantees in violation of the prescribed decision-making procedures during the Reporting Period.
9. The situation where the majority of the Directors cannot warrant the authenticity, accuracy and completeness of the information contained in the interim report does not exist.
10. The Company has described in detail of the risks that it may be exposed to in this report. Please refer to the relevant statements in "IV. Other Disclosures (I) Potential Risk Exposure" in "Section III Management Discussion and Analysis" in this report for details.
11. The Company prepared this interim report in both English and Chinese versions. In the event of any discrepancies in interpretation between the English version and Chinese version, the Chinese version shall prevail.

SECTION I DEFINITIONS

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

A Shares	domestic shares of the Company, with a nominal value of RMB1.00 each, which are listed on the SSE and traded in RMB
Articles of Association	articles of association of the Company
Asset securitization, ABS	financing through issuance of tradable securities backed by specific asset portfolios or specific cash flows
Board, Board of Directors	the board of Directors of the Company
China or PRC	the People's Republic of China excluding, for the purpose of this interim report, Hong Kong, Macau and Taiwan
collateralized stock repurchase	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
Company, our Company, the parent company or Everbright Securities	Everbright Securities Company Limited (光大證券股份有限公司)
connected transaction(s)	has the meaning ascribed to it under the Hong Kong Listing Rules currently in effect and as amended from time to time
CSRC	China Securities Regulatory Commission (中國證券監督管理委員會)
Dacheng Fund	Dacheng Fund Management Co., Ltd. (大成基金管理有限公司), a joint venture of the Company
Directors	the directors of the Company
EBSI	Everbright Securities International Holdings Limited (光大證券國際控股有限公司), a wholly-owned subsidiary of the Company
Everbright Asset Management	Shanghai Everbright Securities Asset Management Co., Ltd. (上海光大證券資產管理有限公司), a wholly-owned subsidiary of the Company
Everbright Bank	China Everbright Bank Company Limited (中國光大銀行股份有限公司)
Everbright Capital	Everbright Capital Investment Co., Ltd. (光大資本投資有限公司), a wholly-owned subsidiary of the Company
Everbright Development	Everbright Development Investment Co., Ltd. (光大發展投資有限公司), a wholly-owned subsidiary of the Company
Everbright Fortune	Everbright Fortune Investment Co., Ltd. (光大富尊投資有限公司), a wholly-owned subsidiary of the Company

SECTION I DEFINITIONS

Everbright Futures	Everbright Futures Co., Ltd. (光大期貨有限公司), a wholly-owned subsidiary of the Company
Everbright Group	China Everbright Group Ltd. (中國光大集團股份公司), the largest shareholder of the Company
Everbright Leasing	Everbright Fortune Financial Leasing Co., Ltd. (光大幸福融資租賃有限公司), a controlling subsidiary of the Company
Everbright Limited	China Everbright Limited (中國光大控股有限公司), the second largest shareholder of the Company
Everbright Pramerica	Everbright Pramerica Fund Management Co., Ltd. (光大保德信基金管理有限公司), a controlling subsidiary of the Company
FOF	fund of funds, a fund that invests exclusively in other securities investment funds
Group, our Group	the Company and its subsidiaries
H Shares	foreign shares of the Company, with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars
HK\$ or Hong Kong dollars or HK dollars	Hong Kong dollars, the lawful currency of Hong Kong
Hong Kong	the Hong Kong Special Administrative Region of the People's Republic of China
Hong Kong Listing Rules	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
IFRS	the International Financial Reporting Standards, which include standards, amendments and interpretations promulgated by International Accounting Standards Board, and interpretation issued by the International Accounting Standards Committee
IPO	initial public offering
margin financing and securities lending	provision of collateral by investors to securities firms to borrow funds for securities purchases (margin financing) or to borrow and sell securities (securities lending)
MOM	manager of managers, an asset management investment tool
NEEQ	National Equities Exchange and Quotations (全國中小企業股份轉讓系統)
PB	prime brokerage
PBOC	People's Bank of China, the central bank of the PRC
PRC GAAP	the PRC Accounting Standards for Business Enterprises

SECTION I DEFINITIONS

related party transaction(s)	has the meaning ascribed to it under the SSE Listing Rules currently in effect and as amended from time to time, unless otherwise stated
Renminbi or RMB	RMB, the lawful currency of the PRC. Amounts are in RMB unless otherwise indicated in this report
Reporting Period	the first half of 2024 (January 1, 2024 to June 30, 2024)
Sci-tech Innovation Board	the science and technology innovation board launched by the Shanghai Stock Exchange
security transactions with repurchase agreement	a transaction in which a qualified client sells the subject securities at an agreed price to the securities firm which is the custodian of such securities, and agrees to purchase the subject securities from the securities firm at another agreed price on a future date, and the securities firm will return the relevant yields generated by the subject securities during the period pending for repurchase to the client pursuant to the agreement signed with the client
SFC	the Securities and Futures Commission of Hong Kong
SFO	the Securities and Futures Ordinance of Hong Kong (Chapter 571 of the Laws of Hong Kong)
SSE	Shanghai Stock Exchange
SSE Listing Rules	Shanghai Stock Exchange Listing Rules
Supervisors	the supervisors of the Company
Supervisory Committee	the supervisory committee of the Company
SZSE	Shenzhen Stock Exchange
Wind	Wind Information Co., Ltd. (上海萬得信息技術股份有限公司), a company incorporated in the PRC in 1994 with limited liability and an integrated service provider of financial data, information and software, being an independent third party

In this interim report, some total figures may be slightly deviated in the last digit from the sum of direct aggregation of all amounts. Such discrepancy is due to the rounding up calculation of decimal places; the last digits of the percentages of change of the amounts under the same item may vary slightly, which is due to the difference of units.

SECTION II COMPANY PROFILE AND KEY FINANCIAL INDICATORS

I. Company Information

Chinese name of the Company	光大證券股份有限公司
Short name of the Company in Chinese	光大證券
English name of the Company	Everbright Securities Company Limited
Abbreviated name of A Shares of the Company in English	EBSCN
Abbreviated name of H Shares of the Company in English	EB SECURITIES
Legal representative of the Company	Mr. Liu Qiuming
General manager of the Company	Mr. Liu Qiuming
Secretary to the Board	Ms. Zhu Qin
Company Secretary	Dr. Ngai Wai Fung
Authorized representatives	Mr. Zhao Ling and Dr. Ngai Wai Fung

Registered capital and net capital of the Company

Unit: RMB

	As at June 30, 2024	As at December 31, 2023
Registered capital	4,610,787,639.00	4,610,787,639.00
Net capital	45,167,059,270.13	46,970,165,838.86

Qualification of each of the businesses of the Company

Business scope of the Company includes securities brokerage, securities investment consulting, financial advisory relating to securities trading and securities investment, securities underwriting and sponsorship, proprietary trading of securities, intermediary introduction business for futures companies, proxy sale of securities investment funds, margin financing and securities lending business, proxy sale of financial products, market making of stocks and options, securities investment fund custody business and other businesses approved by the CSRC. (For projects subject to approval in accordance with the law, the operating activities may only be carried out after obtaining approval from relevant authority(ies), and specific projects for operation shall be based on approval documentations or licenses issued by relevant authorities)

The Company is also a member of the Securities Association of China, SSE, SZSE, Beijing Stock Exchange, China Association of Public Companies, Listed Companies Association of Shanghai and Shanghai Gold Exchange, clearing participant of China Securities Registration and Settlement Co., Ltd. and member of Asset Management Association of China, etc. For details about qualifications of each of the businesses of the Company and its controlling subsidiaries, please refer to "II. Qualifications of Each of the Businesses of the Company and Its Controlling Subsidiaries" under "Section X Information Disclosure of Securities Firms" of this report.

II. Contact Person and Information

Secretary to the Board, Representative of Securities Affairs

Name	Ms. Zhu Qin
Contact address	No. 1508 Xinzha Road, Jing'an District, Shanghai, the PRC
Telephone	021-22169914
Facsimile	021-22169964
Email address	ebs@ebscn.com

SECTION II COMPANY PROFILE AND KEY FINANCIAL INDICATORS

III. Changes in Basic Information

Registered address of the Company	No. 1508, Xinzha Road, Jing'an District, Shanghai, the PRC
Historical changes of registered address of the Company	In 1996, the Company was established, and its registered address was Everbright Building, No. 6 Fuxingmenwai Avenue, Xicheng District, Beijing, the PRC; In 1997, the registered address of the Company was changed to Shanghai Stock Exchange Building, No. 528 South Pudong Road, Pudong New Area, Shanghai, the PRC; In 2007, the registered address of the Company was changed to No. 1508 Xinzha Road, Jing'an District, Shanghai, the PRC
Postal code of the registered address of the Company	200040
Office address of the Company	No. 1508, Xinzha Road, Jing'an District, Shanghai, the PRC
Postal code of the office address of the Company	200040
Company website	http://www.ebscn.com
E-mail address	ebs@ebscn.com
E-mail address of independent Directors	independentdirector@ebscn.com
Principal place of business of the Company in Hong Kong	12/F, Everbright Centre, 108 Gloucester Road, Wanchai, Hong Kong
Enquiry index of changes during the Reporting Period	No change during the Reporting Period

IV. Brief Introduction to Information Disclosure and Change of Place of Inspection

Media designated by the Company for information disclosure	China Securities Journal: https://www.cs.com.cn Shanghai Securities News: https://www.cnstock.com Securities Times: http://www.stcn.com Securities Daily: http://www.zqrb.cn SSE: http://www.sse.com.cn Hong Kong Stock Exchange: http://www.hkexnews.hk
Website for publication of the interim report	No. 1508, Xinzha Road, Jing'an District, Shanghai, the PRC
Place where the interim report of the Company is available for inspection	No change during the Reporting Period
Enquiry index of changes during the Reporting Period	No change during the Reporting Period

V. Information on the Company's Shares

Type of shares	Places of listing	Stock name	Stock code
A Share	Shanghai Stock Exchange	Everbright Securities	601788
H Share	The Stock Exchange of Hong Kong Limited	EB SECURITIES	6178

SECTION II COMPANY PROFILE AND KEY FINANCIAL INDICATORS

VI. Key Accounting Information and Financial Indicators of the Company

(I) Key accounting information and financial indicators

(Unless otherwise stated, the accounting information and financial indicators contained in this report are prepared in accordance with the International Accounting Standards)

Item	January to June 2024 (RMB'000)	January to June 2023 (RMB'000)	Variance as compared to the last corresponding period
Operating results			
Revenue and other income	6,357,645	8,505,009	(25.25)%
Profit before income tax	1,572,294	2,771,702	(43.27)%
Net profit attributable to shareholders of the Company	1,390,527	2,391,952	(41.87)%
Net cash generated from/(used in) operating activities	11,904,867	5,656,703	110.46%
	(RMB/share)	(RMB/share)	
Earnings per share			
Basic earnings per share	0.26	0.48	(45.83)%
Diluted earnings per share	0.26	0.48	(45.83)%
Index of profitability			
Weighted average returns on net assets (%)	2.06%	3.94%	Decreased by 1.88 percentage points
			Variance as compared to the end of the last corresponding period
Item	As at June 30, 2024 (RMB'000)	As at December 31, 2023 (RMB'000)	
Scale indices			
Total assets	237,082,164	259,604,027	(8.68)%
Total liabilities	169,291,649	191,708,638	(11.69)%
Accounts payable to brokerage clients	59,489,939	55,957,676	6.31%
Equity attributable to shareholders of the Company	66,970,353	67,088,609	(0.18)%
Total equity of owners	67,790,515	67,895,389	(0.15)%
Total share capital ('000 shares)	4,610,788	4,610,788	—
Net assets per share attributable to shareholders of the Company (RMB/share) ^(Note 1)	12.46	12.49	(0.24)%
Gearing ratio (%) ^(Note 2)	61.83%	66.66%	Decreased by 4.83 percentage points

SECTION II COMPANY PROFILE AND KEY FINANCIAL INDICATORS

Note 1: Net assets per share is calculated based on owners' equity attributable to shareholders of the listed company less other equity instruments.

Note 2: Gearing ratio = (Total liabilities – Accounts payable to brokerage clients)/(Total assets – Accounts payable to brokerage clients)

Note 3: The net profit and the net assets attributable to shareholders of the listed company for the comparable periods as disclosed in the financial reports prepared in accordance with the International Accounting Standards are consistent with those prepared in accordance with the PRC GAAP.

(II) Net capital and risk control indicators of the parent company

Item	As at June 30, 2024	As at December 31, 2023
	RMB	RMB
Core net capital	39,517,059,270.13	39,370,165,838.86
Subordinate net capital	5,650,000,000.00	7,600,000,000.00
Net capital	45,167,059,270.13	46,970,165,838.86
Net assets	66,334,685,817.90	66,563,271,769.63
Provisions for risk capital	12,641,411,947.12	14,706,516,022.25
On-balance sheet and off-balance sheet assets	178,483,242,715.77	211,984,392,223.89
Risk coverage ratio (%)	357.29	319.38
Capital leverage ratio (%)	23.87	20.08
Liquidity coverage ratio (%)	204.03	232.90
Net stable funding ratio (%)	174.95	145.75
Net capital/Net assets (%)	68.09	70.56
Net capital/Liabilities (%)	44.10	36.81
Net assets/Liabilities (%)	64.77	52.17
Value of proprietary trading of equity securities and equity derivatives/Net capital (%)	4.15	6.70
Value of proprietary trading of non-equity securities and non-equity derivatives/Net capital (%)	198.24	174.82

Note: The core risk control indicators of the parent company were in compliance with the relevant provisions of the Administrative Measures on the Risk Control Indicators of Securities Companies 《證券公司風險控制指標管理辦法》 issued by the CSRC.

The above data were prepared on the parent company basis in accordance with the Administrative Measures on the Risk Control Indicators of Securities Companies 《證券公司風險控制指標管理辦法》 issued by the CSRC and the PRC GAAP.

SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

I. Description of the Industry the Company Operated in and its Principal Businesses during the Reporting Period

(I) Market and Industry Description for the Reporting Period

Since 2024, under the strong leadership of the CPC Central Committee, China's macroeconomic policies have continued to take effect, and the national economy has maintained its recovery momentum. For the first half of the year, China's GDP reached RMB61.7 trillion, representing a year-on-year increase of 5.0%, and the overall economic operation remained stable. The total value of imports and exports reached RMB21.2 trillion, a new record high for the same period in history. The added value of the high-tech manufacturing industry increased by 8.7%, 2.7 percentage points faster than that of all industrial enterprises above designated size, showing that the new quality productive forces were developing at an accelerated pace.

The regulatory authorities continued to strengthen system construction, regulate industry development, comprehensively promote capital market reform, and constantly consolidate the foundation for the high-quality development of the capital market. Firstly, the State Council issued the Several Opinions on Strengthening Supervision, Preventing Risks and Promoting High-Quality Development of the Capital Market 《關於加強監管防範風險推動資本市場高質量發展的若干意見》 (the new "National Nine Articles"), which, together with the supporting policies and rules, formed a "1 + N" policy system. The CSRC has successively issued nearly 50 policies and rules to provide a solid policy framework for the development of the industry. Secondly, the regulatory authorities emphasized the concept of "Consolidate Foundation and Enhance Supervision", continuously strengthened the accountability of securities companies as "gatekeeper", and issued over 300 regulatory penalty notices to 50 securities companies in the first half of the year, among which, the investment banking business and brokerage business were the areas subject to the most penalties, forcing securities companies to continuously improve their professional practice capabilities and the construction of internal control compliance system. Thirdly, the regulatory authorities implemented the "investor-oriented" concept in practices. The process of reduction of fees and increase of concessions has been accelerated, and the rate reform of the mutual fund industry has been implemented to further reduce the investment costs of investors.

(II) The Company's principal business and business model

Wealth management business segment: The Company provides brokerage and investment consulting services for retail clients to earn fee and commission, holds cash on behalf of clients to earn interest income, and sells financial products developed by the Company and other financial institutions to earn commission fee; and earns interest income from margin financing and securities lending, collateralized stock repurchase transactions, securities transactions under repurchase agreement and stock option exercise with respect to share incentive schemes of listed companies.

Corporate financing business segment: The Company provides one-stop direct financing services for corporate customers and government customers, such as equity financing, debt financing, merger and acquisition financing, the NEEQ and structured financing, asset securitization and financial advisory services, to earn fee and commission, and also to earn income from financial leasing business carried out by Everbright Leasing.

Institutional customer business segment: The Company earns fees and commissions by providing integrated services such as investment research, prime brokerage and custody, customized financial products and package solutions and bond distribution to institutional clients.

Investment trading business segment: On the premise of value investing and steady operation, the Company engages in investment in and trading of a wide variety of portfolio of instruments including stocks, bonds and derivatives to earn investment income.

SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

Asset management business segment: The Company provides institutional and individual clients with various securities asset management services and fund asset management services to earn management and advisory fees.

Equity investment business segment: The Company generates income from private equity investment financing and alternative investment.

II. Analysis on Core Competitive Strengths during the Reporting Period

(I) Upholding Party building as the guiding principle, elevating our perspective, and carrying forward the legacy of central enterprises

The Company has consistently adhered to the centralized and unified leadership of the CPC Central Committee in financial work, integrating Party leadership into all aspects and throughout the entire process of corporate governance, and effectively turning the guidance of the CPC Central Committee into concrete actions for high-quality development. Everbright Group, the controlling shareholder of the Company, was promoted and established by the Ministry of Finance of the People's Republic of China and Central Huijin Investment Ltd. (中央匯金投資有限責任公司). It has a complete set of financial service licenses and featured businesses related to people's livelihood, and special advantages in comprehensive finance, synergy of industry and finance, and cross-border operations. As the only core subsidiary of the Group with securities licenses, the Company has always upheld the political and people-oriented nature of financial work by establishing correct philosophies on operation, performance and risk and effectively carrying out the work in "five major aspects" of finance.

(II) Focusing on its principal responsibilities and businesses, and effectively enhancing the standards of serving the real economy

Regarding serving the real economy as the starting point and the ultimate goal of its work, the Company comprehensively coordinates internal and external business resources, continuously optimizes the mechanism for joint project channel building of investment banks and branch institutions, and constantly expands the coverage of direct financing services. The equity financing business strengthens its presence in key strategic areas of China. During the Reporting Period, it served Holyview, a national level specialized and sophisticated "Little Giant" enterprise, in its listing on the main board of the SSE, contributing to the cultivation of new quality productive forces, and did a good job in "technology finance". The strength of bond financing business of the Company ranks among the top in the industry, and its market influence is continuously enhanced in an innovative manner. During the Reporting Period, the Company served Jizhong Energy Group in the issuance of the 11th tranche of medium-term notes in 2024, which was the first digital RMB bond for science and technology innovation of energy enterprises in China, representing a major step in the development of "digital finance".

(III) Strengthening synergistic development and maximizing value through synergy

The Company continues to leverage the leading role of Everbright Group's Institutional Customer Service Working Committee to optimize the portfolio of licenses, build synergistic scenarios and tap into synergistic resources to support business development. During the Reporting Period, it assisted Everbright Bank and Everbright Financial Leasing Co., Ltd. in issuing financial bonds, served China Everbright Environment Group Limited in issuing medium-term notes, and cooperated with Everbright Bank in serving Beijing Capital Group Company Limited in issuing technological innovation corporate bonds, giving full play to synergies and promoting the application of synergistic results. The Company continued the development of a synergistic business ecosystem with a focus on "customer-centric" business philosophy, providing a basket of standardized and differentiated comprehensive solutions for domestic and overseas customers. A distinctive synergistic ecosystem provided impetus for the Company to deepen customer acquisition, strengthen cross-selling and provide high value added services.

SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

(IV) Gathering development impetus and uniting the core strengths of corporate culture

The Company adheres to the principles of integrity, trustworthiness, righteousness, prudence, innovation and compliance, actively practices the cultural philosophy of “compliance, integrity, professionalism and stability”, and advocates the work style of “being honest, being professional, setting an example and caring for the grassroots”. It fosters a strong sense of dedication and pride within the Company. It promotes professionalism, and encourages cadres and employees to enhance their professional development, with an aim to cultivate a pool of expert talents. For the purpose of realizing “flying geese” effect, it encourages cadres to demonstrate a strong sense of responsibility, courage, and exemplary leadership. The Company also pays close attention to the needs of grassroots employees, provides support to address their concerns and expands channels for them to voice their opinions and suggestions, thus fostering a strong sense of unity and shared purpose.

(V) Technology-driven innovation to accelerate transformation and upgrading

Grasping the strategic opportunities of the digital economy, the Company has invested precisely in science and technology, enhanced its technological operation capability, strengthened its IT infrastructure, deeply explored the value of data, and driven business upgrading, operational intensification, and improvement in the quality of risk control and efficiency of management with data and technology to ensure high-quality and sustainable development of its operation and management. The Company has accelerated the transformation and upgrading of various business lines and improved its product creation and asset allocation capabilities, and is committed to offering financial products that combine safety, profitability and liquidity to more customers to better meet the financial service needs of the public.

III. Discussion and Analysis on Business Operation

In the first half of 2024, under the strong leadership of the Party Committee and the Board, the Company fully followed the guiding principles of the Central Financial Work Conference and the Central Economic Work Conference, maintained the strategic positioning and highlighted the functional positioning, to deepen business transformation and consolidate the foundation of development. In the first half of the year, the Company recorded total revenue and other income of RMB6,358 million, representing a year-on-year decrease of 25.25%, and net profit attributable to shareholders of the parent company of RMB1,391 million, representing a year-on-year decrease of 41.87%.

(I) Main business during the Reporting Period

The Company's main business includes wealth management business segment, corporate financing business segment, institutional customer business segment, investment trading business segment, asset management business segment and equity investment business segment.

Table of the main business segments

Unit: RMB'000

Item	January to June 2024				January to June 2023			
	Segment revenue		Segment expenses		Segment revenue		Segment expenses	
	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage
Wealth management business	3,583,798	56%	2,521,476	52%	4,197,811	49%	2,788,295	48%
Corporate financing business	476,297	7%	257,164	5%	711,848	8%	296,789	5%
Institutional customer business	572,891	9%	205,857	4%	860,297	10%	226,421	4%
Investment trading business	726,547	11%	332,859	7%	751,451	9%	333,351	6%
Asset management business	447,076	7%	334,468	7%	654,916	8%	380,197	7%
Equity investment business	(9,088)	0%	(49,142)	(1)%	646,243	8%	117,458	2%

SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

1. *Wealth management business segment*

The corporate wealth management business segment mainly comprises retail business, margin financing and securities lending, stock pledge business, futures brokerage business and overseas wealth management and brokerage business.

In the first half of 2024, the business segment achieved revenue of RMB3.6 billion, accounting for 56% of the Group's total revenue.

Market environment

In the first half of 2024, the total trading volume reached RMB100.9 trillion on the SSE and the SZSE, representing a year-on-year decrease of 10.20%. The major stock indexes of A-share market closed down, with the SSE Composite Index down 0.25%, the SZSE Component Index down 7.10%, and the ChiNext Index down 10.99%.

As of the end of June 2024, the balance of margin financing and securities lending in the whole market amounted to RMB1,480.899 billion, representing a decrease of 10.30% from the end of last year. In particular, the balance of margin financing amounted to RMB1,449.327 billion, representing a decrease of 8.23% from the end of last year, and the balance of securities lending amounted to RMB31.571 billion, representing a decrease of 55.90% from the end of last year. The scale of stock pledge business in the entire market continued to decline.

According to statistics from the China Futures Association, from January to June 2024, the accumulated trading volume and the accumulated turnover in the national futures market reached 3.624 billion lots and RMB281.37 trillion, representing a year-on-year decrease of 11.15% and a year-on-year increase of 7.64%, respectively. The overall accumulated revenue and the net profit of the whole industry for the first half of the year reached RMB17.975 billion and RMB3.851 billion, representing a year-on-year decrease of 3.75% and 22.73%, respectively.

In the first half of 2024, the Hong Kong Hang Seng Index rose 3.94%; the Hong Kong Hang Seng TECH Index declined 5.57%. In terms of market activity, the average daily turnover of the Hong Kong Stock Exchange was approximately HK\$110.4 billion from January to June 2024, representing a year-on-year decrease of 4.50%.

Operational measures and performance

(1) Retail business

In the first half of 2024, the Company continued to uphold the political and people-oriented nature of the retail business, strengthened the "customer-centric" service philosophy, followed the core logic of "customer-asset-revenue", persisted in consolidating the foundation, focused on value creation, promoted various mechanism reforms, continued to forge professional teams, enhanced customer service capabilities, expanded and optimized the scale of the Company's basic customer base, and constantly promoted the in-depth and solid transformation of wealth management. According to the latest data from the Securities Association of China, as of the end of the first quarter of 2024, the Company's net income from the securities brokerage business and net income from trade orders on behalf of the customers remained stable compared with the end of last year, and its market share increased as compared to the previous quarter.

SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

Adhering to a customer-centric, service-focused and expertise-driven service concept, the Company promoted the transformation of the distribution business to asset allocation services. The Company established and improved three major systems including a multi-category, multi-strategy and multi-cycle product system, a fully tracked evaluation system covering all markets and dimensions, and a standardized service system. The Company pushed forward the construction of securities investment advisory business 2.0 in an all-round manner and enriched product categories by focusing on the construction of subjective, information and tool product systems to meet the needs of customers at different levels. The Company continued to expand its brand influence, and won the "Wealth Management · Huazun Award – 2024 Best Investment Advisory Team Award (财富管理·華尊獎-2024最佳投顧團隊獎)" granted by Cailianpress.com (財聯社).

As of the end of June 2024, the total number of customers of the Company was 6.13 million, representing an increase of 5% from the end of last year, and customers' total assets were RMB1.15 trillion, representing a decrease of 9% from the end of last year. In the first half of the year, the financial products distributed by the Company totaled RMB10.365 billion.

(2) Margin financing and securities lending business

In the first half of 2024, for the margin financing and securities lending business, by closely adhering to customer service-focused business philosophy, the Company continuously improved the level of refined services and achieved continuous growth in the number of customers by strengthening regional development, enriching business expansion tools and promoting the transformation of financial technology. In addition, the Company made counter-cyclical adjustments, optimized risk management and control mechanisms, and adhered to prudent and compliant operations. As of the end of June 2024, the Company's margin financing and securities lending balance was RMB31.505 billion, representing a decrease of 8.27% from the end of last year, maintaining an overall margin ratio of 231.13%.

(3) Stock pledge business

In the first half of 2024, the Company strengthened business access and risk control for the stock pledge business, which continuously optimized the asset quality. As of the end of June 2024, the Company's stock pledge balance amounted to RMB2.754 billion, of which the balance of the Company's stock pledge with own funds amounted to RMB987 million, representing a decrease of RMB20 million from the end of 2023. The weighted average performance guarantee ratio of the Company's stock pledge self-funded projects to be performed was 270.02%.

SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

(4) Futures brokerage business

The Company mainly conducts futures brokerage business through its wholly-owned subsidiary, Everbright Futures. In the first half of 2024, Everbright Futures remained committed to its responsibilities, reshaped its business structure, strictly adhered to compliance bottom lines, and steadily stepped towards high-quality development. From January to June 2024, Everbright Futures achieved average daily margin of RMB26.829 billion, with a market share of 1.86% in terms of trading volume. Its market share in the Shanghai Futures Exchange, the Energy Center, the Dalian Commodity Exchange, the Zhengzhou Commodity Exchange, the China Financial Futures Exchange and the Guangzhou Futures Exchange was 1.75%, 1.01%, 2.17%, 2.87%, 1.52% and 0.80%, respectively. In the first half of the year, the accumulated stock options trading volume of Everbright Futures represented 1.87% of the total trading volume of stock options on the SSE, ranking 6th among the 32 futures companies engaged in stock options business in terms of the total trading volume in the first half of the year. Everbright Futures focused on industrial customers, supported rural revitalization and served the real economy. In the first half of the year, 49 “insurance + futures” projects were implemented, safeguarding the value of agricultural products of approximately RMB530 million. In the first half of the year, Everbright Futures was granted awards such as the “2023 Outstanding Economic Contribution for Pudong New Area” (2023年度浦東新區經濟突出貢獻獎) by the people’s government of Pudong New Area, Shanghai and the “2023 Wind Best Roadshow List – Best Futures Company” by an authoritative platform.

(5) Overseas wealth management and brokerage business

The Company mainly conducts overseas wealth management and brokerage business through its Hong Kong subsidiary. As of the end of June 2024, the Hong Kong subsidiary’s brokerage business had a total of 141,000 customers, with the assets scale of custodian customers of HK\$54.4 billion and more than 3,400 wealth management products. In the first half of 2024, the Hong Kong subsidiary was granted the “Securities Company of the Year 2024 – Excellence Award” and the “2024 Wealth Management Platform – Excellence Award” by the Bloomberg Businessweek (Chinese Version), the “2024 Best Broker” by FinanceAsia and the “Best Securities Investment Service for 2024” Award at the Sing Tao Service Awards organized by Sing Tao Daily.

Outlook for the second half of 2024

In the second half of 2024, for the retail business, the Company will stabilize the total amount and adjust the structure and consolidate the fundamentals of retail business to “increase amount and improve quality” with a focus on the core logic of “customer-asset-revenue”, following the “customer-centric” concept and promoting the preservation and appreciation of customers’ assets. The Company will encourage and promote the branches to grow bigger and stronger, stimulate the vitality of the talent team, constantly improve the professional service capabilities, increase the promotion of “product-focused” single product sales and transform to “customer-centric” allocation services by adhering to the orientation of wealth management transformation, serving the real economy and value creation, so as to promote the high-quality development of wealth management business. For the margin financing and securities lending business, the Company will further enhance its business competitiveness, strengthen the strength and depth of customer service, constantly improve customer satisfaction, and consolidate the foundation of business development; it will continue to optimize the risk control system and business management model to ensure high-quality development. For the stock pledge business, the Company will strictly comply with regulatory requirements and continue to give play to the value of comprehensive services under the premise of strict risk control, and effectively serve the real economy. Everbright Futures will follow the political and people-oriented nature of financial work in its practices, focus on the growth of rights and interests and profits, promote the mutual integration and promotion of Party building and business, implement cost reduction and efficiency increase, and do a good job in “five major aspects” of finance. For the overseas wealth management and brokerage business, the Company will continue to diversify the wealth management product offerings, explore and accumulate new assets, promote wealth management transformation, and build cross-border wealth management business advantages.

SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

2. Corporate financing business segment

Our corporate financing business segment mainly includes equity financing business, debt financing business, overseas investment banking business and financial leasing business.

In the first half of 2024, the business segment achieved revenue of RMB0.5 billion, accounting for 7% of the Group's total revenue.

Market environment

Since 2024, the issuance in the A-share equity financing market has continued to slow down. As of the end of June 2024, the total amount of equity financing in the industry was RMB136.0 billion, representing a year-on-year decrease of 75.56%. The amount of funds raised in IPOs was RMB30.3 billion, representing a year-on-year decrease of 86.17%.

In the first half of 2024, the bond underwriting size of securities companies declined. The total bond underwriting amount of securities companies was RMB6.12 trillion, representing a year-on-year decrease of 9.71%.

In the first half of 2024, a total of 30 companies were newly listed on the Hong Kong market through IPOs, representing a year-on-year increase of 3%. HK\$13.4 billion was raised through IPOs, representing a year-on-year decrease of 25%.

Operational measures and performance

(1) Equity financing business

In the first half of 2024, for the equity financing business, the Company contributed to the development of new quality productive forces, increased support for strategic emerging industries, and further enhanced the capabilities to serve modern industries by closely focusing on national strategic industries. The Company was committed to promoting the efficient implementation of projects, and completed the IPO of Holyview and refinancing of Nanya New Material, both being national-level specialized and sophisticated enterprises. The Company continued to explore high-quality project resources and strictly controlled the quality of the project, continued to increase the efforts in the coordinated business expansion, constantly deepened and consolidated the project pipeline, actively expanded business channels, and strived to better serve customers and help to meet the financing needs of real economy enterprises.

As of the end of June 2024, the Company completed 2 equity underwriting projects for which it acted as the lead underwriter (excluding exchangeable bonds), with the amount of equity underwriting of RMB1,090 million, ranking 14th in terms of the number of underwriting projects for which it acted as the lead underwriter and 16th in terms of the amount of underwriting projects for which it acted as the lead underwriter. In particular, the Company completed 1 IPO project, with an amount of underwriting of RMB961 million, ranking 13th in terms of the number of IPO projects and 11th in terms of the amount of IPO underwriting. The Company completed 1 refinancing project, with an amount of underwriting of RMB50 million, ranking 15th in terms of the number of refinancing projects. As of the end of June 2024, the Company had 8 equity projects under review and 1 approved equity project pending issuance.

SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

(2) Debt financing business

In the first half of 2024, for the debt financing business, the Company fully implemented the national strategic deployment, improved service capabilities, accelerated the implementation of reserve projects, further consolidated the results of serving the real economy, promoted the issuance of industrial bonds, and strived to make positive contributions to serving the “five major aspects”. In the first half of the year, the amount of debt financing to serve the real economy was RMB37 billion, representing a year-on-year increase of 40%, of which the underwriting amount for the technology industry and the green industry increased by 254% and 36% year-on-year, respectively. The Company continued to give full play to the advantages of business innovation and became the first in many aspects in the industry, of which “24 Jizhong Energy MTN01” was the first digital RMB bond for science and technology innovation of energy enterprises in China; “CNNC Huineng Project” was the first new energy REITs in CNNC – China nuclear power system, and also an asset securitization product of enterprise with the largest market size in the first half of the year; “24 Beijing State-owned Assets Bond” was the first credit bond approved by and issued on the Beijing Stock Exchange. The Company tapped into strategic resources and developed a series of highlighted projects, constantly enhancing market influence. The Company was awarded the “Best Underwriter for Industrial Bond”, the “Best Underwriter for Corporate ABS” and the “Best Underwriter for Green Bond” by Wind in 2023.

In the first half of 2024, the number of underwriting projects for corporate bonds was 611, and the underwriting amount of bonds was RMB180.482 billion, with a market share of 2.95%, remaining relatively stable year-on-year and ranking 10th in the industry. Among them, the underwriting amount of asset securitization business was RMB19.090 billion, with a market share of 3.29%, ranking 9th in the industry.

Table 1: The underwriting amount and number of issuance projects for major types of bonds of the Company

Type of bonds	Underwriting amount (RMB100 million)	Number of issuance projects (piece)
Financial bonds	138.84	24
Corporate bonds	158.87	60
Interbank products (including short-term financing bonds, medium-term notes, and private placement notes)	570.94	173
Local government bonds	743.26	244
Asset-backed securities	190.90	109
Enterprise bonds	2.00	1

(3) Overseas investment banking business

The Company mainly conducts its overseas investment banking business through its Hong Kong subsidiary. In the first half of 2024, the Hong Kong subsidiary completed 9 equity projects and 4 debt projects, including 8 overseas financing projects of domestic enterprises. In terms of the number of underwriting projects of IPOs, the Hong Kong subsidiary ranked 14th in the entire market. As for serving the real economy, it completed a total of 5 projects, covering strategic emerging industries, emerging infrastructure construction and other sectors.

SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

(4) Financial leasing business

The Company mainly conducts its financial leasing business through Everbright Leasing, a controlling subsidiary of the Company. In the first half of 2024, Everbright Leasing strengthened the existing projects recovery and asset settlement and optimized the debt structure.

Outlook for the second half of 2024

In the second half of 2024, for the equity financing business, the Company will strengthen the responsibility of “gatekeeper” of capital market, prioritize compliance, strengthen control over existing projects, focus on business execution and improve comprehensive service capabilities, to build an investment banking service system that serves scientific and technological innovation enterprises, make full use of “what the investment banking can do” to serve “customers’ needs”, grow together with enterprises, and achieve value creation in rendering service. In terms of the debt financing business, the Company will adhere to do a good job in providing financial support, guide and encourage capital resources to invest in key national strategic areas by market-oriented means, to promote the upgrading of the manufacturing industry, support the development of high-tech industries, and raise funds and mainly use for serving “five major aspects”. The Company will promote the issuance of financial bonds, and further improve the quality of compliance practice. In terms of the overseas investment banking business, the Company will further explore business synergy opportunities by giving play to the domestic and foreign synergy advantages and constantly expand the market, achieving sound development of domestic and foreign investment banking synergy business.

3. Institutional customer business segment

Institutional customer business segment mainly comprises institutional trading business, prime brokerage business, asset custody and outsourcing business, investment research business, financial innovation business and overseas institutional sales business.

In the first half of 2024, the business segment achieved revenue of RMB0.6 billion, accounting for 9% of the Group’s total revenue.

Market environment

In the first half of 2024, the total turnover in Shanghai and Shenzhen stock markets recorded a year-on-year decrease of 10.20%. The existing size of wealth management products issued by banks was RMB28.52 trillion, representing an increase of 6.43% as compared with the beginning of the year. The net assets under mutual funds amounted to RMB31.08 trillion, representing an increase of 13.97% as compared with the end of 2023. The CSRC released the Regulation on the Management of Securities Transaction Expenses from Publicly-raised Securities Investment Funds (《公開募集證券投資基金證券交易費用管理規定》), which encouraged securities companies to strengthen continuous enhancement of the development of their research service capacity, further improve the quality of sell-side investment research services, actively explore transformation, and promote the sell-side research business to return to the essence of research, striving to forge its own core investment research competitiveness. In the first half of 2024, with the increasingly strict private fund regulatory environment, the number of new filings of private securities investment funds in the whole market decreased by 68.46% year-on-year, and the scale of new filings decreased by 56.92% year-on-year from January to June 2024 according to the statistics of the Asset Management Association of China.

SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

Operational measures and performance

(1) Institutional trading business

In the first half of 2024, the Company continued to delve in investment research to serve the principal business. Through the optimization of customer hierarchy, the combination of traditional and customized services, the complementation of online and offline services and other means, the Company invested reasonable resources, consolidated and facilitated the cooperation with core customers on mutual funds, insurance asset management, etc., expanded the coverage of and the service for bank wealth management, private funds and other customers, striving to build the service brand of Everbright. In the meantime, the Company have developed comprehensive services for institutional clients, such as trading support, to continuously optimize customer experience and enhance the standards of value-added services. Furthermore, the Company continued to deepen internal coordination, enhanced the comprehensive service capabilities, expanded sources of revenue and reinforced customer stickiness.

(2) Prime brokerage business

In the first half of 2024, for commercial banks and wealth management subsidiaries, private fund, trust and other financial institutions, the Company provided one-stop integrated financial services underpinned by trading system, investment research, fundraising, capital intermediary and FOF/MOM investment and extended with other services to create the prime brokerage service brand. As of the end of June 2024, the Company had introduced a total of 6,939 PB products, representing an increase of 7.03% as compared with the end of 2023. There were 4,078 existing PB products, representing an increase of 1.44% as compared with the end of 2023.

(3) Asset custody and outsourcing business

In the first half of 2024, for the asset custody and outsourcing business, the Company focused on its core securities business, maintaining regulated and orderly development. Leveraging its professional and efficient operational service capabilities, the Company aimed to expand its client base, enhance operational efficiency, and strengthen risk management and control. As of the end of June 2024, the Company's asset custody and outsourcing business saw a 6% increase in the number of clients compared with the beginning of the year. The Company ranked 10th among securities companies in terms of the number of mutual funds under custody and 15th among securities companies in terms of the number of private securities investment funds under custody. The scale of mutual and private fund custody amounted to RMB54.8 billion, representing a decrease of 18.33% as compared with the beginning of the year. The scale of private fund outsourcing amounted to RMB108.7 billion, representing a decrease of 15.67% as compared with the beginning of the year.

(4) Investment research business

In the first half of 2024, for the investment research business, the Company conducted policy analysis and economic research and judgment with a focus on the economic situation and market hotspots, and frequently conveyed the voice of Everbright for the high-quality development and steady advancing of the capital market. It accelerated the building of professional research team to better serve customers and the market through distinctive and in-depth research. The Company held 2 exchange conferences for major listed companies and 484 phone meetings, published 2,901 research reports, conducted 14,830 roadshows and reverse roadshows and 516 joint researches. As of the end of June 2024, the Company researched and monitored 822 A-share listed companies and 177 overseas listed companies, with its market influence continuing to increase.

SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

(5) Financial innovation business

In the first half of 2024, for the financial innovation business, the Company actively adapted to the changes in the market and regulatory environment, and steadily promoted the development of return swaps, OTC options and income receipts business on the basis of compliant operations. During the Reporting Period, the Company actively promoted the development of market making business, optimized the system construction and properly fulfilled the obligations of market maker for exchanges. The Company won the Silver Prize for Outstanding Market Makers for Stock Index Options in 2023 awarded by the China Financial Futures Exchange and obtained the annual class-A comprehensive appraisal on lead market makers for stock options in 2023 granted by the SSE. It also won the annual class-A comprehensive appraisal on general market makers of listed funds by the SSE and the 2023 annual class-A appraisal on fund liquidity service granted by the SZSE.

(6) Overseas institutional trading business

The Company mainly conducts its overseas institutional trading business through its Hong Kong subsidiary. In the first half of 2024, the overseas institutional trading business has reached cooperation with a number of fund companies around the world to provide customers with more comprehensive and professional financial services.

Outlook for the second half of 2024

In the second half of 2024, for the institutional trading business, the Company will continue to diversify investment research products and services, fully leverage the advantages from synergy, deepen the foundations for cooperation with mutual funds, insurance asset management and other institutional customers, boost efforts in providing comprehensive services to bank wealth management, private fund and interbank institutions, speed up the expansion of new cooperation with institutional customers and diversify the sources and structure of revenue. For the asset custody and outsourcing business, the Company will adhere to the positioning of resource integration and synergistic combination, rely on its overall resources to form a synergy, give full play to the functionality of providing full life-cycle infrastructure services to institutional customers, to provide high-quality comprehensive financial services to institutional customers. The investment research business will consolidate the research foundation, intensify research on key sectors, strengthen the sharing of research resources, improve the internal and external coordination mechanism and promote research ability and market influence. The financial innovation business will take into account the market environment, closely follow the regulatory dynamics, continue to optimize the business model and product structure, actively expand the market making business subjects, optimize the market making strategy, and continue to improve the trading and risk management capabilities.

4. Investment trading business segment

The investment trading business segment includes the proprietary equity investment business and the proprietary fixed income investment business.

In the first half of 2024, the business segment achieved revenue of RMB0.7 billion, accounting for 11% of the Group's total revenue.

Market environment

In the first half of 2024, the SSE Composite Index decreased by 0.25%, the SZSE Component Index fell by 7.10%, the ChiNext Index dropped by 10.99%, and the Wind All A-Share Index dropped by 8.0%. Against the backdrop of weak recovery in fundamentals, continued easing of capital and reduced bond supply, the bond market as a whole strengthened. The yield rates and spreads of various types of bonds have fallen to historical low levels, and the bond market has ushered in a new phase of low interest rates across the board.

SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

Operational measures and performance

(1) Proprietary equity investment business

In the first half of 2024, the Company operated its proprietary equity investment business by focusing on absolute returns. The Company firmly defended the bottom line of risk, and actively responded to market changes. Benefiting from the effective control over directional exposure and multi-asset and multi-strategy layout, the overall asset portfolio recorded positive revenue under the complicated and volatile market environment.

(2) Proprietary fixed income investment business

In the first half of 2024, for the proprietary fixed income investment business, the Company focused on absolute returns, continuously consolidated the investment research foundations, improved investment framework, diversified investment strategies, seized market opportunities to steadily increase the allocation of high-quality bonds and expand the scale of investment. The Company further diversified investment categories, and increased neutral strategies to supplement fixed income directional investment and improve overall profitability.

Outlook for the second half of 2024

In the second half of 2024, for the proprietary equity investment business, the Company will maintain the target of absolute returns and pursue progress amid stability, continue to refine and improve investment methodology, enhance the development of talent teams, deeply explore investment opportunities, and promote enhanced and refined business layout of multi-asset allocation and multi-strategy. For the proprietary fixed income investment business, with a focus on the continuous improvement of investment research capabilities, the Company will further strengthen market research and judgment, continue to optimize investment strategies, steadily expand investment categories, and prudently and steadily carry out businesses. The Company will continue to enhance its ability to serve national strategies and support the real economy, and increase support for key fields such as green finance and technology finance.

5. Asset management business segment

The asset management business segment includes the asset management business, the fund management business and the overseas asset management business.

In the first half of 2024, the business segment achieved revenue of RMB0.4 billion, accounting for 7% of the Group's total revenue.

Market environment

According to the data of the Asset Management Association of China, as of the end of June 2024, the scale of the private asset management business of securities companies and their asset management subsidiaries was RMB5.8 trillion, representing an increase of 9% from the beginning of the year. As of the end of June 2024, the AUM of mutual funds amounted to RMB30.59 trillion (excluding ETF feeder funds and excluding market value of funds held by FOF), representing an increase of RMB3.45 trillion, or 12.7%, as compared with the end of 2023.

SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

Operational measures and performance

(1) Asset management business

The Company mainly conducts asset management business through its wholly-owned subsidiary, Everbright Asset Management. In the first half of 2024, based on the functional positioning of “social wealth manager”, with the mission of enhancing investors’ sense of gain, Everbright Asset Management focused on strengthening the cultivation of compliance culture, continuously improved the investment and research capabilities and customer service level; focusing on the construction of “low volatility product line”, it deeply explored core distribution channels and carried out the strategy of diversified product layout, covering pure debt, fixed income +, subject interest, private FOF and other investment strategies. It continued to apply for licenses for mutual funds and make preparations in an orderly manner.

As of the end of June 2024, the total AUM of Everbright Asset Management was RMB368.0 billion, representing an increase of 22.54% from the beginning of the year. According to the statistics of the Asset Management Association of China, in the second quarter of 2024, the monthly average AUM of the private equity asset management products of Everbright Asset Management ranked 5th in the industry.

(2) Funds management business

The Company mainly conducts funds management business through its controlling subsidiary, Everbright Pramerica. In the first half of 2024, Everbright Pramerica continued to strengthen cooperation with various distribution channels and issued the Everbright Pramerica Dingli 90-day Rolling Bond-held Securities Investment Fund (光大保德信鼎利90天滾動持有債券型證券投資基金), with a fundraising scale of nearly RMB900 million. It continued to promote the development of its investment research system, and strived to improve the breadth and depth of research support for investment and create high-performance products. As of the end of June 2024, the total AUM of Everbright Pramerica amounted to RMB91.5 billion, among which, the AUM of mutual funds amounted to RMB71.6 billion, and the AUM of mutual funds excluding money market funds amounted to RMB55.1 billion. Everbright Pramerica managed 70 mutual funds, 28 products for special accounts, and 24 products of its asset management subsidiaries.

(3) Overseas asset management business

The Company mainly conducts its overseas asset management business through its Hong Kong subsidiary. In the first half of 2024, the AUM of its Hong Kong subsidiary was HK\$1.395 billion. Among the products under its management, “Everbright Income Focus Fund” was once again awarded the highest rating on five-year funds by Morningstar, Inc.

Outlook for the second half of 2024

In the second half of 2024, Everbright Asset Management will aim at serving the real economy and the wealth management needs of residents, and focus on creating an absolute return “low volatility product line” in light of investors’ demands and the changes in the industry landscape. It will persist in taking risk prevention and control as an important prerequisite in carrying out the work, and constantly strengthen the construction of internal control system; it will speed up the development of investment and research talent pool and the construction of talent pipeline, improve the overall core competitiveness of the platform, and further enhance the investors’ sense of gain. Everbright Pramerica will continue to take investment and research capabilities as the core business driver, deeply explore retail channels and actively cooperate with institutional customers, constantly improve the comprehensive risk management system and strengthen financial technology investment, and strive to continuously create value for investors and promote the high-quality development. In respect of overseas asset management, the Company will strengthen its independent investment research capabilities, improve the product layout and boost product investment performance internally, and deeply focus on retail and institutional sales channels and optimize the market influence of brands of the enterprise externally.

SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

6. *Equity investment business segment*

The equity investment business segment includes private fund investment and financing business and alternative investment business.

In the first half of 2024, the business segment achieved revenue of RMB-9 million.

Market environment

In the first half of 2024, the overall pace of China's equity investment market has slowed down, and the equity investment has played a more important role in serving strategic emerging industries in China. Investments continuously concentrated in strategic and policy-oriented industries. The Management Rules for Alternative Investment Subsidiaries of Securities Companies 《證券公司另類投資子公司管理規範》 was issued and amended by the Securities Association of China, and the alternative investment business of securities companies has been developing toward the direction of further standardization and orderliness.

Operational measures and performance

(1) Private fund investment and financing business

The Company mainly conducts private fund investment and financing business through its wholly-owned subsidiaries, Everbright Capital and Everbright Development. In the first half of 2024, Everbright Capital strengthened post-investment management of the existing investment projects, and properly facilitated risk addressing and mitigation. Everbright Development continued to improve the internal management system to ensure the smooth operation of existing products.

(2) Alternative investment business

The Company mainly conducts alternative investment business through its wholly-owned subsidiary, Everbright Fortune. Everbright Fortune actively monitored market situation and carried out relevant business on follow-up investment and direct equity investment on the Sci-tech Innovation Board and the ChiNext Board in an orderly manner to achieve steady business development. Everbright Fortune strengthened the construction of professional post-investment management team and made efforts to properly conduct the post-investment management of the existing projects to ensure the safe and orderly exit from projects. It actively attended the strategic placing of the Company on the Sci-tech Innovation Board. As of the end of June 2024, it has completed a total of 14 equity investment projects, and follow-up investment in 11 companies on the Sci-tech Innovation Board.

Outlook for the second half of 2024

In 2024, Everbright Capital will continuously strengthen risk control and compliance management, adhere to prudent and stable operation, enhance post-investment management of existing direct investment and fund business. Everbright Development will continue to promote business model transformation and actively explore business innovation. Everbright Fortune will continue to serve the real economy and national strategies, steadily advance the strategic placing investment projects on the Sci-tech Innovation Board and the ChiNext Board, and actively expand equity investment and other businesses; it will focus on "specialized and sophisticated enterprises that produce new and unique products", concentrate on growth and innovation enterprises, and actively expand new business.

SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

(II) Major items of the consolidated statement of profit or loss

Table 1 Major revenue items

Unit: RMB'000

Item	January to June 2024		January to June 2023		Increase/decrease	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Fee and commission income	2,961,694	47%	3,348,340	39%	(386,646)	(12)%
Interest income	2,351,052	37%	2,542,081	30%	(191,029)	(8)%
Net investment gains	991,448	16%	2,153,332	25%	(1,161,884)	(54)%
Other income and gains	53,451	1%	461,256	5%	(407,805)	(88)%
Total revenue and other income	6,357,645		8,505,009		(2,147,364)	(25)%

In the first half of 2024, total revenue and other income of the Company amounted to RMB6.36 billion, representing a year-on-year decrease of 25%.

In particular, fee and commission income amounted to RMB2.96 billion, representing a year-on-year decrease of 12%, which was mainly due to a decrease in fee and commission income from securities brokerage business and underwriting sponsoring business.

Interest income amounted to RMB2.35 billion, representing a year-on-year decrease of 8%, which was mainly due to the decreases in interest income from margin financing and securities lending and interest income from financial interbank deposits.

Net investment gains amounted to RMB990 million, representing a year-on-year decrease of 54%, which was mainly due to the impact of fluctuation in equity market.

Other income and gains amounted to RMB50 million, representing a year-on-year decrease of 88%, which was mainly due to the year-on-year decreases in income from commodities basis trading business and government grants during the current period.

Table 2 Major expenditure items

Unit: RMB'000

Item	January to June 2024		January to June 2023		Increase/decrease	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Fee and commission expenses	870,322	18%	735,095	13%	135,227	18%
Interest expenses	1,368,784	28%	1,655,289	29%	(286,505)	(17)%
Staff costs	1,687,159	35%	2,083,015	36%	(395,856)	(19)%
Depreciation and amortization expenses	330,389	7%	332,899	6%	(2,510)	(1)%
Tax and surcharges	19,646	0%	29,866	1%	(10,220)	(34)%
Other operating expenses	597,261	12%	873,028	15%	(275,767)	(32)%
Accrued liabilities	12,794	0%	63,105	1%	(50,311)	(80)%
Asset impairment losses	—	—	(5)	(0)%	5	100%
Provision/(reversal) of credit impairment loss	(34,086)	(1)%	27,074	0%	(61,160)	(226)%
Total expenses	4,852,269		5,799,366		(947,097)	(16)%

In the first half of 2024, total expenses amounted to RMB4.85 billion, representing a year-on-year decrease of 16%.

SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

In particular, fee and commission expenses amounted to RMB870 million, representing a year-on-year increase of 18%, which was mainly due to a year-on-year increase in fee and commission expenses for brokerage business;

Interest expenses amounted to RMB1.37 billion, representing a year-on-year decrease of 17%, which was mainly due to a decrease in interest expenses arising from long-term bonds and loans and borrowings;

Staff costs amounted to RMB1.69 billion, representing a year-on-year decrease of 19%, which was mainly due to a decrease in total salary;

Depreciation and amortization expenses amounted to RMB330 million, which was basically the same with that of the corresponding period last year;

Accrued liabilities amounted to RMB12.8 million, representing a year-on-year decrease of 80%, which was mainly due to a year-on-year decrease in litigation expenses provided for the period;

The reversal of credit impairment loss amounted to RMB30 million, and the provision of the same amounted to RMB30 million for the corresponding period last year, which were mainly due to certain projects were recovered, and the impairment of other receivables was reversed.

Other operating expenses amounted to RMB0.6 billion, representing a year-on-year decrease of 32%, which was mainly due to a year-on-year decrease in cost of the commodities trading business of the Company during the current period.

1. *Cash flow*

In the first half of 2024, the cash and cash equivalents of the Company recorded a net decrease of RMB10.356 billion, of which:

Net cash generated from operating activities amounted to RMB11.905 billion, mainly due to the decreases in financial instruments at fair value through profit or loss and financial assets held under resale agreements, which was partially offset by the decrease in financial assets sold under repurchase agreements.

Net cash used in investing activities amounted to RMB2.753 billion, mainly due to the changes of financial assets for investment purpose at fair value through other comprehensive income and other investments.

Net cash used in financing activities amounted to RMB19.508 billion, mainly due to the repayment of long-term bonds and short-term debt instruments during the current period, which was partially offset by the proceeds received from the issuance of long-term bonds.

SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

2. Analysis on principal components of consolidated statement of financial position

Unit: RMB'000

	June 30, 2024		December 31, 2023		Increase/decrease	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Non-current assets	41,135,085		42,090,369		(955,284)	(2.27)%
Property and equipment	934,544	0.39%	890,080	0.34%	44,464	5.00%
Right-of-use asset	796,905	0.34%	804,799	0.31%	(7,894)	(0.98)%
Investment properties	11,072	0.00%	11,432	0.00%	(360)	(3.15)%
Goodwill	533,214	0.22%	529,506	0.20%	3,708	0.70%
Other intangible assets	250,992	0.11%	262,918	0.10%	(11,926)	(4.54)%
Interest in associates and joint ventures	1,025,413	0.43%	1,001,201	0.39%	24,212	2.42%
Financial assets measured at amortized cost	2,529,476	1.07%	3,498,381	1.35%	(968,905)	(27.70)%
Investment in equity instruments at fair value through other comprehensive income	1,347,730	0.57%	875,215	0.34%	472,515	53.99%
Investment in debt instruments at fair value through other comprehensive income	21,258,583	8.97%	22,129,376	8.52%	(870,793)	(3.94)%
Refundable deposits	9,407,523	3.97%	8,959,802	3.45%	447,721	5.00%
Deferred income tax assets	2,226,674	0.94%	2,408,529	0.93%	(181,855)	(7.55)%
Receivables arising from finance lease and sale-and-leaseback arrangements	249,007	0.11%	431,704	0.17%	(182,697)	(42.32)%
Other non-current assets	563,952	0.24%	287,426	0.11%	276,526	96.21%
Current assets	195,947,079		217,513,658		(21,566,579)	(9.92)%
Accounts receivable	1,049,368	0.44%	1,204,768	0.46%	(155,400)	(12.90)%
Receivables arising from finance lease and sale-and-leaseback arrangements	529,104	0.22%	693,776	0.27%	(164,672)	(23.74)%
Other receivables and prepayments	2,087,187	0.88%	2,842,513	1.09%	(755,326)	(26.57)%
Margin accounts receivable	33,531,502	14.14%	36,783,275	14.17%	(3,251,773)	(8.84)%
Investment in debt instruments at fair value through other comprehensive income	23,454,609	9.89%	19,981,258	7.70%	3,473,351	17.38%
Financial assets measured at amortized cost	957,093	0.40%	149,369	0.06%	807,724	540.76%
Financial assets held under resale agreements	2,855,396	1.20%	7,871,606	3.03%	(5,016,210)	(63.73)%
Financial assets at fair value through profit or loss	64,393,423	27.16%	75,337,162	29.02%	(10,943,739)	(14.53)%
Derivative financial assets	3,146,220	1.33%	1,838,397	0.71%	1,307,823	71.14%
Clearing settlement funds	1,000,406	0.42%	1,237,540	0.48%	(237,134)	(19.16)%
Cash held on behalf of brokerage clients	51,319,187	21.65%	47,875,463	18.44%	3,443,724	7.19%
Cash and bank deposits	11,623,584	4.90%	21,698,531	8.36%	(10,074,947)	(46.43)%
Total assets	237,082,164		259,604,027		(22,521,863)	(8.68)%

SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

	June 30, 2024		December 31, 2023		Increase/decrease	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Current liabilities	146,864,926		171,074,105		(24,209,179)	(14.15)%
Loans and borrowings	348,232	0.21%	956,260	0.50%	(608,028)	(63.58)%
Short-term debt instruments issued	3,373,904	1.99%	13,083,268	6.82%	(9,709,364)	(74.21)%
Placements from other financial institutions	12,353,533	7.30%	12,821,203	6.69%	(467,670)	(3.65)%
Financial liabilities at fair value through profit or loss	1,479,925	0.87%	296,017	0.15%	1,183,908	399.95%
Accounts payable to brokerage clients	59,489,939	35.14%	55,957,676	29.19%	3,532,263	6.31%
Employee benefits payable	1,994,719	1.18%	2,236,335	1.17%	(241,616)	(10.80)%
Other payables and accruals	16,090,239	9.50%	18,269,205	9.53%	(2,178,966)	(11.93)%
Income tax payable	45,489	0.03%	67,738	0.04%	(22,249)	(32.85)%
Financial assets sold under repurchase agreements	38,005,405	22.45%	43,862,830	22.88%	(5,857,425)	(13.35)%
Derivative financial liabilities	1,344,024	0.79%	1,033,710	0.54%	310,314	30.02%
Lease liabilities due within one year	251,504	0.15%	224,558	0.12%	26,946	12.00%
Contract liabilities	20,695	0.01%	32,469	0.02%	(11,774)	(36.26)%
Long-term bonds due within one year	12,067,318	7.13%	22,232,836	11.60%	(10,165,518)	(45.72)%
Net current assets	49,082,153		46,439,553		2,642,600	5.69%
Total assets less current liabilities	90,217,238		88,529,922		1,687,316	1.91%
Non-current liabilities	22,426,723		20,634,533		1,792,190	8.69%
Loans and borrowings	1,110,130	0.66%	1,163,962	0.61%	(53,832)	(4.62)%
Long-term bonds	19,403,572	11.46%	17,266,636	9.01%	2,136,936	12.38%
Deferred tax liabilities	16,567	0.01%	20,576	0.01%	(4,009)	(19.48)%
Accrued liabilities	562,949	0.33%	546,886	0.29%	16,063	2.94%
Lease liabilities	576,320	0.34%	591,315	0.31%	(14,995)	(2.54)%
Other non-current liabilities	757,185	0.45%	1,045,158	0.55%	(287,973)	(27.55)%
Total liabilities	169,291,649		191,708,638		(22,416,989)	(11.69)%
Net assets	67,790,515		67,895,389		(104,874)	(0.15)%

Non-current assets: As of June 30, 2024, the non-current assets of the Company amounted to RMB41.1 billion, representing a decrease of 2% as compared with that of the beginning of the year, which was mainly due to the decreases of financial assets measured at amortized cost and investment in debt instruments at fair value through other comprehensive income, which were partially offset by the increases of investment in equity instruments at fair value through other comprehensive income and refundable deposits.

SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

Current assets: As of June 30, 2024, the current assets of the Company amounted to RMB195.9 billion, representing a decrease of 10% as compared with that of the beginning of the year, which was mainly due to the decreases of financial assets at fair value through profit or loss and cash and bank deposits.

Current liabilities: As of June 30, 2024, the current liabilities of the Company amounted to RMB146.9 billion, representing a decrease of 14% as compared with that of the beginning of the year, which was mainly due to the decreases in long-term bonds due within one year, short-term debt instruments issued and financial assets sold under repurchase agreements.

Non-current liabilities: As of June 30, 2024, the non-current liabilities of the Company amounted to RMB22.4 billion, representing an increase of 9% as compared with that of the beginning of the year, which was mainly due to an increase of long-term bonds.

Overseas assets

The overseas assets of the Company are mainly from EBSI, a subsidiary of the Company, and its subsidiaries. EBSI primarily operates in Hong Kong with the Hong Kong dollars as its recording currency. In particular, the overseas assets of the Company amounted to RMB12.761 billion, representing 5.38% of the total assets.

Borrowings and bond financing

Unit: RMB'000

Item	June 30, 2024	December 31, 2023
Loans and borrowings	1,458,362	2,120,222
Short-term debt instruments issued	3,373,904	13,083,268
Long-term bonds	31,470,890	39,499,472
Total	36,303,156	54,702,962

For details of interest rate and maturity profiles of borrowings and bonds financing, please refer to Notes 41, 42 and 49 to the consolidated financial statements.

For details of charged assets and other assets with restricted ownership or right to use, please refer to notes to the consolidated financial statements.

As at June 30, 2024, the Company's gearing ratio was 61.83%, the Company's borrowings due within one year, short-term financing payables and bonds amounted to RMB15.8 billion, and the Company's net current assets, net of the above liabilities, amounted to RMB180.2 billion. Therefore, the liquidity risk exposure to the Company was not material.

SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

(III) Analysis on investments

1. Overall analysis on external equity investment

As of the end of the Reporting Period, the long-term equity investment of the Company amounted to RMB1.025 billion, representing an increase of RMB24 million or 2.42% as compared with that of the beginning of the year, which was mainly due to the gain on investment in associates under the equity method. For details, please refer to the disclosure in the consolidated financial report.

(1) Significant equity investment

The Company did not have any significant equity investment during the Reporting Period.

(2) Significant non-equity investment

The Company did not have any significant non-equity investment during the Reporting Period.

(IV) Material disposal of assets and equity interests

There was no significant disposal of assets and equity interests during the Reporting Period.

(V) Analysis on principal controlled subsidiaries and companies with equity interest

1. Everbright Futures Co., Ltd., established on April 8, 1993 with a registered capital of RMB1.5 billion, is a wholly-owned subsidiary of the Company. It is principally engaged in commodity futures brokerage, financial futures brokerage, futures investment consultation, asset management and distribution of publicly offered securities investment funds.

As of June 30, 2024, Everbright Futures had total assets of RMB28.075 billion and net assets of RMB3.000 billion; for the first half of 2024, Everbright Futures had revenue of RMB342 million and net profit of RMB93 million.

2. Shanghai Everbright Securities Asset Management Co., Ltd., established on February 21, 2012 with a registered capital of RMB200 million, is a wholly-owned subsidiary of the Company. It is principally engaged in securities asset management business.

As of June 30, 2024, Everbright Asset Management had total assets of RMB3.206 billion and net assets of RMB2.929 billion; for the first half of 2024, Everbright Asset Management had revenue of RMB265 million and net profit of RMB70 million.

3. Everbright Capital Investment Co., Ltd., established on November 7, 2008 with a registered capital of RMB4 billion, is a wholly-owned subsidiary of the Company. It is principally engaged in investment management, asset management, equity investment and investment consultation.

As of June 30, 2024, Everbright Capital had total assets of RMB2.165 billion and net assets of RMB-1.003 billion; for the first half of 2024, Everbright Capital had revenue of RMB-182 million and net loss of RMB186 million.

4. Everbright Fortune Investment Co., Ltd., established on September 26, 2012 with a registered capital of RMB2 billion, is a wholly-owned subsidiary of the Company. It is principally engaged in financial products investment, etc.

As of June 30, 2024, Everbright Fortune had total assets of RMB1.927 billion and net assets RMB1.780 billion; for the first half of 2024, Everbright Fortune had revenue of RMB-10 million and net loss of RMB33 million.

SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

5. China Everbright Securities International Company Limited is the main operating and management platform for the Company's business in Hong Kong. As of June 30, 2024, China Everbright Securities International Company Limited had total assets of HK\$4.588 billion and net assets of HK\$3.054 billion; for the first half of 2024, China Everbright Securities International Company Limited had revenue of HK\$513 million and net profit of HK\$64 million, under IFRSs.

China Everbright Securities International Holdings Limited, as a shareholding platform, is a company with limited liability incorporated under the laws of Hong Kong on November 19, 2010 with a registered capital of HK\$7.4 billion, and a wholly-owned subsidiary of the Company. It is principally engaged in investment holding and financial services. As of June 30, 2024, EBSI had total assets of RMB12.761 billion (RMB equivalent, here and below) and net assets of RMB2.528 billion; for the first half of 2024, EBSI had revenue of RMB295 million and net profit of RMB19 million, under the PRC GAAP.

6. Everbright Development Investment Co., Ltd., established on June 12, 2017 with a registered capital of RMB500 million, is a wholly-owned subsidiary of the Company. It is principally engaged in equity investment, equity investment management, investment management, asset management, project investment and investment consultation.

As of June 30, 2024, Everbright Development had total assets of RMB648 million and net assets of RMB48 thousand; for the first half of 2024, Everbright Development had revenue of RMB137 million and net profit of RMB216 million.

7. Everbright Fortune Financing Leasing Co., Ltd., established on September 29, 2014 with a registered capital of RMB1 billion, is held by the Company as to 85% equity interests through Everbright Capital and EBSI (among which, 35% equity interests held by Everbright Capital has been frozen due to the impact of MPS risk events. For details, please refer to the Company's announcements No. Lin 2019-037 and No. Lin 2022-009 published on the website of the SSE, and announcements published on the website of the Hong Kong Stock Exchange dated May 31, 2019 and March 16, 2022). It is principally engaged in financial leasing and leasing business, etc.

As of June 30, 2024, Everbright Leasing had total assets of RMB1.301 billion and net assets of RMB1.196 billion; for the first half of 2024, Everbright Leasing had revenue of RMB24 million and net profit of RMB16 million.

8. Everbright Pramerica Fund Management Co., Ltd., jointly established by the Company and PGIM, Inc. on April 22, 2004 with a registered capital of RMB160 million, is held by the Company as to 55% equity interests. It is principally engaged in fund raising, fund sales, asset management.

As of June 30, 2024, Everbright Pramerica had total assets of RMB1.612 billion and net assets of RMB1.424 billion; for the first half of 2024, Everbright Pramerica had revenue of RMB179 million and net profit of RMB24 million.

9. Dacheng Fund Management Co., Ltd., established on April 12, 1999 with a registered capital of RMB200 million, is held by the Company as to 25% equity interests. It is principally engaged in fund raising, fund sales and asset management.

As of June 30, 2024, Dacheng Fund had total assets of RMB5.808 billion and net assets of RMB3.481 billion; for the first half of 2024, Dacheng Fund had revenue of RMB1.016 billion and net profit of RMB245 million.

SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

(VI) Structured entities under the control of the Company

As of June 30, 2024, the Company consolidated 42 structured entities, including asset management plans and partnerships. For asset management plans for which the Company acts as manager and partnerships for which the Company acts as general partner or investment manager, the Company is of the view that it has control over certain asset management plans and partnerships taking into account various factors including the rights of making decision on investment and the exposure to variable returns, and has included them into the scope of consolidation. As at June 30, 2024, the net assets of the above structured entities within the scope of consolidation amounted to RMB13.0 billion.

IV. Other Disclosures

(I) Potential Risk Exposure

1. Summary of risk management

By adhering to the risk management culture of sound operation, the Company continued to commit itself to establishing the comprehensive risk management system that matches the Company's strategic and development objectives, improving its risk management system, building its risk management information system and strengthening its professional risk management so as to effectively manage various risks faced during the Company's operations and promote the healthy and sustainable development of the Company's businesses.

2. Risk management structure

The Company's risk management organizational structure consists of four levels, including the Board of Directors and its risk management committee, and the Supervisory Committee; the management and its subordinate professional committees; the risk management functional departments; and various departments, branches and subsidiaries.

The Board of Directors shall undertake ultimate responsibility for comprehensive risk management and be responsible for advancing the construction of risk culture; considering and approving the basic system of the comprehensive risk management of the Company; considering and approving the risk preference, risk tolerance and significant risk limit of the Company; considering the regular risk assessment report of the Company; and establishing a direct communication mechanism with the chief risk officer, etc. The Board of Directors may authorize its subordinate Risk Management Committee to fulfill some of its comprehensive risk management duties. The Supervisory Committee of the Company shall undertake the supervisory responsibility for comprehensive risk management, and be responsible for supervising and examining the performance of duties of the Board and the management in the risk management aspect and supervising their rectification.

The management of the Company shall undertake primary responsibility for comprehensive risk management and be responsible for establishing and making timely adjustment to risk management system; establishing a healthy operation management structure for the Company's comprehensive risk management, clarifying the duty division of comprehensive risk management among risk management functions, business departments and other departments, and establishing a working mechanism that features effective check and balance and good coordination among the departments; establishing the specific execution plans on risk preference, risk tolerance and significant risk limit and ensuring the effective implementation of the plans; monitoring its progress, analyzing its reasons in a timely manner and handling it according to the authorizations granted by the Board; regularly assessing the overall risk of the Company and various types of material risk management conditions, resolving problems that are found in risk management and reporting the same to the Board; establishing a performance assessment system for all staff that covers effectiveness of risk management; and establishing a complete IT system and data quality control mechanism, etc. The management of the Company has set up various subordinate professional committees that are responsible for some of risk management functions within the scope of their respective duties.

SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

The departments which have risk management functions of the Company include risk management and internal control department, legal and compliance department, internal audit department, information technology headquarters, financial technology development department, financial management department, treasury management department, operations management headquarters, board office/supervisory committee office, investment banking quality control headquarters, investment banking internal audit office, and so on. Each functional department shall identify, monitor, evaluate and report various risks of the Company, assist, instruct and inspect risk management work by each department, branches and subsidiaries of the Company correspondingly in accordance with the authorization of the Company.

Each person in charge of the Company's business departments, branches and subsidiaries shall undertake direct responsibility for risk management within their respective business field. Each of the Company's business departments, branches and subsidiaries is responsible for carrying out businesses strictly within the scope of authorizations granted according to the Company's authorization management system. Unauthorized activities are strictly prohibited and business activities are managed and controlled effectively by a way of establishing rules, procedures and systems.

3. *Measures against various risks*

(1) *Market risk*

Market risk exposure to the Company refers to the potential loss in value of its financial instruments resulting from changes or fluctuations in their market prices, mainly including equity price risk, interest rate risk, exchange rate risk, commodity price risk, etc.

In terms of market risk, the Company adheres to the principle of proactive management and quantitative orientation and establishes a risk limit system incorporated with various procedures for market risk tolerance and business risk limit based on the risk preferences of the Company. Risks are controlled by a combination of investment portfolios, mark-to-market measures, hedging and mitigation measures during the business expansion. The general meeting of the Company determines the annual scale of proprietary trading business, the Board of Directors of the Company determines market risk loss tolerance, and the management of the Company and its committees determine the breakdown scale of proprietary trading business and the management mechanism for market risk tolerance and limit, break down the market risk loss tolerance, review and approve limits for specific business, and specify the early warning standards, over-limit standards and countermeasures for various indicators. Among them, business risk limit system and various risk indicators include value at risk (VaR), net exposure value, Greek letters, concentration, basis point value, etc. Stress testing is an integral part of the Company's market risk management, and therefore the Company has established and improved its stress testing mechanism to conduct regular or irregular tests on the corresponding investment portfolios in accordance with business development and market changes, evaluate the Company's potential losses under stress scenarios and make risk recommendations to provide basis for the business departments and management's operational decisions. For risk management of over-the-counter derivatives business, the Company has insisted on market neutral strategy as the core, and established risk management measures such as access to the underlying pool, margin management, pre-approval of counterparties, in-market surveillance and post-collateral risk disposal, and set up risk limits such as Greek letter exposure, subject concentration and stress test loss to carry out market risk management. Meanwhile, the Company has standardized the whole-process management mechanism of models, strengthened model validation, backtesting and assessment, so as to continuously improve the accuracy and precision of its risk measurements.

SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

In view of its overseas expansion and business development, the Company may be exposed to foreign exchange risks. In terms of sources and use of proceeds, the Company's potential foreign exchange risks are mainly arising from investment in foreign currency assets through onshore RMB financing and investment in RMB assets through foreign currency financing. As of the end of the Reporting Period, the Company has not commenced any of the above businesses. Proceeds from foreign currency financing by offshore subsidiaries will be all specifically used for investment in the local market to achieve natural hedging of foreign exchange risks. Looking forward, the Company will mitigate foreign exchange risks through a range of hedging measures based on the actual situation so as to support its overseas business development.

(2) *Credit risk*

Credit risk refers to potential losses resulting from the failure of a debtor or counterparty to perform its obligations under a contract, mainly due to the securities and futures trading on behalf of clients, default risk arising from bond issuers or over-the-counter derivatives counterparties, and risks arising from the failure of full repayment as agreed by clients of financing businesses such as collateralized stock repurchase transactions, security transactions with repurchase agreement and margin financing and securities lending.

In terms of the securities and futures trading on behalf of clients, all transactions thereunder are settled in margin deposits pursuant to the regulatory requirements, and therefore the exposure to credit risk is low. In terms of bond investment business, the Company controls the credit risk exposure by setting the credit extension limit, investment concentration limit and the lower limit for debt investment rating, and closely monitoring the operating position and credit status of the bond issuers. For the financing business, the credit risk is managed and controlled through conducting risk education, credit investigation, credit extension, mark-to-market measures, risk alert, forced liquidation and judicial recourse for or against the clients, as well as establishing stringent standards for the scope and discount rate of collaterals, margin deposit ratios, and maintenance margin ratios. For the OTC derivatives business, the Company conducts due diligence, credit rating and scale control on the counterparties and applies the mark-to-market measures, collaterals supplement and disposal of collaterals to control the credit risk exposure from the counterparties.

(3) *Operational risk*

The operational risk exposure to the Company refers to the potential losses arising from defective internal procedures, human resource, IT system and external events.

The Company has strictly controlled operational risks through formulating administrative measures for the operational risk and implementation rules for three tools, specifying the governance structure of the operational risk and strengthening the responsibilities and duties for managing each defense line of operational risk. The Company continued to promote the improvement of the operational risk management system, strictly implemented the self-assessment of operational risk and control, strengthened the monitoring and reporting of operational risk indicators, collected and analyzed internal and external loss data of operational risk, further optimized the linkage and application of operational risk management tools, continued to promote the construction of operational risk management system and strengthened the support for operational risk management system. The Company integrates the operational risk management and internal control, reinforces the corresponding system such as monitoring of internal control, authorization management and new business assessment and strengthens the vision and effectiveness of operational risk management. The Company focuses on strengthening advocacy and training of operational risk management, and enhances the awareness of all employees in management responsibility of operational risk, so as to ensure that the overall operational risk faced by the Company is controllable and tolerable.

SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

(4) *Liquidity risk*

Liquidity risk refers to the potential risk of the Company's failure to obtain sufficient funds at a reasonable cost to repay debts as they come due, perform its other payment obligations and satisfy the capital requirements for its normal business operations.

The Company has authorized the treasury management department to take charge of the overall liquidity risk management within the consolidation scope, implement overall control over the financing management of the Company, set up a capital desk to centrally manage short-term trading financing instruments, coordinate to satisfy the capital requirements of each branch, and carry out the daily liquidity management. The risk management and internal control department of the Company is responsible for monitoring the implementation of limit system for overall liquidity risk of the Company.

For the purpose of preventing the liquidity risk prudently, the Company has formulated and issued Administrative Measures for the Liquidity Risk of Everbright Securities Company Limited, specified the objective, strategy, governance structure, solutions and reporting system relating to the liquidity risk management, and actively carried out liquidity risk consolidation management to ensure that the overall liquidity risk within the consolidation scope is controllable.

Under assets and liabilities management and overall risk management policies, the Company persistently adheres to the strategy of robust risk management. The Company has adopted a proactive management and dynamic adjustment approach, and developed a tolerance and distribution management mechanism for the liquidity risks covering parent company and subsidiaries pursuant to the overall risks management policies. It has gradually improved the management framework for the differentiated liquidity risk of subsidiaries. In addition, the Company has also established differentiated fund management patterns according to the liquidity characteristics of different businesses, and set up the corresponding liquidity risk limit management, monitoring and early warning system. The Company centralized the management of short-term trading liabilities and strictly prevented daytime liquidity risks. The Company continued to reasonably measure liquidity risk management costs, and explored the incorporation of liquidity factors into the Company's capital pricing system.

In terms of risk response, the Company has formulated a liquidity risk emergency plan, which clarifies the level of liquidity risk, criteria of triggering, response methods, and reporting path in detail. Through methods including having reasonable reserve of high-quality liquid assets and emergency channel, prudent and dynamic management of the asset and liability maturity structure, the Company adhered to the bottom line of non-occurrence of liquidity risk. The Company also carried out regular emergency drills to test the effectiveness of the risk response mechanism. In addition, the Company also actively expanded financing channels and financing methods, maintained a good cooperative relationship with external institutions, reserved sufficient external financing credits, to ensure the Company's sustainable and stable source of funds.

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(5) *Information technology risk*

Information technology risk refers to the risk of loss due to human errors, software and hardware defects or failures, natural disasters, etc. affecting the network and information system or data, resulting in abnormal service capability of the network and information system or data damage or leakage.

With the extensive application of the new information technology in the financial field, scientific and technological innovation makes the risk increasingly hidden, sudden and conductive, and the information technology risk becomes more and more complicated. Anchored on the strategic goal of "building a first-class service-oriented investment bank in China" and focused on the strategic vision of digitalization, platformization and intellectualization of technology, the Company continued to deepen information technology reform, strengthened information system security construction and quality control, improved information system operation and protection mechanism, enhanced information technology operation and maintenance management by using big data, cloud computing, artificial intelligence and other technologies, continuously optimized and improved emergency plans for internet security incidents, and further improved information technology risk monitoring and emergency disposal capabilities through regular emergency drills to ensure the safe, reliable and stable operation of its system. No significant information technology risk events have occurred during the Reporting Period.

(6) *Reputational risk*

Reputational risk refers to the risk of the public negative perceptions on the Company from the Company's shareholders, employees, investors, issuers, third-party partners, regulators, self-regulatory organization, the public, media and others due to the Company's operation, management, other actions or external events or actions conducted by the Company's staff in violation of anti-corruption requirements, professional ethics, business code of conduction and industry rules, thus impairing the Company's brand value, prejudicing the Company's normal operation and even affecting the stability of the market and society.

In order to effectively control reputational risk, the Company continued to carry out appropriate and effective reputational risk management, has established a standardized management system, a scientific organizational structure and a sound management and control system. The Company has also successively formulated and revised the Management Measures on Reputational Risk and Public Opinion Work, the Implementation Rules for Reputational Risk and Public Opinion Work, the Measures for the Management of Information Release, the General Response Plan for Emergency, and other related measures.

The Company has a leading group for reputational risk and public opinion, which has realized the coordination and unity among the Company, the departments, the subsidiaries and sub-branches in reputation risk management, and improved employee reputational risk awareness and reputational risk management capabilities through system promotion, training, emergency drills, etc. In addition, the Company has set dedicated positions responsible for public opinion monitoring and addressing and the management of media relations, and at the same time, the Company has also engaged third-party consultants and law firms to assist the Company in managing its reputational risk.

At present, the Company has achieved full coverage of the subsidiary's reputational risk prevention and control system.

SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

(7) *Compliance risk*

Compliance risk refers to the risk of the Company being investigated for legal responsibility in accordance with laws, being taken regulatory measures, being given disciplinary action, or losing property or business reputation, due to violations of laws, regulations and guidelines by the Company or its staff in operation and management or practice.

In order to effectively control compliance risk, the Company has established a compliance management system, defined the compliance management requirements through the system, and intensified full-process management and control on compliance management: In the pre-event stage, the Company carried out compliance review on key systems, significant businesses and innovative businesses of the Company through compliance review, compliance consulting and other measures. In the in-process stage, the Company continuously conducted monitoring and inspection on the practice of practitioners to prevent illicit trading, the leakage of sensitive information, benefit transfer and other behaviors of practitioners. In the post-event stage, the Company spotted problems and identified risks through compliance inspections and urged relevant entities to rectify immediately, and continued to improve accountability mechanisms, refine accountability standards and promote precise accountability. Through normalized alarming publicity and alarming with cases, the Company urged all staff to recognize red lines and bottom lines, and created a clean and upright development atmosphere.

In the first half of this year, according to the changes in the external regulatory requirements and the actual work situation of the Company, the Company revised 9 new compliance management systems to further improve the compliance management work from the system. In addition, the Company strengthened the construction of compliance culture, actively incorporated the construction of compliance culture into the Company's corporate culture construction, and highlighted the characteristics of Everbright culture. In general, the compliance management of the Company was stable and orderly on the whole without significant compliance risk events or significant regulatory punishment since the first half of the year.

SECTION IV CORPORATE GOVERNANCE

I. Introduction to General Meetings

Meeting	Date of meeting	Enquiry index of the websites designated for publication of the resolutions	Date of publishing the resolutions	Resolutions at the meeting
2023 annual general meeting	May 28, 2024	http://www.sse.com.cn http://www.hkexnews.hk	May 28, 2024	<ol style="list-style-type: none"> 1. To consider the Proposal on the 2023 Report of the Board of Directors 2. To consider the Proposal on the 2023 Report of the Supervisory Committee 3. To consider the Proposal on the Independent Directors' Annual Work Report for 2023 4. To consider the Proposal on the 2023 Annual Report and its summary 5. To consider the Proposal on the 2023 Profit Distribution Plan 6. To consider the Proposal on the Report on Performance Appraisal and Remuneration of Directors of the Company for 2023 7. To consider the Proposal on the Report on Performance Appraisal and Remuneration of Supervisors of the Company for 2023 8. To consider the Proposal on Cap of Proprietary Trading Businesses Scale of the Company in 2024 9. To consider the Proposal on Expected Ordinary Related Party (Connected) Transactions of the Company in 2024 10. To consider the Proposal on Appointment of External Auditors for 2024 11. To consider the Proposal on Amendments to the Articles of Association 12. To consider the Proposal on Granting General Mandate in respect of Issuance of Domestic and Overseas Debt Financing Instruments by the Company 13. To consider the Proposal on Election of Non-independent Directors of the Seventh Session of the Board of Directors of the Company 14. To consider the Proposal on Election of Independent Non-executive Directors of the Seventh Session of the Board of Directors of the Company 15. To consider the Proposal on Election of Supervisors of the Seventh Session of the Supervisory Committee of the Company 16. To listen to the Report on Performance of Duties, Performance Appraisal and Remuneration of the Senior Management of the Company for 2023

SECTION IV CORPORATE GOVERNANCE

II. Changes of Directors, Supervisors and Senior Management of the Company

Name	Position	Change
Ma Rentao	Non-executive Director	Elected
Lian Yalin	Non-executive Director	Elected
Wang Yun	Non-executive Director	Elected
Qin Xiaozheng	Non-executive Director	Elected
Lau Ying Pan	Independent Non-executive Director	Elected
Chen Xuanjuan	Independent Non-executive Director	Elected
Lv Suiqi	Independent Non-executive Director	Elected
Zhou Huajian	Supervisor	Elected
Ye Shengli	Supervisor	Elected
Lin Maoliang	Supervisor	Elected
Li Ruoshan	External Supervisor	Elected
Liu Yunhong	External Supervisor	Elected
Du Jia	Employee Supervisor	Elected
Song Zhe	Employee Supervisor	Elected
Song Bingfang	Non-executive Director	Resigned
Chan Ming Kin	Non-executive Director	Resigned
Wang Yong	Independent Non-executive Director	Resigned
Po Wai Kwong	Independent Non-executive Director	Resigned
Liu Yunhong	Independent Non-executive Director	Resigned
Wu Chunsheng	Supervisor	Resigned
Huang Xiaoguang	Supervisor	Resigned
Zhu Wuxiang	External Supervisor	Resigned
Cheng Fengchao	External Supervisor	Resigned
Huang Qin	Employee Supervisor	Resigned
Li Xianzhi	Employee Supervisor	Resigned
Fu Jianping	Vice President	Resigned
Wang Zhong	Vice President	Resigned
Li Bingtao	Business Director	Resigned
Liang Chunliang	Business Director	Resigned

Description of changes about Directors, Supervisors and senior management of the Company

- The Company held the 2023 annual general meeting on May 28, 2024 and completed the election of the members of the seventh session of the Board. Mr. Zhao Ling and Mr. Liu Qiuming were elected as executive Directors of the seventh session of the Board. Ms. Ma Rentao, Mr. Lian Yalin, Ms. Wang Yun, Mr. Yin Yanwu, Mr. Xie Song and Mr. Qin Xiaozheng were elected as non-executive Directors of the seventh session of the Board. Mr. Ren Yongping, Mr. Yin Junming, Mr. Lau Ying Pan, Ms. Chen Xuanjuan and Mr. Lv Suiqi were elected as independent non-executive Directors of the seventh session of the Board. On the same date, as approved at the first meeting of the seventh session of the Board, Mr. Zhao Ling was elected as the chairman of the seventh session of the Board of the Company.
- The Board of the Company received a letter of resignation from Mr. Liu Yunhong, an independent non-executive Director, on November 24, 2023. Due to work commitments, Mr. Liu Yunhong resigned as an independent non-executive Director of the Company. As the resignation of Mr. Liu Yunhong would result in the number of independent Directors of the Company not meeting the relevant provisions of the Measures for the Administration of Independent Directors of Listed Companies and the Articles of Association, Mr. Liu Yunhong shall continue to perform his duties as an independent non-executive Director until a new independent Director is elected at the general meeting of the Company. A new independent non-executive Director was elected at the 2023 annual general meeting of the Company held on May 28, 2024, and Mr. Liu Yunhong ceased to perform his duties as an independent non-executive Director.

SECTION IV CORPORATE GOVERNANCE

The terms of office of Mr. Song Bingfang and Mr. Chan Ming Kin expired on May 28, 2024, and they ceased to be non-executive Directors of the Company; the terms of office of Mr. Wang Yong and Mr. Po Wai Kwong expired on May 28, 2024, and they ceased to be independent non-executive Directors of the Company.

3. The Company held the 2023 annual general meeting on May 28, 2024 and completed the election of the members of the seventh session of the Supervisory Committee. Mr. Liang Yi, Mr. Zhou Huajian, Mr. Ye Shengli and Mr. Lin Maoliang were elected as Supervisors of the seventh session of the Supervisory Committee. Mr. Li Ruoshan and Mr. Liu Yunhong were elected as external Supervisors of the seventh session of the Supervisory Committee. At the twenty-sixth meeting of the fifth session of the employee representatives' meeting of the Company, Ms. Lin Jingmin, Ms. Dujia and Mr. Song Zhe were elected as employee Supervisors of the seventh session of the Supervisory Committee of the Company, and since May 28, 2024, they have jointly formed the seventh session of the Supervisory Committee of the Company with six other Supervisors elected at the general meeting of the Company and formally performed their duties. On the same date, as considered and approved at the first meeting of the seventh session of the Supervisory Committee, Mr. Liang Yi was elected as the chairman of the seventh session of the Supervisory Committee of the Company.

4. The Supervisory Committee of the Company received a letter of resignation from Mr. Wu Chunsheng on January 18, 2024. Due to retirement, Mr. Wu Chunsheng resigned as a Supervisor of the Company.

The terms of office of Mr. Huang Xiaoguang expired on May 28, 2024, and he ceased to be a Supervisor of the Company; the terms of office of Mr. Zhu Wuxiang and Mr. Cheng Fengchao expired on May 28, 2024, and they ceased to be external Supervisors of the Company; the terms of office of Ms. Huang Qin and Mr. Li Xianzhi expired on May 28, 2024, and they ceased to be employee Supervisors of the Company.

5. The Board of the Company received a letter of resignation from Mr. Fu Jianping on June 27, 2024. Due to change of job assignment, Mr. Fu Jianping resigned as a vice president of the Company. Mr. Fu Jianping would continue to serve as a member of the CPC Committee and the secretary of the Commission for Discipline Inspection of the Company after his resignation.

The Board of the Company received a letter of resignation from Mr. Wang Zhong on May 7, 2024. Due to change of job assignment, Mr. Wang Zhong resigned as a vice president of the Company.

The Board of the Company received a letter of resignation from Mr. Li Bingtao on March 12, 2024. Due to change of job assignment, Mr. Li Bingtao resigned as a business director of the Company.

The Board of the Company received a letter of resignation from Mr. Liang Chunliang on January 2, 2024. Due to change of personal work commitments, Mr. Liang Chunliang resigned as a business director of the Company.

6. During the Reporting Period, the re-election and appointment of the Board and the Supervisory Committee of the Company have been completed, through which, certain Directors and Supervisors have been altered. The number of Directors, Supervisors and senior management members who were altered and left office was 15, accounting for approximately 51.72% of the total number of Directors, Supervisors and senior management members at the beginning of the Reporting Period.

As of the date of this report, the Board of Directors of the Company comprises Mr. Zhao Ling (Chairman, Executive Director), Mr. Liu Qiuming (Executive Director, President), Ms. Ma Rentao (Non-executive Director), Mr. Lian Yalin (Non-executive Director), Ms. Wang Yun (Non-executive Director), Mr. Yin Yanwu (Non-executive Director), Mr. Xie Song (Non-executive Director), Mr. Qin Xiaozheng (Non-executive Director), Mr. Ren Yongping (Independent Non-executive Director), Mr. Yin Junming (Independent Non-executive Director), Mr. Lau Ying Pan (Independent Non-executive Director), Ms. Chen Xuanjuan (Independent Non-executive Director) and Mr. Lv Suiqi (Independent Non-executive Director).

SECTION IV CORPORATE GOVERNANCE

III. Significant Changes in Directors' and Supervisors' Information

According to the requirements of Rule 13.51B of the Hong Kong Listing Rules, there were no other material changes to the relevant information in respect of the Directors and Supervisors during the Reporting Period.

In addition to the information disclosed, during the Reporting Period and up to the date of this report, other changes in appointment of the existing Directors, Supervisors and senior management of the Company are as follows:

Yin Yanwu, a Director, has ceased to be the chairman and legal representative of Shanghai Everbright Investment Management Co., Ltd. (上海光控動態投資管理有限公司) since July 19, 2024;

Lv Suiqi, a Director, has retired from Peking University since July 1, 2024;

Lin Maoliang, a Supervisor, has served as the general manager and director of Guangdong Hengjian International Investment Co., Ltd. (廣東恒健國際投資有限公司) since July 8, 2024.

IV. Description of the Directors' and Supervisors' Service Contracts

The Company entered into contracts with the Directors and Supervisors in respect of, among others, compliance with the relevant laws and regulations and observing the Articles of Association and the provisions on arbitration. Save as disclosed above, the Company has not entered, and does not propose to enter, into any service contracts with any Directors or Supervisors of the Company in their respective capacities as Directors/Supervisors (except for contracts which expire within one year or may be terminated by the employer within one year without payment of compensation (other than statutory compensation)).

V. Dealing in Securities by Directors and Supervisors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 to the Hong Kong Listing Rules as the code of conduct for Directors and Supervisors regarding securities transactions of the Company. The Company, having made specific enquiries to all Directors and Supervisors, confirmed that they had been in strict compliance with the requirements of the Model Code during the Reporting Period. The Company has also established guidelines no less exacting than the Model Code for relevant employees (as defined in the Hong Kong Listing Rules) in respect of their dealings in the Company's securities. During the Reporting Period, the Company has not found any employee violating the said guidelines.

VI. Staff and Remuneration Policy

(I) Information about the staff

As of the end of the Reporting Period, the Company had a total of 7,860 employees (including 1,181 brokers), of which the parent company had 5,956 employees, and the wholly-owned and controlling subsidiaries had 1,904 employees.

(II) Remuneration policy

The Company continues to establish and improve the remuneration management mechanism in line with business performance, business nature, contribution level, compliance risk control and social culture, adheres to the double benchmarking of remuneration and performance, links remuneration management with performance appraisal, integrates the cultural philosophy of "compliance, integrity, professionalism and prudence" of the industry into remuneration management, and incorporate remuneration management into the reputational risk management system. Meanwhile, the Company closely integrates remuneration management with risk management, and establishes incentive and restraint mechanisms that match the business characteristics and risk levels, including the mechanisms for deferred payment, withholding payment of compensation, recourse and recovery and extreme value control, to leverage the constraining role of remuneration management.

SECTION IV CORPORATE GOVERNANCE

The Company continues to optimize its internal income distribution structure and designs its remuneration system in a scientific manner. In accordance with the concept of determining the salary based on the position and performance, the salary is linked to the position type, employee rank, value contribution, etc.; the bonus is linked to comprehensive factors such as performance contribution, compliance risk control, continuous service, etc. Meanwhile, the Company enhances its remuneration treatment to front-line and grass-root employees.

The Company offers a comprehensive benefit plan. The statutory benefits are paid in accordance with the provisions and standards stipulated by the state; the Company's benefits include paid holidays, supplementary commercial insurance, annual physical examination, enterprise annuity, etc.

(III) Training plan

In 2024, the Party Committee of the Company resolutely implemented the Party's organizational line in the new era, took the education and training of cadres and talents as a leading, foundational and strategic project for proper implementation, provided ideological and political assurance and support for the Company's high-quality development, constantly improved the hierarchical and classified training system, and strengthened the education on the Party's theories, Party spirit education and competency training to enhance the political quality, theoretical level, professional skills and practical abilities of cadres and talents.

Firstly, the Company focused on the "key minorities" and strengthened political training. It organized training sessions on the guidelines of the Central Financial Work Conference and specialized training on Party discipline learning and education, as well as training programs on the enhancement of the competency of young cadres, so as to integrate political training throughout the entire growth cycle of cadres and promote in-depth, practical and heartfelt learning of the Party's innovative theories.

Secondly, the Company strengthened the training of frontline cadres and solidified practical capabilities at the grassroots level. It organized the "Navigation Program" and the "Elite Program" training sessions for branch cadres and key organizations, and the "Light Source • Fortune Newcomer Growth Training Camp" and the "Golden Sunshine" certified investment advisory classes for business personnel, so as to effectively enhance the management and professional abilities of frontline cadres, and continuously strengthen the construction of grassroots talent teams.

Thirdly, the Company improved the efficiency of training resource utilization to empower employees' career development. The Company launched the Sunshine Lecture Hall and monthly specialized online training sessions, covering topics such as the Party and government theories, general workplace skills, AI office tools, financial professional ability, parent-child care, information security and so on, to meet the diverse learning and upgrading needs of employees.

VII. Profit Distribution

(I) The profit distribution proposal implemented during the Reporting Period

According to the 2023 profit distribution proposal considered and approved at the 2023 annual general meeting of the Company held on May 28, 2024, the total share capital of A Shares and H Shares of the Company in issue as of December 31, 2023 was 4,610,787,639 shares, a cash dividend of RMB2.803 per 10 shares (tax inclusive) was proposed to be distributed to all holders of A Shares and H Shares based on audited financial information, with a total cash dividend amounting to RMB1,292,403,775.21. Cash dividend was denominated and declared in RMB and paid to holders of A Shares in RMB and to holders of H Shares in HK dollars. The actual distribution amount in HK dollars was calculated at the rate of average benchmark exchange rate of RMB against HK dollars published by the PBOC for one week (including the date of the annual general meeting) prior to the 2023 annual general meeting of the Company (i.e. RMB0.91072 = HK\$1.00). Accordingly, a cash dividend of HK\$3.077796 per 10 H Shares (tax inclusive) was distributed.

The Company published relevant announcements in relation to the 2023 profit distribution proposal on the websites of the SSE and the Hong Kong Stock Exchange, and the Company's 2023 profit distribution proposal was completed in July 2024.

SECTION IV CORPORATE GOVERNANCE

(II) Profit distribution proposal and proposal for conversion of capital reserve fund into share capital

The Company's interim profit distribution proposal for 2024 that was considered and approved at the 2nd meeting of the seventh session of the Board of the Company is: on the basis of a total share capital of 4,610,787,639 shares (comprising A Shares and H Shares) in issue as at June 30, 2024, a cash dividend of RMB0.905 (tax inclusive) per 10 shares was proposed to be distributed to all holders of A Shares and H Shares, with total cash dividend amounting to RMB417,276,281.33. The above distribution proposal will be submitted for consideration at the general meeting of the Company and will be implemented after the proposal is approved by the general meeting. The aforesaid proposal satisfies with the requirements under the Articles of Association and the consideration process, which fully safeguards the legitimate rights and interests of small and medium-sized investors.

VIII. Investor Relations

The Company attaches great importance to the management of investor relations, and has developed sound policies and systems such as the Investor Relations Management System, fully practiced the principle of people-oriented nature of financial work in an all-round manner to effectively strengthen investor protection and formed effective communication channels with shareholders and investors. In addition to information disclosure channels required by laws, the Company has also established an investor relations management platform incorporating on-site, telephone, online and other communication channels and covering general meeting, performance briefing, roadshow, response to investor inquiries, company website, investor hotline, e-mail, e-mail address of independent Directors and other communication methods; the Company actively enhanced its interaction and communication with investors, improved the transparency of the Company, and ensured that investors could obtain the information of the Company in a timely, accurate and comprehensive manner through proactively participating in "SSE e-Interaction" and investor collective reception day activities, attending investment strategy conferences held by securities firms or investment forums and other means. Shareholders may send any inquiries to the office address of the Company by mail, hotline or letter directly to the office address of the Company and the Company will properly deal with such inquiries in a timely manner. The Company has always categorized and analyzed the questions raised by investors and analysts to continuously improve the professionalism, standardization, personalization and thus the quality of investor relations management work, maintain a good relationship with the capital market and effectively exert the transmission function of the capital market.

In the first half of 2024, adhering to the principles of compliance, equality, proactivity and integrity, the Company successfully held the 2023 annual results briefing for all investors through live streaming on the platforms such as SSE Roadshow Center, Roadshow China, eastmoney.com and Xinhua Finance, and communicated via video with all investors in real time in respect of the Company's operations. The total number of viewers on all platforms exceeded 70,000. During the Reporting Period, the Company responded to the inquiries of a total of approximately 20 shareholders, investors and analysts from securities firms on-site and online in 5 events; the Company attended 2 investment strategy conferences held by securities firms where the Company communicated sufficiently with investors and analysts on matters including the industry development trend, and the results of operations and business development strategies of the Company. The Company optimized the work mechanism on responding to investors' inquiries, effectively enhanced the protection of investors' interests, listened to over 100 phone calls from investors, and answered questions raised through "SSE e-Interaction" for 14 times.

SECTION V ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES

I. PARTICULARS OF ENVIRONMENTAL INFORMATION

1. Other environmental information disclosed with reference to key pollutant discharging units

The Company is not a major pollutant-discharging unit announced by the environmental protection authorities. During the Reporting Period, the Company has not been subject to any administrative punishment for environmental issue. The Company attaches great importance to ecological and environmental protection, takes green development as its objective, and actively identifies the demand for green financing, to create its strengths in green financing services. The Company advocates low-carbon and environment-friendly operation and work methods, aims to guide the employees to integrate the philosophy of energy saving and environment protection into their work and life.

2. Relevant information beneficial to ecological protection, pollution prevention and fulfillment of environmental responsibilities

The Company resolutely adheres to the path of green development, integrates green concepts throughout the development process, and properly makes best efforts in “green finance”, to support the green and low-carbon development of real economy with high-quality financial services. The underwriting scale of green industry therefor recorded a year-on-year increase of 36% in the first half of the year. The Company continuously consolidates the green operation philosophy, upgrades and improves the electronic office system, increases the number of cases handled by online approval process and its efficiency, and constantly reduces paper use, to further promote green and efficient office business handling. The Company actively implements wastes classification, classifies wastes according to Shanghai’s relevant household wastes classification standards, and collects and recycles wastes based on category. The Company carries out the “Clear Your Plate Campaign (光盤行動)”, calls on employees to take what is needed when having meals, practice strict economy and avoid waste.

3. Measures adopted for reducing its carbon emission during the Reporting Period and their effects

During the Reporting Period, the Company continued to deeply implement the concept of green and low-carbon development, and strictly adhered to the requirements on energy conservation and carbon reduction. In terms of green operation, the Company continuously strengthened energy-saving management by promoting the replacement of traditional lamps with LED low-power consumption lighting appliance and encouraging employees to promptly disconnect power and turn off electrical equipment after work to reduce the environmental impact of operations. In terms of green travel, under the leadership of green lifestyle, the Company encouraged employees to adopt low-carbon travel methods, reduce carbon emissions from vehicle use, and gradually increase the proportion of employees purchasing new energy vehicles.

II. Particulars of Consolidating and Expanding Poverty Alleviation Achievements, Rural Revitalization and Other Work

Since 2024, the Company has deeply studied and implemented General Secretary Xi Jinping’s important discourse and instruction on “agriculture, rural areas and farmers”, fully implemented the Opinions of the Central Committee of the Communist Party of China and the State Council on Learning and Applying the Experience of the “Green Rural Revival Program” (2024 Central Document No. 1). In line with the practical work requirements, the Company has focused on consolidating poverty alleviation achievements and promoting industrial revitalization, comprehensively advancing rural revitalization and paired assistance initiatives.

SECTION V ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES

(I) Work progress during the Reporting Period

During the Reporting Period, the Company actively leveraged the advantages of comprehensive financial services of Everbright Group. By aligning with the “Five Major Articles” and serving the regional development of the country, the Company coordinated the advantages of Everbright Futures and other subsidiaries in serving agriculture, rural areas and farmers, to support the effective connection between consolidating poverty alleviation achievements and promoting rural revitalization through multiple measures.

In terms of financial assistance, the Company maintained capital investment and formulated an annual plan for the use of donated funds. In terms of talent assistance, the Company continued to dispatch outstanding cadres to take temporary posts in Xintian County, Hunan Province, to support rural revitalization efforts. It also organized 42 training sessions on futures and other professional knowledge to train 180 grassroots cadres in counties and villages. In terms of financial assistance, the Company continued to optimize and improve the “insurance + futures” service model, expanding the scope of assistance to help large farmers in agricultural breeding and cultivation to enhance their ability to withstand price fluctuation risks. It promoted the signing of 26 paired assistance agreements between Everbright Futures and rural revitalization areas, provided paired assistance for 25 grassroots Party organizations, and implemented 49 “insurance + futures” projects, securing agricultural product values of approximately RMB530 million and covering eight provinces, including Guangdong, Guangxi, Yunnan, Chongqing, Anhui, Henan, Hunan and Shandong.

(II) Working plan in the next stage

Next, in addition to advancing various regular assistance work as planned, the Company will strengthen efforts in the following three aspects:

Firstly, the Company will strengthen organizational leadership. The Company will further strengthen the overall coordination and management of its rural revitalization work, and promote the relevant departments, branches and subsidiaries to continuously strengthen their duties and responsibilities for the rural revitalization work. It will further coordinate the company-wide resources, regularly communicate with paired assistance counties to understand the needs, and enhance the tracking and evaluation of key assistance projects in Xintian County and other areas, which will ensure the implementation of key projects and promote the economic and social development in various counties.

Secondly, the Company will support industrial revitalization. The Company will focus on the key areas and key points of rural revitalization, give full play to the professional strengths in investment banking and futures, strengthen and innovate financial services, and continue to support the transformation and upgrading of local key agricultural enterprises. It will also continue to promote the implementation of “insurance + futures” and other projects that provide protection and development benefits to a larger number of market entities and farmers in the assisted counties to help the development of “agriculture, rural areas and farmers”.

Thirdly, the Company will increase consumption assistance. The Company will deeply carry out consumption assistance in various forms, continuously promote the establishment of demonstration areas for consumption assistance, and support the building of regional and public brands in counties. It will fully employ customer resources of the Company, its branches, business departments and financial enterprises of Everbright Group, strengthen the marketing and promotion of specialty agricultural products through online and offline channels. The Company will support the Company's trade unions and canteens at all levels to strengthen the procurement of specialty agricultural products in the assisted areas.

SECTION VI SIGNIFICANT EVENTS

I. Performance of Undertakings

Undertakings of de facto controllers, shareholders, related parties, purchasers, the Company and connected parties made and/or remain effective during the Reporting Period

Background	Type of undertaking	Undertaking party	Content of undertaking	Date of undertaking	Any deadline for performance or not	Strictly performed in a timely manner or not
Undertaking in relation to the initial public offering	Other	China Everbright Group Ltd.	A non-competition undertaking was made in favor of the Company during the listing of A Shares of the Company on the SSE and the listing of H Shares on the Hong Kong Stock Exchange.	August 2009, August 2016	No	Yes

II. Particulars of Appropriation of Funds on a Non-recurring Basis by the Company's Controlling Shareholders and Other Related Parties during the Reporting Period

There was no appropriation of funds on a non-recurring basis by the Company's controlling shareholders and other related parties during the Reporting Period.

III. Guarantees in Violation of Regulations

During the Reporting Period, the Company had no guarantees in violation of regulations.

IV. Appointment and Dismissal of Accounting Firms

After the completion of the audit work for 2023, Ernst & Young Hua Ming LLP and Ernst & Young (collectively "Ernst & Young") have provided audit services to the Company for consecutive years. For the purpose of ensuring the independence and objectivity of the auditors of the Company, according to the relevant requirements of the Administrative Measures for the Selection and Employment of Accounting Firms by State-owned Financial Enterprises issued by the Ministry of Finance of the PRC and the actual situation of the Company, the Company intends to change its accounting firms for 2024.

The Company has communicated with Ernst & Young in respect of the change of accounting firms, and learned that Ernst & Young had no objection to it.

According to the provisions of the Articles of Association, the appointment of the external auditor of the Company shall be decided by the general meeting, and the term of service shall be one year, which is renewable upon expiry of the term. The "Resolution on Appointment of External Auditor for the year 2024" was considered and approved at the 35th meeting of the sixth session of the Board and the 2023 annual general meeting of the Company, which approved (1) to engage KPMG Huazhen LLP as the domestic external auditor of the Company for the year 2024 to provide relevant domestic audit services in accordance with the PRC GAAP; (2) to appoint KPMG as the overseas external auditor of the Company for the year 2024 to provide relevant overseas audit and review services in accordance with the IFRS; and (3) the Company's domestic and overseas audit and review fees for the year 2024 amounted to RMB3.8 million in total. The management of the Company is authorized to enter into relevant contracts in respect of appointment of the accounting firms.

SECTION VI SIGNIFICANT EVENTS

V. Material Litigation and Arbitration Matters

During the Reporting Period, the Company was not involved in any material litigation and arbitration that involve claims of over RMB10 million and account for more than 10% of the absolute value of the Company's latest audited net assets, which shall be disclosed in accordance with the requirements under the SSE Listing Rules. For the particulars of other litigations and arbitrations of the Company, please refer to "XI. Other Significant Events and Subsequent Events" in this section.

VI. Suspected Non-Compliance with Laws and Regulations by and Penalties Imposed on the Listed Company, Its Directors, Supervisors, Senior Management, Controlling Shareholders, De Facto Controller as well as Relevant Rectifications

During the Reporting Period, neither the Company nor any of its Directors, Supervisors, members of senior management, controlling shareholders or de facto controller had been subject to any administrative penalties.

During the Reporting Period, the administrative regulatory measures, disciplinary punishment and self-disciplinary punishment imposed on the Company are as follows:

On April 10, 2024, the Jiangsu Regulatory Bureau of the CSRC issued a Warning Letter to Everbright Securities Company Limited, Zhou Ping and Wang Shiwei by the Jiangsu Regulatory Bureau ([2024] No. 63); on May 14, 2024, the SZSE issued the Decision on Issuing a Notice of Criticism against Everbright Securities Company Limited and Its Relevant Personnel (Shen Zheng Hui [2024] No. 146). The Company made a profound introspection on the relevant issues raised in the regulatory letters and earnestly implemented the rectification, further strengthened the requirements for the continuous supervision of listed companies, and strengthened the business execution ability in continuous supervision.

VII. Explanation of Integrity of the Company, Its Controlling Shareholders and De Facto Controllers during the Reporting Period

During the Reporting Period, the Company and its controlling shareholders were not involved in any circumstances where they failed to fulfill the obligations specified in legal instruments of effective court judgments or pay off debts overdue with a relatively large amount.

For details of MPS of Everbright Capital, please refer to "XI. Other Significant Events and Subsequent Events" in this section.

SECTION VI SIGNIFICANT EVENTS

VIII. Material Related Party Transactions/Connected Transactions

(I) Related party transactions/connected transactions relating to daily business

Everbright Group is a controlling shareholder of the Company and hence a connected person of the Company.

Exempt continuing connected transactions

In the Group's daily operation, the Company and certain of its subsidiaries in China have entered into certain trademark license agreements with Everbright Group. Everbright Group has granted non-exclusive, non-transferable and royalty-free licenses to the Company and its subsidiaries, pursuant to which the Company and its subsidiaries are permitted to use certain trademarks owned by Everbright Group in China.

The transactions provided under abovementioned agreements are fully exempt continuing connected transactions in accordance with Chapter 14A of the Hong Kong Listing Rules and are exempt from the reporting, announcement, independent shareholders' approval and annual review requirements under Chapter 14A of the Hong Kong Listing Rules.

In addition, the Group shall set a maximum daily deposit balance limit on the deposits of the Group's proprietary funds and client funds deposited at Everbright Bank. References are made to the announcements of the Company dated August 26, 2021 and September 2, 2021, the Company has applied to the Hong Kong Stock Exchange and the Hong Kong Stock Exchange has granted the Company a waiver from strict compliance with the maximum daily balance requirements set out in Rule 14A.53 of the Hong Kong Listing Rules. The waiver is valid until December 31, 2024.

Non-exempt continuing connected transactions

Property Leasing Framework Agreement

In the ordinary and usual course of the Group, the Group leases certain properties in the PRC from Everbright Group and its associates for its offices and business uses. On the other hand, Everbright Group and its associates lease certain properties from the Group mainly for their business operations.

Reference is made to the announcement of the Company dated August 26, 2021. The Company entered into a property leasing framework agreement with Everbright Group on December 6, 2021 (the "2021 Everbright Group Property Leasing Framework Agreement") for a term of three years commencing from January 1, 2022 to December 31, 2024.

The principal terms of the 2021 Everbright Group Property Leasing Framework Agreement are as follows: (1) the rental shall be determined based on the market rent applicable to the leased property; (2) the Company or its subsidiaries and Everbright Group or its related associates shall enter into specific transaction agreements to set out the specific terms and conditions in respect of the relevant leased property according to the principles, and within the parameters, which are determined under the 2021 Everbright Group Property Leasing Framework Agreement; (3) the Company or its subsidiaries and Everbright Group and its associates are entitled to lease additional floor area from and among the available properties owned by the other party during the term of the 2021 Everbright Group Property Leasing Framework Agreement and adjust rent accordingly; and (4) based on the relevant stipulations in the specific transaction agreement, either party to that agreement may issue a notice to the other party to terminate the provision of a transaction within a reasonable time (if a shorter notice period is the market practice for such transaction, the market practice shall prevail).

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In accordance with the 2021 Everbright Group Property Leasing Framework Agreement, the annual caps for the rental income from Everbright Group and its associates for the leased properties would be RMB8.0 million, RMB8.0 million and RMB9.2 million in 2022, 2023 and 2024, respectively; and the annual caps for the rental expenses to be paid/the total value of right-of-use assets for the properties rented from Everbright Group and its associates would be RMB118.0 million, RMB184.0 million and RMB207.0 million in 2022, 2023 and 2024, respectively. In the first half of 2024, the actual amount of rental income from the properties leased to Everbright Group and its associates was RMB1.82 million, and the rental expenses paid/the total value of right-of-use assets for the properties rented from Everbright Group and its associates was RMB145.26 million.

Under the 2021 Everbright Group Property Leasing Framework Agreement, as the highest percentage ratio based on the relevant annual caps set out above is expected to be between 0.1% and 5% on an annual basis, such transactions are subject to the announcement, reporting and annual review requirements in Chapter 14A of the Hong Kong Listing Rules, but are exempted from the independent shareholders' approval requirement.

For the details of the 2021 Everbright Group Property Leasing Framework Agreement, please refer to the announcement dated August 26, 2021 of the Company.

Non-financial Miscellaneous Services Framework Agreement

In the ordinary and usual course of business, Everbright Group and its associates provide certain non-financial services to the Group, and the Group expects that it will provide certain non-financial services to Everbright Group and its associates. The non-financial miscellaneous services provided by Everbright Group and its associates to the Group include, but not limited to, information technology and Internet network services, conference services, title sponsor services, network maintenance, printing and publication, books and audio/video products, renovation, training, medical care, corporate travel management, advertising and promotion, property management, consultancy services, labor outsourcing related services and other non-financial miscellaneous services. The non-financial miscellaneous services to be provided by the Group to Everbright Group and its associates include, but not limited to, information technology and Internet network services, lease of advertising places, logistics, warehouse, consultancy services, labor outsourcing and other non-financial miscellaneous services.

Reference is made to the announcement of the Company dated August 26, 2021. The Company entered into a non-financial miscellaneous services agreement with Everbright Group on December 6, 2021 (the "2021 Everbright Group Non-financial Miscellaneous Services Framework Agreement") for a term of three years commencing from January 1, 2022 to December 31, 2024.

In accordance with the 2021 Everbright Group Non-financial Miscellaneous Services Framework Agreement, it is expected that the annual caps for the income from providing non-financial miscellaneous services by the Group to Everbright Group and its associates would be RMB5.0 million, RMB5.0 million and RMB5.0 million in 2022, 2023 and 2024, respectively; and the annual caps for the expenses to be paid by the Group for non-financial miscellaneous services provided by Everbright Group and its associates would be RMB89.0 million, RMB104.0 million and RMB119.0 million in 2022, 2023 and 2024, respectively. In the first half of 2024, the actual amount of income received by the Group from provision of non-financial miscellaneous services to Everbright Group and its associates was RMB0 million, and the expenses paid for the non-financial miscellaneous services provided by Everbright Group and its associates were RMB6.85 million.

As the highest of the applicable percentage ratios in respect of the proposed annual caps for the continuing connected transactions contemplated under the 2021 Everbright Group Non-financial Miscellaneous Services Framework Agreement for the three years ending December 31, 2024 exceeds 0.1% but is less than 5%, such continuing connected transactions are subject to the reporting, announcement and annual review but are exempt from the independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

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Financial Products and Services Framework Agreement

In the ordinary and usual course of the Group's business, the Group regularly enters into securities and financial products transactions with, and provides securities and financial services to, Everbright Group and its associates. Likewise, Everbright Group and its associates also enter into securities and financial products transactions with, and provide securities and financial services to, the Group on normal commercial terms.

References are made to the announcement of the Company dated August 26, 2021 and the circular dated September 28, 2021. The Company entered into a financial products and services framework agreement with Everbright Group on December 6, 2021 (the "2021 Everbright Group Financial Products and Services Framework Agreement") for a term of three years commencing from January 1, 2022 to December 31, 2024.

A. Securities and Financial Products Transactions

The transactions of securities and financial products include (a) securities products with fixed income; (b) fixed income related derivative products; (c) equity products; (d) funds transactions; and (e) other securities and financial products permitted to be transacted under applicable laws and regulations.

The securities and financial products transactions are conducted through the PRC interbank bond market and the PRC exchange bond market, exchanges (including stock exchanges, futures exchanges, Shanghai Gold Exchange and China Foreign Exchange Trade System) and the open-ended fund market. Such transactions are and will continue to be carried on at the prevailing market prices in the ordinary and usual course of the Group's business and with high frequency. The pricing mechanisms of the securities and financial products transactions depend on the particular trading venue on which the relevant transaction is carried on.

With respect to the pricing of securities and financial products without direct market quotations, the Company mainly refers to the quotation provided by currency brokers. Currency brokers are entities set up with the approval of the National Financial Regulatory Administration (formerly known as the China Banking and Insurance Regulatory Commission) and subject to its regulation. Currency brokers specialize in facilitating transactions including intra-financial system financing, foreign exchange transactions, bond transactions and derivative transactions, who charge a commission from the provision of such brokerage services but do not directly engage in transactions of the relevant securities and financial products.

In accordance with the 2021 Everbright Group Financial Products and Services Framework Agreement, the annual caps for cash inflow from the transactions of securities and financial products shall be RMB560,000 million, RMB670,000 million and RMB804,000 million in 2022, 2023 and 2024, respectively; and the annual caps for cash outflow from the transactions of securities and financial products shall be RMB560,000 million, RMB670,000 million and RMB804,000 million in 2022, 2023 and 2024, respectively. In the first half of 2024, the actual cash inflow from the transactions of securities and financial products was RMB25,797 million; and the actual cash outflow from the transactions of securities and financial products was RMB25,824 million.

SECTION VI SIGNIFICANT EVENTS

B. Securities and Financial Services

Securities and financial services cover various securities and financial services permitted by regulatory authorities and provided by the Group and Everbright Group and its associates to each other. The securities and financial services to be provided by the Group to Everbright Group and its associates include (a) underwriting and sponsorship services; (b) other investment banking services; (c) brokerage services; (d) proxy sale of financial products services; (e) entrusted asset management services; (f) leasing of trading seats; (g) fund investment advisory services, other financial and securities advisory and consulting services and commodities services; (h) PPP financial services; (i) financial leasing services and factoring financial services; (j) custody and outsourcing services; (k) insurance brokerage and consultancy services; and (l) other securities and financial services permitted by the applicable laws and regulations. The Securities and Financial Services to be provided by Everbright Group and its associates to the Group include (a) deposit services; (b) proxy sale of financial products services; (c) deposits management and custody services; (d) loan services; (e) insurance services; (f) financial leasing services and factoring financial services; (g) financial and securities advisory and consulting services; and (h) other securities and financial services permitted by the applicable laws and regulations.

The price of such securities and financial services shall be determined through fair negotiation and by referring to the prevailing market price, industrial practice, the interest rate of deposit and loan as determined and published by the PBOC, and independent third party's price.

In accordance with the 2021 Everbright Group Financial Products and Services Framework Agreement, the annual caps for the revenue gained by the Group for the securities and financial services provided to Everbright Group and its associates shall be RMB1,145 million, RMB1,374 million and RMB1,718 million in 2022, 2023 and 2024, respectively; and the annual caps for the expenses paid by the Group for the securities and financial services provided by Everbright Group and its associates shall be RMB849 million, RMB1,019 million and RMB1,274 million in 2022, 2023 and 2024, respectively. In the first half of 2024, the actual revenue gained by the Group for the securities and financial services provided to Everbright Group and its associates was RMB148.41 million, and the expenses paid by the Group for the securities and financial services provided by Everbright Group and its associates was RMB53.28 million.

As the highest applicable percentage ratio in respect of the relevant annual caps under the 2021 Everbright Group Financial Products and Services Framework Agreement exceeds 5% on an annual basis, these transactions are subject to the announcement, reporting, annual review and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

Details of the 2021 Everbright Group Financial Products and Services Framework Agreement are set out in the Company's announcement dated August 26, 2021 and the circular of 2021 first extraordinary general meeting dated September 28, 2021.

The Company had made its application to the Hong Kong Stock Exchange for a waiver from strict compliance with setting a maximum daily deposit balance limit as required by Rule 14A.53 of the Hong Kong Listing Rules and had obtained a waiver letter from the Hong Kong Stock Exchange on August 31, 2021, waiving the Company from the obligation of setting a maximum daily deposit balance limit under the 2021 Everbright Group Financial Products and Services Framework Agreement. For details of the reasons for the Company to apply for such waiver, please refer to the announcement of the Company dated September 2, 2021.

Save as disclosed above, neither the Company nor any of its subsidiaries was a party to any significant transaction, arrangement or contract in which the controlling shareholder of the Company or any of its related entities had a material interest, whether directly or indirectly, during the Reporting Period.

SECTION VI SIGNIFICANT EVENTS

IX. Significant Contracts and their Performance

1. Significant guarantees performed or outstanding guarantees during the Reporting Period

Unit: 100 million Currency: RMB

External guarantees provided by the Company (excluding guarantees for subsidiaries)	
Total amount of guarantees provided during the Reporting Period (excluding guarantees for subsidiaries)	—
Total balance of guarantees as at the end of the Reporting Period (A) (excluding guarantees for subsidiaries)	—
Guarantees for subsidiaries provided by the Company	
Total guarantees for subsidiaries during the Reporting Period	1.96
Total balance of guarantees for subsidiaries as at the end of the Reporting Period (B)	37.14
Total guarantees provided by the Company (including guarantees for subsidiaries)	
Total guarantees (A+B)	37.14
Ratio of total guarantees to net assets of the Company (%)	5.48
Among which:	
Guarantees for shareholders, de facto controller and their related parties (C)	—
Debt guarantee provided directly or indirectly for companies with gearing ratio over 70% (D)	—
Amount of total guarantees in excess of 50% of the net assets (E)	—
Total amount of the above three types of guarantees (C+D+E)	—
Description of outstanding guarantees subject to joint and several liabilities	—
Details of guarantees	<ol style="list-style-type: none"> During the Reporting Period, the Company has provided the following major guarantees: the net capital guarantee for wholly-owned subsidiary Everbright Asset Management, and the guarantee for the offshore borrowings of wholly-owned subsidiary EBSI. As of June 30, 2024, the balance of such guarantees was approximately RMB3.299 billion. The guarantees of the Company's controlling subsidiaries mainly include: the Company's wholly-owned subsidiary EBSI and its subsidiaries provided loan guarantees, financing guarantees and business guarantees for their subsidiaries, to facilitate their subsidiaries' business operation. As of June 30, 2024, the balance of such guarantees was approximately RMB415 million. The guarantee amount incurred was the amount increased during the year, excluding the amount decreased during the year.

SECTION VI SIGNIFICANT EVENTS

X. Description of Other Significant Events

1. Accounting-related Information

Analysis and explanation of causes and effects of changes in terms of accounting policies, accounting estimates or accounting methods by the Board

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

Analysis and explanation of the causes and effects of corrections of significant errors in the previous period by the Board

During the Reporting Period, there was no matter in relation to corrections of significant errors in the previous period of the Company.

2. Review by the Audit and Related Party Transaction Control Committee

The Audit and Related Party Transaction Control Committee of the Board has reviewed and confirmed the Company's report on Review of Interim Financial Statements which is disclosed in accordance with the International Accounting Standards for the six months ended June 30, 2024, and has no objection against matters including the accounting policies and practices adopted by the Company.

3. Corporate Governance

During the Reporting Period, the Company strictly complied with the Corporate Governance Code in Appendix C1 to the Hong Kong Listing Rules, fully complied with all applicable provisions of the Corporate Governance Code, and met the requirements of the vast majority of the recommended best practices set out in the Corporate Governance Code.

XI. Other Significant Events and Subsequent Events

1. Relevant information on branches

In order to further optimize the Company's branch network, the Company decided to close down the securities brokerage branches at Tianhe North Road, Guangzhou, etc. (for details, please refer to the Company's announcements No. Lin 2024-028, No. Lin 2024-029, No. Lin 2024-031 and No. Lin 2024-034 published on the website of the SSE, and announcements dated June 1, 2024, June 15, 2024, July 13, 2024 and August 3, 2024 published on the website of the Hong Kong Stock Exchange), and to newly set up the securities brokerage branch at Jiangbin Middle Avenue, Fuzhou. As of the disclosure date of this report, the Company had 242 securities brokerage branches.

2. Litigations with subsequent developments during and after the Reporting Period

In November 2018, the Company submitted a dispute over a guarantee contract to Shanghai International Economic and Trade Arbitration Commission for arbitration against a person surnamed Teng as the respondent, and the amount involved was approximately RMB125 million. For details, please refer to the Company's 2018 annual report, the announcement No. Lin 2019-037 of the Company published on the website of the SSE and the announcement dated May 31, 2019, 2019 annual report, 2021 annual report and 2022 annual report published on the website of the Hong Kong Stock Exchange. At present, the Company has received the termination of the ruling in this enforcement procedure of the case.

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In July 2019, the Company filed a lawsuit against a person surnamed Zheng and a person surnamed Zhan due to a dispute over the collateralized stock repurchase, and the amount involved was approximately RMB235 million. For details, please refer to the Company's announcement No. Lin 2019-041 published on the website of the SSE and announcement dated July 13, 2019, 2019 interim report, 2019 annual report published on the website of the Hong Kong Stock Exchange, the announcement No. Lin 2020-104 published on the website of the SSE, the announcement dated November 3, 2020, 2020 annual report, 2021 interim report, 2021 annual report and 2022 interim report published on the website of the Hong Kong Stock Exchange. At present, the case has been terminated in this enforcement procedure.

In November 2019, Everbright Capital filed an arbitration against a person surnamed Zhou and Guizhou Qingli Group Co., Ltd. (貴州青利集團有限公司) as the respondents with the China International Economic and Trade Arbitration Commission due to a dispute over an equity repurchase agreement, and the amount involved was approximately RMB31.9720 million. For details, please refer to the Company's 2019 annual report, 2021 interim report and 2022 interim report. At present, Everbright Capital has received the aggregate amount of the repurchase, and the case has been concluded.

In May 2022, a person surnamed Jiang filed a lawsuit against a person surnamed Situ and Everbright Securities Investment Services (HK) Limited for the reason of untruthful representations in sales of bonds, and the amount involved was approximately HK\$14.4641 million. For details, please refer to the Company's 2022 interim report. In June 2023, a person surnamed Shen filed a lawsuit against Everbright Securities Investment Services (HK) Limited for the reason of untruthful representations in sales of bonds, and the amount involved was approximately HK\$13.5310 million plus interest. For details, please refer to the Company's 2023 interim report. At present, the court has directed that the above two cases be consolidated for trial.

In May 2021, the Company filed a lawsuit against a person surnamed Yu due to a dispute over the equity transfer, and the amount involved was approximately RMB25.2549 million. For details, please refer to the Company's 2021 interim report, 2021 annual report, 2022 interim report and 2023 annual report. At present, the case has been terminated in this enforcement procedure.

In May 2021, the Company filed a lawsuit against Shenzhen Qianhai Zhengfan Investment Management Co., Ltd. (深圳前海正帆投資管理有限公司) due to a dispute over a margin financing and securities lending transaction, and the amount involved was approximately RMB15.4648 million. For details, please refer to the Company's 2021 interim report and 2023 annual report. At present, the case has been terminated in this enforcement procedure.

In November 2021, the Company filed a lawsuit against China Fortune Land Holding Company (華夏幸福基業控股股份公司) due to a dispute over the collateralized stock repurchase, and the amount involved was approximately RMB341 million. For details, please refer to the Company's 2021 annual report. At present, the Company has received the first instance judgment which ruled that China Fortune Land Holding Company shall return the financing principal of approximately RMB73.2100 million and pay liquidated damages, etc. to the Company, and the judgment has come into effect.

In May 2022, Daxinganling Rural Commercial Bank Co., Ltd. (大興安嶺農村商業銀行股份有限公司) filed a lawsuit against the Company (as a joint lead underwriter) due to the disputes over relevant responsibilities for securities of China Huayang Economic and Trading Group Co. Ltd. (中國華陽經貿集團有限公司), and the amount involved was approximately RMB65.4790 million. For details, please refer to the Company's 2022 interim report, 2023 interim report and 2023 annual report. At present, the trial of the case has been suspended by the court due to involvement of crimes.

In June 2022, Everbright Photon Investment Management Co., Ltd. (光大光子投資管理有限公司) filed a lawsuit against Zhejiang Kangyun Storage Co., Ltd. (浙江康運倉儲有限公司) due to the disputes over the storage contract, and the amount involved was approximately RMB23.2698 million. For details, please refer to the Company's 2022 interim report and 2022 annual report. At present, the criminal part of the case has been transferred to the Hangzhou Railway Transport Procuratorate.

SECTION VI SIGNIFICANT EVENTS

In June 2022, Everbright Photon Investment Management Co., Ltd. filed a lawsuit against Ningbo Gangjiu Longcang Storage Co., Ltd. (寧波港九龍倉儲有限公司) due to the disputes over a storage contract, and the amount involved was approximately RMB75.6644 million. For details, please refer to the Company's 2022 interim report, 2023 interim report and 2023 annual report. The case has been partially transferred from the Zhenhai Procuratorate to the Ningbo Procuratorate. At present, the Zhenhai Procuratorate and the Ningbo Procuratorate have filed public prosecutions with the Zhenhai District People's Court and the Ningbo Intermediate People's Court, respectively.

In June 2022, a person surnamed Xie, Chengdu Deshang Jinchangchuan Creator Equity Investment Fund Center (Limited Partnership) (成都德商金長川創客股權投資基金中心(有限合夥)) and Chongqing Chongbao Chuangrui Cultural Creativity Equity Investment Fund Partnership (Limited Partnership) (重慶重報創睿文化創意股權投資基金合夥企業(有限合夥)) filed lawsuits against, amongst others, the Company (as the principal broker) due to their disputes over responsibilities related to securities of Beijing Yingding Education Technology Co., Ltd. (北京贏鼎教育科技有限公司), and the amounts involved were approximately RMB20.0000 million, RMB14.9999 million and RMB10.0004 million, respectively. For details, please refer to the Company's 2022 interim report, 2022 annual report and 2023 interim report. The Beijing Financial Court has consolidated the above three cases for trial. At present, the Company has received the first instance judgment of the above cases, dismissing all claims of the plaintiff, and the plaintiff has appealed.

In October 2022, Everbright Leasing filed a lawsuit against Wuxi Sunac City Investment Co., Ltd. (無錫融創城投資有限公司) due to a dispute over the financial leasing contract, and the amount involved was approximately RMB32.3498 million. For details, please refer to the Company's 2022 annual report and 2023 annual report. At present, Everbright Leasing has received the second instance judgment, which ruled that the appeal was dismissed, and the original verdict was upheld. The case has entered enforcement procedure.

In November 2022, the Company filed a lawsuit against Henan Huangchuan Huaying Poultry Group General Company (河南省潢川華英禽業集團總公司) due to a dispute over a margin financing and securities lending transaction, and the amount involved was approximately RMB216 million. For details, please refer to the Company's 2022 annual report, 2023 interim report and 2023 annual report. At present, the case has been terminated in this enforcement procedure.

In July 2022, the Company filed a lawsuit against CMIG Leasing Holdings Limited (中民投租賃控股有限公司) in relation to other contract disputes, and the amount involved was approximately RMB70.4697 million. For details, please refer to the Company's 2022 interim report, 2022 annual report and 2023 interim report. At present, the case has been terminated in this enforcement procedure.

In December 2022, due to a dispute over convertible bonds, the Company's Hong Kong subsidiary China Everbright Securities Value Fund SPC, on behalf of its portfolio China Everbright Securities Value Fund SP1, filed a lawsuit against Simplicity & Vogue Retailing (HK) Co., Limited (簡尚零售(香港)有限公司) and a winding-up petition with the High Court of Hong Kong, and the amount involved was approximately US\$30,442,400 plus interest. For details, please refer to the Company's 2022 annual report and 2023 interim report. At present, the case has been adjudicated, the appeal has been dismissed, the original verdict has been upheld, and the winding-up proceeding has been concluded.

In December 2022, the Company's Hong Kong subsidiary OP EBS Fintech Investment Limited submitted a dispute over an equity repurchase contract to the Hong Kong International Arbitration Centre for arbitration against the respondents including Wacai Holdings Limited, Caimi Technology Holdings Limited etc., and the total amount involved was approximately US\$88.58 million. For details, please refer to the Company's 2022 annual report. At present, the parties in the case have agreed to the settlement, the arbitration has been terminated, and the property preservation has been released.

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In March 2023, a person surnamed Tan filed a lawsuit against five parties, including the Company's securities brokerage branch at Liyuan Road, Xinxing, Yunfu and a person surnamed Zhang, due to a dispute over a wealth management entrustment contract, and the amount involved was approximately RMB10.00 million. For details, please refer to the Company's 2023 interim report and 2023 annual report. At present, the Company has received the second instance judgment of the case, which dismissed the appeal and upheld the original verdict.

In June 2023, Yihe Yinfeng Tianyuan (Tianjin) Group Co., Ltd. (頤和銀豐天元(天津)集團有限公司) filed a lawsuit against the Company (as an independent financial adviser) due to a dispute over relevant responsibilities for securities of Tianyu Digital Technology (Dalian) Group Co., Ltd. (天娛數字科技(大連)集團股份有限公司), and the amount involved was approximately RMB260 million. For details, please refer to the Company's 2023 annual report. At present, the Company has received a first instance judgment of the case dismissing all claims of the plaintiff.

In July 2023, Everbright Fortune filed a lawsuit against a person surnamed Zhang 1, a person surnamed Zhang 2 and Guangzhou Chuangxian Kejiao Co., Ltd. (廣州創顯科教股份有限公司) due to a dispute over investment contract, and the amount involved was approximately RMB29.1489 million. For details, please refer to the 2023 interim report of the Company. At present, the Company has received the first instance judgment of the case, which ruled that the person surnamed Zhang 1 and the person surnamed Zhang 2 shall pay Everbright Fortune of RMB25.3582 million in aggregate, including the amounts of share repurchase and performance compensation, and overdue payment interest.

In December 2023, Everbright Securities Investment Services (HK) Limited filed a lawsuit against Yongxi Greater China Fund Independent Portfolio Company (雍熙大中華基金獨立投資組合公司) and a person surnamed Yan due to a dispute over a margin financing, and the amount involved was approximately US\$4,781,100 plus interest. For details, please refer to the Company's 2023 annual report. The person surnamed Yan raised a jurisdictional objection to the court, and the court ruled that the objection was dismissed. At present, the person surnamed Yan has appealed.

The Company filed fourteen lawsuits with the People's Court of Jing'an District of Shanghai and the Shanghai Financial Court due to the disputes over margin financing and securities lending transactions, and the total amount involved in the above fourteen cases was approximately RMB435 million. For details, please refer to the Company's 2020 annual report, 2021 interim report, 2022 interim report, 2022 annual report, 2023 interim report and 2023 annual report. Among which, thirteen of these cases have been refiled by the People's Court of Jing'an District of Shanghai.

3. Additional litigations and relevant matters during and after the Reporting Period

In April 2024, Everbright Leasing filed a lawsuit against Gansu No. 7 Construction Group Co., Ltd. (甘肅第七建設集團股份有限公司) due to a dispute over a financial lease contract, and the amount involved was approximately RMB15.10 million. At present, the case has been accepted by the People's Court of Pudong New Area, Shanghai.

In May 2024, Everbright Pramerica Assets Management Co., Ltd. submitted a dispute over an asset management contract to the Shanghai Arbitration Commission for arbitration against a person surnamed Wu, a person surnamed Zhou and a person surnamed Yu as the respondents, and the amount involved was approximately RMB177 million. At present, the case has been accepted by the Shanghai Arbitration Commission.

In May 2024, Yiwu Xiangcheng Investment Partnership (Limited Partnership) (義烏市翔程投資合夥企業(有限合夥)) submitted a dispute over an asset management contract to the Shanghai Arbitration Commission for arbitration against Everbright Pramerica Assets Management Co., Ltd. as the respondent, and the amount involved was approximately RMB55.5 million. At present, the case has been accepted by the Shanghai Arbitration Commission.

SECTION VI SIGNIFICANT EVENTS

4. Significant events in relation to wholly-owned subsidiaries

Everbright Jinhui Investment Management (Shanghai) Co., Ltd. (光大浸輝投資管理(上海)有限公司), a subsidiary of Everbright Capital, serves as the managing partner of Shanghai Jinxin Investment Consultancy Partnership (Limited Partnership) ("Jinxin Fund"). The MPS project invested by Jinxin Fund failed to exit as originally planned due to the occurrence of risks. China Merchants Bank and Huarui Bank, the interested parties of two senior partners of Jinxin Fund, filed lawsuits against Everbright Capital over other contract disputes related to the Shortfall Makeup Letter. Currently, Everbright Capital has signed enforcement settlement agreements with China Merchants Bank and Huarui Bank, respectively, pursuant to which all the payment obligations as determined in the final adjudication of the two cases were fulfilled with RMB2.64 billion in total. Among which, the settlement amount in respect of the case between Everbright Capital and Huarui Bank has been fully paid. At present, the execution of the enforcement settlement has been completed. Huarui Bank filed an arbitration against Everbright Jinhui on the same matter. Jiaxing Zhaoyuanyongjin Equity Investment Fund Partnership (Limited Partnership) (嘉興招源湧津股權投資基金合夥企業(有限合夥)) ("Zhaoyuanyongjin") initiated an arbitration against Everbright Jinhui due to the dispute over private equity investment contract. Shenzhen Hengxiang Equity Investment Fund LLP (Limited Partnership) initiated an arbitration against Everbright Jinhui, Baofeng (Tianjin) Investment Management Co., Ltd. (暴風(天津)投資管理有限公司) and Shanghai Qunchang Financial Service Company Limited (上海群暢金融服務有限公司) due to the dispute over private equity investment contract. The above-mentioned arbitrations have received the arbitral awards, which were final.

Zhaoyuanyongjin filed a lawsuit on the grounds of a tort liability dispute and demanded that Everbright Capital compensated for the loss of investment principal of RMB600 million, the corresponding interest and other expenses. The Shanghai Financial Court ruled in the first instance that Everbright Capital shall compensate the investment principal of RMB180 million to Zhaoyuanyongjin, and Zhaoyuanyongjin's remaining litigation claims were not supported. Following the appeal filed by Everbright Capital, the Shanghai High People's Court ruled in the second instance to revoke the judgement in the first instance, order Everbright Capital to compensate the investment principal of approximately RMB135 million to Zhaoyuanyongjin, and reject the remaining litigation claims of Zhaoyuanyongjin. Everbright Capital filed a retrial application with the Supreme People's Court of the People's Republic of China. Currently, Everbright Capital has received the Civil Ruling on the application for retrial. The Supreme People's Court dismissed the re-trial application. Zhaoyuanyongjin has applied for enforcement in respect of the case, and Everbright Capital has received ruling for enforcement from Shanghai Financial Court, which ruled to terminate such enforcement. Guizhou Guian Capital Operation Co., Ltd. (貴州貴安資本運營有限公司) (formerly known as Guizhou Guian Financial Investment Co., Ltd. (貴州貴安金融投資有限公司)) filed a lawsuit on the grounds of tort liability and demanded that Everbright Capital compensated for the loss of investment principal of RMB95 million, the corresponding interest and other expenses, and the Shanghai Financial Court ruled in the first instance that Everbright Capital shall compensate the investment principal of approximately RMB24.80 million to Guian Capital and Guian Capital's remaining claims were not supported. Everbright Capital filed an appeal, while the Shanghai High People's Court dismissed the appeal, and the original verdict was upheld in the second instance civil judgement. The case was in the process of the enforcement. Everbright Capital filed a retrial application with the Supreme People's Court. Currently, Everbright Capital has received the Civil Ruling on the application for retrial. The Supreme People's Court dismissed the re-trial application. Shanghai Dongxing Investment Holdings Co., Ltd. (上海東興投資控股發展有限公司) demanded that Everbright Capital and Everbright Jinhui compensated for the loss of investment principal of RMB170 million, the corresponding interest and other expenses on the basis of other contractual disputes. Everbright Capital has received the Civil Ruling of the first

SECTION VI SIGNIFICANT EVENTS

instance from the Shanghai Financial Court, ruling to reject all the litigation claims of Shanghai Dongxing Investment Holdings Co., Ltd., the plaintiff, and the first instance judgment has come into effect. Yingtan Langtaosha Investment Management Partnership (Limited Partnership) (鷹潭浪淘沙投資管理合夥企業(有限合夥)) demanded Everbright Capital to compensate for the loss of investment principal of RMB100 million, the corresponding interest and other expenses on the grounds of a tort liability dispute. At present, the case has been accepted by the Shanghai Financial Court. Shenzhen Hengxiang Equity Investment Fund Enterprise (Limited Partnership) (深圳恒祥股權投資基金企業(有限合夥)) demanded Everbright Capital to compensate for the loss of investment principal of RMB150 million, the corresponding interest and other expenses on the grounds of a tort liability dispute. At present, the case has been accepted by the Shanghai Financial Court.

In the case of Everbright Jinhui and Shanghai Jinxin against Baofeng Group and Feng Xin on an equity transfer dispute, the Supreme People's Court ruled in the second instance to revoke the first instance judgment, and remanded the case to the Beijing Higher People's Court for retrial, which is currently being retried. JINXIN INC. (Cayman Jinxin), a transaction party on overseas projects of Jinxin Fund, filed lawsuits to the high court of England and Wales against RICCARDO SILVA, ANDREA RADRIZZANI and other individuals and institutions, the original seller shareholders of MPS. The amount involved in the case was approximately US\$661,375,034.

Due to the litigations in relation to MPS, the bank accounts and assets of Everbright Capital and its subsidiaries have been frozen by the court, of which a share of assets of RMB1 billion in Kunming Purchase in Lieu of Construction Investment Partnership (Limited Partnership) (昆明以購代建投資合夥企業(有限合夥)) beneficially held by Everbright Development have been frozen. Everbright Development has raised objection to enforcement as a non-party to the case at Shanghai Financial Court, and after the first instance and the second instance were rejected, Everbright Development filed an application for retrial with the Supreme People's Court of the People's Republic of China. At present, Everbright Development has received the Civil Ruling of the application for retrial, and the Supreme People's Court has ruled against the re-trial application. Everbright Capital has received ruling for enforcement from Shanghai Financial Court, which ruled that 35% of the equity interest in Everbright Leasing and shares of Tansun Technology Co., Ltd. held by Everbright Capital, the person subject to enforcement, shall be sold at current price.

Based on the latest development related to the litigations and arbitrations, the Company has made corresponding provisions for estimated liabilities and asset impairment for the above matters. The Company will continue to pay attention to the progress and results of these matters, and perform related information disclosure obligations. (For details, please refer to the Company's announcements No. Lin 2019-008, No. Lin 2019-012, No. Lin 2019-016, No. Lin 2019-037, No. Lin 2019-051, No. Lin 2020-015, No. Lin 2020-049, No. Lin 2020-051, No. Lin 2020-080, No. Lin 2020-094, No. Lin 2021-006, No. Lin 2021-031, No. Lin 2021-037, No. Lin 2021-045, No. Lin 2021-062, No. Lin 2022-002, No. Lin 2022-005, No. Lin 2022-007, No. Lin 2022-009, No. Lin 2022-032, No. Lin 2022-052, No. Lin 2022-054, No. Lin 2023-019, No. Lin 2023-034, No. Lin 2023-036, No. Lin 2023-043, No. Lin 2023-046, No. Lin 2023-048, No. Lin 2024-007, No. Lin 2024-009 and No. Lin 2024-023 published on the website of the SSE and the announcements of the Company dated February 1, 2019, March 2, 2019, March 20, 2019, May 31, 2019, August 27, 2019, January 22, 2020, May 3, 2020, May 11, 2020, August 9, 2020, September 18, 2020, January 26, 2021, June 12, 2021, July 8, 2021, August 21, 2021, October 30, 2021, January 19, 2022, January 20, 2022, March 9, 2022, March 16, 2022, June 24, 2022, December 2, 2022, December 20, 2022, May 31, 2023, July 25, 2023, July 29, 2023, August 30, 2023, September 20, 2023, September 29, 2023, February 6, 2024, March 12, 2024 and May 10, 2024 published on the website of the Hong Kong Stock Exchange)

SECTION VII CHANGES IN SHARES AND PARTICULARS ABOUT SHAREHOLDERS

I. Changes in Share Capital

Changes in Shares

During the Reporting Period, there were no changes in the total number of the Company's shares and the structure of share capital.

As of June 30, 2024, the number of the Company's shares in issue amounted to 4,610,787,639, including 3,906,698,839 A Shares and 704,088,800 H Shares.

II. Particulars about Shareholders

(I) Total number of shareholders

As of the end of the Reporting Period, the total number of shareholders of ordinary shares was 169,951.

(II) Shareholding of top ten shareholders and top ten holders of tradable shares (or holders of shares without selling restrictions) as of the end of the Reporting Period

Unit: Shares

Name of shareholders (Full name)	Shareholdings of the top ten shareholders (excluding shares lent through refinancing)						
	Changes in	Number of	Percentage	Number of	Pledged, marked or		Nature of
	the number of	shares held as		shares held	Status of	Number of	
	shares during the	of the end of the	(%)	with selling	shares	shares	shareholders
	Reporting Period	Reporting Period		restrictions			
China Everbright Group Ltd.	0	1,159,456,183	25.15	–	Nil	–	State-owned legal person
China Everbright Limited	0	956,017,000	20.73	–	Nil	–	Foreign legal person
HKSCC Nominees Limited	6,000	703,696,990	15.26	–	Unknown	–	Unknown
China Securities Finance Corporation Limited	0	130,090,372	2.82	–	Nil	–	Others
Hong Kong Securities Clearing Company Limited	19,156,992	74,427,390	1.61	–	Nil	–	Others
China Construction Bank Corporation – Guotai CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund	1,862,950	43,969,133	0.95	–	Nil	–	Others
China Construction Bank Corporation – Huabao CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund	318,800	28,431,860	0.62	–	Nil	–	Others
ICBC Credit Suisse Fund – Agricultural Bank of China – ICBC Credit Suisse CSI Financial Asset Management Plan	0	24,431,977	0.53	–	Nil	–	Others
E Fund – Agricultural Bank of China – E Fund CSI Financial Asset Management Plan	0	23,174,586	0.50	–	Nil	–	Others
Industrial and Commercial Bank of China Limited – Huatai PineBridge CSI 300 Trading Index Securities Investment Open-ended Fund	8,148,200	22,718,524	0.49	–	Nil	–	Others

SECTION VII CHANGES IN SHARES AND PARTICULARS ABOUT SHAREHOLDERS

Shareholdings of the top ten shareholders without selling restrictions (excluding shares lent through refinancing)

Name of shareholders	Number of tradable shares held without selling restrictions	Type and number of shares	
		Type	Number
China Everbright Group Ltd.	1,159,456,183	RMB ordinary shares	1,159,456,183
China Everbright Limited	956,017,000	RMB ordinary shares	956,017,000
HKSCC Nominees Limited	703,696,990	Overseas listed foreign shares	703,696,990
China Securities Finance Corporation Limited	130,090,372	RMB ordinary shares	130,090,372
Hong Kong Securities Clearing Company Limited	74,427,390	RMB ordinary shares	74,427,390
China Construction Bank Corporation – Guotai CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund	43,969,133	RMB ordinary shares	43,969,133
China Construction Bank Corporation – Huabao CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund	28,431,860	RMB ordinary shares	28,431,860
ICBC Credit Suisse Fund – Agricultural Bank of China – ICBC Credit Suisse CSI Financial Asset Management Plan	24,431,977	RMB ordinary shares	24,431,977
E Fund – Agricultural Bank of China – E Fund CSI Financial Asset Management Plan	23,174,586	RMB ordinary shares	23,174,586
Industrial and Commercial Bank of China Limited – Huatai PineBridge CSI 300 Trading Index Securities Investment Open-ended Fund	22,718,524	RMB ordinary shares	22,718,524
Description of the related party relationships or action in concert between the above shareholders	China Everbright Limited is a controlling subsidiary of China Everbright Holdings Company Limited, a wholly-owned subsidiary of China Everbright Group Ltd. Save for the above, the Company is unaware of any related party relationships or action in concert among the above shareholders.		

Note 1: As of the end of the Reporting Period, the total number of holders of ordinary shares was 169,951, of which 169,794 were holders of A Shares and 157 were registered holders of H Shares.

Note 2: Among the H shareholders of the Company, HKSCC Nominees Limited held the H Shares on behalf of the non-registered shareholders.

Note 3: Hong Kong Securities Clearing Company Limited is the nominee holder of the Shanghai-Hong Kong Stock Connect shares of the Company.

SECTION VII CHANGES IN SHARES AND PARTICULARS ABOUT SHAREHOLDERS

Participation of the shareholders holding more than 5% of the shares, the top 10 shareholders and the top 10 shareholders holding tradable shares without selling restrictions in shares lent under the margin refinancing business

Unit: Shares

Participation of the shareholders holding more than 5% of the shares, the top 10 shareholders and the top 10 shareholders holding tradable shares without selling restrictions in shares lent under the margin refinancing business								
Name of Shareholder (full name)	Shares held in the general account and credit account as at the beginning of the Reporting Period		Shares lent under the margin refinancing as at the beginning of the Reporting Period and not yet returned		Shares held in the general account and credit account as at the end of the Reporting Period		Shares lent under the margin refinancing as at the end of the Reporting Period and not yet returned	
	Total Number	Percentage (%)	Total Number	Percentage (%)	Total Number	Percentage (%)	Total Number	Percentage (%)
Industrial and Commercial Bank of China Limited – Huatai PineBridge CSI 300 Trading Index Securities Investment Open-ended Fund	14,570,324	0.32	136,400	0.00	22,718,524	0.49	106,800	0.00
China Construction Bank Corporation – Guotai CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund	42,106,183	0.91	314,700	0.01	43,969,133	0.95	234,300	0.01
China Construction Bank Corporation – Huabao CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund	28,113,060	0.61	414,300	0.01	28,431,860	0.62	1,014,100	0.02

III. Changes in Shareholding of the Directors, Supervisors and chief executives of the Company and equity incentives

None of the Directors, Supervisors and senior management of the Company held shares of the Company. During the Reporting Period, there were no changes in the shareholding. The Directors, Supervisors and senior management of the Company were not granted any equity incentives by the Company.

SECTION VII CHANGES IN SHARES AND PARTICULARS ABOUT SHAREHOLDERS

IV. Substantial Shareholders and Other Persons' Interests and Short Positions in the Shares and Underlying Shares

As of June 30, 2024, so far as the Directors, having made reasonable enquiries, are aware, the following parties (other than the Directors, Supervisors or chief executive of the Company) had an interest or short position in the shares or underlying shares, which is required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and has been entered in the register kept by the Company according to section 336 of the SFO:

No.	Name of substantial shareholders ⁷	Type of share	Nature of interests	Number of corresponding shares of the Company held (share)	Percentage of total issued shares of the Company ⁶ (%)	Percentage of total issued A Shares/ H Shares of the Company ⁶ (%)	Long position/ short position
1.	Central Huijin Investment Ltd. (中央匯金投資有限責任公司)	A Share	Interests in controlled corporation ¹	2,115,473,183	45.88	54.15	Long Position
2.	China Everbright Group Ltd. (中國光大集團股份公司)	A Share	Beneficial owner	1,159,456,183	25.15	29.68	Long Position
		A Share	Interests in controlled corporation ²	956,017,000	20.73	24.47	Long Position
				2,115,473,183	45.88	54.15	Long Position
3.	China Everbright Holdings Company Limited (中國光大集團有限公司)	A Share	Interests in controlled corporation ²	956,017,000	20.73	24.47	Long Position
4.	Datten Investments Limited	A Share	Interests in controlled corporation ²	956,017,000	20.73	24.47	Long Position
5.	Honorich Holdings Limited	A Share	Interests in controlled corporation ²	956,017,000	20.73	24.47	Long Position
6.	China Everbright Limited (中國光大控股有限公司)	A Share	Beneficial owner	956,017,000	20.73	24.47	Long Position
7.	China State Construction Engineering Corporation	H Share	Interests in controlled corporation ³	138,812,800	3.01	19.72	Long Position
8.	China State Construction Engineering Corporation Limited (中國建築股份有限公司)	H Share	Interests in controlled corporation ³	138,812,800	3.01	19.72	Long Position
9.	CSCEC Capital (Hong Kong) Limited	H Share	Beneficial owner	138,812,800	3.01	19.72	Long Position
10.	China State Shipbuilding Corporation Limited (中國船舶集團有限公司)	H Share	Interests in controlled corporation ⁴	144,608,800	3.14	20.54	Long Position
11.	China Shipbuilding Industry Group Co., Ltd. (中國船舶工業集團有限公司)	H Share	Interests in controlled corporation ⁴	144,608,800	3.14	20.54	Long Position
12.	CSSC INTERNATIONAL HOLDING COMPANY LIMITED	H Share	Beneficial owner	144,608,800	3.14	20.54	Long Position
13.	Hengjian International Investment Holding (Hong Kong) Limited (恒健國際投資控股(香港)有限公司)	H Share	Beneficial owner	131,344,200	2.85	18.65	Long Position
14.	Guangdong Hengjian Investment Holding Co., Ltd. (廣東恒健投資控股有限公司)	H Share	Interests in controlled corporation ⁵	131,344,200	2.85	18.65	Long Position

SECTION VII CHANGES IN SHARES AND PARTICULARS ABOUT SHAREHOLDERS

Notes:

1. Central Huijin Investment Ltd. holds 63.16% interest in China Everbright Group Ltd. Accordingly, Central Huijin Investment Ltd. is deemed to be interested in China Everbright Group Ltd.'s interest in the Company under the SFO.
2. Honorich Holdings Limited and Everbright Investment and Management Limited (光大投資管理有限公司) hold 49.386% and 0.358% of the total issued share capital in Everbright Limited, respectively; Datten Investments Limited holds 100% of the total issued share capital in Honorich Holdings Limited; China Everbright Holdings Company Limited holds 100% of the total issued share capital in both Datten Investments Limited and Everbright Investment and Management Limited; China Everbright Group Ltd. holds 100% of the total issued share capital in China Everbright Holdings Company Limited. Accordingly, each of China Everbright Group Ltd., China Everbright Holdings Company Limited, Datten Investments Limited and Honorich Holdings Limited is deemed to be interested in Everbright Limited's interests in the Company under the SFO.
3. China State Construction Engineering Corporation Limited holds 100% of the total issued share capital in CSCEC Capital (Hong Kong) Limited; China State Construction Engineering Corporation holds 56.26% of the total issued share capital in China State Construction Engineering Corporation Limited. Accordingly, China State Construction Engineering Corporation Limited and China State Construction Engineering Corporation are deemed to be interested in CSCEC Capital (Hong Kong) Limited's interests in the Company under the SFO.
4. In order to realize the internal integration of China State Shipbuilding Corporation, China Shipbuilding Capital Limited (中國船舶資本有限公司) entered into a bulk transaction with CSSC International Holding Company Limited, and completed the equity transfer of the shares held in the Company. China Shipbuilding Industry Group Co., Ltd. (中國船舶工業集團有限公司) holds 100% of the total issued share capital in CSSC International Holding Company Limited; China State Shipbuilding Corporation Limited (中國船舶集團有限公司) holds 100% of the total issued share capital in China Shipbuilding Industry Group Co., Ltd. Accordingly, China Shipbuilding Industry Group Co., Ltd. and China State Shipbuilding Corporation Limited are deemed to be interested in CSSC International Holding Company Limited's interests in the Company under the SFO.
5. Guangdong Hengjian Investment Holding Co., Ltd. holds 100% of the total issued share capital in Hengjian International Investment Holding (Hong Kong) Limited. Accordingly, Guangdong Hengjian Investment Holding Co., Ltd. is deemed to be interested in Hengjian International Investment Holding (Hong Kong) Limited's interest in the Company under the SFO.
6. As of June 30, 2024, the total issued shares of the Company were 4,610,787,639, of which 3,906,698,839 were A Shares and 704,088,800 were H Shares.
7. Under Part XV of the SFO, disclosure of interest forms shall be submitted by shareholders of the Company upon satisfaction of certain conditions. If there are changes in the shareholders' shareholdings in the Company, shareholders are not required to inform the Company and the Hong Kong Stock Exchange, except where certain conditions have been satisfied. Therefore, there could be a difference between the substantial shareholders' latest shareholdings in the Company and the information on their shareholdings submitted to the Hong Kong Stock Exchange. Information set out in the above table is based on the disclosure of interest forms submitted by the relevant shareholders.

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

SECTION VII CHANGES IN SHARES AND PARTICULARS ABOUT SHAREHOLDERS

V. Directors', Supervisors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares or Debentures of the Company and its Associated Corporations

As at June 30, 2024, according to the information obtained by the Company and to the knowledge of the Directors, none of the Directors, Supervisors or chief executive of the Company had any interests and/or short positions in the shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which shall be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which are taken or deemed to be held under such provisions of the SFO), or which would be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Hong Kong Listing Rules to be notified to the Company and the Hong Kong Stock Exchange or which would be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein. At no time was the Company, its holding company, any of its subsidiaries or fellow subsidiaries a party to any arrangements during the Reporting Period to enable the directors of the Company, including their spouses and children under 18 years of age, to acquire any interests by means of the acquisition of shares in, or debentures of, the Company or any other body corporates.

VI. Repurchase, Sale or Redemption of the Listed Securities of the Company and Its Subsidiaries

Save as disclosed herein, during the Reporting Period, neither the Company nor any of its subsidiaries had repurchased, sold or redeemed any listed securities of the Company or its subsidiaries (including sale of treasury shares). As of the end of the Reporting Period, no treasury shares were held by the Company.

SECTION VIII RELEVANT INFORMATION ON PREFERENCE SHARES

During the Reporting Period, the Company did not have any matters relating to preference shares.

SECTION IX RELEVANT INFORMATION ON BONDS

I. Corporate Bonds and Debt Financing Instruments of Non-financial Enterprises

(I) Corporate bonds

1. Overview of corporate bonds

Unit: 100 million Yuan Currency: RMB

Bond name	Abbreviation	Code	Issue date	Value date	Latest sell-back date after August 31, 2024	Maturity date	Balance of bonds	Interest rate (%)	Principal and interest payment method	Places of transaction	Lead underwriter	Trust manager	Arrangements for investors' appropriateness (if any)	Trading mechanism	Any risk of termination of listing and trading or not
21G8 EBS Public Offering Corporate Bonds targeted at Professional Investors (Fifth Tranche) (Type 1)	21 EVERBRIGHT SECURITIES G8	188762	September 14, 2021	September 16, 2021	-	September 16, 2024	30	3.10%	Payment of interest on a yearly basis	Fixed-income products platform of the SSE	China Merchants Securities Co., Ltd., China Galaxy Securities Co., Ltd. and CSC Financial Co., Ltd.	China Merchants Securities Co., Ltd.	Targeted at professional investors	Trading by bidding, quotation, enquiry and agreement	No
2110 EBS Public Offering Corporate Bonds targeted at Professional Investors (Sixth Tranche) (Type 1)	21 EVERBRIGHT SECURITIES 10	188884	December 21, 2021	December 23, 2021	-	December 23, 2024	20	3.02%	Payment of interest on a yearly basis	Fixed-income products platform of the SSE	China Merchants Securities Co., Ltd., China Galaxy Securities Co., Ltd. and CSC Financial Co., Ltd.	China Merchants Securities Co., Ltd.	Targeted at professional investors	Trading by bidding, quotation, enquiry and agreement	No
22G1 EBS Public Offering Corporate Bonds targeted at Professional Investors (First Tranche) (Type 1)	22 EVERBRIGHT SECURITIES G1	185821	June 10, 2022	June 14, 2022	-	June 14, 2025	25	2.90%	Payment of interest on a yearly basis	Fixed-income products platform of the SSE	China Merchants Securities Co., Ltd., China Galaxy Securities Co., Ltd. and CSC Financial Co., Ltd.	China Merchants Securities Co., Ltd.	Targeted at professional investors	Trading by bidding, quotation, enquiry and agreement	No
20Y1 EBS Public Offering Perpetual Subordinated Bonds (First Tranche)	20 EVERBRIGHT SECURITIES Y1	175000	August 13, 2020	August 17, 2020	-	August 17, 2025	20	4.40%	Payment of interest on a yearly basis	Fixed-income products platform of the SSE	CITIC Securities Co., Ltd.	CITIC Securities Co., Ltd.	Targeted at professional investors	Trading by bidding, quotation, enquiry and agreement	No
22G3 EBS Public Offering Corporate Bonds targeted at Professional Investors (Second Tranche)	22 EVERBRIGHT SECURITIES G3	137693	August 18, 2022	August 22, 2022	-	August 22, 2025	20	2.56%	Payment of interest on a yearly basis	Fixed-income products platform of the SSE	China Merchants Securities Co., Ltd., China Galaxy Securities Co., Ltd. and CSC Financial Co., Ltd.	China Merchants Securities Co., Ltd.	Targeted at professional investors	Trading by bidding, quotation, enquiry and agreement	No
24G1 EBS Public Offering Corporate Bonds targeted at Professional Investors (First Tranche)	24 EVERBRIGHT SECURITIES G1	240670	March 5, 2024	March 7, 2024	-	March 7, 2026	15	2.42%	Payment of interest on a yearly basis	Fixed-income products platform of the SSE	Industrial Securities Co., Ltd., China Merchants Securities Co., Ltd. and Orient Securities Investment Banking Co., Ltd.	Industrial Securities Co., Ltd.	Targeted at professional investors	Trading by bidding, quotation, enquiry and agreement	No
21Y1 EBS Public Offering Perpetual Subordinated Bonds (First Tranche)	21 EVERBRIGHT SECURITIES Y1	188104	May 11, 2021	May 13, 2021	-	May 13, 2026	30	4.19%	Payment of interest on a yearly basis	Fixed-income products platform of the SSE	CITIC Securities Co., Ltd.	CITIC Securities Co., Ltd.	Targeted at professional investors	Trading by bidding, quotation, enquiry and agreement	No

SECTION IX RELEVANT INFORMATION ON BONDS

Bond name	Abbreviation	Code	Issue date	Value date	Latest sell-back date after August 31, 2024	Maturity date	Balance of bonds	Interest rate (%)	Principal and interest payment method	Places of transaction	Lead underwriter	Trust manager	Arrangements for investors' appropriateness (if any)	Trading mechanism	Any risk of termination of listing and trading or not
21G3 EBS Public Offering Corporate Bonds targeted at Professional Investors (Second Tranche) (Type 2)	21 EVERBRIGHT SECURITIES G3	188196	June 3, 2021	June 7, 2021	-	June 7, 2026	10	3.67%	Payment of interest on a yearly basis	Fixed-income products platform of the SSE	China Merchants Securities Co., Ltd., China Galaxy Securities Co., Ltd. and CSC Financial Co., Ltd.	China Merchants Securities Co., Ltd.	Targeted at professional investors	Trading by bidding, quotation, enquiry and agreement	No
21G5 EBS Public Offering Corporate Bonds targeted at Professional Investors (Third Tranche) (Type 2)	21 EVERBRIGHT SECURITIES G5	188383	July 14, 2021	July 16, 2021	-	July 16, 2026	17	3.45%	Payment of interest on a yearly basis	Fixed-income products platform of the SSE	China Merchants Securities Co., Ltd., China Galaxy Securities Co., Ltd. and CSC Financial Co., Ltd.	China Merchants Securities Co., Ltd.	Targeted at professional investors	Trading by bidding, quotation, enquiry and agreement	No
23G3 EBS Public Offering Corporate Bonds targeted at Professional Investors (Third Tranche)	23 EVERBRIGHT SECURITIES G3	115774	August 8, 2023	August 10, 2023	-	August 10, 2026	30	2.77%	Payment of interest on a yearly basis	Fixed-income products platform of the SSE	Industrial Securities Co., Ltd., China Merchants Securities Co., Ltd. and Orient Securities Investment Banking Co., Ltd.	Industrial Securities Co., Ltd.	Targeted at professional investors	Trading by bidding, quotation, enquiry and agreement	No
23G4 EBS Public Offering Corporate Bonds targeted at Professional Investors (Fourth Tranche)	23 EVERBRIGHT SECURITIES G4	115976	September 12, 2023	September 14, 2023	-	September 14, 2026	28	2.98%	Payment of interest on a yearly basis	Fixed-income products platform of the SSE	Industrial Securities Co., Ltd., China Merchants Securities Co., Ltd. and Orient Securities Investment Banking Co., Ltd.	Industrial Securities Co., Ltd.	Targeted at professional investors	Trading by bidding, quotation, enquiry and agreement	No
21G9 EBS Public Offering Corporate Bonds targeted at Professional Investors (Fifth Tranche) (Type 2)	21 EVERBRIGHT SECURITIES G9	188763	September 14, 2021	September 16, 2021	-	September 16, 2026	10	3.50%	Payment of interest on a yearly basis	Fixed-income products platform of the SSE	China Merchants Securities Co., Ltd., China Galaxy Securities Co., Ltd. and CSC Financial Co., Ltd.	China Merchants Securities Co., Ltd.	Targeted at professional investors	Trading by bidding, quotation, enquiry and agreement	No
23G5 EBS Public Offering Corporate Bonds targeted at Professional Investors (Fifth Tranche)	23 EVERBRIGHT SECURITIES G5	240017	September 19, 2023	September 21, 2023	-	September 21, 2026	18	2.90%	Payment of interest on a yearly basis	Fixed-income products platform of the SSE	Industrial Securities Co., Ltd., China Merchants Securities Co., Ltd. and Orient Securities Investment Banking Co., Ltd.	Industrial Securities Co., Ltd.	Targeted at professional investors	Trading by bidding, quotation, enquiry and agreement	No
2111 EBS Public Offering Corporate Bonds targeted at Professional Investors (Sixth Tranche) (Type 2)	21 EVERBRIGHT SECURITIES 11	188886	December 21, 2021	December 23, 2021	-	December 23, 2026	10	3.35%	Payment of interest on a yearly basis	Fixed-income products platform of the SSE	China Merchants Securities Co., Ltd., China Galaxy Securities Co., Ltd. and CSC Financial Co., Ltd.	China Merchants Securities Co., Ltd.	Targeted at professional investors	Trading by bidding, quotation, enquiry and agreement	No
22Y1 EBS Public Offering Perpetual Subordinated Bonds targeted at Professional Investors (First Tranche)	22 EVERBRIGHT SECURITIES Y1	185407	February 17, 2022	February 21, 2022	-	February 21, 2027	20	3.73%	Payment of interest on a yearly basis	Fixed-income products platform of the SSE	CITIC Securities Co., Ltd. and Essence Securities Co., Ltd.	CITIC Securities Co., Ltd.	Targeted at professional investors	Trading by bidding, quotation, enquiry and agreement	No

SECTION IX RELEVANT INFORMATION ON BONDS

Bond name	Abbreviation	Code	Issue date	Value date	Latest sell-back date after August 31, 2024	Maturity date	Balance of bonds	Interest rate (%)	Principal and interest payment method	Places of transaction	Lead underwriter	Trust manager	Arrangements for investors' appropriateness (if any)	Trading mechanism	Any risk of termination of listing and trading or not
22Y2 EBS Public Offering Perpetual Subordinated Bonds targeted at Professional Investors (Second Tranche)	22 EVERBRIGHT SECURITIES Y2	185445	March 10, 2022	March 14, 2022	-	March 14, 2027	10	4.08%	Payment of interest on a yearly basis	Fixed-income products platform of the SSE	CITIC Securities Co., Ltd. and Essence Securities Co., Ltd.	CITIC Securities Co., Ltd.	Targeted at professional investors	Trading by bidding, quotation, enquiry and agreement	No
22Y3 EBS Public Offering Perpetual Subordinated Bonds targeted at Professional Investors (Third Tranche)	22 EVERBRIGHT SECURITIES Y3	185600	March 22, 2022	March 24, 2022	-	March 24, 2027	15	4.03%	Payment of interest on a yearly basis	Fixed-income products platform of the SSE	CITIC Securities Co., Ltd. and Essence Securities Co., Ltd.	CITIC Securities Co., Ltd.	Targeted at professional investors	Trading by bidding, quotation, enquiry and agreement	No
22G2 EBS Public Offering Corporate Bonds targeted at Professional Investors (First Tranche) (Type 2)	22 EVERBRIGHT SECURITIES G2	185888	June 10, 2022	June 14, 2022	-	June 14, 2027	5	3.25%	Payment of interest on a yearly basis	Fixed-income products platform of the SSE	China Merchants Securities Co., Ltd., China Galaxy Securities Co., Ltd. and CSC Financial Co., Ltd.	China Merchants Securities Co., Ltd.	Targeted at professional investors	Trading by bidding, quotation, enquiry and agreement	No
24G2 EBS Public Offering Corporate Bonds targeted at Professional Investors (Second Tranche)	24 EVERBRIGHT SECURITIES G2	241142	June 18, 2024	June 20, 2024	-	June 20, 2027	28	2.18%	Payment of interest on a yearly basis	Fixed-income products platform of the SSE	Industrial Securities Co., Ltd., China Merchants Securities Co., Ltd. and Orient Securities Investment Banking Co., Ltd.	Industrial Securities Co., Ltd.	Targeted at professional investors	Trading by bidding, quotation, enquiry and agreement	No
24S1 EBS Public Offering Short-term Corporate Bonds targeted at Professional Investors (First Tranche)	24 EVERBRIGHT SECURITIES S1	241416	August 8, 2024	August 12, 2024	-	May 9, 2025	15	1.88%	Principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the SSE	Industrial Securities Co., Ltd.	Industrial Securities Co., Ltd.	Targeted at professional investors	Trading by bidding, quotation, enquiry and agreement	No
24G3 EBS Public Offering Corporate Bonds targeted at Professional Investors (Third Tranche)	24 EVERBRIGHT SECURITIES G3	241505	August 20, 2024	August 22, 2024	-	August 22, 2029	23	2.17%	Payment of interest on a yearly basis	Fixed-income products platform of the SSE	Industrial Securities Co., Ltd., China Merchants Securities Co., Ltd. and Orient Securities Investment Banking Co., Ltd.	Industrial Securities Co., Ltd.	Targeted at professional investors	Trading by bidding, quotation, enquiry and agreement	No

2. Triggering and implementation of issuer or investor option terms and investor protection terms

During the Reporting Period, the Company implemented major terms of the corporate bonds of the issuer in strict compliance with the prospectus and paid the interest of bonds in a timely manner to safeguard the legitimate interests of investors. Meanwhile, the Company maintained stable operations and good profitability. There was no default in the redemption of, or payment of interest on, the bonds issued by the Company and none of relevant investor protection terms were triggered.

For the triggering and implementation of option terms and investor protection terms on the Company's existing perpetual subordinated bonds "20 EVERBRIGHT SECURITIES Y1", "21 EVERBRIGHT SECURITIES Y1", "22 EVERBRIGHT SECURITIES Y1", "22 EVERBRIGHT SECURITIES Y2" and "22 EVERBRIGHT SECURITIES Y3" as of the date of approval of this report, please refer to Note 53 to the consolidated financial statements.

SECTION IX RELEVANT INFORMATION ON BONDS

(II) Proceeds Raised from Issuance of Corporate Bonds

Bond code: 240670

Bond abbreviation: 24 EVERBRIGHT SECURITIES G1

1. Basic information

Unit: 100 million Currency: RMB

Full name of Bonds	24G1 EBS Public Offering Corporate Bonds targeted at Professional Investors (First Tranche)
Whether it is a special purpose bond	No
Specific types of special purpose bond	N/A
Total amount of proceeds	15
Balance of proceeds as of the end of the Reporting Period	0
Balance of the special account of proceeds as of the end of the Reporting Period	0

2. Change or adjustment of use of proceeds

Specified use of proceeds (please present in the full text)	After deducting issuance expenses, it is intended to be used for replenishing the liquidity required in the ordinary production and operation of the Company.
Whether the use of proceeds was changed or adjusted	No

3. Actual use of proceeds (excluding temporary replenishment of liquidity)

Unit: 100 million Currency: RMB

Amount of proceeds actually utilized during the Reporting Period	15
3.1.1 Amount used for repayment of interest-bearing debts (excluding corporate bonds)	N/A
3.1.2 Repayment of interest-bearing debts (excluding corporate bonds)	N/A
3.2.1 Amount used for repayment of corporate bonds	N/A
3.2.2 Repayment of corporate bonds	N/A
3.3.1 Amount used for replenishment of liquidity	15
3.3.2 Replenishment of liquidity	All proceeds were used to pay inter-bank borrowings
3.4.1 Amount used for investment in fixed assets	N/A
3.4.2 Investment in fixed assets	N/A
3.5.1 Amount used for equity investment, debt investment or asset acquisition	N/A
3.5.2 Equity investment, debt investment or asset acquisition	N/A
3.6.1 Amount used for other purposes	N/A
3.6.2 Details of other purposes	N/A

SECTION IX RELEVANT INFORMATION ON BONDS

4. *Proceeds used in specific projects*

4.1 Whether the proceeds were utilized in the investment in fixed assets or other specific projects such as equity investment, debt investment or asset acquisition	No
4.2 Whether there was any material change in the projects during the Reporting Period, or whether there was any change that might affect the plan for the use of proceeds	No
4.3 Whether the net income from the projects as of the end of the Reporting Period decreased by over 50% as compared with that disclosed in the prospectus or there were any other material and adverse events that might affect the actual operation of the projects occurred during the Reporting Period	No

5. *Temporary replenishment of liquidity*

Whether the proceeds were used to temporarily replenish liquidity during the Reporting Period	No
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6. *Compliance of proceeds*

Actual use of proceeds as of the end of the Reporting Period (including actual use and temporary replenishment of liquidity)	Payment of inter-bank borrowings
Whether the actual use was consistent with the specified use (including the use specified in the prospectus and the use after changes for the purpose of compliance)	Yes
Whether the management and utilization of proceeds account were compliant	Yes
Details of non-compliance (if any)	Nil
Penalties and sanctions on non-compliance in utilization of proceeds (if any)	Nil
Whether rectification has been completed and the details of rectification, if any, in the event of non-compliance in respect of the proceeds	N/A
Whether the use of proceeds was in compliance with the debt administrative provisions of the local government	N/A
Information on non-compliance in the use of proceeds with the debt administrative provisions of the local government and the details of rectification (if any)	Nil

SECTION IX RELEVANT INFORMATION ON BONDS

Bond code: 241142

Bond abbreviation: 24 EVERBRIGHT SECURITIES G2

1. Basic information

Unit: 100 million Currency: RMB

Full name of Bonds	24G2 EBS Public Offering Corporate Bonds targeted at Professional Investors (Second Tranche)
Whether it is a special purpose bond	No
Specific types of special purpose bond	N/A
Total amount of proceeds	28
Balance of proceeds as of the end of the Reporting Period	0
Balance of the special account of proceeds as of the end of the Reporting Period	0

2. Change or adjustment of use of proceeds

Specified use of proceeds (please present in the full text)	After deducting issuance expenses, it is intended to be used for replenishing the liquidity required in the ordinary production and operation of the Company.
Whether the use of proceeds was changed or adjusted	No

3. Actual use of proceeds (excluding temporary replenishment of liquidity)

Unit: 100 million Currency: RMB

Amount of proceeds actually utilized during the Reporting Period	28
3.1.1 Amount used for repayment of interest-bearing debts (excluding corporate bonds)	N/A
3.1.2 Repayment of interest-bearing debts (excluding corporate bonds)	N/A
3.2.1 Amount used for repayment of corporate bonds	N/A
3.2.2 Repayment of corporate bonds	N/A
3.3.1 Amount used for replenishment of liquidity	28
3.3.2 Replenishment of liquidity	All proceeds were used to pay inter-bank borrowings
3.4.1 Amount used for investment in fixed assets	N/A
3.4.2 Investment in fixed assets	N/A
3.5.1 Amount used for equity investment, debt investment or asset acquisition	N/A
3.5.2 Equity investment, debt investment or asset acquisition	N/A
3.6.1 Amount used for other purposes	N/A
3.6.2 Details of other purposes	N/A

SECTION IX RELEVANT INFORMATION ON BONDS

4. *Proceeds used in specific projects*

4.1 Whether the proceeds were utilized in the investment in fixed assets or other specific projects such as equity investment, debt investment or asset acquisition	No
4.2 Whether there was any material change in the projects during the Reporting Period, or whether there was any change that might affect the plan for the use of proceeds	No
4.3 Whether the net income from the projects as of the end of the Reporting Period decreased by over 50% as compared with that disclosed in the prospectus or there were any other material and adverse events that might affect the actual operation of the projects occurred during the Reporting Period	No

5. *Temporary replenishment of liquidity*

Whether the proceeds were used to temporarily replenish liquidity during the Reporting Period	No
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6. *Compliance of proceeds*

Actual use of proceeds as of the end of the Reporting Period (including actual use and temporary replenishment of liquidity)	Payment of inter-bank borrowings
Whether the actual use was consistent with the specified use (including the use specified in the prospectus and the use after changes for the purpose of compliance)	Yes
Whether the management and utilization of proceeds account were compliant	Yes
Details of non-compliance (if any)	Nil
Penalties and sanctions on non-compliance in utilization of proceeds (if any)	Nil
Whether rectification has been completed and the details of rectification, if any, in the event of non-compliance in respect of the proceeds	N/A
Whether the use of proceeds was in compliance with the debt administrative provisions of the local government	N/A
Information on non-compliance in the use of proceeds with the debt administrative provisions of the local government and the details of rectification (if any)	Nil

SECTION IX RELEVANT INFORMATION ON BONDS

(III) Other matters that should be disclosed for special types of bonds

1. The Company as the issuer of renewable corporate bonds

Unit: 100 million Currency: RMB

Bond code	175000	188104	185407	185445	185600
Bond abbreviation	20 EVERBRIGHT SECURITIES Y1	21 EVERBRIGHT SECURITIES Y1	22 EVERBRIGHT SECURITIES Y1	22 EVERBRIGHT SECURITIES Y2	22 EVERBRIGHT SECURITIES Y3
Balance of bond	20	30	20	10	15
Renewal	As of the disclosure date of this report, the bond was in its first pricing cycle.				
Interest rate step-up	N/A				
Interest deferral	N/A				
Enforcement of interest payment	The ordinary share profit distribution plan (the Company's announcement No. 2024-024 published on the website of the SSE, and announcement dated May 28, 2024 published on the website of the Hong Kong Stock Exchange) considered and approved at the 2023 annual general meeting by the Company triggered the enforcement of interest payment events, and the Company has recognized abovementioned interest payables of perpetual bonds in the dividend payable as at June 30, 2024.				
Whether they are still included in equity and corresponding accounting treatment or not	Yes				
Other matters	Nil				

(IV) Significant events in relation to corporate bonds during the Reporting Period

1. Liabilities

(1). Interest-bearing debts and changes

1.1 Information on the structure of corporate debts

As at the beginning and the end of the Reporting Period, the balance of the Company's interest-bearing debts (not within the scope of consolidation) amounted to RMB106.518 billion and RMB82.394 billion, respectively, representing a year-on-year change of -22.65% during the Reporting Period.

Unit: 100 million Currency: RMB

Type of interest-bearing debts	Overdue	Maturity date	Over 6 months	Total	Percentage to the interest-bearing debts (%)
		Within 6 months (inclusive)			
Corporate credit bonds	-	95.66	219.05	314.71	38
Bank loans	-	-	-	-	-
Loans from non-bank financial institutions	-	4.84	-	4.84	1
Other interest-bearing debts	-	500.74	3.65	504.39	61
Total	-	601.24	222.70	823.94	-

For the existing corporate credit bonds of the Company as at the end of the Reporting Period, the balance of corporate bonds was RMB31.471 billion, the balance of enterprises bonds was RMB0 billion and the balance of non-financial enterprise debt financing instruments was RMB0 billion, and corporate credit bonds which expired or were redeemed from September to December 2024 was RMB5.105 billion in total.

SECTION IX RELEVANT INFORMATION ON BONDS

1.2 Structure of the interest-bearing debts of the Company within the scope of consolidation

As at the beginning and the end of the Reporting Period, under the PRC GAAP, the balance of the Company's interest-bearing debts within the scope of consolidated statements amounted to RMB111.387 billion and RMB86.662 billion, respectively, representing a year-on-year change of -22.20% during the Reporting Period.

Unit: 100 million Currency: RMB

Type of interest-bearing debts	Overdue	Maturity date	Over 6 months	Total	Percentage to the interest- bearing debts (%)
		Within 6 months (inclusive)			
Corporate credit bonds	-	95.66	219.05	314.71	36
Bank loans	-	-	14.58	14.58	2
Loans from non-bank financial institutions	-	4.84	-	4.84	1
Other interest-bearing debts	-	528.84	3.65	532.49	61
Total	-	629.34	237.28	866.62	-

For the existing corporate credit bonds of the Company within the scope of consolidation as at the end of the Reporting Period, the balance of corporate bonds was RMB31.471 billion, the balance of enterprises bonds was RMB0 billion and the balance of non-financial enterprise debt financing instruments was RMB0 billion, and corporate credit bonds which expired or were redeemed from September to December 2024 was RMB5.105 billion in total.

1.3 Overseas bonds

As of the end of the Reporting Period, the balance of overseas bonds issued by the Company within the scope of consolidated statements was RMB0 billion, of which the balance of overseas bonds which expired from September to December 2024 was RMB0 billion.

SECTION IX RELEVANT INFORMATION ON BONDS

(2). *Main liabilities and reason for the changes*

Unit: Ten Thousand Yuan Currency: RMB

Liabilities	Balance as at the end of the Reporting Period	Balance of 2023	Percentage of changes (%)	Explanation for those with the percentages of change greater than 30%
Short-term borrowings	–	39,064.82	(100.00)	Repayment of borrowings due
Short-term financing payables	337,390.41	1,308,326.84	(74.21)	Repayment of short-term bonds and income receipts due
Financial liabilities held for trading	147,992.53	29,601.66	399.95	Changes in the scale of bond lending
Derivative financial liabilities	134,402.44	103,370.96	30.02	Changes in the scale of equity swap and over-the-counter options and fair value

(3). *Preferential repayment of debts against a third party*

As of the end of the Reporting Period, there were no preferential repayment of debts against a third party within the scope of the Company's consolidated statements.

2. **Explanation of the changes in revenue and expenses from the business of the Company during the Reporting Period under the PRC GAAP:**

In the first half of 2024, the revenue of the corporate financing business amounted to RMB457.95 million, representing a year-on-year decrease of 32%, mainly due to the tighter IPO policy. The number of IPO projects completed in the current year was less than that in the same period of last year.

In the first half of 2024, the revenue of the institutional customer business amounted to RMB536.91 million, representing a year-on-year decrease of 34%, which was due to the restriction on the growth of the scale of financial innovation business as a result of tighter regulation on the one hand, and the decline in revenue from the institutional business due to the decline in the public offering fee rate and the intensified market competition on the other hand.

In the first half of 2024, the revenue of the equity investment business amounted to RMB-54.97 million, representing a year-on-year decrease of 108%, mainly attributable to the fair value fluctuation of investment projects of subsidiaries as a result of the changes in the market in the first half of the year. The operating expenses of the equity investment business amounted to RMB-100.04 million, compared to RMB-0.11 million in the same period last year. Such change was mainly because subsidiaries strengthened post-investment management of existing investment projects, achieving the reversal of some of credit impairment losses.

SECTION IX RELEVANT INFORMATION ON BONDS

(V) Key accounting information and financial indicators

Unit: Ten Thousand Yuan Currency: RMB

Main indicator	As of the end of the Reporting Period	As of the end of last year	Increase/decrease for the end of Reporting Period over the end of last year (%)	Reason for the change
Current ratio	1.79	1.85	(3.24)	
Quick ratio	1.20	1.25	(4.00)	
Gearing ratio (%)	61.93	66.73	(7.19)	

	During the Reporting Period (January to June)	During the same period last year	Increase/decrease for the Reporting Period over the same period last year (%)	Reason for the change
Net profit after deducting non-recurring profit or loss	140,147.25	233,680.08	(40.03)	Decrease in revenue for the period
EBITDA to total debts ratio	0.03	0.04	(25.00)	
Interest coverage ratio	4.12	5.02	(17.93)	
Cash interest coverage ratio	18.36	9.18	100.00	Increase in net cash flow from operating activities
EBITDA interest coverage ratio	4.78	5.49	(12.93)	
Loan payment ratio (%)	N/A	N/A	N/A	
Interest payment ratio (%)	100.00	100.00	—	

Notes:

- The above financial indicators were calculated based on the PRC GAAP;
- EBITDA to total debts ratio refers to EBITDA of interest-bearing debts/interest-bearing debts, excluding the non-recurring gains or losses arising from contingencies unrelated to the Company's normal business operations;
- Interest coverage ratio refers to EBIT of bonds payable/interest expense of bonds payable;
- Cash interest coverage ratio refers to [net cash flow from operating activities + cash interest expenses + income tax paid in cash]/cash interest expenses, the effect of client funds has been excluded from the net cash flow from operating activities;
- EBITDA interest coverage ratio refers to EBITDA of bonds payable/interest expense of bonds payable;
- The Company settled all kinds of debt interest as expected.

SECTION X INFORMATION DISCLOSURE OF SECURITIES FIRMS

I. Relevant Information on the Significant Administrative Permission Items of the Company

(I) Other regulatory letters received during and subsequent to the Reporting Period:

Date	Issuing Authority	Document Number	Title or Matter
March 26, 2024	Ningxia Regulatory Bureau of CSRC	Decision on Administrative Supervision Measures of Ning Zheng Jian [2024] No. 1	Decision on Issuing a Warning Letter to Securities Brokerage Branch at Fenghuang North Street, Yinchuan of Everbright Securities Company Limited
May 17, 2024	Jiangsu Regulatory Bureau of CSRC	[2024] No. 94	Decision on Adopting Administrative Supervisory Measures to Issue a Warning Letter to Nanjing Branch of Everbright Securities Company Limited by Jiangsu Regulatory Bureau of CSRC
June 27, 2024	Shandong Regulatory Bureau of CSRC	[2024] No. 67	Decision on Adopting Regulatory Measures to Order Zibo Securities Brokerage Branch of Everbright Futures Co., Ltd. to Make Rectification
July 1, 2024	Shenzhen Regulatory Bureau of CSRC	[2024] No. 145	Decision on Ordering Rectification for Securities Brokerage Branch at Xinyuan Road, Shenzhen of Everbright Securities Company Limited by Shenzhen Regulatory Bureau of CSRC
July 8, 2024	Shanghai Regulatory Bureau of CSRC	Hu Zheng Jian Jue [2024] No. 288	Decision on Issuing a Warning Letter to Everbright Pramerica Fund Management Co., Ltd.

II. Qualifications of Each of the Businesses of the Company and Its Controlling Subsidiaries

(I) Business qualifications of the Company

Approving Authority	Business Qualification
People's Bank of China	Qualification for proprietary trading business (Reply on the Establishment of Everbright Securities Limited, Yin Fu [1996] No. 81)
	Investment consultancy and financial advisory businesses (Reply on the Establishment of Everbright Securities Limited, Yin Fu [1996] No. 81)
	Underwriting of commercial papers (Notice of the People's Bank of China on Engaging in Underwriting of Commercial Papers by Everbright Securities Limited and Haitong Securities Co., Ltd., Yin Fa [2005] No. 173)
	Proprietary trading and leasing of gold (Notice on Delivery of Filing Materials, Yin Shi Huang Jin Bei [2015] No. 31)
	Member of the national inter-bank market (inter-bank lending and trading of bonds, spot bonds transactions and bond repurchase businesses) (Notice on Approving the Admission of Some Securities Companies into the National Inter-bank Market, Yin Ban Fa [1999] No. 147)

SECTION X INFORMATION DISCLOSURE OF SECURITIES FIRMS

Approving Authority	Business Qualification
CSRC and its branch offices	<p>Qualification for proxy sales of financial products (Hu Zheng Jian Ji Gou Zi [2012] No. 547)</p> <p>Qualification for proxy sales of open-ended securities investment funds (Zheng Jian Ji Jin Zi [2004] No. 49)</p> <p>Qualification for intermediary introduction for futures (Hu Zheng Jian Ji Gou Zi [2010] No. 121) and Qualification for intermediary introduction for futures (Zheng Jian Xu Ke [2008] No. 482)</p> <p>Sponsor underwriting and merger and acquisition businesses</p> <p>Agency for spot precious metal (including gold) contracts and proprietary trading of spot gold contracts (Letter of No Objection on Carrying out the Businesses of Agency for Precious Metals (including Gold) Spot Contract and Proprietary Trading of Spot Gold Contract by Everbright Securities Company Limited, Ji Gou Bu Han [2015] No. 280)</p> <p>Qualification for equity securities returns swap business (Letter of No Objection on Engaging in Equity Securities Returns Swap Business by Everbright Securities Company Limited, Ji Gou Bu Bu Han [2013] No. 30)</p> <p>Market making for stock index options (Reply on Opinions of Everbright Securities Company Limited in Market Making for Stock Index Options, Ji Gou Bu Han [2019] No. 3065)</p> <p>Market making for stock options (Reply on Approving the Qualification of Everbright Securities Company Limited in Market Making for Stock Options, Zheng Jian Xu Ke [2015] No. 164)</p> <p>Qualification for margin financing and securities lending businesses (Zheng Jian Xu Ke [2010] No. 314)</p> <p>Securities transactions under repurchase agreements (pilot) (Ji Gou Bu Bu Han [2012] No. 459)</p> <p>Qualification for entrusted investment management (Reply on Approving the Qualification of Everbright Securities Limited in Entrusted Investment Management, Zheng Jian Ji Gou Zi [2002] No. 127)</p> <p>Carrying out of direct investment business (pilot) (Letter of No Objection on Carrying out Direct Investment Business (Pilot) by Everbright Securities Company Limited, Ji Gou Bu Bu Han [2008] No. 446)</p> <p>Notice on Supporting the Carrying out of Credit Derivatives by Securities Companies and Serving Private Enterprises in Bond Financing (Hu Zheng Jian Ji Gou Zi [2019] No. 41)</p> <p>Letter of No Objection on Carrying out Client Securities Capital Consumption Payment Services Business (Pilot) by Everbright Securities Company Limited (China Securities Regulatory Commission Ji Gou Bu Bu Han [2012] No. 560)</p> <p>Qualification for securities investment funds custodian business (Zheng Jian Xu Ke [2020] No. 1242)</p> <p>Fund investment consultancy business qualification (Zheng Jian Ji Gou Bu Han [2021] No. 1683)</p>

SECTION X INFORMATION DISCLOSURE OF SECURITIES FIRMS

Approving Authority	Business Qualification
Securities Association of China	<p>Qualification for nominated advisers and brokers engaged in agency share transfer business (Notice on Granting Qualification for Nominated Advisers and Brokers Engaged in Agency Share Transfer Business, Zhong Zheng Xie Fa [2003] No. 94)</p> <p>Qualification for stock quotation and transfer business (Letter on Granting Qualification for Quotation and Transfer Business to Everbright Securities Company Limited, Zhong Zheng Xie Han [2006] No. 3)</p> <p>Becoming a secondary dealer for OTC options business to carry out related OTC options business (Letter on Unifying the Filing of Secondary Dealers for OTC Options Businesses, Zhong Zheng Xie Han [2018] No. 657)</p>
SSE	<p>Lead market maker of CSI 300ETF options of the SSE (Notice on Everbright Securities Company Limited in Carrying out Business as the Lead Market Maker of CSI 300ETF Options, Shang Zheng Han [2019] No. 2301)</p> <p>Lead market maker for SSE 50ETF options (Qualification for Lead Market Maker of SSE 50ETF Options, Shang Zheng Han [2016] No. 152)</p> <p>Qualification for participant of stock options transactions of the SSE (stock options brokerage, authority for proprietary trading business) (Notice on Everbright Securities Company Limited Becoming a Participant of Stock Options Transactions of the Shanghai Stock Exchange, Shang Zheng Han [2015] No. 63)</p> <p>Qualifications for A-share trading unit transactions under Southbound Trading (Shang Zheng Han [2014] No. 650)</p> <p>Authority for securities transactions under repurchase agreements (Shang Zheng Hui Zi [2012] No. 176)</p> <p>Authority for collateralized stock repurchase transactions (Shang Zheng Hui Zi [2013] No. 67)</p> <p>Lead market maker of SSE CSI 500ETF options (Notice on Everbright Securities Company Limited in Carrying out Business as the Lead Market Maker of CSI 500ETF Options, Shang Zheng [2022] No. 1623)</p> <p>Lead market maker of SSE STAR 50ETF options (Notice on Approving Everbright Securities Company Limited to Carry out Business as the Lead Market Maker of E Fund STAR 50ETF Options, Shang Zheng Han [2023] No. 1580)</p> <p>Lead market maker of SSE STAR 50ETF options (Notice on Approving Everbright Securities Company Limited to Carry out Business as the Lead Market Maker of China AMC STAR 50ETF Options, Shang Zheng Han [2023] No. 1563)</p> <p>Qualification of general market maker business for the SSE listed funds (SSE)</p>

SECTION X INFORMATION DISCLOSURE OF SECURITIES FIRMS

Approving Authority	Business Qualification
SZSE	<p>Lead market maker of SZSE CSI 300ETF options (Notice on Approving CITIC Securities and other Option Agencies to Become Market Maker of CSI 300ETF Options on Shenzhen Stock Exchange, Shen Zheng Hui [2019] No. 483)</p> <p>Authority for securities transactions under repurchase agreements (Shen Zheng Hui [2013] No. 15)</p> <p>Authority for collateralized stock repurchase transactions (Shen Zheng Hui [2013] No. 58)</p> <p>Financing for exercise of options under share options incentive schemes of listed companies (pilot) (Shen Zheng Han [2014] No. 320)</p> <p>Authority for transactions under Southbound Trading of Shenzhen – Hong Kong Stock Connect (Shen Zheng Hui [2016] No. 330)</p> <p>Dealer authority for stock option transactions on the SZSE (Shen Zheng Hui [2019] No. 470)</p> <p>Lead market maker of SZSE CSI 500ETF options (Notice on Approving CITIC Securities Co., Ltd. and Other Option Agencies to Become Market Maker of ChiNext ETF Options and CSI 500ETF Options on Shenzhen Stock Exchange, Shen Zheng Hui [2022] No. 313)</p> <p>Lead market maker of SZSE ChiNext ETF options (Notice on Approving CITIC Securities Co., Ltd. and Other Option Agencies to Become Market Maker of ChiNext ETF Options and CSI 500ETF Options on Shenzhen Stock Exchange, Shen Zheng Hui [2022] No. 313)</p> <p>Lead market maker of SZSE 100ETF options of SZSE (Notice on Approving CITIC Securities Co., Ltd. and Other Option Agencies to Become Market Maker of SZSE 100ETF Options on Shenzhen Stock Exchange, Shen Zheng Hui [2022] No. 421)</p> <p>SZSE ETF liquidity service provider (SZSE)</p>
Other Institutions	<p>Market maker of CSI 300 stock index options of China Financial Futures Exchange (Notice on Announcing the List of Market Maker of CSI 300 Stock Index Options)</p> <p>Market making for National Equities Exchange and Quotations (Gu Zhuan Xi Tong Han [2014] No. 772)</p> <p>Filing as outsourcing services institution for private funds (Asset Management Association of China, [Filing Number: A00037])</p> <p>Qualification for commercial paper transactions of Shanghai Commercial Paper Exchange Corporation Ltd. (SHCPE [2017] No. 9)</p> <p>Qualification for interbank gold quotation transactions (Reply on Approving the Carrying out of Interbank Gold Quotation Transactions by Everbright Securities Company Limited, Shang Jin Jiao Fa [2017] No. 68)</p> <p>Interest rate swaps</p> <p>Pooled settlement of and quotation for credit default swaps (Notice on Approval of Becoming a Member of the Group for Pooled Settlement of and Quotation for Credit Default Swaps)</p> <p>Margin refinancing (pilot) (Zhong Zheng Jin Han [2012] No. 124)</p>

SECTION X INFORMATION DISCLOSURE OF SECURITIES FIRMS

Approving Authority	Business Qualification
	Refinancing (pilot) (Zhong Zheng Jin Han [2012] No. 115)
	Securities lending refinancing (pilot) (Zhong Zheng Jin Han [2013] No. 45)
	Securities lending refinancing on the Sci-Tech Innovation Board (Zhong Zheng Jin Han [2019] No. 203)
	Securities lending refinancing on the ChiNext Board (Zhong Zheng Jin Han [2020] No. 145)
	Securities business foreign exchange operation license (foreign currency securities underwriting, foreign currency securities brokerage and foreign currency lending) (Replay on Change of the Company Name set out in the Securities Business Foreign Exchange Operation License by Everbright Securities Company Limited, Shanghai Hui Fu [2005] No. 72)
	Lead Underwriter for Debt Financing Instruments of Non-financial Enterprises (Announcement of National Association of Financial Market Institutional Investors, [2012] No. 19)
	Qualifications for Independently Conducting Lead Underwriting Business for Debt Financing Instruments of Non-financial Enterprises (Zhong Shi Xie Fa [2020] No. 170)
	Special membership qualification of Shanghai Gold Exchange: No. T009 (April 3, 2015)
	Lead market maker of CSI 1000 stock index options of China Financial Futures Exchange (Announcement on Issuing the Name List of Lead Market Maker of CSI 1000 Stock Index Options)
	Lead market maker of SSE 50 stock index options of China Financial Futures Exchange (Announcement on Issuing the Name List of Lead Market Maker of SSE 50 Stock Index Options)
China Securities Depository and Clearing Co., Ltd.	Qualification for account opening agency
	Qualification for class A clearing participant (Zhong Guo Jie Suan Han Zi [2008] No. 12)
	Qualification for participation in multilateral net amount guarantee settlement (Zhong Guo Jie Suan Fa Zi [2014] No. 28)
	Qualification for digital certificate service agency
	Qualification for securities pledge registration agency
	Qualification for settlement of options (Zhong Guo Jie Suan Han Zi [2015] No. 28)
	Qualification for remote account opening for special institutions and products

SECTION X INFORMATION DISCLOSURE OF SECURITIES FIRMS

Approving Authority	Business Qualification
Interbank Market Clearing House Co., Ltd.	<p>Qualification for clearing of net bond transactions of Shanghai Clearing House (Qing Suan Suo Hui Yuan Zhun Zi [2015] No. 049)</p> <p>Qualification for the central clearing of standard bond forward transactions of Shanghai Clearing House (Qing Suan Suo Hui Yuan Zhun Zi [2015] No. 115)</p> <p>Notice on Matters regarding Participation in the Centralized Clearing Business of Credit Default Swap (2018 Bian Han No. 355)</p> <p>Key dealer of credit risk mitigation tool, December 21, 2018 https://www.nafmii.org.cn/hyfw/hyflmd/crmjysba/hxjymd/202112/t20211207_93313.html</p> <p>Creator of credit risk mitigation warrant, December 21, 2018 https://www.nafmii.org.cn/hyfw/hyflmd/crmjysba/zcmt/202112/t20211207_93315.html</p> <p>Creator of credit-linked notes, December 21, 2018 https://www.nafmii.org.cn/hyfw/hyflmd/crmjysba/csjgmd/202112/t20211207_93316.html</p>
Beijing Stock Exchange	Notice on Matters in Relation to Application for Membership of the Beijing Stock Exchange (Bei Zheng Ban Fa [2021] No. 7)

(II) Business qualifications of controlling subsidiaries

Name of Controlling Subsidiary	Business Qualification
Everbright Asset Management	<p>License for Carrying out Securities and Futures Business in the People's Republic of China (serial number: 000000047217)</p> <p>License for qualified domestic institutional investor to carry out overseas securities investment and management business (Reply on Approving the Establishment of a Securities Management Subsidiary of Everbright Securities Company Limited) (Zheng Jian Xu Ke [2011] No. 1886)</p> <p>Entrusted insurance fund management http://www.gov.cn/gzdt/2012-10/12/content_2242366.htm</p>
Everbright Futures and its subsidiaries	<p>Commodity futures brokerage (CSRC)</p> <p>Financial futures brokerage (Zheng Jian Qi Huo Zi [2007] No. 297)</p> <p>Qualification for IB business (Hu Zheng Jian Qi Huo Zi [2010] No. 74)</p> <p>Futures investment consultancy (Zheng Jian Xu Ke [2011] No. 1770)</p> <p>Asset management (Zheng Jian Xu Ke [2012] No. 1499)</p> <p>Sales of publicly offered securities investment funds (Hu Zheng Jian Xu Ke [2017] No. 10)</p> <p>Qualification for the comprehensive settlement of financial futures (Zheng Jian Qi Huo Zi [2007] No. 298)</p> <p>Stock options (Shang Zheng Han [2015] No. 168 and Shen Zheng Han [2019] No. 721)</p> <p>Business qualifications of Everbright Photon: warehouse receipt service, basis trade, OTC derivatives business and third-party risk management services (China Futures Association Han Zi [2014] No. 364) and market making (China Futures Association Bei Zi [2018] No. 56)</p>

SECTION X INFORMATION DISCLOSURE OF SECURITIES FIRMS

Name of Controlling Subsidiary	Business Qualification
Everbright Capital	Private funds (Public Notice of the Securities Association of China on the List of Regulated Platforms including Securities Companies and Their Private Funds Subsidiaries (4th Batch))
Everbright Development	Private funds (Public Notice of the Securities Association of China on the List of Regulated Platforms including Securities Companies and Their Private Funds Subsidiaries (4th Batch))
Everbright Fortune	Member as alternative investment subsidiary (Public Notice of the Securities Association of China on Members of Private Investment Fund Subsidiaries of Securities Companies and Alternative Investment Subsidiaries (4th Batch))
Everbright Pramerica	<p>License for Carrying out Securities and Futures Business in the People's Republic of China (serial number: 000000029148)</p> <p>Separate account business (Reply on Approving the Carrying out of Asset Management for Specific Clients by Everbright Pramerica Fund Management Co., Ltd., Zheng Jian Xu Ke [2008] No. 1007)</p> <p>Qualified domestic institutional investor (Reply on Approving the Carrying out of Overseas Securities Investment Management by Everbright Pramerica Fund Management Co., Ltd. as a Qualified Domestic Institutional Investor, Zheng Jian Xu Ke [2008] No. 1044)</p>
EBSI	License for Carrying out Securities and Futures Business in the People's Republic of China – investment in domestic securities (serial number: 000000029442)

EBSI	Everbright Securities Investment Services (HK) Limited	Type 1 regulated activity – Dealing in securities	SFC AAC153
		Type 4 regulated activity – Advising on securities	
		Type 9 regulated activity – Asset management	
		Exchange Participant	The Stock Exchange Participant ID 01086
		China Connect Exchange Participant	
		Special Purpose Acquisition Company Exchange Participant	
		Options Trading Exchange Participant	The Stock Exchange HKATS Code SHK
		Direct Clearing Participant	SEOCH DCASS Code CSHK
		China Connect Clearing Participant	HKSCC Participant ID B01086
		Direct Clearing Participant	
		Other financial institutions under the Monetary Authority of Macao – Securities	Monetary Authority of Macao
		License for Carrying out Securities and Futures Business in the People's Republic of China – Foreign Share Brokerage and Foreign Share Lead Underwriting (serial number: 000000054654)	China Securities Regulatory Commission

SECTION X INFORMATION DISCLOSURE OF SECURITIES FIRMS

EBSI	CES Nominees (HK) Limited	Associated entity	SFC AAS942
		Trust and corporate service provider	The Hong Kong Companies Registry License Number TC002563
	CES Commodities (HK) Limited	Type 2 regulated activity – Dealing in futures contracts	SFC AAF237
		General Clearing Participant	HKCC DCASS Code CSHK
		Futures dealer	HKFE HKATS Code SHK
	CES Forex (HK) Limited	Type 3 regulated activity – Leveraged foreign exchange trading	SFC ACI995
	Everbright Securities Digital Finance (HK) Limited	Type 1 regulated activity – Dealing in securities	SFC AAC483
	China Everbright Securities (HK) Limited	Type 1 regulated activity – Dealing in securities	SFC AAW536
		Type 6 regulated activity – Advising on corporate finance	
		Type 9 regulated activity – Asset management	
	China Everbright Forex & Futures (HK) Limited	Type 2 regulated activity – Dealing in futures contracts	SFC AEX690
		Type 3 regulated activity – Leveraged foreign exchange trading	
		Clearing participant	HKCC DCASS Code CCEV
		Futures dealer	HKFE HKATS Code CEV
	China Everbright Research Limited	Type 4 regulated activity – Advising on securities	SFC AEH589
	China Everbright Capital Limited	Type 1 regulated activity – Dealing in securities	SFC ACE409
		Type 4 regulated activity – Advising on securities	
		Type 6 regulated activity – Advising on corporate finance	
	China Everbright Securities Asset Management Limited	Type 1 regulated activity – Dealing in securities	SFC AYE648
		Type 4 regulated activity – Advising on securities	
		Type 9 regulated activity – Asset management	
		License for Carrying out Securities and Futures Business in the People's Republic of China – investment in domestic securities (serial number: 000000051832)	China Securities Regulatory Commission

SECTION X INFORMATION DISCLOSURE OF SECURITIES FIRMS

EBSI	CES Wealth Management (HK) Limited	Insurance brokerage business – General insurance and long-term insurance (including investment-linked long-term insurance)	Hong Kong Insurance Authority FB1134
		Mandatory Provident Fund intermediary	Hong Kong Mandatory Provident Fund Schemes Authority IC000854
	CES Insurance Consultants (HK) Limited	Insurance brokerage business – General insurance and long-term insurance (including investment-linked long-term insurance)	Hong Kong Insurance Authority FB1019
		Insurance brokerage business under the Monetary Authority of Macao	Monetary Authority of Macao 02/CRE
		Mandatory Provident Fund intermediary	Hong Kong Mandatory Provident Fund Schemes Authority IC000203
	China Everbright Wealth Management Limited	Insurance brokerage business – General insurance and long-term insurance (including investment-linked long-term insurance)	Hong Kong Insurance Authority FB1153
	CES Insurance Agency (HK) Limited	Insurance agency business	Hong Kong Insurance Authority FA2265
	Everbright Securities (UK) Company Limited	Dealing in securities; advising on securities; studying China's macro policies, industry policies and A shares (through Everbright Securities, its subsidiary in Shanghai) and global depositary receipt cross-border conversion institution in UK for the Shanghai-London Stock Connect program	Registration Number of English corporate: 07106467, a member of London Stock Exchange and registered in UK Financial Conduct Authority – Ref. no.: 524544 Depository Receipts under the Stock Connect Scheme between SSE and London Stock Exchange – Shang Zheng Han [2019] No. 2141

Everbright Securities Company
Limited
(Incorporated in the People's Republic of China
with limited liability)
Unaudited Interim Condensed Consolidated
Financial Statements

For the six months ended 30 June 2024



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Report on Review of Interim Condensed Consolidated Financial Statements

To the Board of Directors of Everbright Securities Company Limited
(Incorporated in the People's Republic of China with limited liability)

Introduction

We have reviewed the accompanying interim financial information set out on pages 3 to 80, which comprises the interim condensed consolidated statement of financial position of Everbright Securities Company Limited (the "Company") and its subsidiaries (the "Group") as at 30 June 2024 and the interim condensed consolidated statement of profit or loss, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated cash flow statement for the six months period then ended, and the explanatory notes (the "Interim Financial 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 ("IAS 34") 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 IAS 34.

Our responsibility is to form a conclusion, based on our review, on this Interim Financial Information 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*, 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 Standard on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.



Report on Review of Interim Condensed Consolidated Financial Statements

To the Board of Directors of Everbright Securities Company Limited
(Continued)

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Financial Information of the Group is not prepared, in all material respects, in accordance with IAS 34.

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong
29 August 2024

Interim condensed consolidated statement of profit or loss for the six months ended 30 June 2024

(All amounts expressed in RMB thousands unless otherwise specified)

	Note	Six months ended 30 June 2024 (Unaudited)	2023 (Unaudited)
Revenue			
Fee and commission income	4	2,961,694	3,348,340
Interest income	5	2,351,052	2,542,081
Net investment gains	6	991,448	2,153,332
Total revenue		6,304,194	8,043,753
Other income and gains	7	53,451	461,256
Total revenue and other income		6,357,645	8,505,009
Expenses			
Fee and commission expenses	8	(870,322)	(735,095)
Interest expenses	9	(1,368,784)	(1,655,289)
Staff costs	10	(1,687,159)	(2,083,015)
Depreciation and amortisation expenses	11	(330,389)	(332,899)
Tax and surcharges		(19,646)	(29,866)
Other operating expenses	12	(597,261)	(873,028)
Provision for contingent liabilities	50	(12,794)	(63,105)
Reversal of impairment losses	13	-	5
Reversal of/ (provision for) credit loss expenses	14	34,086	(27,074)
Total expenses		(4,852,269)	(5,799,366)
Operating profit		1,505,376	2,705,643
Share of profits of associates and joint ventures		66,918	66,059
Profit before income tax		1,572,294	2,771,702
Income tax expense	15	(168,385)	(353,749)
Profit for the period		1,403,909	2,417,953
Attributable to:			
Shareholders of the Company		1,390,527	2,391,952
Non-controlling interests		13,382	26,001
Total		1,403,909	2,417,953
Basic and diluted earnings per share (in RMB per share)	17	0.26	0.48

The accompanying notes form an integral part of the interim condensed consolidated financial statements.

Interim condensed consolidated statement of comprehensive income

for the six months ended 30 June 2024

(All amounts expressed in RMB thousands unless otherwise specified)

	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
Profit for the period	<u>1,403,909</u>	<u>2,417,953</u>
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Debt investments at fair value through other comprehensive income		
- Net changes in fair value	296,781	135,046
- Provision for ECL allowance	14,036	6,977
- Reclassification to profit or loss	(97,863)	(21,339)
Share of other comprehensive income of associates	1,729	949
Exchange differences on translation of financial statements in foreign currencies	15,532	2,953
Income tax impact	<u>(53,239)</u>	<u>(29,484)</u>
Total items that may be reclassified subsequently to profit or loss	<u>176,976</u>	<u>95,102</u>
Items that will not be reclassified subsequently to profit or loss:		
Equity investments designated at fair value through other comprehensive income		
- Net changes in fair value	(5,055)	324,107
- Income tax impact	<u>1,264</u>	<u>(81,026)</u>
Total items that will not be reclassified subsequently to profit or loss	<u>(3,791)</u>	<u>243,081</u>
Total other comprehensive income for the period, net of tax	<u>173,185</u>	<u>338,183</u>
Total comprehensive income for the period	<u><u>1,577,094</u></u>	<u><u>2,756,136</u></u>
Attributable to:		
Shareholders of the Company	1,563,712	2,730,135
Non-controlling interests	<u>13,382</u>	<u>26,001</u>
Total	<u><u>1,577,094</u></u>	<u><u>2,756,136</u></u>

The accompanying notes form an integral part of the interim condensed consolidated financial statements.

Interim condensed consolidated statement of financial position at 30 June 2024

(All amounts expressed in RMB thousands unless otherwise specified)

	Note	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Non-current assets			
Property and equipment	18	934,544	890,080
Right-of-use assets	19	796,905	804,799
Investment properties		11,072	11,432
Goodwill	20	533,214	529,506
Other intangible assets	21	250,992	262,918
Investments in associates and joint ventures	23	1,025,413	1,001,201
Financial assets measured at amortised cost	24	2,529,476	3,498,381
Equity investments designated at fair value through other comprehensive income	25	1,347,730	875,215
Debt investments at fair value through other comprehensive income	26	21,258,583	22,129,376
Refundable deposits	27	9,407,523	8,959,802
Deferred tax assets	28	2,226,674	2,408,529
Finance lease receivables and receivables arising from sale-and-leaseback arrangements	29	249,007	431,704
Other non-current assets	30	563,952	287,426
Total non-current assets		41,135,085	42,090,369
Current assets			
Accounts receivable	31	1,049,368	1,204,768
Finance lease receivables and receivables arising from sale-and-leaseback arrangements	29	529,104	693,776
Other receivables and prepayments	32	2,087,187	2,842,513
Margin accounts receivable	33	33,531,502	36,783,275
Debt investments at fair value through other comprehensive income	26	23,454,609	19,981,258
Financial assets measured at amortised cost	24	957,093	149,369
Financial assets held under resale agreements	34	2,855,396	7,871,606
Financial assets at fair value through profit or loss	35	64,393,423	75,337,162
Derivative financial assets	36	3,146,220	1,838,397
Clearing settlement funds	37	1,000,406	1,237,540
Cash held on behalf of brokerage clients	38	51,319,187	47,875,463
Cash and bank balances	39	11,623,584	21,698,531
Total current assets		195,947,079	217,513,658
Total assets		237,082,164	259,604,027

The accompanying notes form an integral part of the interim condensed consolidated financial statements.

Interim condensed consolidated statement of financial position at 30 June 2024 (continued)

(All amounts expressed in RMB thousands unless otherwise specified)

	Note	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Current liabilities			
Loans and borrowings	41	348,232	956,260
Short-term debt instruments	42	3,373,904	13,083,268
Placements from other financial institutions	43	12,353,533	12,821,203
Financial liabilities at fair value through profit or loss	44	1,479,925	296,017
Accounts payable to brokerage clients	45	59,489,939	55,957,676
Employee benefits payable	46	1,994,719	2,236,335
Other payables and accruals	47	16,090,239	18,269,205
Current tax liabilities	28	45,489	67,738
Financial assets sold under repurchase agreements	48	38,005,405	43,862,830
Derivative financial liabilities	36	1,344,024	1,033,710
Lease liabilities due within one year	19	251,504	224,558
Contract liabilities		20,695	32,469
Long-term bonds due within one year	49	12,067,318	22,232,836
Total current liabilities		146,864,926	171,074,105
Net current assets		49,082,153	46,439,553
Total assets less current liabilities		90,217,238	88,529,922
Non-current liabilities			
Loans and borrowings	41	1,110,130	1,163,962
Long-term bonds	49	19,403,572	17,266,636
Deferred tax liabilities	28	16,567	20,576
Provision for contingent liabilities	50	562,949	546,886
Lease liabilities	19	576,320	591,315
Other non-current liabilities	51	757,185	1,045,158
Total non-current liabilities		22,426,723	20,634,533
Net assets		67,790,515	67,895,389

The accompanying notes form an integral part of the interim condensed consolidated financial statements.

Interim condensed consolidated statement of financial position at 30 June 2024 (continued)

(All amounts expressed in RMB thousands unless otherwise specified)

	Note	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Equity			
Share capital	52	4,610,788	4,610,788
Other equity instruments	53	9,498,943	9,498,943
Reserves	54	38,390,179	38,217,581
Retained profits	54	14,470,443	14,761,297
Total equity attributable to shareholders of the Company		66,970,353	67,088,609
Non-controlling interests		820,162	806,780
Total equity		67,790,515	67,895,389

Approved and authorised for issue by the board of directors on 29 August 2024.



Director



Director

The accompanying notes form an integral part of the interim condensed consolidated financial statements.

Interim condensed consolidated statement of changes in equity for the six months ended 30 June 2024 (All amounts expressed in RMB thousands unless otherwise specified)

Note	Share capital	Other equity instruments	Attributable to shareholders of the Company							Non-controlling interests	Total equity
			Capital reserve	Surplus reserve	General reserve	Fair value reserve	Translation reserve	Retained profits	Total		
1 January 2024	4,610,788	9,498,943	24,191,139	4,042,363	10,322,636	56,075	(394,632)	14,761,297	67,088,609	806,780	67,895,389
Profit for the period	-	-	-	-	-	-	-	1,390,527	1,390,527	13,382	1,403,909
Other comprehensive income	-	-	-	-	-	157,653	15,532	-	173,185	-	173,185
Total comprehensive income	-	-	-	-	-	157,653	15,532	1,390,527	1,563,712	13,382	1,577,094
Appropriation to general reserve	-	-	-	-	10,649	-	-	(10,649)	-	-	-
Dividends approved in respect of the previous year	-	-	-	-	-	-	-	(1,292,404)	(1,292,404)	-	(1,292,404)
Distribution to other equity instrument holders	-	-	-	-	-	-	-	(389,550)	(389,550)	-	(389,550)
Other comprehensive income that has been reclassified to retained profits	-	-	-	-	-	(11,222)	-	11,222	-	-	-
Others	-	-	(14)	-	-	-	-	-	(14)	-	(14)
30 June 2024 (Unaudited)	4,610,788	9,498,943	24,191,125	4,042,363	10,333,285	202,506	(379,100)	14,470,443	66,970,353	820,162	67,790,515

The accompanying notes form an integral part of the interim condensed consolidated financial statements.

Interim condensed consolidated statement of changes in equity for the six months ended 30 June 2024 (continued) (All amounts expressed in RMB thousands unless otherwise specified)

	Note	Attributable to shareholders of the Company										Non-controlling interests	Total equity
		Share capital	Other equity instruments	Capital reserve	Surplus reserve	General reserve	Fair value reserve	Translation reserve	Retained profits	Total			
1 January 2023		4,610,788	9,498,943	24,198,686	4,042,363	9,780,181	(78,737)	(334,054)	12,286,664	64,004,834	779,605	64,784,439	
Profit for the period		-	-	-	-	-	-	-	2,391,952	2,391,952	26,001	2,417,953	
Other comprehensive income		-	-	-	-	-	335,230	2,953	-	338,183	-	338,183	
Total comprehensive income		-	-	-	-	-	335,230	2,953	2,391,952	2,730,135	26,001	2,756,136	
Appropriation to general reserve		-	-	-	-	17,216	-	-	(17,216)	-	-	-	
Dividends approved in respect of the previous year	16	-	-	-	-	-	-	-	(968,266)	(968,266)	-	(968,266)	
Distribution to other equity instrument holders	16	-	-	-	-	-	-	-	(389,550)	(389,550)	-	(389,550)	
Other comprehensive income that has been reclassified to retained profits		-	-	-	-	-	(4,366)	-	4,366	-	-	-	
30 June 2023 (Unaudited)		4,610,788	9,498,943	24,198,686	4,042,363	9,797,397	252,127	(331,101)	13,307,950	65,377,153	805,606	66,182,759	

The accompanying notes form an integral part of the interim condensed consolidated financial statements.

Interim condensed consolidated cash flow statement for the six months ended 30 June 2024

(All amounts expressed in RMB thousands unless otherwise specified)

	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
Cash flows from operating activities:		
Profit before income tax	1,572,294	2,771,702
Adjustments for:		
Interest expenses	678,360	917,879
Share of profits of associates and joint ventures	(66,918)	(66,059)
Depreciation and amortisation expenses	330,389	334,950
Impairment losses	-	(5)
(Reversal of)/ provision for credit loss expense	(34,086)	27,074
Gains on disposal of property and equipment and other intangible assets	(82)	(715)
Provision for contingent liabilities	12,794	63,105
Foreign exchange losses	4,367	1,814
Interest income and net realised gains from disposal of debt investments at fair value through other comprehensive income and financial assets measured at amortised cost	(665,549)	(452,877)
Dividend income from equity investments designated at fair value through other comprehensive income	(35,710)	(2,146)
Unrealised fair value changes of financial instruments at fair value through profit or loss	238,158	(1,220,279)
Unrealised fair value changes of derivative financial instruments	(975,229)	201,611
Operating cash flows before movements in working capital	<u>1,058,788</u>	<u>2,576,054</u>

The accompanying notes form an integral part of the interim condensed consolidated financial statements.

Interim condensed consolidated cash flow statement for the six months ended 30 June 2024 (continued)

(All amounts expressed in RMB thousands unless otherwise specified)

	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
Cash flows from operating activities:		
(continued)		
<i>Changes in operating assets</i>		
(Increase)/decrease in refundable deposits	(447,721)	26,913
Decrease/(increase) in margin accounts receivable	3,252,793	(569,022)
Decrease in finance lease receivables and receivables arising from sale-and-leaseback arrangements	344,039	248,998
Decrease in accounts receivable, other receivables and prepayments	866,627	1,339,594
Decrease/(increase) in financial assets held under resale agreements	5,021,039	(3,121,275)
Decrease/(increase) in financial instruments at fair value through profit or loss	11,889,490	(2,162,995)
(Increase)/decrease in derivative financial instruments	(22,278)	3,335
Increase in restricted bank deposits	(5,330)	(52,926)
(Increase)/decrease in cash held on behalf of brokerage clients	(2,805,925)	6,916,124
(Increase)/decrease in other investments	(209,276)	1,469,167
<i>Changes in operating liabilities</i>		
Increase/(decrease) in accounts payable to brokerage clients	3,532,263	(4,414,198)
Decrease in other payables and accruals	(3,216,086)	(215,730)
(Decrease)/increase in employee benefits payable	(241,616)	547,463
(Decrease)/increase in financial assets sold under repurchase agreements	(5,857,425)	8,287,075
Decrease in placements from other financial institutions	(467,670)	(4,102,831)
Cash from operations	12,691,712	6,775,746
Income taxes paid	(85,423)	(389,110)
Interest paid for operating activities	(701,422)	(729,933)
Net cash flows from operating activities	11,904,867	5,656,703

The accompanying notes form an integral part of the interim condensed consolidated financial statements.

Interim condensed consolidated cash flow statement for the six months ended 30 June 2024 (continued)

(All amounts expressed in RMB thousands unless otherwise specified)

	Note	Six months ended 30 June 2024 (Unaudited)	2023 (Unaudited)
Cash flows from investing activities:			
Proceeds from disposal of financial assets at fair value through other comprehensive income and other investments		25,584,088	6,921,554
Dividends and interest received from financial assets at fair value through other comprehensive income and other investments		667,107	374,389
Proceeds from disposal of property and equipment, other intangible assets and other non-current assets		716	766
Proceeds from disposal of subsidiaries, associates and joint ventures		-	9,887
Dividends received from associates and joint ventures		40,000	33,790
Purchases of financial assets at fair value through other comprehensive income and other investments		(28,860,763)	(12,419,129)
Purchases of property and equipment, other intangible assets and other non-current assets		(184,126)	(218,779)
Net cash flows used in investing activities		(2,752,978)	(5,297,522)
Cash flows from financing activities:			
Proceeds from issuance of long-term bonds		4,300,000	5,000,000
Proceeds from issuance of short-term debt instruments		2,745,200	8,893,895
Proceeds from loans and borrowings		1,413,828	3,180,349
Long-term bonds repaid		(12,300,000)	(4,500,000)
Short-term debt instruments repaid		(12,403,079)	(10,485,691)
Loans and borrowings repaid		(2,068,579)	(3,323,894)
Lease payments paid		(145,124)	(179,788)
Interest paid		(748,528)	(726,979)
Dividends paid		(301,550)	(302,255)
Payment of other cash related to financing activities		(14)	-
Net cash flows used in financing activities		(19,507,846)	(2,444,363)
Net decrease in cash and cash equivalents		(10,355,957)	(2,085,182)
Cash and cash equivalents at the beginning of the period		22,567,460	14,807,334
Effect of foreign exchange rate changes		12,193	27,369
Cash and cash equivalents at the end of the period	40	12,223,696	12,749,521

The accompanying notes form an integral part of the interim condensed consolidated financial statements.

Notes to the interim condensed consolidated financial statements

(All amounts expressed in RMB thousands unless otherwise specified)

1. General information

Everbright Securities Company Limited (光大證券股份有限公司) (the “Company”), formerly known as Everbright Securities Limited Liability Company (光大證券有限責任公司), approved by the People’s Bank of China (“PBOC”), was incorporated in Beijing on 23 April 1996. The Company was renamed as Everbright Securities Company Limited (光大證券股份有限公司) on 14 July 2005 as a result of the conversion into a joint stock limited liability company.

As approved by the China Securities Regulatory Commission (“CSRC”), the Company publicly issued 520,000,000 ordinary shares (A Shares) and was listed on the Shanghai Stock Exchange on 18 August 2009.

As at 1 September 2015, the Company completed the change of registration procedures for securities sold in a private placement to certain investors. Following the completion of this private placement, the total number of shares capital of the Company increased from 3,418,000,000 A Shares to 3,906,698,839 A Shares, and the registered share capital of the Company increased from RMB3,418,000,000 to RMB3,906,698,839.

As at 18 August 2016, the Company completed its initial public offering of H Shares on the Main Board of the Hong Kong Stock Exchange, and issued 680,000,000 shares with a par value of RMB1.00 each. As at 19 September 2016, the Company exercised the over-allotment option in respect of 24,088,800 H Shares with a par value of RMB1.00 each.

As at 30 June 2024, the Company’s registered capital was RMB 4,610,787,639 and the Company had a total of 4,610,787,639 issued shares of RMB1.00 each.

The registered address of the Company is No. 1508 Xinzha Road, Shanghai, the PRC. The Company and its subsidiaries (the “Group”) are principally engaged in securities and futures brokerage, securities investment consulting, securities trading, financial advisory related to securities investment activities, securities underwriting and sponsorship, securities proprietary trading, intermediary introduction services for futures companies, distribution of securities investment funds, margin financing and securities lending services, distribution of financial products, stock option market making business, and securities investment fund custody; investment management, asset management, equity investment, fund management business, financial leasing business and other business activities approved by the CSRC.

2. Material accounting policies

2.1 Basis of preparation

The unaudited interim condensed consolidated financial statements for the six months ended 30 June 2024 have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting, as well as all applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required for a completed set of financial statements prepared in accordance with IFRS Accounting Standards, and should be read in conjunction with the Group's last annual consolidated financial statements for the year ended 31 December 2023.

These interim financial statements were authorised for issue by the Company's board of directors on 29 August 2024.

2.2 Change in accounting policy

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of the following new and revised IFRS Accounting Standards for the first time for the current period's financial information. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The Group has adopted Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to IAS 1, as issued in 2020 and 2022. The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024. They clarify certain requirements for determining whether a liability should be classified as current or non-current and require new disclosures for non-current liabilities that are subject to covenants within 12 months after the reporting period. The change in accounting policy will also be reflected in the Group's consolidated financial statements as at and for the year ending 31 December 2024. The amendments did not have any significant impact on the financial position or performance of the Group.

The application of the other new and revised IFRS Accounting Standards has had no significant impact on the interim condensed consolidated financial statements of the Group.

3. Use of judgements and estimates

The preparation of the interim condensed consolidated financial statements requires management to make judgements and estimates that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets and liabilities affected in the future.

The significant judgements made by management in applying the Group's accounting policies and key sources of uncertainty were the same as those applied in the preparation of the consolidated financial statements as for the year ended 31 December 2023.

4. Fee and commission income

	<i>Six months ended 30 June</i>	
	<i>2024</i> (Unaudited)	<i>2023</i> (Unaudited)
Income arising from		
- Securities brokerage and investment advisory business	1,450,123	1,751,288
- Underwriting and sponsorship business	436,920	615,837
- Futures brokerage business	648,405	464,642
- Asset management business	381,326	475,580
- Financial advisory business	14,607	11,175
- Others	30,313	29,818
Total	<u>2,961,694</u>	<u>3,348,340</u>

5. Interest income

	<i>Six months ended 30 June</i>	
	<i>2024</i> (Unaudited)	<i>2023</i> (Unaudited)
Interest income arising from		
- Margin financing and securities lending	977,803	1,136,721
- Deposits in financial institutions	762,861	921,258
- Debt investments at fair value through other comprehensive income	515,568	369,310
- Financial assets measured at amortised cost	51,390	56,168
- Receivable arising from sale-and-leaseback arrangements	21,313	36,087
- Financial assets held under resale agreements	13,297	12,397
- Securities-backed lending and stock repurchases	2,362	4,056
- Finance lease	223	393
- Others	6,235	5,691
Total	<u>2,351,052</u>	<u>2,542,081</u>

6. Net investment gains

	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
Net realised gains/(losses) from		
- Financial instruments at fair value through profit or loss	(4,473,838)	2,409,673
- Derivative financial instruments	3,776,088	(2,235,230)
- Debt investments at fair value through other comprehensive income	97,863	21,339
- Financial assets measured at amortised cost	728	6,060
Dividend and interest income from		
- Financial instruments at fair value through profit or loss	801,958	1,071,047
- Equity investments designated at fair value through other comprehensive income	35,710	2,146
Unrealised fair value changes of		
- Financial instruments at fair value through profit or loss	(238,158)	1,220,279
- Derivative financial instruments	991,097	(341,982)
Total	991,448	2,153,332

7. Other income and gains

		Six months ended 30 June	
	Note	2024	2023
		(Unaudited)	(Unaudited)
"Insurance + Futures" business		16,794	9,679
Government grants		12,639	166,793
Rental income		8,072	6,306
Income from bulk commodity trading	(1)	-	250,241
Income from agent business		-	6,254
Exchange losses		(4,367)	(1,814)
Others		20,313	23,797
Total		53,451	461,256

(1) For the six months ended 30 June 2024, no bulk commodity trading business has been carried out as due to strategic change of the Group.

8. Fee and commission expenses

	<i>Six months ended 30 June</i>	
	<i>2024</i>	<i>2023</i>
	(Unaudited)	(Unaudited)
Expenses arising from		
- Futures brokerage business	489,719	271,207
- Securities brokerage and investment advisory business	359,049	450,993
- Underwriting and sponsorship business	21,352	12,439
- Asset management business	190	410
- Financial advisory business	12	46
Total	<u>870,322</u>	<u>735,095</u>

9. Interest expenses

	<i>Six months ended 30 June</i>	
	<i>2024</i>	<i>2023</i>
	(Unaudited)	(Unaudited)
Interest expenses for		
- Long-term bonds	503,367	705,692
- Financial assets sold under repurchase agreements	413,742	406,795
- Accounts payable to brokerage clients	128,109	143,104
- Short-term debt instruments	104,830	61,444
- Placements from other financial institutions	101,806	171,222
- Loans and borrowings	53,155	139,065
- Lease liabilities	17,008	11,679
- Others	46,767	16,288
Total	<u>1,368,784</u>	<u>1,655,289</u>

10. Staff costs

	<i>Six months ended 30 June</i>	
	<i>2024</i>	<i>2023</i>
	(Unaudited)	(Unaudited)
Salaries, bonuses and allowances	1,202,812	1,607,813
Contributions to pension schemes	223,424	214,124
Other social welfare	260,923	261,078
Total	<u>1,687,159</u>	<u>2,083,015</u>

10. Staff costs (continued)

The domestic employees of the Group in Chinese Mainland participate in social welfare plans, which cover pension, medical, housing, and other welfare benefits, and are organised and administered by the governmental authorities. The Group also operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong under the Mandatory Provident Fund Schemes Ordinance. According to the relevant regulations, the premiums and welfare benefit contributions that should be borne by the Group are calculated on a regular basis and paid to the labour and social welfare authorities based on a certain percentage of the employees' salaries. These social welfare plans are defined contribution plans and contributions to the plans are expensed as incurred. The Group did not have any forfeited contributions under these pension plans.

The Group also provides an enterprise annuity plan to employees in Chinese Mainland. According to the plan, when an employee resigns, part of the contributed amount may be returned to the Company's enterprise annuity account based on his/her actual working time. Such returned contributions had no impact on the level of annuity contributions for existing employees. The Group did not utilise any of such forfeited contributions to reduce the existing level of contributions.

11. Depreciation and amortisation expenses

	<i>Six months ended 30 June</i>	
	<i>2024</i> (Unaudited)	<i>2023</i> (Unaudited)
Amortisation of right-of-use assets	147,951	158,951
Depreciation of property and equipment	90,867	88,219
Amortisation of other intangible assets	79,032	70,137
Amortisation of leasehold improvements and long-term deferred expenses	12,539	15,592
Total	<u>330,389</u>	<u>332,899</u>

12. Other operating expenses

	Note	Six months ended 30 June	
		2024 (Unaudited)	2023 (Unaudited)
IT expenses		205,181	176,921
Fund and asset management plan distribution and custodian expenses		69,277	86,622
Rental expenses and utilities		47,547	41,553
Stock exchange management fees		41,376	49,665
Promotion and entertainment expenses		41,189	48,776
Consulting and professional services		31,714	21,714
Postal and communication expenses		22,565	26,438
Business travel expenses		19,298	26,559
Labour outsourcing expenses		18,524	23,332
Securities/futures investor protection funds		16,681	20,756
Auditors' remuneration		5,424	3,281
Cost of bulk commodity trading	(1)	-	249,257
Others		78,485	98,154
Total		<u>597,261</u>	<u>873,028</u>

(1) For the six months ended 30 June 2024, no bulk commodity trading business has been carried out as due to strategic change of the Group.

13. Reversal of impairment losses

	Six months ended 30 June	
	2024 (Unaudited)	2023 (Unaudited)
Reversal of impairment losses against		
- Inventories	-	(5)
Total	<u>-</u>	<u>(5)</u>

14. (Reversal of) / provision for credit loss expenses

	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
Provision for/(reversal of) credit losses against		
- Financial assets held under resale agreements	(4,829)	(16,884)
- Margin accounts receivable	(1,922)	(12,373)
- Other receivables	(65,592)	898
- Financial assets measured at amortised cost	(216)	(975)
- Other non-current assets	35,101	53,876
- Finance lease receivables and receivables arising from sale-and-leaseback arrangements	3,330	(594)
- Accounts receivable	(799)	(1,102)
- Debt investments at fair value through other comprehensive income	14,036	4,228
- Others	(13,195)	-
Total	(34,086)	27,074

15. Income tax expense

Taxation in the condensed consolidated statement of profit or loss represents:

	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
Current tax		
- Chinese Mainland income tax	41,824	385,612
- Hong Kong profits tax	14,241	10,304
Subtotal	56,065	395,916
Adjustment in respect of prior years		
- Chinese Mainland income tax	3,358	(1,492)
- Hong Kong profits tax	10	-
Subtotal	3,368	(1,492)
Deferred tax		
- Origination and reversal of temporary differences	108,952	(40,675)
Total	168,385	353,749

According to the PRC Corporate Income Tax ("CIT") Law that took effect on 1 January 2008, the Company and the Company's subsidiaries in Chinese Mainland are subject to CIT at the statutory tax rate of 25%.

For the Company's subsidiaries in Hong Kong, Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits for the year.

16. Dividends

	Note	Six months ended 30 June	
		2024 (Unaudited)	2023 (Unaudited)
Distribution to ordinary shares	(1)	1,292,404	968,266
Distribution to other equity instrument holders	(2)	389,550	389,550
Total		<u>1,681,954</u>	<u>1,357,816</u>

- (1) Pursuant to the resolution of the meeting of shareholders held on 28 May 2024, the Company distributed cash dividends of RMB2.803 for every 10 shares (tax included) amounting to RMB1,292,404 thousand in total on 25 July 2024 for the year ended 31 December 2023.

Pursuant to the resolution of the meeting of shareholders held on 30 June 2023, the Company distributed cash dividends of RMB2.10 for every 10 shares (tax included) amounting to RMB968,266 thousand in total on 18 August 2023 for the year ended 31 December 2022.

- (2) The dividend distributions by the Company triggered the mandatory interest payment event for perpetual subordinated bonds. For the period ended 30 June 2024, the Company has recognised the dividend payable to other equity instrument holders of RMB389,550 thousand (for the period ended 30 June 2023: RMB389,550 thousand), of which RMB88,000 thousand has been distributed on 19 August 2024.

17. Basic and diluted earnings per share

Basic earnings per share is calculated by dividing the profit for the period attributable to shareholders of the Company by the weighted average number of ordinary shares in issue. There has been no change in the number of ordinary shares during the period ended 30 June 2024.

	Note	Six months ended 30 June	
		2024 (Unaudited)	2023 (Unaudited)
Earnings			
Profit attributable to shareholders of the Company		1,390,527	2,391,952
Less: Profit attributable to other equity instrument holders of the Company	(1)	193,711	193,174
Profit attributable to ordinary shareholders of the Company		<u>1,196,816</u>	<u>2,198,778</u>
Weighted average number of ordinary shares in issue (thousands)		<u>4,610,788</u>	<u>4,610,788</u>
Basic and diluted earnings per share attributable to equity shareholders (in RMB per share)		<u>0.26</u>	<u>0.48</u>

- (1) For the purpose of calculating the basic earnings per ordinary share in respect of the period ended 30 June 2024, RMB193,711 thousand (for the period ended 30 June 2023: RMB193,174 thousand) attributable to perpetual subordinated bonds were deducted from profits attributable to shareholders of the Company.

18. Property and equipment

Cost	Buildings	Electric equipment	Furniture and fixtures	Motor vehicles	Construction in progress	Total
As at 31 December 2022 (Audited)	886,211	769,312	333,141	106,172	158	2,094,994
Additions	-	177,159	70,611	370	-	248,140
Transfers out during the year	-	-	-	-	(158)	(158)
Disposals and others	(35)	(44,398)	(1,667)	(3,766)	-	(49,866)
As at 31 December 2023 (Audited)	886,176	902,073	402,085	102,776	-	2,293,110
Additions	-	76,418	4,681	55,700	-	136,799
Disposals	-	(27,467)	(2,399)	(4,104)	-	(33,970)
Exchange difference and others	-	(364)	2,248	(74)	-	1,810
30 June 2024 (Unaudited)	886,176	950,660	406,615	154,298	-	2,397,749
Accumulated depreciation						
As at 31 December 2022 (Audited)	(371,257)	(588,440)	(282,569)	(29,581)	-	(1,271,847)
Charge for the year	(22,142)	(129,393)	(25,508)	(3,841)	-	(180,884)
Disposals and others	7	44,396	1,532	3,766	-	49,701
As at 31 December 2023 (Audited)	(393,392)	(673,437)	(306,545)	(29,656)	-	(1,403,030)
Charge for the period	(11,074)	(66,833)	(12,484)	(2,032)	-	(92,423)
Disposals	-	27,592	1,976	4,104	-	33,672
Exchange difference and others	-	714	(2,212)	74	-	(1,424)
30 June 2024 (Unaudited)	(404,466)	(711,964)	(319,265)	(27,510)	-	(1,463,205)
Carrying amount						
30 June 2024 (Unaudited)	481,710	238,696	87,350	126,788	-	934,544
31 December 2023 (Audited)	492,784	228,636	95,540	73,120	-	890,080

As at 30 June 2024 and 31 December 2023, included in buildings were items with carrying amounts of RMB950 thousand and RMB985 thousand, respectively, for which the Group has yet to obtain the relevant land or building certificates.

19. Leases

(i) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the period/year are as follows:

	<i>Buildings</i>	<i>Others</i>	<i>Total</i>
Cost			
As at 31 December 2022 (Audited)	1,352,834	7,360	1,360,194
Additions and others	594,009	325	594,334
Disposals	(179,397)	(1,946)	(181,343)
As at 31 December 2023 (Audited)	1,767,446	5,739	1,773,185
Additions	147,423	199	147,622
Disposals and others	(290,355)	(128)	(290,483)
As at 30 June 2024 (Unaudited)	1,624,514	5,810	1,630,324
Accumulated depreciation			
As at 31 December 2022 (Audited)	(814,010)	(3,518)	(817,528)
Charge for the year	(317,414)	(1,359)	(318,773)
Disposals and others	165,969	1,946	167,915
As at 31 December 2023 (Audited)	(965,455)	(2,931)	(968,386)
Charge for the period	(147,503)	(448)	(147,951)
Disposals and others	282,788	130	282,918
As at 30 June 2024 (Unaudited)	(830,170)	(3,249)	(833,419)
Net carrying amount			
As at 30 June 2024 (Unaudited)	794,344	2,561	796,905
As at 31 December 2023 (Audited)	801,991	2,808	804,799

19. Leases (continued)

(ii) Lease liabilities

The carrying amount of lease liabilities and the movements during the period/year are as follows:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Carrying amount at the beginning of the period/year	815,873	561,400
New leases	144,013	594,580
Accretion of interest recognised during the period/year	17,008	28,639
Payments	(145,124)	(354,825)
Others	(3,946)	(13,921)
	<u>827,824</u>	<u>815,873</u>
Carrying amount at the end of the period/year	<u>827,824</u>	<u>815,873</u>
Analysed into:		
Current portion	<u>251,504</u>	<u>224,558</u>
Non-current portion	<u>576,320</u>	<u>591,315</u>

(iii) The amounts recognised in profit or loss in relation to leases are as follows:

	Six months ended 30 June 2024 (Unaudited)	2023 (Unaudited)
Amortisation of right-of-use assets	147,951	158,951
Interest on lease liabilities	17,008	11,679
Expense relating to short-term leases	4,744	4,100
Expense relating to leases of low-value assets	513	26
	<u>170,216</u>	<u>174,756</u>
Total	<u>170,216</u>	<u>174,756</u>

20. Goodwill

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Cost	1,504,201	1,504,201
Effect of exchange rate changes for cost	224,623	212,453
Less: Provision for impairment losses	(1,134,164)	(1,134,164)
Effect of exchange rate changes for impairment provision	<u>(61,446)</u>	<u>(52,984)</u>
Carrying amount	<u>533,214</u>	<u>529,506</u>

21. Other intangible assets

	<i>Customer relationship</i>	<i>Software and others</i>	<i>Total</i>
Cost			
As at 31 December 2022 (Audited)	863,362	1,191,644	2,055,006
Additions	-	195,557	195,557
Disposals and others	-	3,074	3,074
As at 31 December 2023 (Audited)	863,362	1,390,275	2,253,637
Additions	-	68,222	68,222
Disposals	-	(336)	(336)
Exchange difference and others	85,516	21,318	106,834
As at 30 June 2024 (Unaudited)	948,878	1,479,479	2,428,357
Accumulated amortisation			
As at 31 December 2022 (Audited)	(863,362)	(976,152)	(1,839,514)
Charge for the year	-	(147,138)	(147,138)
Disposals and others	-	(4,067)	(4,067)
As at 31 December 2023 (Audited)	(863,362)	(1,127,357)	(1,990,719)
Charge for the period	-	(79,032)	(79,032)
Disposals	-	-	-
Exchange difference and others	(85,516)	(22,098)	(107,614)
As at 30 June 2024 (Unaudited)	(948,878)	(1,228,487)	(2,177,365)
Carrying amount			
As at 30 June 2024 (Unaudited)	-	250,992	250,992
As at 31 December 2023 (Audited)	-	262,918	262,918

22. Investments in structured entities

(a) *Interests in structured entities consolidated by the Group*

The Group has consolidated certain structured entities, mainly investments in funds and asset management products. For those structured entities where the Group is involved as a manager or as an investor, the Group assesses whether the combination of investments it held together with its remuneration creates exposure to variability of returns from the activities of those structured entities that is of such significance that it indicates that the Group is a principal.

As at 30 June 2024 and 31 December 2023, the net assets of the consolidated structured entities were RMB13,044,869 thousand and RMB12,669,298 thousand respectively, and the carrying amounts of interests held by the Group in the consolidated structured entities were RMB12,961,257 thousand and RMB12,696,658 thousand respectively.

Interests held by other investors in these consolidated structured entities were classified as financial liabilities at fair value through profit or loss in the interim condensed consolidated statement of financial position.

22. Investments in structured entities (continued)

(b) *Structured entities sponsored by third party institutions and not consolidated by the Group but in which the Group holds an interest*

The Group holds an interest in structured entities sponsored by third party institutions through direct holding investment. The types of structured entities that the Group does not consolidate but in which it holds an interest include funds, asset management products, wealth management products and other products issued by banks or other financial institutions. The nature and purpose of these structured entities are mainly to manage investors' assets and earn management fees, and their financing method is to issue investment products to investors.

The carrying amounts of the related accounts in the interim condensed consolidated statement of financial position are equal to the maximum exposure to loss of interests held by the Group in the unconsolidated structured entities sponsored by third party institutions as at the end of the reporting period, and their respective carrying amounts are listed below:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Financial assets at fair value through profit or loss		
Funds	25,211,545	22,594,601
Asset management products	183,007	421,425
Wealth management products	2,507,616	3,505,048
Others	435,620	259,769
	<hr/>	<hr/>
Total	<u>28,337,788</u>	<u>26,780,843</u>

(c) *Structured entities sponsored by the Group and not consolidated by the Group*

The types of structured entities sponsored by the Group and not consolidated by the Group but in which the Group holds an interest include funds, asset management products and other products.

The carrying amounts of the related accounts in the consolidated statement of financial position are equal to the maximum exposure to loss of interests held by the Group in the unconsolidated structured entities sponsored by the Group as at the end of the period, and their respective carrying amounts are listed below:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Financial assets at fair value through profit or loss		
Funds	337,993	378,211
Asset management products	556,017	485,482
	<hr/>	<hr/>
Total	<u>894,010</u>	<u>863,693</u>

22. Investments in structured entities (continued)

As at 30 June 2024 and 31 December 2023, the net assets of these structured entities sponsored by the Group and not consolidated by the Group but in which the Group holds an interest amounted to RMB50,039,688 thousand and RMB87,781,777 thousand, respectively.

During the six months ended 30 June 2024 and 2023, the Group recognised the income amounting to RMB85,930 thousand and RMB114,298 thousand, respectively, from these structured entities sponsored by the Group and not consolidated by the Group but in which the Group holds an interest. As at 30 June 2024 and 31 December 2023, the corresponding remuneration receivables totalled RMB18,822 thousand and RMB28,223 thousand, respectively.

As at 30 June 2024 and 31 December 2023, the net assets of these unconsolidated structured entities in which the Group acted as an asset manager but did not have any interests amounted to RMB621,932,092 thousand and RMB312,268,475 thousand, respectively.

During the six months ended 30 June 2024 and 2023, the Group recognised the income amounting to RMB295,396 thousand and RMB361,282 thousand, respectively, from these unconsolidated structured entities in which the Group acted as an asset manager but did not have any interests. As at 30 June 2024 and 31 December 2023, the corresponding remuneration receivables totalled RMB70,382 thousand and RMB80,629 thousand, respectively.

23. Investments in associates and joint ventures

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Share of net assets		
- Associates	888,523	865,126
- Joint ventures	136,890	136,075
Total	<u>1,025,413</u>	<u>1,001,201</u>

23. Investments in associates and joint ventures (continued)

The following list contains particulars of material associates and joint ventures, all of which are unlisted corporate entities whose quoted market prices are not available:

Name of associates and joint ventures	Place of incorporation	Registered capital (RMB)	Equity interest held		Principal activities
			30 June 2024	31 December 2023	
<u>Associates</u>					
Dacheng Fund Management Co., Ltd.* 大成基金管理有限公司	Shenzhen	RMB 200,000,000	25.00%	25.00%	Fund management
Everbright Yunfu Internet Co., Ltd.* 光大雲付互聯網股份有限公司	Shanghai	RMB 200,000,000	40.00%	40.00%	Financial data processing
Everbright Eascreate Internet Co., Ltd.* 光大易創網路科技股份有限公司	Shanghai	RMB 100,000,000	40.00%	40.00%	Financial data processing
CRECG & EB Private Equity Fund Management (Shanghai) Co., Limited*	Shanghai	RMB 50,000,000	30.00%	30.00%	Investment management
中鐵光大股權投資基金管理(上海)有限公司	Tianjin	RMB 20,000,000	30.00%	30.00%	Investment management
Tianjin Zhongchen Guangli Investment Management Co., Ltd.* 天津中城光麗投資管理有限公司					

23. Investments in associates and joint ventures (continued)

The following list contains particulars of material associates and joint ventures, all of which are unlisted corporate entities whose quoted market prices are not available:

<i>Name of associates and joint ventures</i>	<i>Place of incorporation</i>	<i>Registered capital (RMB)</i>	<i>Equity interest held 30 June 2024</i>	<i>31 December 2023</i>	<i>Principal activities</i>
Joint ventures					
Hangzhou Everbright Tunlan Investment LLP ^{*(3)} 杭州光大歐瀾投資合夥企業(有限合夥)	Hangzhou	RMB 106,000,000	47.17%	47.17%	Investment management
Everbright Ivy (Shanghai) Investment Center (Limited Partnership) ^{*(3)} 光大常春藤(上海)投資中心(有限合夥)	Shanghai	RMB 185,000,000	27.03%	27.03%	Fund management
Shanghai Everbright Sports & Culture Equity Fund (Limited Partnership) [*] 上海光大體育文化投資合夥企業(有限合夥)	Shanghai	RMB 163,944,800	24.76%	24.76%	Fund management
Everbright securities Forex (HK) Limited ⁽¹⁾ 光證外匯(香港)有限公司	Hong Kong	HKD 75,166,707	51.00%	51.00%	Foreign exchange dealing
Jiaxing Everbright Meiyin No. 1 Investment LLP ^{*(3)} 嘉興光大美銀壹號投資合夥企業(有限合夥)	Jiaxing	RMB 100,000,000	25.00%	25.00%	Investment management
Jiaxing Everbright BoPu Investment LLP (Limited Partnership) ^{*(3)} 嘉興光大礪璞投資合夥企業(有限合夥)	Jiaxing	RMB 100,000,000	24.90%	24.90%	Investment management
EBS Fund Management Co., Ltd. ^{*(1)} 上海光大光證股權投資基金管理有限公司	Shanghai	RMB 20,000,000	75.50%	75.50%	Investment management
Everbright Ivy Investment Management (Shanghai) Co., Ltd. ^{*(1)} 光大常春藤投資管理(上海)有限公司	Shanghai	RMB 10,000,000	51.00%	51.00%	Investment management
Everbright LeadBank Assets Management (Shanghai) Co., Ltd. ^{*(1)} 光大利得資產管理(上海)有限公司	Shanghai	RMB 10,000,000	95.00%	95.00%	Investment management
Jiaxing Everbright Meiyin Investment Management Co., Ltd. ^{*(1)} 嘉興光大美銀投資管理有限公司	Jiaxing	RMB 2,000,000	51.00%	51.00%	Investment management
Beijing BCID-EBS Cultural & Innovation No.2 Investment Fund (Limited Partnership) ^{*(1)(3)} 北京文資光大文創貳號投資基金管理中心(有限合夥)	Beijing	RMB 97,550,000	99.90%	99.90%	Fund management

23. Investments in associates and joint ventures (continued)

The following list contains particulars of material associates and joint ventures, all of which are unlisted corporate entities whose quoted market prices are not available:

<i>Name of associates and joint ventures</i>	<i>Place of incorporation</i>	<i>Registered capital (RMB)</i>	<i>Equity interest held 30 June 2024</i>	<i>Equity interest held 31 December 2023</i>	<i>Principal activities</i>
<u>Joint ventures (continued)</u>					
Shanghai JinXin Investment Consultancy LLP (Limited Partnership) ("Jinxin Fund") ^{*(2)(3)}					
上海浸鑫投資諮詢合夥企業 (有限合夥)					
Jingning Everbright Zhetong No.1 Investment Fund L.P. ^{*(2)}	Shanghai	RMB 5,203,000,000	1.15%	1.15%	Fund management
景寧光大浙通壹號投資管理合夥企業 (有限合夥)	Lishui	RMB 65,600,000	15.24%	15.24%	Fund management
Jingning-Everbright ECO Investment Fund L.P. ^{*(2)}	Lishui	RMB 20,000,000	9.01%	9.01%	Fund management
景寧光大生態壹號投資管理中心 (有限合夥)					
Shanghai Everbright Fortune Jingtian Investment Center (Limited Partnership) ^{*(2)}	Shanghai	RMB 52,350,000	0.20%	0.20%	Investment management
上海光大富尊環園投資中心 (有限合夥)					
Shanghai Jingjun Enterprise Management L.P. (Limited Partnership) *	Shanghai	RMB 10,000,000	40.00%	40.00%	Investment management
上海璟隽企業管理合夥企業 (有限合夥)					
Beijing Everbright 360 Investment Management Center ^{*(2)}	Beijing	RMB 680,800,000	0.07%	0.07%	Investment management
北京光大三六零投資管理中心 (有限合夥)					
Hohhot Haotian Construction Co., Ltd. ^{*(2)}	Hohhot	RMB 100,000,000	1.00%	1.00%	Investment management
呼和浩特市昕天環建股份有限公司					

All of the above associates and joint ventures are accounted for using equity method in the financial statements.

23. Investments in associates and joint ventures (continued)

- (1) The Group's shareholding of these investees is higher than 50%, however these investees are jointly controlled by the Group and other investors as a result of the relevant arrangements stipulated in the articles of association and other corporate governance documents.
- (2) The Group's shareholding of these investees is lower than 20%, however these investees are jointly controlled by the Group and other investors as a result of the relevant arrangements stipulated in the articles of association and other corporate governance documents.
- (3) As at 30 June 2024, the Group's shareholding of these investees has been restricted by the judicial department. Please refer to note 50(b) for details.
- * The English translation of the names is for reference only. The official names of these entities are in Chinese.

Summarised financial information of the Group's material associates, reconciled to the carrying amounts in the interim condensed consolidated financial statements, is disclosed below:

Dacheng Fund Management Co., Ltd.

	30 June 2024	31 December 2023
Gross amounts of the associate:		
Assets	5,807,976	5,715,106
Liabilities	(2,326,842)	(2,327,452)
Net assets	<u>3,481,134</u>	<u>3,387,654</u>
	<i>Six months ended 30 June</i>	<i>2023</i>
	<i>2024</i>	
Revenue	<u>1,016,070</u>	<u>1,050,719</u>
Profit for the period	262,565	284,744
Other comprehensive income	<u>6,915</u>	<u>3,796</u>
Total comprehensive income	<u>269,480</u>	<u>288,540</u>
Dividend declared this period from the associate	<u>44,000</u>	<u>40,000</u>
Dividend received this period from the associate	<u>40,000</u>	<u>32,000</u>

23. Investments in associates and joint ventures (continued)

	30 June 2024	31 December 2023
Reconciled to the Group's interest in the associate:		
Net assets	3,481,134	3,387,654
The Group's effective interest	25%	25%
	<u>870,283</u>	<u>846,914</u>
The Group's share of net assets of the associate		
	<u>870,283</u>	<u>846,914</u>
Carrying amount in the consolidated financial statements		
	<u>870,283</u>	<u>846,914</u>

The following table illustrates the aggregate financial information of the Group's associates and joint ventures that are not individually material:

	Six months ended 30 June 2024	2023
Aggregate amounts of the Group's share of those associates and joint ventures' net profits	<u>1,277</u>	<u>(1,722)</u>
Total comprehensive income	<u>1,277</u>	<u>(1,722)</u>

	30 June 2024	31 December 2023
Aggregate carrying amount of individually immaterial associates and joint ventures in the consolidated financial statements	<u>155,130</u>	<u>154,287</u>

24. Financial assets measured at amortised cost

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Non-current		
Debt securities	2,580,529	3,549,957
Others	166,970	167,213
Less: Allowance for ECLs	(218,023)	(218,789)
Total	<u>2,529,476</u>	<u>3,498,381</u>
Analysed as:		
Listed outside Hong Kong	220,315	220,365
Unlisted	<u>2,309,161</u>	<u>3,278,016</u>
Total	<u>2,529,476</u>	<u>3,498,381</u>
Current		
Debt securities	957,565	149,422
Less: Allowance for ECLs	(472)	(53)
Total	<u>957,093</u>	<u>149,369</u>
Analysed as:		
Listed outside Hong Kong	-	1,639
Unlisted	<u>957,093</u>	<u>147,730</u>
Total	<u>957,093</u>	<u>149,369</u>

As at 30 June 2024, the financial assets measured at amortised cost which were pledged as collateral amounted to RMB1,720,784 thousand (as at 31 December 2023: RMB1,862,659 thousand).

24. Financial assets measured at amortised cost (continued)

(a) Analysis of the movements of allowance for ECLs:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
At the beginning of the period/year	218,842	220,181
Charge for the period/year	27	514
Reversal for the period/year	(243)	(1,185)
Amounts written off	(131)	(668)
	<u>218,495</u>	<u>218,842</u>
At the end of the period/year	<u>218,495</u>	<u>218,842</u>

(b) Analysed by stage of ECLs:

	Stage 1	Stage 2	Stage 3	Total
30 June 2024 (Unaudited)	<u>1,721</u>	<u>-</u>	<u>216,774</u>	<u>218,495</u>
31 December 2023 (Audited)	<u>1,785</u>	<u>-</u>	<u>217,057</u>	<u>218,842</u>

25. Equity investments designated at fair value through other comprehensive income

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Non-current		
Equity securities	1,044,652	528,846
Others	<u>303,078</u>	<u>346,369</u>
Total	<u>1,347,730</u>	<u>875,215</u>
Analysed as:		
Listed outside Hong Kong	499,953	514,114
Unlisted	<u>847,777</u>	<u>361,101</u>
Total	<u>1,347,730</u>	<u>875,215</u>

For the six months ended 30 June 2024, the Group disposed of some of the equity investments designated at fair value through other comprehensive income as a result of an adjustment in its investment strategy. The accumulated net realised gains on the equity instruments disposed of were RMB14,963 thousand (for the six months ended 30 June 2023: RMB5,821 thousand).

26. Debt investments at fair value through other comprehensive income

<i>Non-current</i>	<i>30 June 2024</i> (Unaudited)	<i>31 December</i> <i>2023</i> (Audited)
Debt securities	21,258,583	22,129,376
Total	21,258,583	22,129,376
Analysed as:		
Listed outside Hong Kong	3,608,083	3,226,323
Unlisted	17,650,500	18,903,053
Total	21,258,583	22,129,376
 <i>Current</i>	 <i>30 June 2024</i> (Unaudited)	 <i>31 December</i> <i>2023</i> (Audited)
Debt securities	23,454,609	19,981,258
Total	23,454,609	19,981,258
Analysed as:		
Listed outside Hong Kong	342,179	148,591
Unlisted	23,112,430	19,832,667
Total	23,454,609	19,981,258

As at 30 June 2024, the debt investments at fair value through other comprehensive income which were pledged as collateral amounted to RMB26,111,741 thousand (31 December 2023: RMB37,133,205 thousand).

(a) Analysis of the movements of allowance for ECLs:

	<i>30 June 2024</i> (Unaudited)	<i>31 December</i> <i>2023</i> (Audited)
At the beginning of the period/year	69,555	59,708
Charge for the period/year	14,036	20,122
Reversal for the period/year	-	(3,500)
Amounts written off	(11,262)	(6,775)
At the end of the period/year	72,329	69,555

26. Debt investments at fair value through other comprehensive income (continued)

(b) Analysed by stage of ECLs:

	Stage 1	Stage 2	Stage 3	Total
30 June 2024 (Unaudited)	<u>22,018</u>	<u>311</u>	<u>50,000</u>	<u>72,329</u>
31 December 2023 (Audited)	<u>19,555</u>	<u>-</u>	<u>50,000</u>	<u>69,555</u>

27. Refundable deposits

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Deposits with stock exchanges and clearing houses		
- China Securities Depository and Clearing Corporation Limited	588,286	663,614
- Shanghai Clearing House	27,035	20,038
- The Stock Exchange of Hong Kong Limited	16,723	15,019
- Hong Kong Securities Clearing Company Limited	<u>13,377</u>	<u>17,261</u>
Subtotal	<u>645,421</u>	<u>715,932</u>
Deposits with futures and commodity exchanges		
- China Financial Futures Exchange	1,942,717	2,359,772
- Dalian Commodity Exchange	1,601,199	1,822,044
- Shanghai Futures Exchange	3,034,974	2,018,812
- Zhengzhou Commodity Exchange	1,583,197	1,530,120
- Shanghai International Energy Exchange	368,219	209,726
- Hong Kong Futures Exchange	8,214	8,156
- Shanghai Gold Exchange	<u>146,992</u>	<u>183,204</u>
Subtotal	<u>8,685,512</u>	<u>8,131,834</u>
Deposits with other institutions		
- China Securities Finance Corporation Limited ("CSFC")	49,116	63,184
- Other institutions	<u>27,474</u>	<u>48,852</u>
Subtotal	<u>76,590</u>	<u>112,036</u>
Total	<u>9,407,523</u>	<u>8,959,802</u>

28. Income tax

(a) Current taxation

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Current tax liabilities	45,489	67,738
	30 June 2024 (Unaudited)	31 December 2023 (Audited)
At the beginning of the period/year	67,738	115,397
Provision for the period/year	59,433	430,479
Increase through the disposal of equity investments designated at fair value through other comprehensive income	3,741	34,583
Tax paid	(85,423)	(512,721)
At the end of the period/year	45,489	67,738

(b) Deferred tax assets/(liabilities) recognised

The components of deferred tax assets/(liabilities) recognised in the consolidated statement of financial position and the movements during the period are as follows:

	Allowance for ECLs/ impairment losses	Employee benefits payable	Changes in fair value of financial instruments	Others	Total
Deferred tax arising from:					
As at 31 December 2022 (Audited)	1,738,751	443,454	137,344	137,723	2,457,272
Recognised in profit or loss	18,903	105,178	(123,685)	(26,609)	(26,213)
Recognised in reserves	-	-	(77,689)	-	(77,689)
Transferred out	-	-	34,583	-	34,583
As at 31 December 2023 (Audited)	1,757,654	548,632	(29,447)	111,114	2,387,953
Recognised in profit or loss	8,565	(21,466)	(201,461)	105,410	(108,952)
Recognised in reserves	-	-	(51,975)	-	(51,975)
Transferred out and others	-	-	3,741	(20,660)	(16,919)
As at 30 June 2024 (Unaudited)	1,766,219	527,166	(279,142)	195,864	2,210,107

(c) Reconciliation to the statement of financial position

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Net deferred tax assets recognised in the consolidated statement of financial position	2,226,674	2,408,529
Net deferred tax liabilities recognised in the consolidated statement of financial position	(16,567)	(20,576)
Total	2,210,107	2,387,953

28. Income tax (continued)

(d) Recognised in other comprehensive income

	Six months ended 30 June 2024 (Unaudited)		
	Before tax	Tax benefit	Net of tax
Debt investments at fair value through other comprehensive income			
- Net changes in fair value	296,781	(74,195)	222,586
- Provision for ECL allowance	14,036	(3,510)	10,526
- Reclassified to profit or loss	(97,863)	24,466	(73,397)
Equity investments designated at fair value through other comprehensive income			
- Net changes in fair value	(5,055)	1,264	(3,791)
Share of other comprehensive income of associates	1,729	-	1,729
Exchange differences on translation of financial statements in foreign currencies	15,532	-	15,532
Total	<u>225,160</u>	<u>(51,975)</u>	<u>173,185</u>

	Six months ended 30 June 2023 (Unaudited)		
	Before tax	Tax benefit	Net of tax
Debt investments at fair value through other comprehensive income			
- Net changes in fair value	135,046	(33,762)	101,284
- Provision for ECL allowance	6,977	(1,057)	5,920
- Reclassified to profit or loss	(21,339)	5,335	(16,004)
Equity investments designated at fair value through other comprehensive income			
- Net changes in fair value	324,107	(81,026)	243,081
Share of other comprehensive income of associates	949	-	949
Exchange differences on translation of financial statements in foreign currencies	2,953	-	2,953
Total	<u>448,693</u>	<u>(110,510)</u>	<u>338,183</u>

(e) Deferred tax assets not recognised

As at 30 June 2024 and 31 December 2023, the Group has not recognised deferred tax assets in respect of cumulative tax losses, provision for contingent liabilities, allowance for ECLs, changes in fair value of financial instruments and employee benefits payable with timing differences amounting to RMB3,881,183 thousand and RMB3,714,839 thousand, respectively, as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. The expiration period of tax losses shall be in accordance with the local current tax legislation.

29. Finance lease receivables and receivables arising from sale-and-leaseback arrangements

(a) Analysed by nature:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Minimum lease payments to be received	1,003,599	1,373,239
Less: Unrealised finance income	(57,738)	(83,339)
Balance of finance lease receivables and receivables arising from sale-and-leaseback arrangements	945,861	1,289,900
Less: Allowance for ECLs	(167,750)	(164,420)
Finance lease receivables and receivables arising from sale-and-leaseback arrangements, net	778,111	1,125,480
Analysis for presentation purposes:		
Current assets	529,104	693,776
Non-current assets	249,007	431,704

Minimum lease payments to be received and the corresponding present value are as follows:

	30 June 2024 (Unaudited)		31 December 2023 (Audited)	
	Gross lease receivables	Net lease receivables	Gross lease receivables	Net lease receivables
Within 1 year	746,225	695,827	921,074	855,700
1 to 2 years	248,349	241,119	375,220	358,923
Over 2 years	9,025	8,915	76,945	75,277
Total	1,003,599	945,861	1,373,239	1,289,900
Unrealised finance income	(57,738)	-	(83,339)	-
Balance of finance lease receivables and receivables arising from sale-and-leaseback arrangements	945,861	945,861	1,289,900	1,289,900
Allowance for ECLs	(167,750)	(167,750)	(164,420)	(164,420)
Finance lease receivables and receivables arising from sale-and-leaseback arrangements, net	778,111	778,111	1,125,480	1,125,480

29. Finance lease receivables and receivables arising from sale-and-leaseback arrangements (continued)

(b) Analysis of the movements of allowance for ECLs:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
At the beginning of the period/year	164,420	115,542
Charge for the period/year	8,219	115,290
Reversal of impairment	(4,889)	(31,281)
Amounts written off	-	(35,131)
	<u>167,750</u>	<u>164,420</u>
At the end of the period/year	<u>167,750</u>	<u>164,420</u>

(c) Analysed by stage of ECLs:

	Stage 1	Stage 2	Stage 3	Total
30 June 2024 (Unaudited)	<u>2,626</u>	<u>-</u>	<u>165,124</u>	<u>167,750</u>
31 December 2023 (Audited)	<u>3,566</u>	<u>-</u>	<u>160,854</u>	<u>164,420</u>

30. Other non-current assets

Analysed by nature:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Other receivables	751,671	501,801
Bulk commodity trading inventories	86,214	86,214
Deposits	55,098	60,592
Long-term deferred expenses	(a) 59,818	52,284
Others	59,717	-
Less: Allowance for ECLs	(b) (393,684)	(358,583)
Provision for impairment losses	<u>(54,882)</u>	<u>(54,882)</u>
Total	<u>563,952</u>	<u>287,426</u>

30. Other non-current assets (continued)

(a) The movements of long-term deferred expenses are as follows:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Balance at the beginning of the period/year	52,284	53,710
Additions	20,073	30,267
Transfer in from property and equipment	-	-
Amortisation	(12,539)	(31,693)
	<u>59,818</u>	<u>52,284</u>
Balance at the end of the period/year	<u>59,818</u>	<u>52,284</u>

(b) Analysis of the movements of allowance for ECLs:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
At the beginning of the period/year	358,583	175,442
Charge for the period/year	35,101	97,414
Transfer-in from other receivables and prepayments	-	24,157
Others	-	61,570
	<u>393,684</u>	<u>358,583</u>
At the end of the period/year	<u>393,684</u>	<u>358,583</u>

(c) Analysed by stage of ECLs:

	Stage 1	Stage 2	Stage 3	Total
30 June 2024 (Unaudited)	<u>-</u>	<u>-</u>	<u>393,684</u>	<u>393,684</u>
31 December 2023 (Audited)	<u>-</u>	<u>-</u>	<u>358,583</u>	<u>358,583</u>

31. Accounts receivable

(a) Analysed by nature:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Accounts receivable of		
- Settlement	381,697	267,970
- Brokers and dealers	463,876	743,425
- Fees and commissions	251,326	237,162
- Others	37,564	41,447
Less: Allowance for ECLs	(85,095)	(85,236)
	<u>1,049,368</u>	<u>1,204,768</u>
Total	<u>1,049,368</u>	<u>1,204,768</u>

31. Accounts receivable (continued)

(b) Analysed by ageing:

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

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Within 1 year	1,035,876	1,192,405
1 to 2 years	5,858	6,199
2 to 3 years	4,510	1,411
Over 3 years	3,124	4,753
	<hr/>	<hr/>
Total	1,049,368	1,204,768
	<hr/>	<hr/>

(c) Analysis of the movements of allowance for ECLs:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
At the beginning of the period/year	85,236	84,943
Charge for the period/year	-	1,650
Reversal of impairment	(799)	(1,413)
Amounts written-off	-	-
Transfer-in from other non-current assets	-	-
Others	658	56
	<hr/>	<hr/>
At the end of the period/year	85,095	85,236
	<hr/>	<hr/>

(d) Analysed by stage of ECLs:

	Stage 1	Stage 2	Stage 3	Total
30 June 2024 (Unaudited)	274	-	84,821	85,095
	<hr/>	<hr/>	<hr/>	<hr/>
31 December 2023 (Audited)	1,233	-	84,003	85,236
	<hr/>	<hr/>	<hr/>	<hr/>

(e) Accounts receivable that were not impaired

Accounts receivable that were not impaired were not past due and related to a wide range of customers for whom there was no recent history of default.

32. Other receivables and prepayments

(a) Analysed by nature:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Other receivables ⁽¹⁾	2,516,437	3,152,006
Dividend receivables	197,530	310,182
Interest receivable	43,627	43,587
Prepaid tax	50,585	17,583
Deferred expenses	11,545	22,282
Others	13,996	108,998
Less: Allowance for ECLs	(746,533)	(812,125)
Total	<u>2,087,187</u>	<u>2,842,513</u>

(1) The balance of other receivables mainly represents deposits of derivative business, investment prepayments, rental deposits, sundry receivables and prepayments arising from the normal course of business.

(b) Analysis of the movements of allowance for ECLs:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
At the beginning of the period/year	812,125	708,350
Charge for the period/year	20,492	127,933
Reversal of impairment	(86,084)	(394)
Amounts written off	-	(48)
Transfer out to other non-current assets	-	(24,157)
Others	-	441
At the end of the period/year	<u>746,533</u>	<u>812,125</u>

(c) Analysed by stage of ECLs:

	Stage 1	Stage 2	Stage 3	Total
30 June 2024 (Unaudited)	<u>329</u>	<u>-</u>	<u>746,204</u>	<u>746,533</u>
31 December 2023 (Audited)	<u>1,583</u>	<u>113,982</u>	<u>696,560</u>	<u>812,125</u>

33. Margin accounts receivable

(a) Analysed by nature:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Individuals	31,518,834	34,306,228
Institutions	2,641,307	3,106,706
Less: Allowance for ECLs	(628,639)	(629,659)
Total	<u>33,531,502</u>	<u>36,783,275</u>

(b) Analysis of the movements of allowance for ECLs:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
At the beginning of the period/year	629,659	606,285
Charge for the period/year	21,950	35,798
Reversal of impairment	(23,872)	(18,131)
Amounts written off	-	-
Others	902	5,707
At the end of the period/year	<u>628,639</u>	<u>629,659</u>

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

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Fair value of collateral:		
- Equity securities	87,997,770	101,589,582
- Cash	3,746,641	3,324,909
- Mutual funds	2,272,381	2,024,545
- Debt securities	684,450	664,509
- Others	247,478	370,918
Total	<u>94,948,720</u>	<u>107,974,463</u>

(d) Analysed by stage of ECLs:

	Stage 1	Stage 2	Stage 3	Total
30 June 2024 (Unaudited)	<u>22,698</u>	<u>1,247</u>	<u>604,694</u>	<u>628,639</u>
31 December 2023 (Audited)	<u>23,536</u>	<u>473</u>	<u>605,650</u>	<u>629,659</u>

34. Financial assets held under resale agreements

(a) Analysed by collateral type:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Non-Current		
Equity securities	837,641	838,274
Debt securities	184,227	184,227
Less: Allowance for ECLs	(1,021,868)	(1,022,501)
Total	<u>-</u>	<u>-</u>

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Current		
Equity securities	109,635	129,671
Debt securities	2,747,553	7,747,923
Less: Allowance for ECLs	(1,792)	(5,988)
Total	<u>2,855,396</u>	<u>7,871,606</u>

(b) Analysed by market:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Non-Current		
Stock exchanges	1,021,868	1,022,501
Less: Allowance for ECLs	(1,021,868)	(1,022,501)
Total	<u>-</u>	<u>-</u>

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Current		
Stock exchanges	145,885	195,416
Inter-bank market	2,711,303	7,682,178
Less: Allowance for ECLs	(1,792)	(5,988)
Total	<u>2,855,396</u>	<u>7,871,606</u>

34. Financial assets held under resale agreements (continued)

(c) Analysis of the movements of allowance for ECLs:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
At the beginning of the period/year	1,028,489	1,042,802
Charge for the period/year	7,774	5,977
Reversal for the period/year	(12,603)	(20,290)
Amounts written off	-	-
	<u>1,023,660</u>	<u>1,028,489</u>
At the end of the period/year	<u>1,023,660</u>	<u>1,028,489</u>

(d) Analysed by stage of ECLs:

	Stage 1	Stage 2	Stage 3	Total
30 June 2024 (Unaudited)	<u>1,792</u>	<u>-</u>	<u>1,021,868</u>	<u>1,023,660</u>
31 December 2023 (Audited)	<u>5,988</u>	<u>-</u>	<u>1,022,501</u>	<u>1,028,489</u>

35. Financial assets at fair value through profit or loss

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Current		
Funds	25,549,538	22,972,812
Debt securities	17,758,403	11,876,227
Equity securities	14,825,636	28,209,476
Wealth management products	2,507,616	3,505,048
Perpetual bonds and preferred shares	2,370,642	7,408,870
Asset management products	739,025	906,907
Asset backed securities	435,544	259,692
Others	207,019	198,130
Total	<u>64,393,423</u>	<u>75,337,162</u>
Analysed as:		
- Listed outside Hong Kong	20,247,348	35,347,190
- Listed inside Hong Kong	9,166	689,031
- Unlisted	<u>44,136,909</u>	<u>39,300,941</u>
Total	<u>64,393,423</u>	<u>75,337,162</u>

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

As at 30 June 2024 and 31 December 2023, the Group has entered into securities lending arrangements with clients that resulted in the transfer of financial assets at fair value through profit or loss with a total fair value of RMB2,507 thousand and RMB6,887 thousand to external clients, respectively. These have not resulted in the derecognition of the financial assets in accordance with the accounting policy. The fair value of collateral for the securities lending business is analysed in note 33(c) together with the fair value of collateral of the margin financing business.

As at 30 June 2024 and 31 December 2023, financial assets at fair value through profit or loss of the Group included RMB9,191,641 thousand and RMB10,997,598 thousand, respectively, which are pledged, restricted or frozen, of which the equity securities in the financial assets at fair value through profit or loss with lock-up periods held by the Group amounted to RMB60,149 thousand and RMB650,144 thousand, respectively.

36. Derivative financial instruments

	Notional amount	30 June 2024 (Unaudited)	
		Fair value Assets	Liabilities
Interest rate derivatives			
- Interest rate swaps	3,345,000	-	(12,923)
- Treasury bond futures	14,798,179	219	(14,925)
Equity derivatives			
- Stock index futures	4,280,463	74,874	(19,922)
- OTC stock index options	17,519,878	2,299,801	(647,686)
- Stock index options	5,633,418	58,742	(54,462)
- Total return swaps	26,551,495	647,843	(616,968)
- Structured notes	2,034,862	117,168	(125)
Credit derivatives			
- Credit default swaps	50,000	1,168	-
Others			
- Commodity futures	298,708	731	(1,547)
- Commodity options	4,206,463	21,498	(24,680)
- Gold futures	1,101	-	(2)
- Precious metal options	60,430	-	(103)
Total	78,779,997	3,222,044	(1,393,343)
Less: Cash (received)/paid as settlement		(75,824)	49,319
Net position		3,146,220	(1,344,024)

36. Derivative financial instruments (continued)

	Notional amount	31 December 2023 (Audited)	
		Fair value	
		Assets	Liabilities
Interest rate derivatives			
- Interest rate swaps	2,610,000	-	(9,116)
Equity derivatives			
- Stock index futures	10,310,844	30,133	(12,654)
- OTC stock index options	18,161,225	1,080,660	(332,668)
- Stock index options	4,619,660	34,145	(106,025)
- Total return swaps	40,871,325	545,725	(579,836)
- Structured notes	5,565,740	168,560	(1,497)
Others			
- Commodity futures	2,200,549	47,452	(45,176)
- Commodity options	1,580,799	9,307	(13,436)
- Gold options	104,792	-	(248)
- Gold futures	4,334	2	(6)
- Silver futures	271	2	-
Total	86,029,539	1,915,986	(1,100,662)
Less: Cash (received)/paid as settlement		(77,589)	66,952
Net position		1,838,397	(1,033,710)

Under the daily mark-to-market and settlement arrangement, any gains or losses of the Group's position in interest rate swap contracts settled in Shanghai Clearing House, stock index futures and commodity futures were settled daily and the corresponding receipts and payments were included in "clearing settlement funds".

37. Clearing settlement funds

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Deposits with		
- China Securities Depository and Clearing Corporation Limited	827,238	798,201
- Others	173,168	439,339
Total	1,000,406	1,237,540

38. 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 the brokerage business. The Group has classified its brokerage clients' monies as cash held on behalf of brokerage clients under the current asset section of the interim condensed consolidated statement of financial position, and recognised the corresponding accounts payable to the respective brokerage clients on the grounds that it is liable for any loss or misappropriation of its brokerage clients' monies.

In Mainland China, cash held on behalf of brokerage clients for their transaction and settlement funds is restricted and governed by the relevant third-party deposit regulations issued by the CSRC. In Hong Kong, cash held on behalf of brokerage clients is restricted and governed by the Securities and Futures (Client Money) Rules under the Securities and Futures Ordinance.

39. Cash and bank balances

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Cash on hand	81	88
Bank balances	11,623,503	21,698,443
Total	<u>11,623,584</u>	<u>21,698,531</u>

Bank balances comprise time and demand deposits which bear interest at the prevailing market rates. As at 30 June 2024 and 31 December 2023, the Group's bank balances of RMB364,110 thousand and RMB358,780 thousand, respectively, were restricted.

40. Cash and cash equivalents

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Cash on hand	81	88
Bank balances	11,623,503	21,698,443
Clearing settlement funds	1,000,406	1,237,540
Less: Restricted bank deposits	(364,110)	(358,780)
Time deposit of more than three months	(32,783)	-
Interest receivable	(3,401)	(9,831)
Total	<u>12,223,696</u>	<u>22,567,460</u>

41. Loans and borrowings

30 June 2024 (Unaudited)

	Currency	Nominal interest rate	Year of maturity	Carrying amount
Unsecured bank loans				
- Current	HKD	Hibor+1.05%	2025	320,147
		Hibor+1.25%		
- Non-current	HKD	-Hibor+1.45%	2026 - 2027	1,095,954
Secured bank loans				
- Current	RMB	2.85%	2025	28,085
- Non-current	RMB	2.85%	2025	14,176
Total				<u>1,458,362</u>

31 December 2023
(Audited)

	Currency	Nominal interest rate	Year of maturity	Carrying amount
Unsecured bank loans				
- Current	HKD	Hibor+1.00%	2024	721,494
		-Hibor+1.85%		
		Hibor+1.20%		
- Non-current	HKD	-Hibor+1.80%	2025 - 2026	1,042,153
Secured bank loans				
- Current	RMB	4.00% - 4.85%	2024	234,766
- Non-current	RMB	2.85% - 4.80%	2025 - 2026	121,809
Total				<u>2,120,222</u>

As at 30 June 2024, the Group's book value of the above loan collateral was RMB 68,506 thousand (as at 31 December 2023: RMB 438,367 thousand), with the future lease receivable from operating leases as pledge.

42. Short-term debt instruments

(Unaudited)	Nominal interest rate	Book value as at 1 January 2024	Increase	Decrease	Book value as at 30 June 2024
Short-term financing bills payable and corporate bonds, structured notes	0.00% - 6.00%	13,083,268	2,847,979	(12,557,343)	3,373,904
(Audited)	Nominal interest rate	Book value as at 1 January 2023	Increase	Decrease	Book value as at 31 December 2023
Short-term financing bills payable and corporate bonds, structured notes	0.00% - 6.00%	8,575,315	16,784,766	(12,276,813)	13,083,268

During the six months ended 30 June 2024, the Group has issued 110 tranches of structured notes, and repaid 177 tranches of structured notes. The balance bears interest at the fixed interest rates ranging from 0.00% to 6.00% per annum plus a floating rate, and was repayable within 1 year.

42. Short-term debt instruments (continued)

In 2023, the Group issued 191 tranches of structured notes, and repaid 146 tranches of structured notes during the year. The balance bears interest at the fixed interest rates ranging from 0.00% to 6.00% per annum, and was repayable within 1 year.

43. Placements from other financial institutions

	Note	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Interbank lending	(1)	11,869,572	12,266,232
Placements from CSFC	(2)	483,961	554,971
Total		<u>12,353,533</u>	<u>12,821,203</u>

- (1) As at 30 June 2024, the interbank lending was unsecured and bore interest at rates ranging from 1.80% to 2.55% per annum, with maturity ranging from 1 day to 23 days. As at 31 December 2023, the interbank lending was unsecured and bore interest at rates ranging from 0.80% to 2.91% per annum, with maturity ranging from 1 days to 136 days.
- (2) As at 30 June 2024, placements from CSFC were repayable within one year, and bore interest at rates ranging from 2.05% to 2.71% per annum. As at 31 December 2023, placements from CSFC were repayable within one year, and bore interest at rates ranging from 2.13% to 2.30% per annum.

44. Financial liabilities at fair value through profit or loss

Current		30 June 2024 (Unaudited)	31 December 2023 (Audited)
	Notes		
Financial liabilities held for trading			
- Debt instruments		1,215,815	-
- Interests in structured entities held by third parties	(1)	45,093	40,982
Financial liabilities designated at fair value through profit or loss			
- Minority interests in consolidated structured entities and others	(1)	219,017	255,035
Total		<u>1,479,925</u>	<u>296,017</u>

- (1) The financial liabilities at fair value through profit or loss resulted from the consolidation of structured entities, as the Group has the obligation to pay other investors upon maturity or redemption dates of the structured entities based on the net book value and related terms of those consolidated structured entities.

45. Accounts payable to brokerage clients

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Clients' deposits for other brokerage business	54,121,028	51,003,242
Clients' deposits for margin financing and securities lending	5,368,911	4,954,434
Total	<u>59,489,939</u>	<u>55,957,676</u>

Accounts payable to brokerage clients represent the monies received from and repayable to brokerage clients, which are mainly held at banks and at clearing houses by the Group. Accounts payable to securities brokerage clients bear interest at the prevailing interest rate.

The majority of the balances of accounts payable are repayable on demand except where certain accounts payable to brokerage clients represent monies received from clients for their margin financing activities under the normal course of business, such as margin financing and securities lending. Only the excess amounts over the required margin deposits and cash collateral stipulated are repayable on demand.

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

46. Employee benefits payable

	Salaries, bonuses and allowances	Contributions to pension schemes	Other social welfare	Total
Current				
31 December 2022 (Audited)	1,794,792	4,537	19,187	1,818,516
Accrued for the year	3,291,610	436,745	515,221	4,243,576
Payments made	<u>(2,859,655)</u>	<u>(438,022)</u>	<u>(528,080)</u>	<u>(3,825,757)</u>
31 December 2023 (Audited)	2,226,747	3,260	6,328	2,236,335
Accrued for the period	1,202,812	223,424	260,923	1,687,159
Payments made	<u>(1,440,356)</u>	<u>(223,320)</u>	<u>(265,099)</u>	<u>(1,928,775)</u>
30 June 2024 (Unaudited)	<u>1,989,203</u>	<u>3,364</u>	<u>2,152</u>	<u>1,994,719</u>

47. Other payables and accruals

	Note	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Deposits of derivative business		12,358,807	16,084,954
Dividends payable		1,681,954	301,550
Litigation settlement payables		545,697	431,721
Settlement payables		311,950	176,104
Risk reserve for futures brokerage business		170,530	162,430
Other tax payables		163,110	126,280
Distribution expenses payable		148,021	152,861
Accrued expenses		121,363	140,008
Bond underwriting fees		83,493	76,908
Funds for party organisation work		65,484	65,448
Payables to custodians		40,006	46,132
Commission payables		36,146	42,304
Deposits of bulk commodity trading		30,786	30,786
Rental deposits		23,484	21,000
Payables to the securities and futures investor protection fund		17,868	21,065
Temporary receipt		15,593	10,945
Payables on behalf of the staff		14,596	9,814
Construction cost payable		11,550	13,389
Professional service fees payable		8,340	23,435
Interest payable		5,577	16,576
Advance receipts		4,322	48,434
Deposits of financial leasing business		1,509	17,255
Others	(1)	230,053	249,806
Total		<u>16,090,239</u>	<u>18,269,205</u>

- (1) The balance of others mainly represents sundry payables arising from the normal course of business.

48. Financial assets sold under repurchase agreements

(a) Analysed by collateral type:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Current		
Debt securities	38,005,405	43,862,830
Total	38,005,405	43,862,830

(b) Analysed by market:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Current		
Interbank market	36,173,869	41,612,380
Stock exchanges	1,831,536	2,250,450
Total	38,005,405	43,862,830

49. Long-term bonds

As at 30 June 2024 (Unaudited)

Name	Par value in original currency	Issue date	Maturity date	Issue in original currency	Coupon rate	Book value as at 31 December 2023 (Audited)	Increase	Decrease	Book value as at 30 June 2024 (Unaudited)
Corporate bonds									
21 EVERBRIGHTG1	5,300,000	14/01/2021	14/01/2024	5,296,792	3.57%	5,482,234	6,976	(5,489,210)	-
21 EVERBRIGHTG2	2,000,000	07/06/2021	07/06/2024	1,992,925	3.30%	2,036,591	29,409	(2,066,000)	-
21 EVERBRIGHTG3	1,000,000	07/06/2021	07/06/2026	995,283	3.67%	1,018,620	18,720	(36,700)	1,000,640
21 EVERBRIGHTG4	1,300,000	16/07/2021	16/07/2024	1,295,755	3.12%	1,318,017	20,874	-	1,338,891
21 EVERBRIGHTG5	1,700,000	16/07/2021	16/07/2026	1,691,981	3.45%	1,723,085	29,964	-	1,753,049
21 EVERBRIGHTG6	3,000,000	11/08/2021	11/08/2024	2,987,264	3.12%	3,034,079	48,660	-	3,082,739
21 EVERBRIGHTG8	3,000,000	16/09/2021	16/09/2024	3,000,000	3.10%	3,026,595	46,715	-	3,073,310
21 EVERBRIGHTG9	1,000,000	16/09/2021	16/09/2026	1,000,000	3.50%	1,009,592	17,874	-	1,027,466
21 EVERBRIGHT10	2,000,000	23/12/2021	23/12/2024	2,000,000	3.02%	2,001,028	30,270	-	2,031,298
21 EVERBRIGHT11	1,000,000	23/12/2021	23/12/2026	1,000,000	3.35%	999,984	16,799	-	1,016,783
22 EVERBRIGHTG1	2,500,000	14/06/2022	14/06/2025	2,500,000	2.90%	2,539,012	34,568	(72,500)	2,501,080
22 EVERBRIGHTG2	500,000	14/06/2022	14/06/2027	500,000	3.25%	507,647	8,268	(16,250)	499,665
22 EVERBRIGHTG3	2,000,000	22/08/2022	22/08/2025	2,000,000	2.56%	2,014,391	26,714	-	2,041,105
23 EVERBRIGHTG1	2,000,000	23/02/2023	28/02/2024	1,992,415	2.80%	2,046,665	10,103	(2,056,768)	-
23 EVERBRIGHTG2	3,000,000	23/03/2023	27/03/2024	2,988,623	2.75%	3,061,530	22,101	(3,083,631)	-
23 EVERBRIGHTG3	3,000,000	10/08/2023	10/08/2026	2,985,789	2.77%	3,020,493	43,673	-	3,064,166
23 EVERBRIGHTG4	2,800,000	14/09/2023	14/09/2026	2,786,736	2.98%	2,813,024	43,685	-	2,856,709
23 EVERBRIGHTG5	1,800,000	21/09/2023	21/09/2026	1,791,473	2.90%	1,806,885	27,369	-	1,834,254
24 EVERBRIGHTG1	1,500,000	07/03/2024	07/03/2026	1,500,000	2.42%	-	1,508,063	-	1,508,063
24 EVERBRIGHTG2	2,800,000	20/06/2024	20/06/2027	2,800,000	2.18%	-	2,801,672	-	2,801,672
Structured Notes	40,000	02/08/2023	08/08/2024	40,000	0.00%	40,000	-	-	40,000
Total				39,499,472		4,792,477	(12,821,059)		31,470,890

49. Long-term bonds (continued)

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Long-term bonds due within one year	12,067,318	22,232,836
Long-term bonds due after one year	19,403,572	17,266,636
Total	31,470,890	39,499,472

50. Provision for contingent liabilities

(a) Provision

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Litigation and arbitration	562,949	546,886

(b) Provision for contingent liabilities

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
At the beginning of the period/year	546,886	5,284,293
Additional provision	12,794	-
Reversal	-	(2,132,573)
Transfer-out	-	(2,516,887)
Amounts paid during the year	-	(87,947)
Others	3,269	-
At the end of the period/year	562,949	546,886

50. Provision for contingent liabilities (continued)

(b) *Provision for contingent liabilities (continued)*

The Group's provision for contingent liabilities is accounted for in accordance with the IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. It is mainly arising from relevant litigations and arbitrations related to an investment of MP & Silva Holding S.A. (hereinafter referred to as "MPS") with a provision amounting to RMB0.53 billion as of 30 June 2024 (31 December 2023: RMB0.53 billion). Details as below.

Everbright Capital Investment Co., Ltd. (hereinafter referred to as "Everbright Capital"), a wholly-owned subsidiary of the Company, is principally engaged in the private equity investment fund business. Everbright Jinhui Asset Management Co., Ltd. (Shanghai) (hereinafter referred to as "Everbright Jinhui") is a subsidiary of Everbright Capital. In April 2016, Everbright Jinhui, together with Baofeng (Tianjin) Investment Management Co., Ltd., a wholly-owned subsidiary of Baofeng Group Co., Ltd. (hereinafter referred to as "Baofeng Group") and Shanghai Qunchang Financial Services Co., Ltd., signed a partnership agreement with the limited partners of Shanghai Jinxin Investment Consultancy Partnership Enterprise (Limited Partnership) (hereinafter referred to as "Jinxin Fund") as general partners with the proposition to directly or indirectly acquire 65% equity interests in an overseas company, MPS, through the incorporation of a special purpose vehicle held by Jinxin Fund. Everbright Jinhui is the managing partner of Jinxin Fund.

Meanwhile, each of the senior-tranche limited partners presented a "Letter of Makeup of Shortfall" with the chop of Everbright Capital affixed, however, it was not in compliance with the internal approval process of Everbright Capital, the main contents of which are that Everbright Capital shall have the obligation to make up the corresponding shortfall to the extent that the senior-tranche limited partners are unable to exit their investments with indicated returns within a 36-month investment period of Jinxin Fund. On 25 February 2019, the investment period of Jinxin Fund expired and Jinxin Fund failed to exit as originally planned.

Litigation with Hua Rui Bank

In October 2018, Hua Rui Bank initiated arbitration proceedings with Shanghai International Economic and Trade Arbitration Commission (Shanghai International Arbitration Center) against Everbright Jinhui to recover investment principal, investment return, penalty, legal and arbitration costs amounting to RMB452.37 million regarding the "Supplementary Agreement to the Partnership Agreement of Shanghai Jinxin Investment Consultancy Partnership Enterprise (Limited Partnership)". In May 2020, Everbright Jinhui received the Arbitration Award ([2020] Humao Arbitration No. 0338), which ruled that Everbright Jinhui, as a respondent, shall pay Hua Rui Bank the principal of RMB400 million and the corresponding expected income, legal fees, arbitration fees and other related expenses to Hua Rui Bank as an applicant.

50. Provision for contingent liabilities (continued)

(b) Provision for contingent liabilities (continued)

In November 2018, Hua Rui Bank also filed a civil lawsuit with the Shanghai Financial Court against Everbright Capital over the same case with claims amounting to approximately RMB431.36 million. Hua Rui Bank also initiated preservative measures requesting the Shanghai Financial Court to freeze Everbright Capital's partial bank accounts and equity interests in some investments. In August 2020, Everbright Capital received the civil judgment of first instance ([2018] Hu 74 Min Chu No. 730) from the Shanghai Financial Court that Everbright Capital shall pay Hua Rui Bank the principal of RMB400 million and the investment income from 1 January 2018 to the date of actual fulfilment, and bear the legal fees, preservation fees and other related expenses. If Hua Rui Bank receives the original capital of its investment and the income due to the enforcement of the outcome of arbitration, the payment obligation of Everbright Capital under the above judgment will be decreased correspondingly. Everbright Capital appealed to the Shanghai High People's Court. In June 2021, Everbright Capital received the civil judgment of second instance ([2020] Hu Min Zhong No. 618) from the Shanghai High People's Court that rejected the request of Everbright Capital, and the original verdict was upheld.

In September 2023, the case between Everbright Capital and Hua Rui Bank has been finally reviewed and entered the execution stage. After consultation between the two parties, an execution and settlement plan has been formulated and approved by the 29th meeting of the sixth board of directors of Everbright Capital. Everbright Capital has signed the execution settlement agreement with Hua Rui Bank, fulfilling all payment obligations determined by the final judgment with RMB 400 million. As of 30 June 2024, the execution settlement of RMB 400 million by Hua Rui Bank has been fully repaid.

50. Provision for contingent liabilities (continued)

(b) *Provision for contingent liabilities (continued)*

Litigation with Shenzhen Hengxiang

In November 2018, Shenzhen Hengxiang Equity Investment Fund LLP (limited partnership) (hereinafter referred to as “Shenzhen Hengxiang”), one of the mezzanine tranche limited partners of Jinxin Fund, initiated arbitration proceedings with Shanghai International Arbitration Center against Everbright Jinhui as one of the respondents in disputes over the partnership agreements and the supplementary agreements. The arbitration amount was about RMB167.81million. Shenzhen Hengxiang presented the “Supplementary Agreement” signed by all general partners. The Supplementary Agreement stated that all general partners have the obligation to make up the corresponding shortfall to the extent that Shenzhen Hengxiang is unable to exit its investment principal of RMB150 million with indicated returns. In November 2018, the People’s Court of Jingan District of Shanghai accepted the application of the property preservation of Shenzhen Hengxiang and has frozen the relevant equity interests in some investments held by Everbright Jinhui. In April 2020, Everbright Jinhui received the Arbitration Award ([2020] Humao Arbitration No. 0322), which ruled that Everbright Jinhui, Baofeng (Tianjin) Investment Management Co., Ltd. and Shanghai Qunchang Financial Services Co., Ltd., as respondents, shall pay Shenzhen Hengxiang’s investment principal of RMB150 million and the corresponding expected income, legal fees, arbitration fees and other related expenses. In December 2020, the execution of Judgment Document ([2020] Hu 02 Zhi 1332) was terminated by the Shanghai No. 2 Intermediate People’s Court, because it was verified that Everbright Jinhui, Baofeng (Tianjin) Investment Management Co., Ltd. and Shanghai Qunchang Financial Services Co., Ltd. had no executable assets. Shenzhen Hengxiang has applied to the Shanghai No. 2 Intermediate People’s Court for the addition of Everbright Capital as the defaulter, but Shenzhen Hengxiang has withdrawn the application. In May 2024, Everbright Capital received a notice from the court that Shenzhen Hengxiang had filed a civil lawsuit against Everbright Capital as the defendant in a tortious liability dispute with the Shanghai Financial Court, requesting that Everbright Capital compensate for the investment principal of RMB150 million, together with the corresponding expected income, lawyer fees, and all litigation costs. The lawsuit has not yet been judged.

50. Provision for contingent liabilities (continued)

(b) *Provision for contingent liabilities (continued)*

Litigation with Merchants Bank

In May 2019, Everbright Capital received the notice of responding to prosecution from the Shanghai Financial Court. Merchants Bank initiated a civil lawsuit as plaintiff against Everbright Capital, requesting Everbright Capital to fulfil the obligation of making up the shortfall according to the “Letter of Makeup of Shortfall”. The lawsuit amount was approximately RMB3,489 million for the principal of RMB2,800 million, expected income, penalties and other related expenses. In May 2019, Shanghai Financial Court accepted the application of the property preservation of Everbright Capital and has frozen the relevant equity interests in some investments held by Everbright Capital. In August 2020, Everbright Capital received the civil judgment of first instance ([2019] Hu 74 Min Chu No. 601) from the Shanghai Financial Court that Everbright Capital shall pay RMB3,116 million and the accrued interest from 6 May 2019 to the date of actual payoff to Merchants Bank, and bear part of the legal fees, property preservation fees and other related expenses. Everbright Capital appealed to the Shanghai High People’s Court. In June 2021, Everbright Capital received civil judgment of second instance ((2020) Hu Min Zhong No. 567) from the Shanghai Higher People’s Court that rejected the request of Everbright Capital, and the original verdict was upheld. In December 2021, Everbright Capital appealed to the Shanghai High People’s Court. In June 2022, Everbright Capital received the civil verdict from the Shanghai High People’s Court that rejected the request of Everbright Capital, and the original verdict was upheld.

In March 2022, Everbright Capital received the enforcement ruling (one of [2021] Hu 74 Zhi No. 466) from the Shanghai Financial Court, ruling that 35% of Everbright Fortune Financial Leasing Co., Ltd. and 3,810,482 shares of Tianyang Hongye Technology Co., Ltd held by Everbright Capital were adjudicated as price. As of 31 December 2022, the number of shares of Tianyang Hongye Technology Co., Ltd. after allotment was 6,858,868 shares. In May 2023, 6,858,868 shares of Tianyang Hongye Technology Co., Ltd has been compulsorily executed. All proceeds from the auction have been used to repay the debts of Merchants Bank.

In September 2023, the case between Everbright Capital and Merchants Bank has been finally reviewed and entered the execution stage. After consultation between the two parties, an execution and settlement plan has been formulated and approved by the 29th meeting of the sixth board of directors of Everbright Capital. Everbright Capital has signed the execution settlement agreement with Merchants Bank, fulfilling all payment obligations determined by the final judgment with RMB 2.24 billion. Among them, the execution settlement with Merchants Bank will be repaid in installments over four years. As of 30 June 2024, the execution settlement of RMB 949 million by Merchants Bank has been repaid in accordance with the settlement agreement. The outstanding amount is RMB 1.291 billion.

50. Provision for contingent liabilities (continued)

(b) *Provision for contingent liabilities (continued)*

Litigation with Zhaoyuan Yongjin

In September 2020, Jiaxing Zhaoyuan Yongjin Equity Investment Fund Partnership (Limited Partnership) (hereinafter referred to as "Zhaoyuan Yongjin"), one of the mezzanine tranche limited partners of Jinxin Fund, initiated a civil lawsuit as plaintiff against Everbright Capital, regarding tortious liability dispute, requesting Everbright Capital to compensate for the loss of investment principal of RMB600 million and the corresponding expected income. In October 2021, Everbright Capital received the first instance civil judgment ((2020) Hu 74 Min Chu No. 2467) from the Shanghai Financial Court that Everbright Capital shall compensate Zhaoyuan Yongjin for 30% of the investment principal, which is RMB180 million; Zhaoyuan Yongjin's remaining claims are not supported. Everbright Capital has appealed the verdict of the case and the court session was held on 23 February 2022.

In July 2023, Everbright Capital received the final judgment of the second instance ([2021] Hu Min Zhong No. 1254) from the Shanghai Higher People's Court that the first instance civil judgment was revoked and Everbright Capital was sentenced to compensate Zhaoyuan Yongjin with approximately RMB135 millions of investment capital, and the remaining litigation requests of Zhaoyuan Yongjin have been rejected. In August 2023, Zhaoyuan Yongjin applied for compulsory enforcement of the case, and Everbright Capital has received the "Enforcement Notice" issued by the Shanghai Financial Court in the same month, but failed to perform the relevant obligations because there was no asset available for enforcement under its name. In March 2024, Everbright Capital has received an execution ruling from the Shanghai Financial Court, which terminates the current execution process. In January 2024, Everbright Capital has filed a retrial application with the Supreme People's Court of the People's Republic of China. In May 2024, Everbright Capital received the Civil Judgment of the retrial application, and the Supreme People's Court of the People's Republic of China that rejected the retrial application.

Litigation with Guian Financial

In May 2021, Guizhou Guian Financial Investment Co., Ltd. (hereinafter referred to as "Guian Financial"), the stakeholder of another mezzanine tranche and junior limited partners of Jinxin Fund, initiated civil lawsuits as plaintiff against Everbright Capital, regarding to tortious liability dispute, requesting Everbright Capital to compensate for the loss of their investment principal of RMB95 million, together with the corresponding expected income. In July 2023, Everbright Capital received the first instance civil judgment ([2021] Hu 74 Min Chu No. 1374) from the Shanghai Financial Court that Everbright Capital shall compensate Guian Financial for 30% of the investment principal, which is approximately RMB25 million; Guian Financial's remaining claims were not supported. Everbright Capital appealed to the Shanghai High People's Court against the first instance judgment. In December 2023, Everbright Capital received the verdict of the second instance and upheld the original judgment. In April 2024, Everbright Capital appealed to the Supreme People's Court; In August 2024, Everbright Capital received the Civil Ruling of the retrial application, and the Supreme People's Court ruled to reject the retrial application.

50. Provision for contingent liabilities (continued)

(b) *Provision for contingent liabilities (continued)*

Litigation with Dongxing Investment

In June 2021, Shanghai Dongxing Investment Holdings Co., Ltd., the stakeholder of one of mezzanine tranche limited partners of Jinxin Fund, initiated civil lawsuits as plaintiff against Everbright Capital and Everbright Jinhui, regarding to tortious liability dispute, requesting Everbright Capital and Everbright Jinhui to compensate for the loss of their investment principal of RMB246.5 million, together with the corresponding expected income. In October 2021, Everbright Capital received the first instance civil judgment ([2021] Hu 74 Min Chu No. 283) from the Shanghai Financial Court that rejected the request of the plaintiff, and the verdict of the first instance has taken effect.

Litigation with Yingtan Langtaosha

In April 2024, Yingtan Langtaosha Investment Management Partnership Enterprise (Limited Partnership) (hereinafter referred to as "Yingtan Langtaosha"), the stakeholder of one of junior-tranche limited partners of Jinxin Fund, initial civil lawsuits as plaintiff against Everbright Capital, regarding to tortious liability dispute, requesting Everbright Capital to compensate for the loss of their investment principal of RMB100 million together with the corresponding expected income and the related legal fees. At present, the lawsuit has not been adjudicated.

Litigation with Baofeng Group and its controlling shareholder, Feng Xin

The provision was made based on an assessment and estimate of probable losses, after considering the repurchase agreement for Baofeng Group and its controlling shareholder, Feng Xin, to repurchase equity interests in MPS from Jinxin Fund as contractually agreed. In this regard, on 13 March 2019, Everbright Jinhui, in its capacity as the executive partner of Jinxin Fund, together with Jinxin Fund, jointly pursued civil legal action against Baofeng Group and Feng Xin at Beijing Higher People's Court, seeking compensation for losses arising from the non-fulfilment of their obligations to repurchase the 65% equity interests in MPS from Jinxin Fund and other related costs, totalling RMB751.19 million. In December 2020, Everbright Jinhui received the first instance Civil Judgment ([2019] Jing Min Chu No. 42), which rejected the plaintiff's claim, and the relevant case acceptance fees and property preservation fees were borne by the plaintiff. Everbright Jinxin and Jinxin Fund appealed to against the judgment of the first instance and received the civil ruling ([2021] Supreme Fa Min Zhong No. 580) in June 2022, which ruled to revoke the Civil Judgment ([2019] Jing Min Chu No. 42) from the Beijing Higher People's Court and send back to the Beijing Higher People's Court for retrial. The Beijing Higher People's Court accepted the case in June 2023 and held a hearing on 13 October 2023. So far, the case has not been adjudicated.

In June 2021, Jinxin Inc., the special purpose vehicle of Jinxin Fund registered in the Cayman Islands, filed a lawsuit against Riccardo Silva, Andreaa Radrizzani and other previous shareholders of MPS, regarding fraudulent misrepresentation and breach of tax commitment, in the higher court of England and Wales, amounting to USD661 million. As of the date of approval of the financial statements, no court session has been held.

Based on the assessment of the aforementioned latest developments in relevant litigation and arbitration, combined with the information currently obtained, and taking into the account the requirements of the relevant laws and regulations, the Group made a provision for contingent liabilities in accordance with the relevant provisions of the IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

50. Provision for contingent liabilities (continued)

(b) Provision for contingent liabilities (continued)

The Group will continue to monitor the progress and results of the matter, evaluate the responsibility to be undertaken, and disclose the relevant information.

Please refer to the Group's announcements of No. Lin 2019-008, No. Lin 2019-012, No. Lin 2019-016, No. Lin 2019-037, No. Lin 2019-051, No. Lin 2020-015, No. Lin 2020-049, No. Lin 2020-051, No. Lin 2020-080, No. Lin 2020-094, No. Lin 2021-006, No. Lin 2021-031, No. Lin 2021-037, No. Lin 2021-045, No. Lin 2021-062, No. Lin 2022-002, No. Lin 2022-005, No. Lin 2022-007, No. Lin 2022-009, No. Lin 2022-032, No. Lin 2022-052, No. Lin 2022-054, No. Lin 2023-019, No. Lin 2023-034, No. Lin 2023-036, No. Lin 2023-046, No. Lin 2023-048, No. Lin 2024-007, No. Lin 2024-009 and No. Lin 2024-023 for more details.

51. Other non-current liabilities

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Litigation settlement payables	689,841	995,050
Deposits of financial leasing business	17,228	14,728
Others	50,116	35,380
	<hr/>	<hr/>
Total	757,185	1,045,158
	<hr/>	<hr/>

52. Share capital

All shares issued by the Company are in form of 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:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Registered, issued and fully paid (at RMB1 per share)	4,610,788	4,610,788
	<hr/>	<hr/>

53. Other equity instruments

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Perpetual subordinated bonds	9,498,943	9,498,943

As approved by the CSRC, the Company issued a batch of perpetual subordinated bonds ("20 Guangzheng Y1") amounting to RMB2 billion with an initial interest rate of 4.40% on 14 August 2020, a batch of perpetual subordinated bonds ("21 Guangzheng Y1") amounting to RMB3 billion with an initial interest rate of 4.19% on 10 May 2021, a batch of perpetual subordinated bonds ("22 Guangzheng Y1") amounting to RMB2 billion with an initial interest rate of 3.73% on 17 February 2022, a batch of perpetual subordinated bonds ("22 Guangzheng Y2") amounting to RMB1 billion with an initial interest rate of 4.08% on 10 March 2022 and a batch of perpetual subordinated bonds ("22 Guangzheng Y3") amounting to RMB1.5 billion with an initial interest rate of 4.03% on 22 March 2022. The perpetual subordinated bonds have no fixed maturity dates and the Company has an option to redeem the bonds at principal amounts plus any accrued interest on the fifth interest payment date or any interest payment date afterwards.

The interest rate for perpetual subordinated bonds is fixed in the first 5 years and will be repriced every 5 years. The repriced interest rate is determined as the sum of the current base rate and the initial spread plus 300bps. The current base rate is defined as the average yield of 5 Year Treasury from the interbank fixed rate bond yield curve published on the webpage of China Bond in 5 working days before the adjustment.

The Company has the option to defer interest payment, except in the event of mandatory interest payments, so that at each interest payment date, the Company may choose to defer the interest payment to the next payment date for the current period as well as all interest and accreted interest already deferred, without being subject to any limitation with respect to the number of deferrals. Mandatory interest payment events are limited to dividend distributions to ordinary shareholders and reductions of registered capital.

The perpetual subordinated bonds issued by the Company are classified as equity instruments and presented under equity in the Group's statement of financial position.

54. Reserves and retained profits

(a) Capital reserve

Capital reserve mainly includes share premium arising from the issuance of new shares at prices in excess of face value and the difference between the considerations of acquisition of equity interests from non-controlling shareholders and the carrying amounts of the proportionate net assets.

(b) Surplus reserve

Pursuant to the Company Law of the PRC, the Company is required to appropriate 10% of its net profit to the statutory surplus reserve.

Subject to the approval of the shareholders, the statutory reserve may be used to offset accumulated losses, or converted into capital of the Company provided that the balance of the statutory surplus reserve after such capitalisation is not less than 25% of the registered capital immediately before the capitalisation.

(c) General reserve

General reserve includes the general risk reserve and transaction risk reserve.

In accordance with the requirements of the Financial Rules for Financial Enterprises (Order No. 42 of the Ministry of Finance of the PRC) and its implementation guide (Caijin [2007] No. 23) and the CSRC Circular regarding the Annual Reporting of Securities Companies in 2007 (Zhengjian Jigou Zi [2007] No. 320) issued on 18 December 2007, the Company appropriates 10% of its annual net profit to the general risk reserve. Several subsidiaries of the Company are also subject to the relevant general risk reserve requirement according to CSRC regulations.

In accordance with the Securities Law and the requirements of the CSRC Circular regarding the Annual Reporting of Securities Companies in 2007 (Zhengjian Jigou Zi [2007] No. 320) issued on 18 December 2007, the Company appropriates 10% of its annual net profit to the transaction risk reserve. In accordance with the provisions of the Interim Measures for the Supervision and Administration of Risk Reserves of Publicly Offered Securities Investment Funds (Order No. 94 of the CSRC) issued on 24 September 2013, the Company appropriates other risk reserve at a monthly rate of not less than 2.5% of the fund custody fee income.

(d) Fair value reserve

The fair value reserve comprises the cumulative net changes in fair values of debt investments at fair value through other comprehensive income and equity investments designated at fair value through other comprehensive income until the assets are derecognised or impaired.

(e) Translation reserve

The translation reserve mainly comprises foreign currency differences arising from the translation of the financial statements of foreign currencies.

54. Reserves and retained profits (continued)

(f) Retained profits

The movements in retained profits are set out below:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
At the beginning of the period/year	14,761,297	12,286,664
Profit for the period/year	1,390,527	4,271,152
Appropriation to surplus reserve	-	-
Appropriation to general reserve	(10,649)	(542,455)
Dividends approved in respect of the previous year	(1,292,404)	(968,265)
Distribution to other equity instrument holders	(389,550)	(389,550)
Others	11,222	103,751
	<hr/>	<hr/>
At the end of the period/year	<u>14,470,443</u>	<u>14,761,297</u>

55. Transferred financial assets

In the normal course of business, the Group enters into certain transactions in which it transfers recognised financial assets to third parties or customers. If these transfers qualify for derecognition, the Group derecognises all or part of the financial assets where appropriate. If the Group has retained substantially all the risks and rewards of these assets, the Group continues to recognise these assets.

(a) Repurchase agreements

Transferred financial assets that do not qualify for derecognition include debt securities held by counterparties as collateral under repurchase agreements. The Group transfers the contractual rights to receive the cash flows of these securities, but has an obligation to repurchase them at the agreed date and price. The Group has determined that it retains substantially all the risks and rewards of these securities and therefore has not derecognised them. In addition, they are recognised as financial assets sold under repurchase agreements.

(b) Securities lending

Transferred financial assets that do not qualify for derecognition include securities lent to customers for securities lending business, for which the customers provide the Group with collateral that could fully cover the credit risk exposure of the securities lent. The customers have an obligation to return the securities according to the contracts. The Group has determined that it retains substantially all the risks and rewards of these securities and, therefore, has not derecognised such assets.

The following tables provide a summary of the carrying amounts related to transferred financial assets that are not derecognised in their entirety and the associated liabilities:

55. Transferred financial assets (continued)

30 June 2024	<i>Securities lending</i>
Carrying amount of transferred assets	<u>2,507</u>
Carrying amount of related liabilities	<u>N/A</u>
31 December 2023	<i>Securities lending</i>
Carrying amount of transferred assets	<u>6,887</u>
Carrying amount of related liabilities	<u>N/A</u>

56. Commitments

Capital commitments

	<i>30 June 2024 (Unaudited)</i>	<i>31 December 2023 (Audited)</i>
Contracted but not provided for	<u>682,423</u>	<u>566,480</u>

57. Contingencies

As at 30 June 2024, for the Group's pending litigations for MPS, please refer to note 50(b) for details.

As at 30 June 2024 and 31 December 2023, the Group's other contingent liabilities due to pending litigation amounted to RMB701,200 thousand and RMB582,375 thousand, respectively.

58. Related party relationships and transactions

(a) Relationship of related parties

(i) Major shareholders

Major shareholders include shareholders of the Company with ownership of 5% or above. The share percentages in the Company are as follows:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
China Everbright Group Company	25.15%	25.15%
China Everbright Limited	20.73%	20.73%

(ii) Associates and joint ventures of the Company

The detailed information of the Company's associates and joint ventures is set out in note 23.

(iii) Other related parties

Other related parties include subsidiaries of major shareholders, non-controlling shareholders of major subsidiaries of the Company and individuals which include members of the Board of Directors, the Board of Supervisors and senior management, and close family members of such individuals.

(b) Related party transactions and balances

(i) Transactions between the Group and major shareholders:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Balances at the end of the period/year:		
Accounts receivable	2,622	-
Other payables and accruals	593,181	106
	<u>595,803</u>	<u>106</u>
	Six months ended 30 June	2023
	2024	(Unaudited)
	(Unaudited)	(Unaudited)
Transactions during the period:		
Fee and commission income	21,695	23,520
Fee and commission expenses	190	196
	<u>21,885</u>	<u>23,716</u>

58. Related party relationships and transactions (continued)

(b) Related party transactions and balances (continued)

(ii) Transactions between the Group and associates, joint ventures and other related parties:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Balances at the end of the period/year:		
Right-of-use assets	307,146	269,002
Financial assets at fair value through profit or loss	1,045,868	1,519,727
Accounts receivable	7,610	9,927
Other receivables and prepayments	158,813	153,033
Cash and bank balances	7,695,659	7,733,909
Loans and borrowings	-	47,143
Placements from other financial institutions	486,318	1,000,358
Other payables and accruals	53,429	57,715
Lease liabilities	311,292	270,815

	Six months ended 30 June 2024 (Unaudited)	2023 (Unaudited)
Transactions during the period:		
Fee and commission income	38,727	50,742
Interest income	101,228	119,171
Net realised gains	21,913	26,356
Other income and gains	2,073	2,077
Fee and commission expenses	21,470	22,113
Interest expenses	8,930	40,022
Other operating expenses	60,897	47,346
Transaction amount for placements from other financial institutions, loans and borrowings	2,767,486	29,099,129
Transaction amount for financial assets sold under repurchase agreements	410,023	3,397,395

(c) Key management personnel's remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors and supervisors, is as follows:

	Six months ended 30 June 2024 (Unaudited)	2023 (Unaudited)
Short-term employee benefits		
- Fees, salaries, allowances and bonuses	13,643	12,298
Post-employment benefits		
- Contributions to pension schemes	964	1,129
Total	14,607	13,427

59. Segment reporting

Management allocated resources and assessed the segment performance based on the operating segments. Accordingly, the reporting period's segment reporting has been presented in accordance with the approach adopted by management in the financial statements.

- Wealth management business segment: mainly including retail business, margin trading business, stock pledge business, futures brokerage business and overseas wealth management and brokerage business;
- Corporate financing business segment: mainly including equity financing business, debt financing business, overseas investment banking business and financial leasing business;
- Institutional customer business segment: mainly including institutional trading business, prime brokerage business, asset custody and outsourcing business, investment research business, financial innovation business and overseas institutional trading business;
- Investment trading business segment: mainly including equity proprietary investment business and fixed income proprietary investment business;
- Asset management business segment: mainly including asset management business, fund management business and overseas asset management business;
- Equity investment business segment: mainly including private equity fund investment and financing business, and alternative investment business;
- Others mainly includes other businesses in addition to the above, including the operation of headquarters and investment holding platforms, and the management of general working capital.

59. Segment reporting (continued)

(a) Business segments

For the six months ended 30 June 2024 (Unaudited)

	Wealth management	Corporate finance	Institutional customers	Investment trading	Asset management	Equity investment	Others	Segment total
Fee and commission income								
- External	1,933,393	442,352	211,510	-	373,977	462	-	2,961,694
- Inter-segment	45,806	-	(105)	(12,549)	32,332	-	(19,678)	45,806
Interest income								
- External	1,529,932	22,225	25,505	369,581	27,459	3,991	372,359	2,351,052
- Inter-segment	3	-	-	-	-	43,817	29,879	73,699
Net investment gains								
- External	33,925	10,071	335,570	369,515	12,062	(57,614)	287,919	991,448
- Inter-segment	-	-	-	-	-	-	-	-
Total revenue								
- External	3,497,250	474,648	572,585	739,096	413,498	(53,161)	660,278	6,304,194
- Inter-segment	45,809	-	(105)	(12,549)	32,332	43,817	10,201	119,505
Other income and gains								
- External	40,205	1,649	411	-	1,246	256	9,684	53,451
- Inter-segment	534	-	-	-	-	-	526	1,060
Segment revenue and other income								
- External	3,537,455	476,297	572,996	739,096	414,744	(52,905)	669,962	6,357,645
- Inter-segment	46,343	-	(105)	(12,549)	32,332	43,817	10,727	120,565
Segment expenses								
- External	(2,516,948)	(257,034)	(205,857)	(332,859)	(293,176)	79,190	(1,325,585)	(4,852,269)
- Inter-segment	(4,528)	(130)	-	-	(41,292)	(30,048)	54,055	(21,943)
Segment operating profit/(loss)								
- External	1,020,507	219,263	367,139	406,237	121,568	26,285	(655,623)	1,505,376
- Inter-segment	41,815	(130)	(105)	(12,549)	(8,960)	13,769	64,782	98,622
Share of profits of associates and joint ventures								
- External	1,192	(7,107)	3	-	65,641	(621)	7,810	66,918
- Inter-segment	-	7,107	-	-	-	5,625	-	12,732
Profit/(loss) before income tax								
- External	1,021,699	212,156	367,142	406,237	187,209	25,664	(647,813)	1,572,294
- Inter-segment	41,815	6,977	(105)	(12,549)	(8,960)	19,394	64,782	111,354
Interest expenses								
Impairment losses	(721,148)	(4,884)	(26,281)	(298,701)	(4,123)	(20,998)	(292,649)	(1,368,784)
Reversal of (provision for) credit loss expenses	2,272	-	-	(13,445)	-	-	(92,970)	34,086
Depreciation and amortisation expenses	(110,380)	(9,894)	(14,377)	(1,579)	(30,652)	(2,230)	(152,678)	(330,389)

59. Segment reporting (continued)

(a) Business segments (continued)

For the six months ended 30 June 2023 (Unaudited)

	Wealth management	Corporate finance	Institutional customers	Investment trading	Asset management	Equity investment	Others	Segment total
Fee and commission income								
- External	1,947,509	627,064	301,612	-	471,757	398	-	3,348,340
- Inter-segment	43,512	-	(92)	(17,627)	24,920	(6,236)	(965)	43,512
Interest income								
- External	1,847,821	38,422	30,435	261,661	28,629	2,976	332,137	2,542,081
- Inter-segment	6,103	-	-	-	-	11	15,431	21,545
Net investment gains								
- External	35,797	45,651	527,551	507,417	3,511	648,603	384,802	2,153,332
- Inter-segment	-	-	-	-	-	-	-	-
Total revenue								
- External	3,831,127	711,137	859,598	769,078	503,897	651,977	716,939	8,043,753
- Inter-segment	49,615	-	(92)	(17,627)	24,920	(6,225)	14,466	65,057
Other income and gains								
- External	315,888	711	791	-	126,099	491	17,276	461,256
- Inter-segment	1,181	-	-	-	-	-	398	1,579
Segment revenue and other income								
- External	4,147,015	711,848	860,389	769,078	629,996	652,468	734,215	8,505,009
- Inter-segment	50,796	-	(92)	(17,627)	24,920	(6,225)	14,864	66,636
Segment expenses								
- External	(2,778,751)	(293,491)	(226,421)	(333,351)	(340,101)	(104,518)	(1,722,733)	(5,799,366)
- Inter-segment	(9,544)	(3,298)	-	-	(40,096)	(12,940)	(383)	(66,261)
Segment operating profit/(loss)								
- External	1,368,264	418,357	633,968	435,727	289,895	547,950	(988,518)	2,705,643
- Inter-segment	41,252	(3,298)	(92)	(17,627)	(15,176)	(19,165)	14,481	375
Share of profits of associates and joint ventures								
- External	1,132	(3,327)	-	-	67,781	(2,854)	3,327	66,059
- Inter-segment	-	3,327	-	-	-	2,426	-	5,753
Profit/(loss) before income tax								
- External	1,369,396	415,030	633,968	435,727	357,676	545,096	(985,191)	2,771,702
- Inter-segment	41,252	29	(92)	(17,627)	(15,176)	(16,739)	14,481	6,128
Interest expenses								
Impairment losses	(835,666)	(19,209)	(50,117)	(310,305)	(3,722)	(22,310)	(413,960)	(1,655,289)
Reversal of/ (provision for) credit loss expenses	5	-	-	-	-	-	-	5
Depreciation and amortisation expenses	58,395	525	-	(4,210)	1,413	29,965	(113,162)	(27,074)
	(118,591)	(21,433)	(13,300)	(1,138)	(30,742)	(2,807)	(144,888)	(332,899)

59. Segment reporting (continued)

(b) Geographical segments

The following tables set out information about (i) the geographical location of the Group's revenue from external customers and (ii) the Group's property and equipment, goodwill, other intangible assets, interests in associates and joint ventures, and refundable deposits ("specified non-current assets"). The geographical location of customers is based on the location at which the services were provided. The geographical location of the specified non-current assets is based on the physical location of the assets, in the case of property and equipment and other non-current assets; the location of the operation to which they are allocated, in the case of goodwill and other intangible assets; and the location of operations, in the case of investments in associates and joint ventures.

Segment revenue:

	Six months ended 30 June 2024 (Unaudited)			Six months ended 30 June 2023 (Unaudited)		
	Mainland China	Outside Mainland China	Total	Mainland China	Outside Mainland China	Total
Revenue from external customers	5,839,177	465,017	6,304,194	7,543,769	499,984	8,043,753
Other income and gains	49,335	4,116	53,451	455,134	6,122	461,256
Total	<u>5,888,512</u>	<u>469,133</u>	<u>6,357,645</u>	<u>7,998,903</u>	<u>506,106</u>	<u>8,505,009</u>

Specified non-current assets:

	30 June 2024 (Unaudited)			31 December 2023 (Audited)		
	Mainland China	Outside Mainland China	Total	Mainland China	Outside Mainland China	Total
Property and equipment	879,423	55,121	934,544	828,111	61,969	890,080
Right-of-use assets	521,631	275,274	796,905	505,890	298,909	804,799
Investment Properties	11,072	-	11,072	11,432	-	11,432
Goodwill	9,380	523,834	533,214	9,380	520,126	529,506
Other intangible assets	213,714	37,278	250,992	222,181	40,737	262,918
Investments in associates and joint ventures	987,046	38,367	1,025,413	964,298	36,903	1,001,201
Long-term deferred expenses	59,818	-	59,818	52,284	-	52,284

60. Fair value information

(a) Fair value of financial instruments

The following table lists the information about the fair value of the Group's assets and liabilities that are continuously and non-continuously measured at fair value and their fair value measurement levels at the end of the reporting date. The level of fair value measurement results depends on the lowest level of input value that is significant to the fair value measurement as a whole. The three levels of input values are defined as follows:

- (1) Fair value is based on quoted prices (unadjusted) in active markets for identical assets or liabilities ("Level 1");
- (2) Fair value is based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) ("Level 2"); and
- (3) Fair value is based on inputs for the asset or liability that are not based on observable market data (unobservable inputs) ("Level 3").

(b) Fair value hierarchy

	Level 1	30 June 2024 (Unaudited)		Total
		Level 2	Level 3	
Assets				
Financial assets at fair value through profit or loss				
- Funds	21,157,247	2,202,527	2,189,764	25,549,538
- Debt securities	1,566,148	16,192,255	-	17,758,403
- Wealth management products	656,953	1,850,663	-	2,507,616
- Equity securities	14,745,117	10	80,509	14,825,636
- Others	659,389	2,890,638	202,203	3,752,230
Debt investments at fair value through other comprehensive income				
- Debt securities	-	44,713,192	-	44,713,192
Equity investments designated at fair value through other comprehensive income				
- Equity securities	445,343	520,239	79,070	1,044,652
- Others	-	-	303,078	303,078
Derivative financial assets	25,102	682,651	2,438,467	3,146,220
Total	39,255,299	69,052,175	5,293,091	113,600,565
Liabilities				
Financial liabilities at fair value through profit or loss	15,888	1,245,020	219,017	1,479,925
Derivative financial liabilities	79,245	592,288	672,491	1,344,024
Total	95,133	1,837,308	891,508	2,823,949

60. Fair value information (continued)

(b) Fair value hierarchy (continued)

	Level 1	31 December 2023 (Audited) Level 2	Level 3	Total
Assets				
Financial assets at fair value through profit or loss				
- Debt securities	3,894,664	7,981,562	-	11,876,226
- Equity shares	27,501,184	31,626	676,666	28,209,476
- Funds	18,036,984	3,000,473	1,935,355	22,972,812
- Others	3,434,066	7,867,027	977,555	12,278,648
Debt investments at fair value through other comprehensive income				
- Debt securities	13,816,970	28,293,664	-	42,110,634
Equity investments designated at fair value through other comprehensive income				
- Equity securities	443,224	-	85,622	528,846
- Others	-	-	346,369	346,369
Derivative financial assets	37,243	524,196	1,276,958	1,838,397
Total	67,164,335	47,698,548	5,298,525	120,161,408
Liabilities				
Financial liabilities at fair value through profit or loss	41,036	254,981	-	296,017
Derivative financial liabilities	108,848	521,388	403,474	1,033,710
Total	149,884	776,369	403,474	1,329,727

For the period ended 30 June 2024, financial instruments of Level 3 of RMB 606,242 thousand were transferred from Level 1 and Level 2; financial instruments of Level 1 of RMB 571,508 thousand were transferred from Level 3. There were no significant transfers between other Levels.

For the year ended 31 December 2023, financial instruments of Level 3 of RMB97,114 thousand were transferred from Level 1 and Level 2; financial instruments of Level 1 of RMB25,338 thousand were transferred from Level 3. There were no significant transfers between other Levels.

(i) Financial instruments in Level 1

The fair values of financial instruments (financial assets/liabilities at fair value through profit or loss, debt investments at fair value through other comprehensive income and equity investments designated at fair value through other comprehensive income) traded in active markets are based on quoted market prices at the end of the period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, a dealer or a broker and those prices represent actual and regularly occurring market transactions on an arm's length basis.

60. Fair value information (continued)

(b) Fair value hierarchy (continued)

(ii) Financial instruments in Level 2

The fair values of financial instruments (financial assets/liabilities at fair value through profit or loss, and debt investments at fair value through other comprehensive income) are quoted by the valuation system of the relevant bond registration and settlement agency. The relevant quotation agencies use observable input values that reflect market conditions in the process of forming quotations without significant adjustment.

The fair values of financial instruments (financial assets/liabilities at fair value through profit or loss, debt investments at fair value through other comprehensive income, equity investments designated at fair value through other comprehensive income and derivative instruments) that are not traded in an active market, are determined by valuation techniques. Observable inputs required by valuation techniques include and are not limited to valuation parameters such as yield curve, net asset value, and price-to-earnings ratio.

For the period ended 30 June 2024, the valuation technique used in the above-mentioned continuous Level 2 fair value measurement of the Group has not changed.

(iii) Valuation methods for specific investments in Level 3

The Group has developed relevant procedures to determine appropriate valuation techniques and input values in the continuous Level 3 fair value measurement. The Group regularly reviews relevant procedures and the suitability of fair value determination.

<i>Financial assets/liabilities</i>	<i>Valuation technique(s) and key input(s)</i>	<i>Significant unobservable input(s)</i>	<i>Relationship of unobservable input(s) to fair value</i>
Listed equity investments with disposal restrictions within a specific period and unlisted equity investments	Option pricing model	Volatility	The higher the volatility, the lower the fair value
Equity securities, unlisted equity investments and funds	Market valuation approach	Discount for lack of marketability	The higher the discount, the lower the fair value
Trust products, bonds, funds, asset management products and wealth management products	Discounted cash flow model	Risk adjusted discount rate	The higher the risk adjusted discount rate, the lower the fair value
Derivative assets	Option pricing model	Volatility	The higher the volatility, the higher the fair value
Derivative assets	Discounted cash flow model	Risk adjusted discount rate	The higher the risk adjusted discount rate, the lower the fair value
Derivative liabilities	Option pricing model	Volatility	The higher the volatility, the higher the fair value

For the period ended 30 June 2024, the valuation technique used in the above-mentioned continuous Level 3 fair value measurement of the Group has not changed.

60. Fair value information (continued)

(b) Fair value hierarchy (continued)

(iii) Valuation methods for specific investments in Level 3 (continued)

The following table shows a reconciliation of the opening balances to the ending balances for fair value measurement in Level 3 of the fair value hierarchy:

	<i>Financial assets at fair value through profit or loss</i>	<i>Equity investments designated at fair value through other comprehensive income</i>	<i>Derivative financial assets</i>	<i>Financial liabilities at fair value through profit or loss</i>	<i>Derivative financial liabilities</i>
31 December 2023 (Audited)	3,589,576	431,991	1,276,958	-	(403,474)
Gains/(losses) for the period	(61,016)	-	1,788,744	35,964	(96,790)
Changes in fair value recognised in other comprehensive income	-	(37,782)	-	-	-
Purchases and issues	-	7,950	6,451,686	-	1,189,867
Transfer-in	861,223	-	-	(254,981)	-
Transfer-out	(571,508)	-	-	-	-
Disposals and settlements	(1,345,799)	(20,011)	(7,078,921)	-	(1,362,094)
30 June 2024 (Unaudited)	<u>2,472,476</u>	<u>382,148</u>	<u>2,438,467</u>	<u>(219,017)</u>	<u>(672,491)</u>
Total unrealised profits/(losses) for the reporting period included in profit or loss for instruments held at the end of the reporting period	<u>(244,513)</u>	<u>-</u>	<u>1,200,105</u>	<u>35,964</u>	<u>(147,325)</u>
31 December 2022 (Audited)	6,631,982	467,813	355,493	-	(167,688)
Gains for the year	(370,390)	-	1,038,097	-	(356,967)
Changes in fair value recognised in other comprehensive income	-	(101,100)	-	-	-
Purchases or issues	2,231,441	-	122,394	-	(385,043)
Transfer-in	31,836	65,278	-	-	-
Transfer-out	(25,338)	-	-	-	-
Sales and settlements	(4,909,955)	-	(239,026)	-	506,224
31 December 2023 (Audited)	<u>3,589,576</u>	<u>431,991</u>	<u>1,276,958</u>	<u>-</u>	<u>(403,474)</u>
Total unrealised profits/(losses) for the reporting period included in profit or loss for instruments held at the end of the reporting period	<u>(254,198)</u>	<u>-</u>	<u>938,662</u>	<u>-</u>	<u>(228,905)</u>

60. Fair value information (continued)

(c) Fair value of other financial instruments (carried at other than fair value)

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 December 2023 and 30 June 2024, except for the following financial instruments, for which their carrying amounts and fair values and the level of fair value hierarchy are disclosed below:

Carrying amount:

	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Financial assets		
- Financial assets measured at amortised cost	<u>3,486,569</u>	<u>3,647,750</u>
Financial liabilities		
- Long-term bonds	<u>31,470,890</u>	<u>39,499,472</u>

Fair value:

	Level 1	30 June 2024 (Unaudited) Level 2	Level 3	Total
Financial assets				
- Financial assets measured at amortised cost	<u>-</u>	<u>3,509,575</u>	<u>-</u>	<u>3,509,575</u>
Financial liabilities				
- Long-term bonds	<u>-</u>	<u>31,237,787</u>	<u>-</u>	<u>31,237,787</u>
	Level 1	31 December 2023 (Audited) Level 2	Level 3	Total
Financial assets				
- Financial assets measured at amortised cost	<u>-</u>	<u>3,692,637</u>	<u>-</u>	<u>3,692,637</u>
Financial liabilities				
- Long-term bonds	<u>-</u>	<u>39,663,113</u>	<u>-</u>	<u>39,663,113</u>

61. Non-adjusting events after the reporting period

Other than those matters as already disclosed elsewhere in the consolidated financial statements, significant events after the reporting period included the following events:

(a) *Issuance of corporate bonds after the reporting period*

On 8 August 2024, the Company publicly issued the first batch of short-term corporate bonds of Year 2024 amounting to RMB1.5 billion to the professional investors, which has a term of 270 days and bears a coupon interest rate of 1.88%. And the value date is 12 August 2024.

On 20 August 2024, the Company publicly issued the third batch of corporate bonds of Year 2024 amounting to RMB2.3 billion to the professional investors, which has a term of 5 years and bears a coupon interest rate of 2.17%. And the value date is 22 August 2024.

(b) *Redemption of corporate bonds after the reporting period*

On 14 July 2021, the Company publicly issued the forth batch of corporate bonds of Year 2021 amounting to RMB1.3 billion to the professional investors, which has a term of 3 years and bears a coupon interest rate of 3.12%. The redemption of these bonds was completed on 16 July 2024 and the total principal and interest paid by the Company were RMB1.3 billion and RMB41 million, respectively.

On 9 August 2021, the Company publicly issued the sixth batch of corporate bonds of Year 2021 amounting to RMB3 billion to the professional investors, which has a term of 3 years and bears a coupon interest rate of 3.12%. The redemption of these bonds was completed on 12 August 2024 and the total principal and interest paid by the Company were RMB3 billion and RMB94 million, respectively.

(c) *Profit distribution plan after the reporting period*

On 29 August 2024, based on the total number of 4,610,787,639 ordinary shares of the Company, the board proposed to distribute cash dividend of RMB0.905 (tax inclusive) per 10 ordinary shares for its 2024 interim profit distribution to all the shareholders, with a total amount of RMB417,276 thousand.

The proposal is subject to the approval by the shareholders at the next general meeting. The cash dividend is not recognised as a liability as at 30 June 2024.