Annual Report

2023

TRANSLATION NOTE

This document is a free translation of the original issued in the Portuguese language. In the event of discrepancies or misinterpretations the original version shall prevail.

Haitong Global Asset Management, SGOIC, S.A.

Edifício Quartzo, Rua Alexandre Herculano, 38, 1269-180 LISBOA

Share capital €25,000,000

Registered at the Commercial Registry of Lisbon, corporate taxpayer ID No 502 040 246

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GOVERNING BODIES

Board of the General Meeting

Chairman	Ana Cristina Lucas Vaz das Neves
Secretary	David Luis Marques Ramalhete

Board of Directors

Chairman	Francisco Alexandre Valente Oliveira
Member	Luís Nuno Lima de Carvalho Valença Pinto
Member	José Luís de Saldanha Ferreira Pinto Basto
Member	António Carlos Gomes Pacheco
Member	Bin Xu

Supervisory Board

Chairman	José Maria Rego Ribeiro da Cunha
Permanent Member	Mário Paulo Bettencourt de Oliveira
Permanent Member	José Duarte Coutinho Ortigão Ramos
Alternate Member	Paulo Ribeiro da Silva

Statutory Auditor

Deloitte & Associados, SROC, S.A. – SROC No 43, represented by:

Edgar Luís Afonso Guerra, Statutory Auditor No 1872

DIRECTORS' REPORT

Dear Shareholders,

In compliance with the law and the articles of association, the Board of Directors of Haitong Global Asset Management, SGOIC, S.A. (Haitong GAM) hereby submits for your consideration the Management Report and Accounts for the year 2023.

1. Macroeconomic context

THE MARKET IN 2023

The year 2023 was marked by a resilient global economic growth against a background of high interest rates and persistent inflation in developed economies. In the United States, forecasts for a recession have failed to materialise, while the euro area was impacted by the stagnation in GDP, with no deterioration in labour market conditions. The reopening of China's economy in the first half of the year has eased global supply chain constraints and contributed to consumer price disinflation. Global inflation, measured by the CPI (consumer price index), edged down from 8.7% in 2022 to 6.9% in 2023, according to the IMF's latest estimates (October 2023).

The global gross domestic product (GDP) advanced at a 3% pace in 2023 (according to IMF estimates), which is close to potential levels, but lower than in 2022 (3.4%).

In 2023 the GDP in the US grew at a remarkable 2.4% (compared to 1.9% in 2022) against a backdrop of interest rates reaching their peak since 2008 and employment conditions remaining stable. The Federal Reserve (Fed) increased the Fed's funds rate by 100 basis points to 5.5% in 2023, while the unemployment rate remained at its lowest level in five decades for the second year in a row, i.e at 3.6%. Financial conditions remained stable following the Fed's intervention in two regional banks hit by liquidity problems in the first quarter of 2023. At the same time, the impact of the Fed's tighter monetary policy, lower energy costs resulting from a 5.8% drop in oil prices and the end of the problems affecting the global supply chain have contributed to lowering the CPI from 8.0% in 2022 to 4.1% in 2023. There being no recession, the S&P 500 index has reached all-time highs, rising by 24.2% to 4,770 points in 2023.

Economic conditions proved more adverse in the euro area, where GDP growth stagnated at 0.5% in 2023 (compared to +3.4% in 2022) and inflation remained resilient at 5.5% (compared to +8.4% in 2022). Energy prices were under less pressure in 2023 due to the EU's strategy to reduce its dependence on Russian gas and also due to lower oil prices. However, the robustness of the labour market, with unemployment falling to 6.5% in 2023 (compared to 6.7% in 2022), has kept inflation under upward pressure, with the core CPI (excluding food and energy) accelerating to 5.5% compared to 3.9% in 2022. To meet the 2% inflation target, the ECB increased its refinancing rate by 200 basis points to 4.5% in 2023.

The financial sector proved resilient given the tighter monetary conditions imposed by the ECB, namely the quantitative tightening of the loan portfolio. The ECB's balance sheet decreased by 13% as a result of the central bank's decision to phase out the PSPP (Public Sector Purchase Programme). The euro area's banking sector has proven more resilient to adverse conditions following the Fed's intervention in US regional banks and the Swiss National Bank's decision to support UBS's acquisition of Credit Suisse in the first quarter of 2023. This resilience translated into greater risk appetite in the euro area banking sector, reflected in the iTraxx senior financial five-year CDS spreads, which fell from a high of 131 basis points in the first quarter of 2023 to 67 basis points in December 2023.

Euro area GDP developed at different paces in 2023, with Germany at risk of recession for most of the year and records of a 0.3% contraction, after weak growth of 1.8% in 2022. On the other hand, GDP rose by 0.8% in France (compared to 2.5% in 2022), 2.4% in Spain (compared to 5.8% in 2022) and 2.2% in Portugal (compared to 6.9% in 2022) in accordance with preliminary consensus estimates (Bloomberg, January 2024). The EU's GDP was affected by the ongoing war in Ukraine and the poor performance of trade in goods and services with China in 2023.

Consensus projections point to weaker than expected growth in China, with GDP advancing by 5.2% against the initial estimate of 5.5% in 2023 (compared to 3.0% in 2022). The restrictions imposed by COVID-19 in the first quarter of 2023 and the recession in the construction sector were to blame for the slower recovery of China's economy in 2023, according to these projections. Consumer prices remained subdued overall, with CPI inflation at 0.2% in 2023, down from 2.0% in 2022. The People's Bank of China further eased liquidity conditions, lowering the reserve requirement ratio from 11% to 10.50% in 2023.

In 2023 growth in the emerging markets was affected by the weakening of the GDP in China and in Europe, while maintaining a pace similar to that seen in 2022. According to preliminary estimates, emerging market economies grew by 3.9% in 2023, compared to 3.8% in 2022.

A poor budgetary performance was the keynote in most developed economies in 2023. Governments in the euro area continued to report sharp deficits, at 3.2% of GDP in 2023 compared to 3.6% in 2022, according to the European Commission's estimates (Autumn Forecast 2023). Single currency area's debt-to-GDP ratio improved from 92.5% in 2022 to 90.4% in 2023.

In 2023 six countries in the euro area, Portugal included, maintained a debt-to-GDP ratio of over 100%, in accordance with the European Commission. Portugal, however, reduced its debt for the third year in a row, bringing it down from a peak of 134% of GDP in 2020 to 103.4% of GDP in 2023. This improvement led to a further uplift in the sovereign ratings awarded by Moody's and Fitch, to A3 (one-notch, with a stable outlook) and A- (one-notch, with a stable outlook) respectively, with a possible upward revision of the outlook for the BBB+ rating awarded by S&P from stable to positive expected for the first half of 2024.
In 2023 Spain's sovereign debt rating remained unchanged at Baa1, awarded by Moody's (stable outlook), A by S&P (stable outlook) and A- by Fitch (stable outlook).

The US recorded a budget deficit of 6.1 per cent of GDP in 2023, compared to 6.5% in 2022, leading to a debt-to-GDP ratio of 99.4% in 2023, up from 98.4% in 2022. S&P maintained the US sovereign rating unchanged at AA+ with stable outlook in 2023. On the other hand, Fitch downgraded its rating from AAA to AA+, with stable outlook, while Moody's lowered the outlook for the US triple-A rating to negative, due to persistent deterioration in budgetary performance and political difficulties in passing a new debt ceiling in the US Congress before the 2024 general election. China's central government budgetary performance continued to deteriorate, with its budget deficit rising for the second year in a row, reaching 5% of GDP in 2023, compared to 4.7% in 2022 and 3.8% in 2021. Moody's changed its outlook for China's sovereign rating to negative, while both S&P and Fitch maintained their A+ rating and stable outlook unchanged for 2023.

The yield on the benchmark 10-year government bond experienced strong volatility during 2023 (the highest in the last 5 years). The yield on US 10-year Treasury Notes ended the year at 3.88%, close to the level reported at the end of 2022, but recorded lows of 3.31% in March-April on fears of a recession, as well as a peak of 4.99% in October 2023, when consensus projections raised the possibility of further rate hikes by the Fed. Shortly afterwards, the Fed announced a pause in the tightening cycle, which triggered a wave of expectations for rate cuts in the first half of 2024 across market participants, with the yield on 10-year Treasury Notes falling 160 basis points from the highs in October to the end of December 2023.

The 10-year German Bund yield closed the year at 2.49%, down from the end of the previous year (2.76% as at December 2022), and also showed strong fluctuations during the year, between a low of 2.36% and a high of 3.34%. Yields were squeezed at a faster pace in the last quarter of 2023, in the context of a wave of risk aversion related to the prospects of lower GDP performance in the euro area for an extended period and the possibility of rate cuts in the US, leading market participants to consider an earlier than expected rate cut by the ECB in 2024 in their outlook. In Asia, the yield on Chinese 10-year government bonds denominated in US dollars fell 32 basis points to 3.2% in 2023.

Sovereign debt markets were favourable to euro issuers from peripheral countries in 2023. The spread of Portuguese 10-year treasury bonds against the German Bund for the same maturity shrank by 38.5 to 63 basis points, while the equivalent spread of Spanish government bonds fell by 12 basis points to 97 basis points in December 2023. In 2023, Italy's 10-year bond spread over the German Bund shrank by 47 basis points to 167 basis points.

The resilience of the economy in a tight monetary environment and the strong performance of labour markets in the US and Europe favoured the major stock indices in 2023. Riding a wave of renewed optimism for the technology sector, the Nasdaq and Euro Stoxx 50 indices recorded gains of 43.4% and 19.2% respectively, in 2023.

In 2023, commodity markets weakened as a result of less favourable growth performance in Europe and China, and also to the cost of a high dollar interest rate. The CRB index fell by 5.0 per cent in 2023, with the energy and agricultural products sectors recording their biggest falls (-14.8% and -11.6€% respectively). The price of crude oil (Brent) fell by 5% in 2023, according to the corresponding contracts, to USD75.9 per barrel in December 2023, with strong volatility throughout the year due to production cuts by OPEC members, fears of a recession and the war in the Middle East.

On the currency markets, the euro advanced to 1.104 against the US dollar in 2023 (+3.1% since the beginning of the year). The US Dollar Index fell by 2.1 in 2023 as a result of the perception that the Fed had reached its tightening cycle peak. Emerging market currencies had a mixed performance. Due to a weaker than expected economic recovery and the People's Bank of China's low interest rate outlook, the Chinese yuan fell to CNY/USD 7.1 (-2.9%) in 2023.

Foreign Exchange Markets (FX rate and % Change)				
		2022	2023	% Change
US	Dollar Index	103,52	101,33	-2,1%
Euro	EURUSD	1,07	1,10	3,1%
UK	EURGBP	0,89	0,87	-2,1%
China	CNYUSD	6,90	7,10	2,9%

Source: Bloomberg | Analysis: Haitong Bank SA | Last update: 01/15/2024

OUTLOOK FOR 2024

The global economic activity is expected to somewhat soften in 2024, with the risk of recession in Europe and a soft landing of the US economy in the first half of 2024. China's GDP is also expected to grow at a rate close to or below the 5% target in 2024.

Gross Domestic Product (%) - Consensus					
	2020	2021	2022	2023	2024
World	**-3,0%**	**6,2%**	**3,4%**	*3,0%*	*2,6%*
Euro Area	**-6,1%**	**5,9%**	**3,4%**	*0,5%*	*0,5%*
US	**-2,2%**	**5,8%**	**1,9%**	*2,4%*	*1,3%*
Portugal	**-8,3%**	**6,2%**	**6,9%**	*2,2%*	*1,5%*
Spain	**-11,2%**	**6,4%**	**5,8%**	*2,4%*	*1,5%*
China	**2,2%**	**8,4%**	**3,0%**	*5,2%*	*4,5%*

*Consensus according to Bloomberg Jan24 |Bold=Actual; Italic=Consensus
Source: Bloomberg

The year 2024 will be marked by a busy electoral calendar, with general elections scheduled in the United States, India, Russia and Mexico, as well as the European Parliament elections. Geopolitical strains are likely to remain high due to the ongoing war in Ukraine, tensions in the Middle East and the possibility of new trade-related tensions with China and the US/EU. Global industrial activity should continue to move towards a profound remodelling through reshoring (back to home turf), nearshoring (relocating to nearby and more accessible locations) and friend-shoring (relocating to places where trade sanctions and problems related to access to technology are less likely to occur).

According to US, Euro area and UK monetary policies, interest rates should fall in the second half of 2024. The Fed is expected to start cutting the Fed Funds rate in September 2024, from 5. 50% to 4. 75% in December 2024. On the other hand, the ECB is expected to keep its refinancing rate unchanged at 4.5% until October 2024, then lower it to 3.75% until December 2024.

Inflation remained higher than expected in 2023 due to the resilience of the labour market in the US and Europe. Short of a deterioration in the labour markets, wage pressures in these economies should persist, keeping core inflation (especially services inflation) under upward pressure until 2025. According to consensus expectations, core inflation in 2024, which is a long-term indicator of inflation, should slow down from 4.2% in 2023 to 2.6% in the US and from 5. 5% in 2023 to 2. 6% in the euro area. In both cases, the central banks' inflation target of 2% should remain unfulfilled in 2024 and is likely to challenge market participants' opinions on the possibility of bringing forward the rate cut cycle to the first half of 2024.

As for the 10-year US Treasury Notes benchmark rate, this should fall to a range of 3.00% to 3.50% and the 10-year German Bund yield should be in the range of 1.75% to 3.00% in 2024. Based on the outlook for a weak global GDP growth, the US dollar and the Euro are likely to become liquidity safeguards in 2024. As the ECB is taking longer than the Fed to cut interest rates, the euro should advance to a range of EUR/USD 1.10 - EUR/USD 1.15. Emerging market currencies should remain volatile, possibly improving in 2024 as a result of the planned rate cuts by the central banks of developed economies, especially the Fed.

The rating agencies have refrained from making significant changes to their ratings of sovereign debt in the euro area in 2023. The above-expected inflation spike also contributed to a rise in tax revenue, as well as to a decrease in euro area budget deficits in 2023. Sovereign rating downgrade risks should become more visible if the fiscal rebalancing is extended until the end of 2024 (EU agreement). A hard landing recession could pose a risk, leading to a downgrade of Italy’s sovereign rating (S&P BBB/stable; Moody's Baa3/stable; and Fitch BBB/stable) and France (S&P AA/negative; Moody's Aa2/stable; and Fitch AA-/stable). The ECB's Transmission Protection Instrument, announced in 2022, may be put to the test in the event of a deep recession and extreme volatility in the euro financial markets in 2024.

In 2024 the riskiest asset classes will probably remain exposed to volatility due to the risk of recession in Europe, China's weaker-than-expected economic recovery, the US GDP downturn and persistent geopolitical tensions in the Middle East.

2. Activity in 2023

In terms of Haitong Global Asset Management 's activity in 2023, the following should be noted:

- Divestments totalling €8 million, consisting of (i) the sale of a subsidiary held by the Haitong Private Equity Fund (HPEF); and (ii) capital distributions from subsidiaries of the only Fund under management;
- Capital reductions in the FCR Haitong Private Equity Fund, totalling €14 million, reflecting the maturity of the Fund's portfolio of subsidiaries;
- HPEF's overall assets under management, at market value, reaching approximately €9 million, a decrease compared to the end of 2022, when assets under management totalled €17.5 million. Around 9.8% of this total represents holdings in companies, through funds under management, and 90.2% refers to units in venture capital funds, under external management.
- The provision of recurrent information to an institutional customer on developments in international financial markets, with special emphasis on Asian markets.
- Implementation on 1 July 2023 of the assignment of the contractual position for the discretionary management of the Haitong Bank's portfolios of business and private customers to HGAM, thus concluding another stage in the incorporation of the asset management business developed by the Haitong Bank into the Company. As at 31 December, assets under management in this activity totalled €4.7 million.
- The creation of a new VCF, the Haitong Iberian Core Fund, of up to €75 million, which was approved by Portuguese regulator CMVM in July 2023. This Fund, which will invest in real estate companies with Core and Core+ assets located in Portugal and Spain, is currently in the fund-raising phase.
- Start of the Alternative Investment Funds management business with the formal approval by the CMVM of the new Haitong China Bond Fund. This fund will invest in China's offshore USD bonds, benefiting from HGAM's consolidated management capacity, combined with the Haitong Securities Group's experience. We expect this Fund to start its fund-raising process in early 2024.

2.1. Funds under management

The number of funds under management fell compared to 2022, totalling €39.1 million.

2.2. Investment

No new investments were made during the 2023 financial year.

2.3. Divestment

Divestment in 2023 totalled about €8 million, with the sale of a subsidiary of the FCR Haitong Private Equity Fund having been completed.

Also noteworthy were the distributions received from the PPP Italia Fund, a fund managed by a third party held by Haitong Private Equity Fund, which totalled €54 thousand. The PPP Italia Fund was wound up in December 2023.

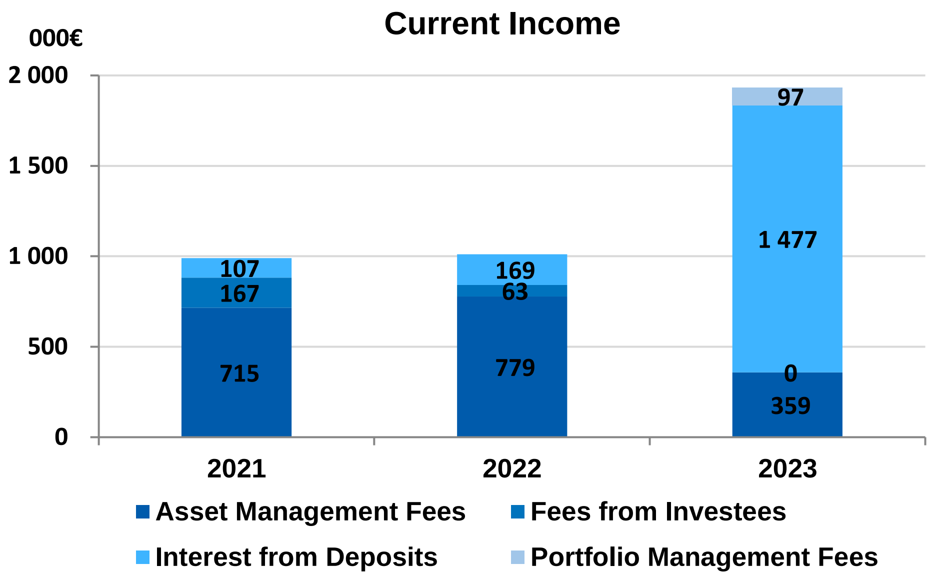
3. Economic and financial overview

This economic and financial review is restricted to the Haitong Global Asset Management only, and excludes venture capital funds under its management.

3.1. Performance review

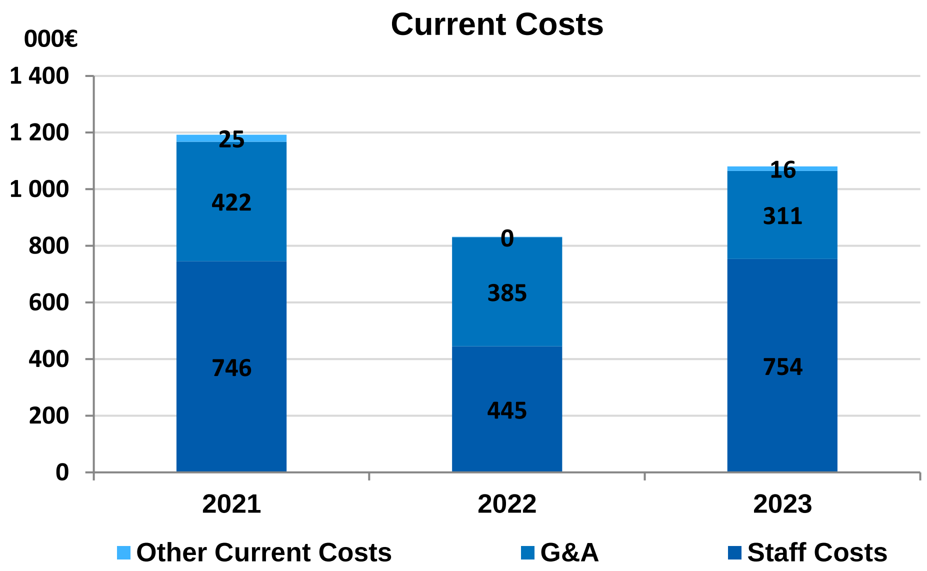
At the end of 2023 the Haitong Global Asset Management posted a net profit for the year of approximately €797 thousand, up by 257.40% from about €223 thousand a year earlier.

Current income, totalling €1,932 thousand, showed a 91.2% increase compared to 2022, largely due to the increase in the remuneration of term deposits, and current costs, totalling €1,081 thousand, showed an increase of around 30.1% compared to 2022, as a result of the gradual incorporation of the asset management business and the corresponding human and technical resources into the Company, with Haitong Global Asset Management closing the year with positive current results of €851 thousand.

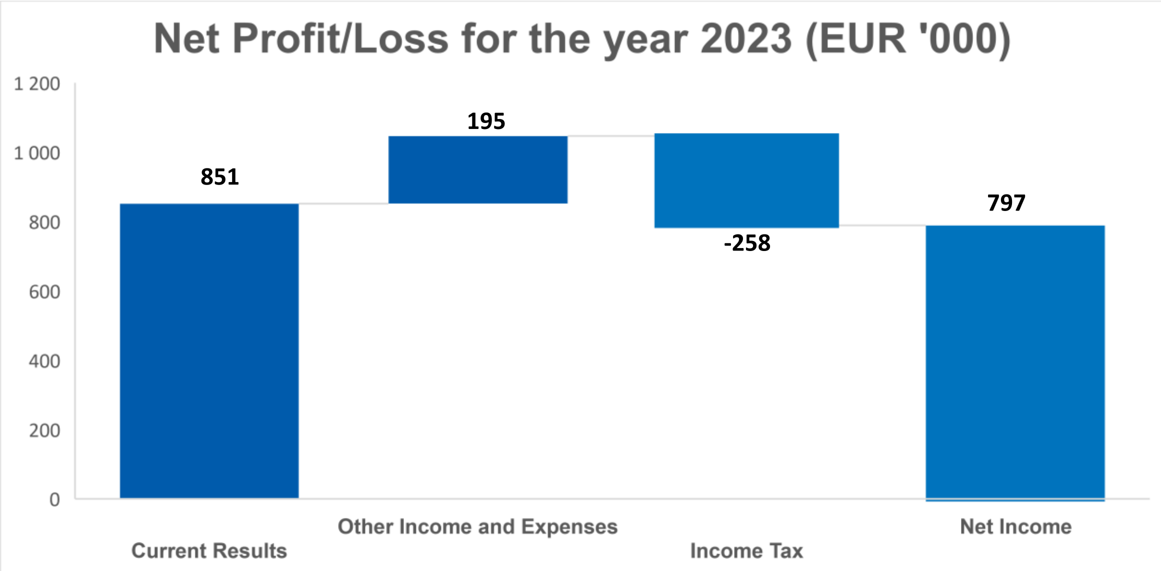


Source: Haitong Global Asset Management

Source: Haitong Global Asset Management



Source: Haitong Global Asset Management



As shown in the Chart above, the positive net results of €797 thousand resulted from (i) positive operating results, (ii) reversal of impairments previously recorded and (iii) taxes.

3.2. Balance sheet position

At the end of the year the Haitong Global Asset Management reported assets of about €57.5 million, of which about €57 million corresponded to financial resources available.

In 2023 the Haitong Global Asset Management's equity closed at €56.9 million.

4. Outlook for2024

In a challenging economic environment impacted by soaring inflation and the war in Ukraine, it was possible to maintain an appropriate divestment level and close monitoring of the HPEF's portfolio of subsidiaries, to maximise value creation.

In 2024 the Haitong Global Asset Management should definitively incorporate the asset management businesses that have been conducted by the Haitong Bank, finalising the process of broadening its business model and strengthening its role as a third-party asset manager.

The Haitong Global Asset Management, SGOIC, SA. will develop a broader asset management business in the future and will position itself as the Haitong Group’s European vehicle for managing collective investment undertakings by leveraging its extensive know-how in Asian assets and its strong track record in European assets.

5. Purchase and sale of own shares

Information for compliance with the provisions of Article 324 of the Companies Code: no own shares were purchased or sold in 2023, and the Company held no shares of this type at the end of the year.

6. Transactions between the Company and its Directors

Information for compliance with the provisions of Article 307 of the Companies Code: there were no transactions between the Company and its Directors in 2023.

7. Company's position vis-à-vis public authorities

The Haitong Global Asset Management has no debts to the State, the Social Security or any other public authority.

8. Earnings distribution proposal

Under the terms of the law and the Company's Articles of Association, the Board of Directors proposes that the net profit of €797,187 for the year 2023 be allocated as follows:

a) Legal reserve: €39,860
b) Retained earnings: €757,327

9. Final Note

The Board of Directors would like to thank the Company's employees for their commitment and dedication, and to express its gratitude to the members of the other governing bodies, the Shareholder, the CMVM and all the other institutions with which it has interacted, for their cooperation throughout the year.

Lisbon, 23 February 2024

The Board of Directors

Chairman of the Board of Directors Francisco Alexandre Valente Oliveira	Member António Carlos Gomes Pacheco
Member Bin Xu	Member Luís Nuno Lima de Carvalho Valença Pinto
Member José Luís de Saldanha Ferreira Pinto Basto	

FINANCIAL STATEMENTS

Profit and Loss Account for the years ended on 31 December 2023 and 2022

(EUR)

	Notes	31.12.2023	31.12.2022
Interest and similar income	4	1 476 881	168 937
Net interest income		**1 476 881**	**168 937**
Revenues from services and fees	5	658 852	842 003
Foreign exchange revaluation results		1 611	-
Other operating profit/loss	6	(5 481)	(13 300)
Operating income		**2 131 863**	**997 640**
Staff costs	7	753 956	445 008
Administrative expenses	8	310 994	385 380
Depreciation/amortisation	12 e 13	16 184	493
Impairment on financial assets	9	(4 491)	(111 229)
Operating expenses		**1 076 643**	**719 652**
Profit/loss before tax		**1 055 220**	**277 988**
Taxes			
Current	14	(258 033)	(55 115)
Net profit/loss for the year		**797 187**	**222 873**

The accompanying notes are an integral part of these financial statements

The Board of Directors

Chartered Accountant

Statement of Comprehensive Income for the years ended on 31 December 2023 and 2022

(EUR)

	31.12.2023	31.12.2022
Net profit/loss for the year	**797 187**	**222 873**
Total comprehensive income/loss for the year	**797 187**	**222 873**

The accompanying notes are an integral part of these financial statements

The Board of Directors　　　　Chartered Accountant

Balance Sheet as at 31 December 2023 and 2022

(EUR)

	Notes	31.12.2023	31.12.2022
Assets			
Cash and cash equivalents	10	100 186	404 290
Financial assets at amortised cost			
Loans and advances to credit institutions	11	56 945 219	55 054 011
Other tangible assets	12	1 143	771
Intangible assets	13	34 688	58 865
Deferred tax assets			
Current tax assets	14	19 956	953 809
Other assets	15	362 576	93 658
Total Assets		**57 463 768**	**56 565 404**
Liabilities			
Tax deferred liabilities			
Current tax liabilities	14	248 963	59 179
Other liabilities	16	324 045	412 652
Total Liabilities		**573 008**	**471 831**
Equity			
Equity	17	25 000 000	25 000 000
Other reserves and retained earnings	18	31 093 573	30 870 700
Net profit/loss for the year		797 187	222 873
Total Equity		**56 890 760**	**56 093 573**
Total Equity and Liabilities		**57 463 768**	**56 565 404**

The accompanying notes are an integral part of these financial statements

The Board of Directors

Chartered Accountant

Individual Statement of Changes in Equity for the years ended on 31 December 2023 and 2022

(EUR)

	Equity	Other reserves, retained earnings and other comprehensive income	Total	Net Profit/Loss for the Year	Total equity
Balance as at 31 December 2021	**25 000 000**	**29 216 572**	**54 216 572**	**1 654 128**	**55 870 700**
Appropriation of net profit/loss	-	1 654 128	1 654 128	(1 654 128)	-
Net profit/loss for the year	-	-	-	222 873	222 873
Balance as at 31 December 2022	**25 000 000**	**30 870 700**	**55 870 700**	**222 873**	**56 093 573**
Appropriation of net profit/loss	-	222 873	222 873	(222 873)	-
Net profit/loss for the year	-	-	-	797 187	797 187
Balance as at 31 December 2023	**25 000 000**	**31 093 573**	**56 093 573**	**797 187**	**56 890 760**

The accompanying notes are an integral part of these financial statements

The Board of Directors

Chartered Accountant

Cash Flow Statement for the years ended on 31 December 2023 and 2022

(EUR)

	Notes	31.12.2023	31.12.2022
Cash flow from operating activities			
Interest and income received		251 756	111 286
Services and fees received		483 108	1 188 407
Cash payments to employees and suppliers		(1 041 230)	(1 047 216)
		(306 366)	**252 477**
Changes in operating assets and liabilities:			
Loans and advances to credit institutions		(750 000)	2 600 000
Other operating assets and liabilities		918 414	(40 692)
Net cash from operating activities before income tax		**168 414**	**2 559 308**
Interest taxes paid		(166 152)	(2 450 404)
		2 262	**108 904**
Net cash flow from investing activities			
Sale and redemption of securities investments		-	-
		-	-
Net change in cash and cash equivalents		**(304 104)**	**361 381**
Cash and cash equivalents at beginning of the year		404 290	42 909
Cash and equivalents at end of the year		100 186	404 290
		(304 104)	**361 381**
Cash and cash equivalents include:			
Cash	10	491	1 405
Cash and claims on other credit institutions	10	99 695	402 885
Total		**100 186**	**404 290**

The accompanying notes are an integral part of these financial statements

The Board of Directors

Chartered Accountant

1. NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – ACTIVITY

Haitong Global Asset Management, SGOIC, S.A. (Haitong GAM or the Company) has its registered office at Rua Alexandre Herculano, 38, in Lisbon, and was incorporated on 12 September 1988 with the under the initial name of SFIR – Sociedade de Financiamento e Investimento de Risco, S.A. On 24 October 1996 the Company changed its name to ES Capital – Sociedade de Capital de Risco, S.A., on 10 September 2003 it changed its name again to Espírito Santo Capital – Sociedade de Capital de Risco, S.A., on 24 September 2015 it changed its name to Haitong Capital – SCR, S.A. and on 16 March 2022 it changed its name again to Haitong Global Asset Management, SGOIC, S.A.

Following the CMVM authorisation granted on 14 September 2021, the process of transforming Haitong Capital into a SGOIC was initiated. The latest stage took place on 01 July 2023 with the start of the individualised portfolio management business.

The investment funds, as well as the portfolios of assets under management as at 31 December 2023 and 2022 are detailed in Note 20.

Haitong GAM’s financial statements are consolidated by the Haitong Bank S.A., having its registered office at Rua Alexandre Herculano, 38, in Lisbon.

NOTE 2 – MAIN ACCOUNTING POLICIES

2.1. BASES OF PRESENTATION

Under the provisions of CMVM Regulation No 2/2015, republished by CMVM Regulation No 3/2020, as amended by CMVM Regulations No 6/2020 and 9/2020, Haitong Global Asset Management, SGOIC, S.A.'s financial statements have been prepared in accordance with International Financial

Reporting Standards (IFRS) as adopted by the European Union.

The IFRS comprise the accounting standards issued by the International Accounting Standards Board (IASB) as well as the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), and their predecessor bodies.

These Haitong GAM's financial statements are for the year ended 31 December 2023 and were prepared in accordance with the IFRS in force as adopted in the European Union until 31 December 2023.

The Company has adopted the IFRS and interpretations that are mandatory for financial years beginning on or after 1 January 2023. The accounting policies were applied in a manner consistent with those used to prepare the financial statements for the previous year.

The financial statements are expressed in euro, rounded to the nearest unit. They have been prepared under the historical cost convention, except for the assets and liabilities measured at fair value, namely financial instruments at fair value through profit or loss.

Other financial assets, financial liabilities and non-financial assets and liabilities are measured at amortised cost or historical cost.

The preparation of the financial statements in conformity with IFRS requires the Company to make judgements and estimates and use assumptions affecting the application of the accounting policies and the amounts corresponding to income, expenses, assets and liabilities. Any changes to such assumptions or any difference between these assumptions and reality may have an impact on current estimates and judgements. The areas involving a higher degree of judgement or complexity, or where significant assumptions and estimates are used in preparing individual

financial statements are set out in Note 3.

These financial statements were approved at a meeting of the Board of Directors held on 23 February 2024.

2.2. FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are translated at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated into euro at the exchange rate ruling at the year date. Any exchange differences arising are recognised in profit and loss.

Non-monetary assets and liabilities measured at historical cost, denominated in foreign currency, are translated at the exchange rate at the date of transaction. Non-monetary assets and liabilities denominated in foreign currency that are measured at fair value are translated at the exchange rate ruling at the date the fair value was determined. Any exchange differences arising are recognised in profit or loss.

2.3. FINANCIAL INSTRUMENTS

2.3.1 CLASSIFICATION OF FINANCIAL ASSETS

At initial recognition, financial assets are classified into one of the following categories:

a) Financial assets at amortised cost;
b) Financial assets at fair value through other comprehensive income; or

c) Financial assets at fair value through profit or loss:

i. Financial assets held for trading
ii. Financial assets not held for trading mandatorily measured at fair value through profit or loss
iii. Financial assets designated at fair value through profit or loss

Financial assets classification and measurement depends on the results of the SPPI (Solely Payments of Principal and Interest) test, which reviews the characteristics of the contractual cash flows to conclude whether they correspond solely to payments of principal and interest on the principal amount outstanding, and the business model.

a) Financial assets measured at amortised cost

A financial asset is classified under Financial assets at amortised cost if both of the following conditions are met:

i. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and;
ii. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

The item Financial assets at amortised cost includes mainly loans and advances to credit institutions, loans and advances to customers, and debt securities.

b) Financial assets at fair value through other comprehensive income

A financial asset is classified under Financial assets at fair value through other comprehensive income if it meets both of the following conditions:

i. The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and;
ii. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

Furthermore, upon initial recognition of an equity instrument that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies, the Company may irrevocably elect to recognise it under Financial assets at fair value through other comprehensive income. This option is exercised on a case-by-case, investment-by-investment

basis and is available only for financial instruments that comply with the definition of equity instruments in IAS 32 and cannot be used for financial instruments that are classified as equity instrument from the issuer's perspective under the exceptions provided for in paragraphs 16A–16D of IAS 32.

c) Financial assets at fair value through profit or loss

A financial asset is classified under Financial assets at fair value through profit and loss if the business model defined by the Company for its management or contractual cash flow characteristics are not appropriate for them to be classified into the aforesaid categories.

Moreover, the Company may irrevocably designate a financial asset, which meets the criteria to be classified under Financial assets at amortised cost or Financial assets at fair value through other comprehensive income, as at fair value through profit or loss, at initial recognition, if this would eliminate or significantly decrease an inconsistency in measurement or recognition (accounting mismatch) that would otherwise arise from measuring assets or liabilities or recognising gains and losses on them on different bases.

Gains and losses on financial assets and liabilities at fair value through profit or loss, i.e. changes in fair value and interest on trading derivatives, as well as dividends received from these portfolios, are recognised under Net income from other financial instruments at fair value through profit or loss in the profit and loss account.

Business model assessment for managing financial assets

The assessment of the business model is not based on intentions for individual instruments but rather for a set of instruments, considering sales frequency, value, timing in previous financial years, the reasons behind them and expectations about future sales activities. Infrequent or insignificant sales, or those made close to the maturity of the asset and those triggered by increases in the credit risk of financial assets or to manage the concentration risk, among others, may be compatible with the model of holding assets to collect contractual cash flows.

Assessment of contractual cash flow characteristics of financial assets (SPPI)

If a financial asset contains a contractual clause that could change the timing or amount of contractual cash flows (such as early repayment or extension clauses), the Company will determine whether the cash flows to be generated during the lifetime of the instrument, under that contractual clause, are only payments of principal and interest on the principal amount outstanding.

Upon initial recognition, the contractual conditions of financial assets that impact on cash flows or are contingent on the occurrence of exceptional or highly unusual events (such as the liquidation of the issuer) may be measured at amortised cost or at fair value through other comprehensive income.

Initial recognition

Upon initial recognition, all financial instruments are measured at their fair value. For financial instruments that are not measured at fair value through profit or loss, the fair value is adjusted by adding or subtracting transaction costs directly attributable to their acquisition or issue. In the case of instruments at fair value through profit or loss, directly attributable transaction costs are recognised immediately in profit or loss.

Transaction costs are defined as expenses directly attributable to the acquisition or disposal of a financial asset or to the issue or assumption of a financial liability that would not have been incurred if the Company had not carried out the transaction.

Measurement subsequent to initial recognition

Upon initial recognition, the Company measures a financial asset at its amortised cost, fair value through other comprehensive income, fair value through profit or loss or cost.

The fair value of listed financial assets is their current bid price. If no quoted price is available, the fair value is estimated by the Company by using (i) valuation methodologies, such as the use of recent, similar transaction prices under market conditions, discounted cash flow techniques and option valuation models customised to reflect the particularities and circumstances of the instrument, and (ii) valuation assumptions based on market information. These methodologies also incorporate own and counterparty credit and counterparty risk. These methodologies may require the use of assumptions or judgements in estimating fair value.

The income and expenses of financial instruments at amortised cost are recognised in accordance with the following criteria:

a) Interest is recognised in profit or loss using the effective interest rate of the transaction on the gross carrying amount of the transaction (except in the case of impaired assets, where the interest rate is applied on the net carrying amount of the impairment).
b) The other changes in value will be recognised as income or expense when the instrument is derecognised from the balance sheet, when it is reclassified, and in the case of financial assets, when impairment losses or gains from their recovery occur.
c) Income and expenses on financial instruments at fair value through profit or loss are recognised according to the following criteria:
d) Fair value changes are recognised directly in profit or loss, separating the part attributable to income from the instrument, which is recorded as interest or dividends, depending on its nature, and the remainder, which is recognised as profit or loss under the corresponding item.
e) Interest on debt instruments are measured using the effective interest rate method.

Income and expenses from financial instruments at fair value through other comprehensive income or loss are recognised according to the following criteria:

a) Interest has the same procedure as assets at amortised cost.
b) Foreign exchange differences are recognised in profit and loss.
c) Impairment losses or gains on their recovery are recognised in profit or loss.
d) The remaining changes in value are recognised in other comprehensive income.

Therefore, where a debt instrument is measured at fair value through other comprehensive income, the amounts recognised in profit or loss for the period are the same as those that would be recognised if measured at amortised cost.

When a debt instrument measured at fair value through other comprehensive income is derecognised from the balance sheet, the gain or loss recognised in other comprehensive income is reclassified to net profit/loss for the year.

Where contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in derecognition of the financial asset in accordance with the Company's adopted policy, the Company recalculates the gross amount of the financial asset and recognises a gain or loss arising from the difference from the previous amortised cost against profit or loss. The gross value of the financial asset is recalculated as the present value

of the renegotiated or modified contractual cash flows discounted at the original effective interest rate of the asset.

Impairment of financial assets

The Company determines impairment losses for exposures that carry credit risk.

Impairment model

Under IFRS 9, the Company determines the expected credit losses (ECL) using a forward-looking model that considers credit losses over the lifetime of financial instruments. Therefore, ECL calculation incorporates macroeconomic factors, as well as other forward-looking information, and any changes thereto will have an impact on expected losses.

Calculating expected credit losses

According to the IFRS 9, the expected credit loss for financial assets is the current value of the difference between (1) the contractual cash flows that are due to an entity under the agreement, and (2) the cash flows that the entity expects to receive.

The recognition of an impairment is required on financial assets at amortised cost (AC). Therefore, the types of financial assets for which impairment should be recognised are as follows:

- Loans and advances to customers;
- Loans and advances to banks;
- Debt securities;
- Debtors and other receivables;
- Cash and cash equivalents.

Derecognition criteria

The Company derecognises a financial asset in the following situations:

a) when transferring that asset and, as a result of such transfer, all the risks and benefits of that asset are transferred to another entity;
b) where there is a major change in the structure of the borrowers within the instrument:
c) where there is a change deemed material in the terms and conditions of that asset.

2.3.2 INTEREST RECOGNITION

Results referring to interest from asset and liability financial instruments measured at amortised cost are recognised under Interest and similar income or Interest and similar costs (net interest income), using the effective interest rate method. Interest at the effective rate on financial assets at fair value through other comprehensive income is also recognised in Net interest income.

The effective interest rate corresponds to the rate that discounts estimated future payments or receipts over the expected lifetime of the financial instrument (or, where appropriate, for a shorter period) net present carrying amount of the financial asset or liability.

2.4. OTHER TANGIBLE ASSETS

The Company's other tangible assets are measured at cost less their accumulated amortisation and impairment losses. This cost includes expenses directly attributable to the acquisition of goods.

Subsequent costs incurred with other tangible assets are recognised only if it is likely that future economic benefits will flow to the Company. All maintenance and repair costs are recognised as an expenditure on an accruals basis.

Depreciation of other tangible assets is calculated on a straight-line method at the following rates, reflecting the expected useful life of the assets.

	Number of years
Own use properties	50
Benefits on rented properties	10
IT equipment	4 to 5
Indoor installation	5 a 12
Furniture and furnishings	4 to 10
Security equipment	4 to 10
Machines and tools	4 to 10
Transport material	4
Other equipment	5

Where there is evidence that an asset may be impaired, IAS 36 requires that its recoverable amount be estimated, and an impairment loss should be recognised where the net value of an asset exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account.

The recoverable amount is determined as the highest of its net selling price and value in use, which is calculated based on the current value of the estimated future cash flows expected to be obtained from the continued use of the asset and its disposal at the end of its useful life.

2.5. INTANGIBLE ASSETS

Costs incurred with the acquisition, production and development of software are capitalised, as are the additional expenses incurred by the Company required for its implementation. Such costs are amortised on a straight-line basis over the expected useful life of these assets, which is usually between 3 and 8 years.

Costs that are directly associated with the development of identifiable specific software applications and that will probably generate economic benefits beyond one year, are recognised as intangible assets.

All other charges related to IT services are recognised as costs, where incurred.

2.6. TAXES ON CAPITAL INCOME

Taxes on capital income comprise current and deferred taxes. Taxes on capital income are recognised in profit or loss, except where they are related to items that are recognised directly in equity, in which case they are also recorded with a contra-entry under equity. Taxes recognised in equity, as a result of the reassessment of financial assets at fair value through other comprehensive income, are subsequently recognised in profit or loss when the gains and losses that gave rise to them are recognised in profit or loss.

Current taxes are those expected to be paid based on the taxable income calculated in accordance with the tax rules in force, using the tax rate approved or substantially approved in each jurisdiction.

Deferred taxes are calculated, using the balance sheet liability method, on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax basis by using the tax rates that have been enacted or substantively enacted by the balance sheet date in each jurisdiction and are expected to apply when the temporary differences are reversed.

Deferred tax liabilities are recognised for all taxable temporary differences, except for goodwill not deductible for tax purposes, differences arising on initial recognition of assets and liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that it is not likely that they reverse in the future. Deferred tax assets are recognised only to the extent that future taxable profits are expected to be available to absorb tax losses carried forward and deductible temporary differences.

2.7. RECOGNITION OF REVENUES FROM SERVICES AND FEES

Revenues from services and fees are recognised when (or as) a performance obligation is satisfied by transferring a service, based on the transaction price associated with that performance obligation, as follows:

- Revenues from services and fees arising from the performance of a certain performance obligation, such as loan syndication fees, are recognised in profit or loss when each performance obligation has been satisfied;

- Revenues from services and fees related to performance obligations satisfied over time are recognised in profit or loss over the period in which the performance obligations are satisfied;

Revenues from services and fees that are an integral part of the effective interest rate of a financial instrument are recognised in profit or loss using the effective interest rate method.

2.8. EMPLOYEE BENEFITS

The Company has no employees, the staffing being provided by the Haitong Bank, S.A. In this context, the amounts referring to staff remuneration and other related costs recorded under Staff costs result from the assignment of employees from the Haitong Bank, S.A. These amounts include costs with pensions related to expenses with staff seconded by the Haitong Bank, S.A. Haitong GAM has no direct responsibility. Responsibilities regarding Haitong GAM's employees are included in the Haitong Bank S.A.'s Pension Fund.

2.9. CASH AND CASH EQUIVALENTS

For the purposes of the cash flow statement, cash and cash equivalents comprise amounts recorded in the balance sheet with less than three months' maturity from the date of acquisition/contracting, consisting of cash and balances at central banks and other credit institutions.

NOTE 3 – MAIN ESTIMATES AND JUDGEMENTS USED IN PREPARING THE FINANCIAL STATEMENTS

IFRS set forth a range of accounting treatments and require the Board of Directors to use judgements and make estimates in deciding which treatment is more suitable. These estimates were made considering the best information available in the current economic environment. The main accounting estimates and judgements used by the Company when applying the accounting principles are discussed in this Note to improve the understanding of how their application affects the Company's reported results and their disclosure.

A broader description of the main accounting policies used by the Company is disclosed in Note 2 to the financial statements.

Considering that there are often alternatives to the accounting treatment adopted by the Board of Directors, the results reported by the Company could differ if a different treatment were chosen. The Board of Directors believes that the choices made are adequate and that the financial statements present fairly, in all material respects, the Company's financial position and results of operations.

3.1 Income taxes

Under the terms of the law in force, tax returns are subject to review and correction by tax authorities for a four-year period, except where any deduction (in particular tax losses) or tax credit has been made, in which case the expiry period is that of the exercise of this right; or where inspections, complaints or objections are in progress, in which cases, depending on the circumstances, deadlines are extended or suspended. Therefore, HGAM's tax returns for the years 2020 to 2023 may still be subject to review. Hence, additional tax assessments may arise due essentially to different interpretations of the tax law. However, the Board of Directors of the Company believes that there will be no additional payments of a significant amount likely to distort the information in the financial statements.

NOTE 4 – NET INTEREST INCOME

The amount of this item is made up of:

(EUR)

	31.12.2023	31.12.2022
Interest and similar income		
Interest from deposits and loans and advances to credit institutions	1 476 881	168 937
	1 476 881	**168 937**

NOTE 5 – GAINS AND LOSSES ON SERVICES AND FEES

The amount of this item is made up of:

(EUR)

	31.12.2023	31.12.2022
Revenues from services and fees		
Management fees		
FCR PME / NOVO BANCO	-	345 873
Haitong Private Equity Fund - FCR	307 564	432 676
Other fees	351 288	63 454
	658 852	**842 003**

At 31 December 2023, gains and losses on services and fees include an amount of €308 thousand (31 December 2022: €779 thousand) relating to management fees charged by the Company as the entity responsible for the management of the venture capital funds shown in Note 20, and an amount of €351 thousand (31 December 2022: €63 thousand) relating to discretionary management fees for individualised portfolios and other fees.

NOTE 6 – OTHER OPERATING PROFIT/LOSS

The amount of this item is made up of:

(EUR)

	31.12.2023	31.12.2022
Other customer services	3 171	6 087
Direct and indirect taxes	(10 923)	(11 241)
Other operating profit/loss	2 271	(8 146)
	(5 481)	**(13 300)**

NOTE 7 – STAFF COSTS

Staff costs are made up of:

		(EUR)
	31.12.2023	**31.12.2022**
Wages and salaries		
Remunerations	519 119	368 541
Impact from termination agreements	324	26 949
Other costs	234 513	49 518
	753 956	**445 008**

The Company has no employees. Its staff is seconded by the Haitong Bank, S.A. In this context, the amounts referring to staff remuneration and other related costs recorded under Staff costs result from the secondment of employees from the Haitong Bank, S.A. and the remuneration of a member of its statutory bodies. These amounts include pension costs related to expenses with staff seconded by the Haitong Bank, S.A., with no direct responsibility on the part of the Haitong GAM. Liabilities relating to employees seconded to Haitong GAM are included in the Haitong Bank S.A.'s Pension Fund.

The item Other costs includes:

- In 2023 compulsory social charges in the amount of €160 thousand, for the year then ended (€94 thousand as at 31 December 2022) and the performance bonus for the year in the amount of €100 thousand;
- In 2022 the performance bonus for the year totalled €50 thousand, for the year then ended, and includes the reversal of the overestimated performance bonus for the year 2021, in the amount of approximately €129 thousand.

Remuneration costs and other benefits allocated to key management staff working at Haitong GAM at the end of the year are as follows:

(EUR)

	Board of Directors	Total
December 2023		
Remuneration and other short-term benefits	318 370	318 370
Variable remuneration	11 996	11 996
Total	**330 366**	**330 366**
December 2022		
Remuneration and other short term benefits	218 565	218 565
Variable remunerations	12 961	12 961
Total	**231 526**	**231 526**

Costs with the compensation and other benefits allocated to key management personnel assigned to Haitong GAM, in office at the end of the year, are as follows:

	31.12.2023	31.12.2022
Senior management positions	4,4	2,0
Specific duties	1,2	1,0
Administrative duties	0,6	1,0
Total (average)	**4,7**	**4,0**

NOTE 8 – ADMINISTRATIVE EXPENSES

The amount of this item is made up of:

(EUR)

	31.12.2023	31.12.2022
Communications and expedition	315	2 525
Rents and leases	43 233	49 945
Travel and representation expenses	8 481	486
Maintenance and repairs	2 206	4 837
Insurance	40	384
Advertising and publications	-	546
Legal and litigation	787	10 975
Specialised services		
IT	40 224	-
Independent work	2 954	1 620
Other specialised services	211 873	307 205
Other costs	881	6 857
	310 994	**385 380**

The item Other specialised services includes, among others, consultancy and external auditors fees. The item Other costs includes, among others, security and surveillance costs, information, training and external supplies costs.

2023 and 2022 fees agreed with the Audit Firm, under the provisions set forth in Article 508-F of the Companies Code, are detailed as follows:

(EUR)

	31.12.2023	31.12.2022
Statutory audit	12 800	12 500
Total amount of services agreed	**12 800**	**12 500**

Amounts shown are before tax.

NOTE 9 – PROVISIONS AND IMPAIRMENT

Movements in impairment losses are as follows:

(EUR)

	31.12.2022	Additions / Reversals	Exchange differences and other	31.12.2023
Financial assets at amortised cost				
Loans and advances to customers	-	-	-	-
Other assets (Note 15)	709 994	(4 491)	33 629	739 132
	709 994	**(4 491)**	**33 629**	**739 132**

(EUR)

	31.12.2021	Additions / Reversals	Drawdowns	Exchange Differences and other	31.12.2022
Financial assets at amortised cost					
Loans and advances to customers	2 127 237	-	(2 127 237)	-	-
Other assets (Note 15)	751 902	(111 229)	-	69 321	709 994
	2 879 139	**(111 229)**	**(2 127 237)**	**69 321**	**709 994**

As at 31 December 2021 the exposure recognised as Financial assets at amortised cost – Loans and advances to customers was impaired on 100% of the exposure and was disposed of in 2022.

NOTE 10 – CASH AND CASH EQUIVALENTS

This item is detailed as follows, as at 31 December 2023 and 2022:

(EUR)

	31.12.2023	31.12.2022
Cash placements	491	1 405
Cash placements with other credit institutions		
Demand deposits	99 695	402 885
	99 695	**402 885**
	100 186	**404 290**

NOTE 11 – LOANS AND ADVANCES TO CREDIT INSTITUTIONS

This item is detailed as follows, as at 31 December 2023 and 2022:

(EUR)

	31.12.2023	31.12.2022
Loans and advances to credit institutions in the country		
Deposits	56 945 219	55 054 011
	56 945 219	**55 054 011**

As at 31 December 2023 and 2022, term deposits by residual maturities may be presented as follows:

(EUR)

	31.12.2023	31.12.2022
Up to 3 months	751 719	-
From 3 months to one year	-	55 054 011
From one to five years	56 193 500	-
	56 945 219	**55 054 011**

NOTE 12 – OTHER TANGIBLE ASSETS

This item is detailed as follows, as at 31 December 2023 and 2022:

(EUR)

	31.12.2023	31.12.2022
Real estate		
Leasehold improvements	13 068	13 068
	13 068	**13 068**
Equipment		
IT equipment	48 616	48 616
Furniture and equipment	38 571	38 571
Machinery and tools	5 069	5 069
Security equipment	1 876	1 876
Other	5 259	4 471
	99 391	**98 603**
	112 459	**111 671**
Accumulated depreciation	(111 316)	(110 900)
	1 143	**771**

Activity in this item was as follows:

(EUR)

	Real estate	Equipment	Total
Balance as at 31 December 2021	**13 068**	**97 816**	**110 884**
Accruals	-	787	787
Balance as at 31 December 2022	**13 068**	**98 603**	**111 671**
Accruals	-	788	788
Balance as at 31 December 2023	**13 068**	**99 391**	**112 459**
Depreciation			
Balance as at 31 December 2021	**13 068**	**97 339**	**110 407**
Depreciation for the year	-	493	493
Balance as at 31 December 2022	**13 068**	**97 832**	**110 900**
Depreciation for the year	-	416	416
Saldo a 31 de Dezembro de 2023	**13 068**	**98 248**	**111 316**
Net Balance as at 31 December 2023	**-**	**1 143**	**1 143**
Net Balance as at 31 December 2022	**-**	**771**	**771**

NOTE 13 – INTANGIBLE ASSETS

This item is detailed as follows, as at 31 December 2023 and 2022:

(EUR)

	31.12.2023	31.12.2022
Purchased from third parties		
Automated data processing system	53 590	3 134
	53 590	**3 134**
Fixed assets in progress	-	58 865
	53 590	**61 999**
Accumulated amortisation	(18 902)	(3 134)
	(18 902)	**(3 134)**
	34 688	**58 865**

Activity in this item was as follows:

(EUR)

	Automated data processing system	Fixed assets under construction	Total
Balance as at 31 December 2021	**3 134**	**-**	**3 134**
Accruals:			
from third parties	-	58 865	**58 865**
Balance as at 31 December 2022	**3 134**	**58 865**	**61 999**
Write-offs/sales:	-	(8 409)	**(8 409)**
Drawdowns	50 456	(50 456)	**-**
Balance as at 31 December 2023	**53 590**	**-**	**53 590**
Amortisations			
Balance as at 31 December 2021	**3 134**	**-**	**3 134**
Balance as at 31 December 2022	**3 134**	**-**	**3 134**
Amortisations	15 768	-	**15 768**
Balance as at 31 December 2023	**18 902**	**-**	**18 902**
Balance as at 31 December 2023	**34 688**	**-**	**34 688**
Balance as at 31 December 2022	**-**	**58 865**	**58 865**

NOTE 14 – TAXES

The reconciliation between the nominal and effective income tax rates in 2023 and 2022 is as follows:

(EUR)

	31.12.2023		31.12.2022	
	%	Amount	%	Amount
Profit/loss before tax		**1 055 220**		**277 988**
Income tax expenditure		258 033		55 117
Effective tax rate		24%		20%
Corporate tax rate	22,50%	237 425	22,50%	62 547
Permanent differences:				
Autonomous taxation	0,03%	309	0,64%	1 766
Other movements from tax estimates	1,92%	20 299	(3,30%)	(9 198)
	24,45%	**258 033**	**19,84%**	**55 115**
Of which:				
Current taxes		258 033		55 115
Effective tax rate	**24,45%**		**19,84%**	

The current tax asset corresponds to payments on account made in the 2023 financial year (the 2022 amount also corresponds to payments on account made in that financial year).

Current tax liabilities correspond to estimated corporate income tax.

NOTE 15 – OTHER ASSETS

Other assets as at 31 December 2023 and 2022 are detailed as follows:

(EUR)

	31.12.2023	31.12.2022
Debtors and other receivables		
Other sundry debtors	883 378	758 749
Impairment losses and other investments (Note 10)	(739 132)	(709 994)
	144 246	**48 755**
Deferred cost expenses	**4 008**	**2 414**
Other adjustment accounts		
Retirement pensions	4 633	-
Other transactions pending settlement	209 689	42 489
	214 322	**42 489**
	362 576	**93 658**

As at 31 December 2023, the item Other operations to be settled includes, among others, accrued commissions (i) for management fees receivable from customers, in the amount of €118,487 and (ii) for the provision of recurring information on Asian markets, in the amount of €51,102.

Other Liabilities as at 31 December 2023 and 2022 are detailed as follows:

(EUR)

	31.12.2023	31.12.2022
Debtors and other receivables		
Other sundry debtors	883 378	758 749
Impairment losses and other investments (Note 10)	(739 132)	(709 994)
	144 246	**48 755**
Deferred cost expenses	**4 008**	**2 414**
Other adjustment accounts		
Retirement pensions	4 633	-
Other transactions pending settlement	209 689	42 489
	214 322	**42 489**
	362 576	**93 658**

The item Other costs payable, as at 31 December 2023 and 2022, shows the balances to be paid concerning audits, taxes and accrued remuneration.

NOTE 17 – EQUITY

Ordinary shares

As at 31 December 2023 and 2022 the subscribed capital of €25,000,000 is 100% owned by the Haitong Bank S.A.

NOTE 18 – FAIR VALUE RESERVES, OTHER RESERVES, RETAINED EARNINGS AND NON-CONTROLLING INTERESTS

Legal reserves and other reserves

These items performed as follows:

(EUR)

	Reserves and retained earnings		
	Legal reserve	Other reserves and retained earnings	Total reserves and retained earnings
Balance as at 31 December 2021	**3 622 194**	**25 594 378**	**29 216 572**
Appropriation of net profit	-	1 654 128	1 654 128
Build-up of reserves	82 706	(82 706)	-
Balance as at 31 December 2022	**3 704 900**	**27 165 800**	**30 870 700**
Appropriation of net profit	-	222 873	222 873
Build-up of reserves	11 144	(11 144)	-
Balance as at 31 December 2023	**3 716 044**	**27 377 529**	**31 093 573**

In accordance with business legislation in force, at least 5% of net profit for the year if positive, must be allocated to increase the legal reserve until it represents 20% of the capital. This reserve is not distributable except if Haitong GAM is wound up, but it may be used to absorb losses after other reserves have been exhausted, or incorporated into the capital.

NOTE 19 – TRANSACTIONS WITH RELATED PARTIES

The Company's transactions with related entities in the years ended 31 December 2023 and 2022, as well as their costs and income recognised in the year, are summarised as follows:

(EUR)

	31.12.2023					
	Assets			Liabilities	Income	Costs
	Deposits and loans and advances to other credit institutions	Other assets	Total			
Shareholders						
HAITONG BANK SA	57 034 872	-	57 034 872	3 840	1 476 881	261 000
TOTAL	**57 034 872**	-	**57 034 872**	**3 840**	**1 476 881**	**261 000**

(EUR)

	31.12.2022					
	Assets			Liabilities	Income	Costs
	Deposits and loans and advances to other credit institutions	Other assets	Total			
Shareholders						
HAITONG BANK SA	55 439 717	8 880	55 448 597	-	168 937	292 359
TOTAL	**55 439 717**	**8 880**	**55 448 597**	-	**168 937**	**292 359**

The business of the Company consists of the administration, management and representation of Investment Funds.

As at 31 December 2023 and 2022 the number of investment funds under the Company's management may be summarised as follows:

(EUR)

	31.12.2023	31.12.2022
Private Equity Funds		
HAITONG PRIVATE EQUITY FUND - FCR	34 425 378	49 003 819
Customers' assets		
Discretionary Portfolio Management	4 691 871	-
	39 117 249	**49 003 819**

NOTE 21 – BUSINESS RISK MANAGEMENT

The Company takes all decisions to ensure that the risk policies approved by the Board of Directors are duly implemented and followed.

Fair value

As at 31 December 2023 and 2022, the Company's Board of Directors is of the opinion that the fair value of the financial instruments measured at amortised cost does not differ significantly from their book value. As the Company's term deposits were made in April and December 2023, at a gross nominal annual rate of 3.15% and 3.30%, and mature in April 2025 and January 2024 respectively, their balance sheet value is deemed to be a reasonable estimate of its fair value.

Credit risk

The Company considers that, in view of its business, it is not significantly exposed to credit risk. It should be noted that the Company's assets are essentially cash and deposits with credit institutions, which are considered low risk.

Interest rate, liquidity and market risk

The Company considers that, in view of its business, it is not exposed to interest rate, liquidity and market risk. It should be noted that the Company invests its cash surpluses in financial investments with credit institutions.

NOTE 22 – RECENTLY ISSUED ACCOUNTING STANDARDS AND INTERPRETATIONS

STANDARDS, INTERPRETATIONS, AMENDMENTS AND REVISIONS THAT CAME INTO FORCE IN THE YEAR

Until the date these financial statements were approved, the following accounting standards, interpretations, amendments and revisions were endorsed by the European Union and are to be mandatorily implemented as of 1 January 2023:

Description	Amendment	Effective date
IAS 1 – Disclosure of Accounting Policies	Requirement to disclose material accounting policies rather than their significant accounting policies	1 January 2023
IAS 8 – Disclosure of accounting estimates	Definition of accounting estimates. Distinction between changes in accounting policies and changes in accounting estimates	1 January 2023
IFRS 17 – Insurance contracts	New accounting for insurance contracts, reinsurance contracts and investment contracts with discretionary participation characteristics, in terms of aggregation, recognition, measurement, presentation and disclosure.	1 January 2023
IFRS 17 – Initial application of IFRS 17 and IFRS 9 – comparative information	This change makes it possible to avoid temporary accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented when applying IFRS 17 for the first time. This amendment permits an entity to apply a classification overlay to any financial asset for which comparative information has not been restated for IFRS 9	1 January 2023
IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction	Requirement to recognise deferred tax on right-of-use assets/lease liabilities and provisions for decommissioning/related assets, where their simultaneous initial recognition gives rise to equal taxable and deductible temporary differences, as they are not relevant for tax purposes	1 January 2023
IAS 12 – Income taxes – International tax reform - Pillar two rules	Introduction of a temporary exception to the requirements for recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes. Targeted disclosure requirements for affected entities (entities belonging to multinational groups with consolidated revenues of €750 million in at least two out of the last four years)	Immediately or on 1 January 2023

There were no significant effects on the Company's financial statements for the year ended 31 December 2023, arising from the adoption of the above mentioned standards, interpretations, amendments and revisions.

STANDARDS, INTERPRETATIONS, AMENDMENTS AND REVISIONS THAT WILL ENTER INTO FORCE IN FUTURE YEARS

The following accounting standards and interpretations, mandatory as of the date of approval of these financial statements, have been endorsed by the European Union:

Description	Amendment	Effective date
IAS 1 – Classification of liabilities as current and non-current and non-current liabilities with covenants	Classification of a liability as current or non-current, depending on the right an entity has to defer its payment beyond 12 months after the reporting date, when subject to covenants.	1 January 2024
IFRS 16 – Lease liability in a sale and leaseback	Accounting requirements for sale and leaseback transactions after the date of the transaction, where some or all the lease payments are variable.	1 January 2024

These amendments, although endorsed by the European Union, were not adopted by the Company in 2023, because its application is not yet mandatory. No significant impact on the financial statements is expected from the future adoption of these amendments.

STANDARDS, INTERPRETATIONS, AMENDMENTS AND REVISIONS NOT YET ADOPTED BY THE EUROPEAN UNION

The following accounting standards and interpretations were issued by the IASB and are not yet endorsed by the European Union:

Description	Amendment	Effective date
IAS 7 and IFRS 7 – Supplier finance arrangements	Additional disclosure requirements on supplier finance arrangements (or reverse factoring), the impact on liabilities and cash flows, as well as the impact on liquidity risk analysis and how the entity might be affected if the arrangements were no longer available to it.	1 January 2024
IAS 21 – The effects of changes in foreign	Requirements for determining whether a currency is exchangeable into another currency and where	1 January 2025

exchange rates: Lack of exchangeability	exchange is not possible for a long period, the options for calculating the spot exchange rate to be used. Disclosure of the effects of changes in the entity's liquidity, financial performance and financial position, as well as the spot exchange rate used at the reporting date.

These standards have not yet been endorsed by the European Union and as such have not been applied by the Company for the year ended 31 December 2023.

These standards and interpretations, issued by the IASB but not yet endorsed by the European Union, are not expected to have a significant impact on the accompanying financial statements.

ANNEXES

STATUTORY AUDITOR'S REPORT

(Translation of a report originally issued in Portuguese - in case of discrepancies, the original version in Portuguese prevails)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Haitong Global Asset Management, SGOIC, S.A. ("the Entity" or "Haitong GAM"), formerly named Haitong Capital – S.C.R., S.A. ("Haitong Capital"), which comprise the balance sheet as at 31 December 2023 (that presents a total of 57,463,768 Euros and total equity of 56,890,760 Euros, including a net profit of 797,187 Euros), the statements of profit and loss by nature, of changes in equity and of cash flows for the year then ended, and the accompanying notes to the financial statements, including materially relevant information regarding the accounting policy.

In our opinion, the accompanying financial statements present true and fairly, in all material respects, the financial position of Haitong Global Asset Management, SGOIC, S.A. as at 31 December 2023, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted in the European Union (IFRSs).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and further standards, technical and ethical directives of the Portuguese Institute of Statutory Auditors ("Ordem dos Revisores Oficiais de Contas"). Our responsibilities under those standards are described in the "Auditor's responsibilities for the audit of the financial statements" section below. We are independent from the Entity in the terms of the law and we have fulfilled the other ethical requirements under the Portuguese Institute of Statutory Auditors' code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and supervisory body for the financial statements

Management is responsible for:

- the preparation of financial statements that present true and fairly the Entity's financial position, financial performance and cash flows in accordance with International Financial Reporting Standards as adopted in the European Union (IFRSs);
- the preparation of the management report under the applicable legal and regulatory terms;
- designing and maintaining an appropriate internal control system to enable the preparation of financial statements that are free from material misstatement due to fraud or error;
- the adoption of accounting policies and principles appropriate in the circumstances; and
- assessing the Entity's ability to continue as a going concern, disclosing, whenever applicable, the matters that may cast significant doubt on the continuity of its operations.

The Supervisory Body is responsible for overseeing the Entity's financial closing and reporting process.

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Entity to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- communicate with those charged with governance, including the Supervisory Body, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibility also includes the verification that the information contained in the management report is consistent with the financial statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

On the management report

Pursuant to article 451, number 3, al. e) of the Portuguese Commercial Code ("Código das Sociedades Comerciais"), we concluded that the management report was prepared in accordance with the applicable laws and regulations and that the information contained therein is consistent with the audited financial statements and, considering our knowledge of the Entity, we did not identify material misstatements.

Lisbon, 11 March 2024

Deloitte & Associados, SROC S.A.
Represented by Edgar Luís Afonso Guerra, ROC
Registration in OROC n.º 1872
Registration in CMVM n.º 20180014

EXPLANATION ADDED FOR TRANSLATION

(*This report is a translation of a report originally issued in Portuguese. Therefore according to Deloitte & Associados, SROC S.A. internal procedures, the report is not to be signed. In the event of discrepancies, the Portuguese language version prevails.*)

Report and Opinion of the Supervisory Board

HAITONG GLOBAL ASSET MANAGEMENT, SGOIC, S.A.

2023

Dear Shareholder,

1. Under the terms of the legal and statutory provisions, we hereby submit for your appraisal our report on the supervisory activities of the Supervisory Board, as well as our opinion on the management report, the financial statements and the proposed appropriation of net profit submitted by the Board of Directors of the Haitong Global Asset Management, SGOIC, S.A. (hereinafter HGAM) for the year ended on 31 December 2023.
2. Since its appointment, the Supervisory Board has regularly performed its duties, by holding regular meetings with the Board of Directors, those responsible for risk management, internal auditing, compliance and accounting, and by examining the accounting data made available to it on a regular basis.
3. The fairness of the accounting records and the monitoring and follow-up process of HGAM's business were verified, and the managers of the operational areas have met with the Supervisory Board, having reported on the main trends and developments in the activity carried out and results obtained. We verified compliance with the law and the memorandum of association.
4. The remuneration policy’s updating and revision were considered and adopted, especially the incorporation of the amendments introduced by Decree-Law No 27/2023,of 28 April 2023, concerning the Asset Management Regulations (AMR).
5. The Supervisory Board highlights the following corporate events during 2023, mentioned in HGAM's Management Report:
    - Divestments totalling €8 million as a result of the sale of a subsidiary held by the FCR Haitong Private Equity Fund and capital distributions from subsidiaries of the sole Fund under management;
    - Capital reductions in the FCR Haitong Private Equity Fund, totalling €14 million;

- The assignment of the Haitong Bank, S.A.'s contractual position for the discretionary management of business and individual customers portfolios to HGAM in the second half of 2023;
- The structuring of a new VCF, the Haitong Iberian Core Fund, up to €75 million, approved by Portuguese regulator CMVM in July 2023; and
- The launch of the Alternative Investment Funds management business, with CMVM's approval of the new Haitong China Bond Fund.

6. The Statutory Board has reviewed the accounting policies and valuation criteria adopted by the company, which aim to ensure the presentation of a true and fair view of the financial position and the results of its operations. Moreover, the Statutory Board has monitored the process of preparing and disclosing financial information, which was deemed appropriate.

7. We also met with the auditors of Haitong Private Equity Fund – Fundo de Capital de Risco (HPEF), who informed us about the work carried out and issued an unqualified audit report. This Fund has acquired and manages stakes in 5 (five) Investment Funds and 1 (one) company.

8. We met with the Company Statutory Auditor of the Company and became aware of the different stages of the audit work, in particular the risks identified in the planning phase and the response to them, designed by the audit team, the audit tests planned, work performed and conclusions. The statutory auditor has monitored the process of preparing and presenting the HGAM's financial statements and informed the Supervisory Board of its conclusions and agreement to the documents prepared by the Board of Directors.

9. We are also aware of HGAM's Statutory Audit on the financial statements for the year 2023 issued by the Audit Firm, with no qualifications and without emphases, a document with which we agree.

   We have verified the independence of the statutory auditor in the exercise of its duties, as it meets the necessary requirements.

10. We have audited the Haitong Global Asset Management, SGOIC, S.A.'s management report and financial statements presented to us by the Board of Directors. The management report complies with the legal and statutory provisions, referring to the most relevant aspects of the activity during the financial year. The financial statements were prepared in accordance with the accounting policies in force, with the accounting principles and valuation criteria

adopted being appropriate and enabling them to give a true and fair view of the company's financial position and results.

Opinion:

11. As a result of the supervision carried out and having assessed the documents referred to in the preceding paragraphs, it is the Supervisory Board's opinion that the General Meeting approves:

    a) The Management Report and the other financial statements for the year 2023 as submitted by the Board of Directors;

    b) The proposed appropriation of net profit presented by the Board of Directors.

12. Finally, the Supervisory Board would like to thank the members of the Board of Directors, the Statutory Auditor and the employees of Haitong Global Asset Management, SGOIC, S.A. for all the assistance provided in the performance of their duties.

Lisbon, 14 March 2024

The Supervisory Board

Chairman - José Maria Ribeiro da Cunha

Member - José Ortigão Ramos

Member - Mário Bettencourt de Oliveira