Annual Report
2024

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 Luís Marques Ramalhete

Board of Directors[1]

Chairman	Luís Nuno Lima de Carvalho Valença Pinto
Member	Gonçalo Pedreira Mendes de Almeida
Member	António Cohen Serra
Member	Afonso Maria Pita Negrão Cardoso de Menezes
Member	Bin Xu
Member	Xiaoli Lu

Sole Auditor[2]

KPMG & Associados - Sociedade de Revisores Oficiais de Contas, S.A. – SROC nº 189, represented by:

Hugo Jorge Gonçalves Cláudio, Sole Auditor n.º 1597

[1] The current HGAM Board of Directors began its duties on October 28th 2024.

[2] HGAM's Sole Auditor began his duties on January 31st 2025.

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. ("HGAM") hereby submits for your consideration the Management Report and Accounts for the year 2024.

1. Macroeconomic context

THE MARKET IN 2024

In 2024, economic activity was more resilient than initially expected, with a possible global GDP growth of around 3.2%, similar to 2023, based on the indicators available. Throughout the year, most developed Western economies experienced restrictive monetary policies, leading consumer inflation to ease to the lows of 3 years of 5.8% (according to IMF estimates in the October 2024 World Economic Outlook), vs. 6.7% in 2023 and 8.6% in 2022, but still above pre-pandemic levels of 3% to 4%.

Global growth was largely influenced by the outperformance of the US economy, where the GDP grew 2.8% in 2024 (US census Bureau preliminary data) vs. 2.9% in 2023. Due to the strength of domestic consumption and capital investment feeding persistent inflation above the target, the Federal Reserve (FED) left the benchmark interest rates unchanged at a target range of 5.25% to 5.50% until September 2024. Between September and December 2024, the fund rate was reduced by 100 basis points to a target range of 4.25% to 4.50%, with core-PCE inflation slowing to 2.8% in 2024 vs. 4.2% in 2023. The FED has a dual mandate to secure GDP growth close to potential and core-PCE inflation of up to 2%. The yield of the 10Y US Treasury notes advanced to 4.57% by the end of 2024 vs. 3.88% at the end of 2023, due to the outlook of a pause in the cycle of rate cuts and the uncertainties surrounding the fiscal policies to be adopted by the new US administration in 2025.

In the Eurozone, growth remained subdued in 2024, with the continuing geopolitical uncertainties, tight monetary conditions, and weak global demand, especially from China. According to Eurostat preliminary figures, the Eurozone GDP almost doubled from 0.4% in 2023 to 0.7% in 2024 but still below the potential of 1% to 1.2%. With the unemployment rate testing the lows since the inception of the Eurozone in 1999 (6.3% by November 2024), inflation remained above the ECB's target of 2% and stood at 2.4% by December 2024 vs. 5.5% in 2023. In June 2024, the ECB resumed a rate cut cycle, promoting a 25 basis points cut in every meeting and reducing the deposit rate by a total of 100 basis points to 3.0% by December 2024.

European bond markets were subject to high volatility in 2024, with political transitions in France, with the anticipated legislative elections, and Germany, with the collapse of the government coalition in November, leading to anticipated elections in February 2025. These events were preceded by weak economic performance with persisting inflation since 2022. The yield of the 10Y German bunds widened from 1.9% at the end of 2023 to 2.4% by the end of 2024, with market participants anticipating fewer rate cuts by the ECB in 2025, and the possibility of a more pro-growth government to be elected in Germany.

Bond markets in the single currency area were also affected by the outlook of monetary policy in the US and the challenges regarding the fiscal rebalancing in France during 2024, which caused the downgrade of the French sovereign credit rating by one notch by Moody's (from Aa2 to Aa3, stable outlook), S&P (from AA to AA-, stable outlook), and a negative outlook by Fitch (AA- rating is unchanged since 2023). The spread of the 10Y French government bond to the equivalent German 10Y bund widened from 45.5 basis points at the end of 2023 to 83 basis points at the end of 2024. The euro posted a devaluation of 6.3% at the end of 2024 (EURUSD 1.035), mostly due to the increasing interest rate differential to the USD and the weak economic performance of Germany and France.

In 2024, the economic activity in China remained strongly dependent on external demand, with domestic consumption continuing to underperform due to the weakness in the real estate sector. GDP advanced 5.0% in 2024 compared to 5.4% in 2023. In 2024, the Chinese government adopted several fiscal, monetary, and credit measures to stimulate domestic consumption. Most of the measures were unveiled in September 2024, before the US presidential election in November. The Chinese financial indicators remained mostly solid with the 10Y sovereign bond yield in USD closing at 2.9% in December 2024 vs. 3.2% in December 2023. In a year marked by the strength of the USD, the Chinese renminbi yuan dropped 2.2% to CNYUSD 7.299 in 2024.

Emerging economies and commodities advanced in mixed directions with the impact of slower growth in China, the tight monetary conditions in the US and Europe, the strong USD, and the geopolitical tensions in the Middle East and Ukraine. In particular, Brazil's economy maintained a GDP growth of 3.2% in 2024 (vs. 3.3% in 2023), even with a monetary tightening adopted by the Brazilian central bank to prevent another rebound in inflation caused by a strong currency devaluation (25.5% vs the USD in 2024) and persistent fiscal imbalances. Brazil's economy was strongly affected by the export sector, especially sales to China (30% of the total), and the currency devaluation improved the competitiveness of the external sector in 2024.

OUTLOOK FOR 2025

The global economy is exposed to a high degree of uncertainty with the change in the US presidency and government in 2025. Estimates for the world GDP are modest and point to a 3% growth in 2025 and 2026 (Bloomberg Consensus, January 2025), compared to 3.2% in 2024.

The possibility of a potential trade war promoted by the new US administration against its major trade partners led business confidence to trim the positive outlook of lower interest rates in Europe and added more uncertainty on the rebound of Asian economies, especially China, in 2025.

The magnitude and scope of restrictive trade policies of the incoming Trump administration are still unknown but are expected to pressure US inflation on the upside. A higher risk of inflation should limit the outlook of further interest rate cuts by the FED in 2025 with the fund rate possibly reaching a terminal level of 4% and the 10Y Treasury note yield close to 5%. In the opposite direction, GDP growth should be supported by the new US domestic economic strategy which is likely to be more business-friendly, especially focused on deregulation and lower corporate tax policies. Consensus estimates indicate that the US GDP should advance 2.1% in 2025 and 2.0% in 2026 (Bloomberg, January 2025). The Bank foresees the risk of the EURUSD testing the parity in 1H2025 before resuming the range of EURUSD 1.05 to EURUSD 1.10 in 2H2025.

Such change in the US geopolitical and economic positions should challenge the governments of its major trading partners to adopt policies aiming to reduce the impact of possible trade sanctions, the strength of the USD, and the risk of higher interest rates in the US. More fiscal, monetary and credit stimulus measures are expected in China and in Europe, where they will take the form of more fiscal measures in Germany. In 2025, the ECB is likely to reduce the deposit rate to 2.5% and the yield of the 10Y German bund should move to the range of 2.75% to 3% by the end of the year.

Emerging economies are expected to face another challenging year with the high cost of financing in USD, the risk of trade sanctions in the US, and the GDP growth in China. With the perspective of tighter monetary and fiscal conditions, Brazil's GDP growth will be particularly exposed to the pace of the Chinese economy, which is the destination of 30% of its exports.

Finally, a possible resolution to the conflicts in Ukraine and the Middle East in 2025 could improve economic sentiment, especially in Europe.

2. Activity in 2024

In terms of HGAM activity in 2024, the following should be noted:

- HGAM increased its offering by launching the Haitong China Bond Fund, an alternative investment fund which aims to invest in Chinese investment grade bonds denominated in US dollars. Fundraising for this Fund is ongoing and is aimed at institutional investors. The Fund registered its first closing with a subscription of 3 million euros.
- The structuring of a new private equity fund, the Haitong United Partners Fund, of up to 90 million euros, which was approved by the CMVM (Securities Market Commission) in March 2024, having been incorporated in May 2024 with a first closing of 24 million euros. This Fund is intended to invest in companies operating in the real estate sector, in the residential segment of a high level, located in Portugal. The Fund's investment strategy is to identify, acquire and develop assets based predominantly on equity interests in project development entities, including exposure to the construction and real estate sectors with a focus on prime locations with high appreciation potential, and is in the "fund-raising" phase. A first reference project has been identified and is in the pre-start phase of construction – the Gandarinha Club: a premium residential project in one of the most distinct areas of the coastal city of Cascais.
- HGAM received from the Portuguese regulator, CMVM, a license to manage UCITS funds domiciled in Portugal, and will allow HGAM to expand its range of products, with new funds expected to be launched during 2025.

- HGAM established a strategic partnership for Unit Linked products with One Life, a renowned investment grade insurance company established in Luxembourg.
- The transfer of the contractual position of discretionary management of Haitong Bank's corporate client portfolio to HGAM was completed in July, with HGAM finally incorporating into its business all the remaining activities carried out by Haitong Bank's Asset Management division, and with the transfer to HGAM of the role of Investment Manager of White Fleet III – Haitong Flexible Fund and White Fleet III – Haitong Aggressive Fund.
- The total assets under management of HPEF (Haitong Private Equity Fund), at market values, reached approximately 10.3 million euros, showing an increase compared to the end of 2023, which had assets under management of 9 million euros. Of this total, around 14.5% refers to shares in companies, via funds under management, and 85.5% refers to participation units in venture capital funds, under third party management.
- On July 15th 2024, HGAM concluded a reduction of 28 million euros in its Own Funds, via the distribution of free reserves. After this reduction, HGAM's Own Funds amount to 29.6 million euros, substantially higher than the minimum Own Funds required by law for a SGOIC.
- In the annual awards from APFIPP, the Portuguese Association of Investment Funds, Pensions and Assets, this year in its 10th edition, White Fleet III – Haitong Flexible Fund was distinguished with the award for *Best Flexible OIC Fund*.

2.1. Funds under management

The volume of funds under management increased compared to 2023, reaching the amount of 130.9 million euros.

2.2. Investment

No new investments were made during the 2024 financial year.

2.3. Divestment

No divestments were made during the 2024 financial year.

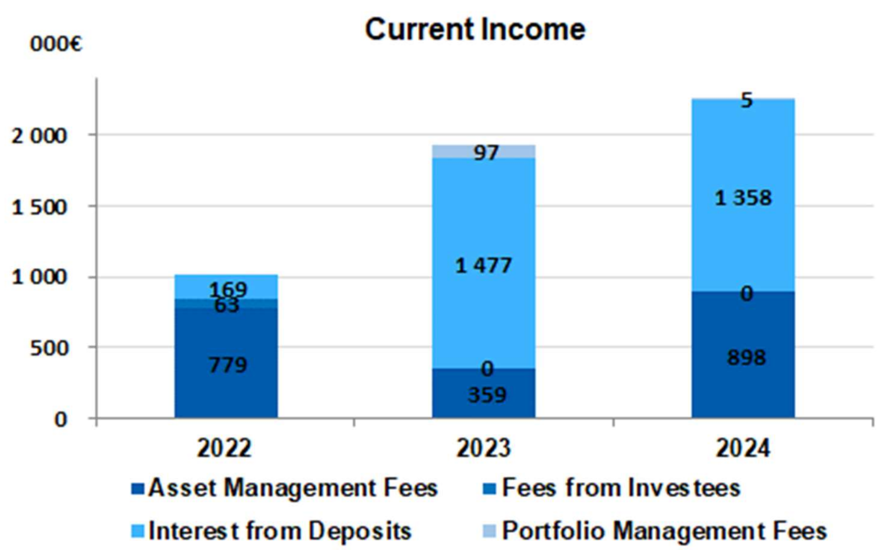
3. Economic and financial overview

This economic and financial review is restricted to HGAM only, and excludes funds under its management.

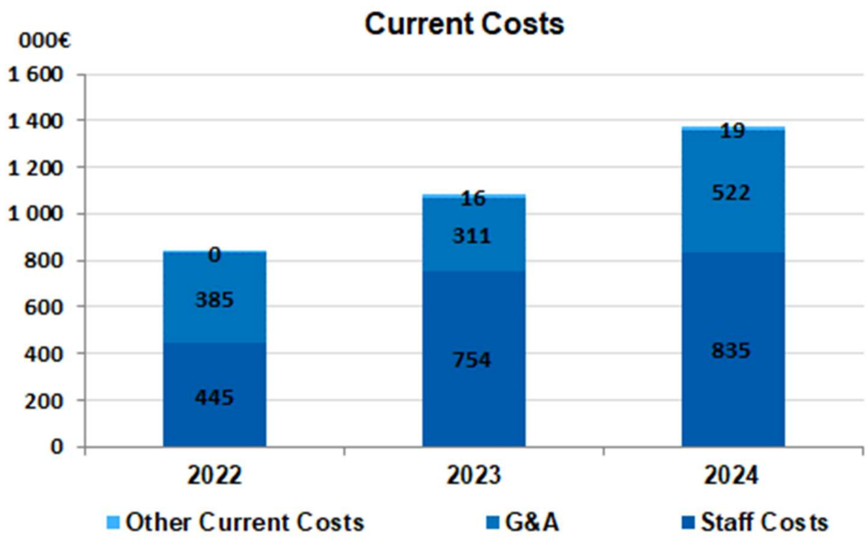
3.1. Performance review

At the end of 2024, HGAM presented a positive net profit of around 732 thousand euros, a decrease of 8.16% compared to the approximately 797 thousand euros recorded in the previous year.

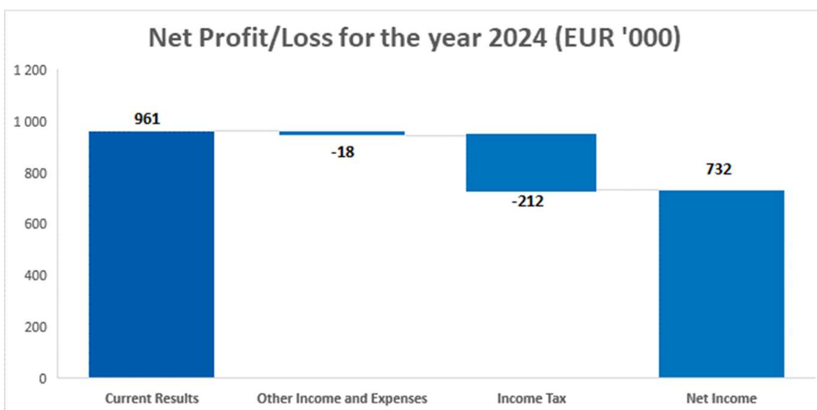
Current income, in the total amount of 2,338 thousand euros, increased by 27.4% compared to 2023, resulting largely from the accounting of the performance management commission of the Haitong Private Equity Fund, the increase in commissions charged to funds managed by HGAM and despite the decrease in the remuneration of term deposits. Current costs, in the total amount of 1,376 thousand euros, showed an increase of around 27.3% compared to the 2023 financial year, as a result of the full incorporation of the asset management activity and the corresponding charges relating to human and technical resources in the Company. The combination of these effects meant that Haitong Global Asset Management closed the year with a positive current result of 732 thousand euros.



Source: Haitong Global Asset Management



Source: Haitong Global Asset Management



Source: Haitong Global Asset Management

As shown in the graph above, the positive net results of 732 thousand euros were due to (i) positive current results, (ii) the recognition of additional commission from some of the funds managed by HGAM (in particular the Haitong Private Equity Fund and the Haitong United Partners Fund) and (iii) the incidence of taxes.

3.2. Balance Sheet position

Haitong Global Asset Management, at the end of the year, presented assets of around 29.98 million euros, of which around 28.46 million euros corresponded to available financial resources.

During the year, HGAM concluded a reduction of 28 million euros in its Own Funds, via the distribution of free reserves. In 2024, HGAM's Own Funds amount to 29.62 million euros, an amount substantially above the minimum Own Funds required by law for a SGOIC.

4. Outlook for 2025

We view 2025 with an optimistic but cautious outlook, based on the lessons learned throughout 2024. The macroeconomic environment remains uncertain, particularly with regards to the evolution of monetary policies and the impact of geopolitical tensions in various regions.

For HGAM, the strategy for 2025 is based on three essential priorities:

Expansion of the product range: we will closely monitor customer needs to adapt our product offering accordingly. Our main focus continues to be the launch of new funds, including, among others, a Treasury Fund and a set of collective investment bodies (in corporate form, Collective Investment Companies) in real estate, to meet specific market demands.

Technological innovation: we plan to improve our online presence, creating a stronger digital platform to interact with customers more effectively. We aim to stay informed on the latest trends in technology to ensure we lead this wave of transformation.

Focus on Sustainability: we will reinforce ESG practices, integrating them into our investment process, as we recognize the value of these practices in selecting responsible investments and maintaining our commitment to long-term sustainability.

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 2024, 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 2024.

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

HGAM 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 €732,142.30 for the year 2024 be allocated as follows:

a) Legal reserve: €36,607.12

b) Retained earnings: €695,535.19

9. Final Note

During 2024, HGAM began the process of changing its corporate governance structure, moving from a Supervisory Board and Statutory Auditor to a Sole Auditor. The CMVM did not oppose this change and as a result, KPMG & Associados - Sociedade de Revisores Oficiais de Contas, S.A. began its mandate on January 31st 2025.

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, February 25th 2025

The Board of Directors

Chairman of the Board of Directors Luís Nuno Lima de Carvalho Valença Pinto	Member Gonçalo Pedreira Mendes de Almeida
Member António Cohen Serra	Member Afonso Maria Pita Negrão Cardoso de Menezes
Member Bin Xu	Member Xiaoli Lu

FINANCIAL STATEMENTS

Profit and Loss Account for the period ended on December 31st 2024

(EUR)

	Notes	31.12.2024	31.12.2023
Interest and similar income	4	1 357 745	1 476 881
Net interest income		**1 357 745**	**1 476 881**
Revenues from services and fees	5	903 404	658 852
Foreign exchange revaluation results		580	1 611
Other operating profit/loss	6	76 014	(5 481)
Operating income		**2 337 744**	**2 131 863**
Staff costs	7	834 860	753 956
Administrative expenses	8	522 245	310 994
Depreciation/amortisation	13	19 380	16 184
Impairment on financial assets	9	17 610	(4 491)
Operating expenses		**1 394 095**	**1 076 643**
Profit/loss before tax		**943 649**	**1 055 220**
Taxes			
Current	15	(211 507)	(258 033)
Net profit/loss for the year		**732 142**	**797 187**

The accompanying notes are an integral part of these financial statements

Lisbon, February 25th 2025

The Board of Directors Chartered Accountant

Statement of Comprehensive Income for the period ended on December 31st 2024

(EUR)

	31.12.2024	31.12.2023
Net profit/loss for the year	**732 142**	**797 187**
Total comprehensive income/loss for the year	**732 142**	**797 187**

The accompanying notes are an integral part of these financial statements

Lisbon, February 25th 2025

The Board of Directors

Chartered Accountant

Balance Sheet as at December 31st 2024

(EUR)

	Notes	31.12.2024	31.12.2023
Assets			
Cash and cash equivalents	10	289 472	100 186
Financial assets at amortised cost			
Loans and advances to credit institutions	11	28 407 161	56 945 219
Securities	12	49 163	-
Other tangible assets	13	683	1 143
Intangible assets	14	15 767	34 688
Deferred tax assets			
Current tax assets	15	671 733	19 956
Other assets	16	548 957	362 576
Total Assets		**29 982 937**	**57 463 768**
Liabilities			
Tax deferred liabilities			
Current tax liabilities	15	217 390	248 963
Other liabilities	17	142 651	324 051
Total Liabilities		**360 041**	**573 014**
Equity			
Equity	18	25 000 000	25 000 000
Other reserves and retained earnings	19	3 890 754	31 093 567
Net profit/loss for the year		732 142	797 187
Total Equity		**29 622 896**	**56 890 754**
Total Equity and Liabilities		**29 982 938**	**57 463 768**

The accompanying notes are an integral part of these financial statements

Lisbon, February 25th 2025

The Board of Directors

Chartered Accountant

Individual Statement of Changes in Equity for the period ended December 31st 2024

(EUR)

	Equity	Legal Reserves	Other reserves, retained earnings and other comprehensive income	Total	Net Profit/Loss for the Year	Total equity
Balance as at December 31st 2022	**25 000 000**	**3 704 900**	**27 165 794**	**55 870 694**	**222 873**	**56 093 567**
Appropriation of net profit/loss	-	11 144	211 729	222 873	(222 873)	-
Net profit/loss for the year	-	-	-	-	797 187	797 187
Balance as at December 31st 2023	**25 000 000**	**3 716 044**	**27 377 523**	**56 093 567**	**797 187**	**56 890 754**
Appropriation of net profit/loss	-	39 860	757 327	797 187	(797 187)	-
Capital Reduction	-	-	(28 000 000)	(28 000 000)	-	(28 000 000)
Net profit/loss for the year	-	-	-	-	732 142	732 142
Balance as at December 31st 2024	**25 000 000**	**3 755 904**	**134 850**	**28 890 754**	**732 142**	**29 622 896**

The accompanying notes are an integral part of these financial statements

Lisbon, February 25th 2025

The Board of Directors

Chartered Accountant

Cash Flow Statement for the period ended on December 31st 2024

(EUR)

	Notes	31.12.2024	31.12.2023
Cash flow from operating activities			
Interest and income received		1 608 534	251 756
Services and fees received		646 376	483 108
Cash payments to employees and suppliers		(1 298 213)	(1 041 230)
		956 697	**(306 366)**
Changes in operating assets and liabilities:			
Loans and advances to credit institutions		27 750 000	(750 000)
Other operating assets and liabilities		(56 421)	918 414
Net cash from operating activities before income tax		**27 693 579**	**168 414**
Interest taxes paid		(461 965)	(166 152)
		27 231 614	**2 262**
Cash Flow from financing activities			
Capital increase		-	-
Distribution of reserves		(28 000 000)	-
Net cash from financing activities		**(28 000 000)**	**-**
Net change in cash and cash equivalents		**188 311**	**(304 104)**
Cash and cash equivalents at beginning of the year		100 186	404 290
Effects of forex variation in cash and cash equivalents		976	-
Cash and cash equivalents at end of the year		289 473	100 186
		189 287	**(304 104)**
Cash and cash equivalents include:			
Cash	10	491	491
Cash and claims on other credit institutions	10	288 982	99 695
Total		**289 473**	**100 186**

The accompanying notes are an integral part of these financial statements

Lisbon, February 25th 2025

The Board of Directors

Chartered Accountant

1. NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – ACTIVITY

Haitong Global Asset Management, SGOIC, S.A. (HGAM or the Company) has its registered office at Rua Alexandre Herculano, 38, in Lisbon, and was incorporated on 12 September 1988 and whose main purpose is the management of collective investment schemes.

On September 12th 1988, the Company was established under the initial name of SFIR – Sociedade de Financiamento e Investimento de Risco, S.A. On October 24th 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 September 24th 2015 it changed its name to Haitong Capital – SCR, S.A. and on March 16th 2022 it changed its name again to Haitong Global Asset Management, SGOIC, S.A.

Following the CMVM authorisation granted on September 14th 2021, the process of transforming Haitong Capital into a SGOIC was initiated.

The Company is owned by Haitong Bank, S.A., with registered office at Rua Alexandre Herculano, No. 38 in Lisbon, and the financial statements are consolidated within its scope.

Assets under management, in particular investment funds as well as discretionary management portfolios, as at December 31st 2024 and 2023, are detailed in Note 21.

The financial statements were approved by the Board of Directors on February 25th 2025.

NOTE 2 – MAIN ACCOUNTING POLICIES

2.1. BASES OF PRESENTATION

Financial statements of Haitong Global Asset Management, SGOIC, S.A. have been prepared in accordance with the International Financial Reporting Standards adopted by the European Union (IFRS formerly known as International Accounting Standards – IAS) issued by the International Accounting Standards Board (IASB) and the Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and its predecessor bodies.

The Company adopted IFRS and interpretations of mandatory application for fiscal years beginning on or after January 1st 2024, as described in note 24. The accounting policies were applied consistently with those used in the preparation of the financial statements of the previous fiscal year.

The financial statements are expressed in euros, rounded to the nearest unit.

These were prepared in accordance with the historical cost principle, with the exception of assets and liabilities recorded at fair value, namely financial instruments at fair value through profit or loss.

The preparation of financial statements in accordance with IFRS requires the Company's Board of Directors to make judgments, estimates and use assumptions that affect the application of accounting policies and the amounts of revenues, expenses, assets and liabilities. Estimates and associated assumptions are based on historical experience and other factors considered reasonable under the circumstances and form the basis for judgments about the values of assets and liabilities whose valuation is not evident from other sources. Changes in such assumptions or differences between them and reality may have an impact on current estimates and judgments. The areas that involve a greater degree of judgment or complexity, or where significant assumptions and estimates are used in the preparation of the financial statements, are presented in Note 3 – Main estimates and judgments used in the preparation of the financial statements.

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. Exchange differences resulting from the settlement of monetary items or the reporting of monetary items at rates different from those initially recorded during the period, or reported in previous financial statements, are recognized in profit or loss for the period in which they occur.

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, and

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).

Debt instruments are classified under this heading, essentially investments in credit institutions, credit 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).

c) Financial assets at fair value through profit or loss

A financial asset is classified in the category of "Financial assets at fair value through profit or loss" if this is the business model defined by the Company for its management or due to the characteristics of its contractual cash flows, in the event that they are not suitable for the classification of this asset in the previous categories.

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 associated with these portfolios, are recognised under the heading "Results from other financial instruments at fair value with recognition in profit or loss" in the income statement.

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.

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. TANGIBLE ASSETS

The Company's tangible fixed assets are recorded at acquisition cost, which comprises their purchase price, including import duties and non-refundable purchase taxes, after deducting discounts and rebates, any costs directly attributable to placing the asset in the location and condition necessary for it to be capable of operating as intended, and the initial estimate of the costs of dismantling and removing the item and restoring the site where it is located, less the respective accumulated amortization and impairment losses.

Subsequent costs with other tangible assets are recognized only if it is probable that they will result in future economic benefits for the Company, that is, when they increase the useful life of the assets or result in significant improvements or enhancements. All maintenance and repair expenses are recognized as costs, in accordance with the accrual basis.

When there is an indication that an asset may be impaired, IAS 36 requires that its recoverable amount be estimated, and an impairment loss should be recognised whenever the net carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the income statement.

The recoverable amount is determined as the higher of its fair value less disposal costs and its value in use, which is calculated based on the present 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.

Amortization of other tangible assets is calculated in accordance with the straight-line method, at the following amortization rates, which reflect the expected useful life of the assets.

	Number of years
Benefits on rented properties	4 to 10
IT equipment	3 to 6
Furniture and furnishings	3 to 10
Security equipment	4 to 10
Machines and tools	4 to 10
Other equipment	2 to 10

2.5. INTANGIBLE ASSETS

The Company recognizes an intangible asset whenever it is identifiable, it exercises control over it, it is probable that future economic benefits will flow to the Company and its cost can be measured reliably.

Intangible assets are recorded at acquisition cost less accumulated amortization and impairment losses.

Costs incurred in the acquisition, production and development of software are capitalized, as are additional expenses borne by the Company necessary for its implementation. These costs are amortized linearly over the expected useful life of these assets, which is normally between 3 and 8 years, less any reduction in recoverable value, if any.

Costs directly related to the development of computer applications carried out by the Company, which are expected to generate future economic benefits beyond one fiscal year, are recognized and recorded as intangible assets, being amortized on a linear basis over the expected useful life, less any reduction in recoverable value, if any.

All other charges related to IT services are recognized as costs when incurred.

2.6. TAXES ON CAPITAL INCOME

Taxes on profits include current taxes and deferred taxes.

Current tax corresponds to the expected amount payable on taxable income for the year using the tax rate in force at the balance sheet date and any adjustments to taxes from prior periods. Taxable income for the year is determined by adding/subtracting from the accounting result amounts that are not tax-relevant or that allow additional deductions of non-taxable expenses or income, and these differences may be temporary or permanent.

Deferred taxes refer to temporary differences between the values of assets and liabilities reported in accounting records and the respective values considered for tax purposes.

Deferred taxes are calculated, in accordance with the balance sheet liability method, on temporary differences between the carrying amounts of assets and liabilities and their tax base, using the tax rates enacted or substantively enacted at the balance sheet date in each jurisdiction and expected to apply when the temporary differences reverse.

Deferred tax assets are recognised only when it is probable that future taxable profits will exist to absorb the temporary differences deductible for tax purposes (including tax losses carried forward). At each balance sheet date, a reassessment of the temporary differences underlying the deferred tax assets is carried out based on the current expectation of their future recovery.

Deferred tax liabilities are recognized for all taxable temporary differences other than goodwill that is not deductible for tax purposes, differences arising on the initial recognition of assets and liabilities that do not affect both accounting and tax profit, and differences related to investments in subsidiaries to the extent that they are not probable that they will reverse in the future.

Income taxes are recognized in profit or loss, except when they relate to items that are recognized directly in equity, in which case they are also recorded against equity. Taxes recognized in equity arising from the revaluation of financial assets at fair value through other comprehensive income are subsequently recognized in profit or loss at the time the gains and losses that gave rise to them are recognized in profit or loss.

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 does not have employees working for it, relying on employees assigned by Haitong Bank, S.A. in its activities. In this sense, the amounts related to personnel compensation and other related amounts recorded in “Personnel costs” arise from the assignment of employees of Haitong

Bank, S.A. and the remuneration of four members of the statutory bodies.

These amounts include pension costs related to personnel expenses seconded by Haitong Bank, S.A. there is no direct responsibility on the part of HGAM.

The liabilities relating to employees seconded to HGAM are included in the Pension Fund of Haitong Bank S.A.

2.9. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand and in demand deposits and short-term, highly liquid financial investments that are readily convertible into known amounts of cash and that are subject to an insignificant risk of changes in value.

2.10. EVENTS POST BALANCE SHEET DATE

The financial statements presented reflect subsequent events occurring up to February 25, 2025, when they were approved by the Board of Directors as mentioned in Note 1.

Events occurring after the balance sheet date concerning conditions that existed at the balance sheet date are adjustable events considered in preparing the financial statements.

Material events after the balance sheet date that do not give rise to adjustments are disclosed in Note 26.

NOTE 3 – MAIN ESTIMATES AND JUDGEMENTS

IFRS establish a series of accounting treatments and require the Board of Directors to make judgments and prepare estimates necessary in order to decide which accounting treatment is most appropriate.

The Board of Directors considers that in 2024 and 2023, there are no relevant accounting estimates or judgments in the application of accounting principles by the Company.

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

Considering that, in many situations, there are alternatives to the accounting treatment adopted by the Board of Directors, the results reported by the Company could be different if a different treatment were chosen. The Board of Directors considers that the choices made are appropriate and that the financial statements fairly present the Company's financial position and the results of its operations in all materially relevant aspects.

NOTE 4 – NET INTEREST INCOME

The amount of this item is made up of:

(EUR)

	31.12.2024	31.12.2023
Interest and similar income		
Interest from deposits and loans and advances to credit institutions	1 356 655	1 476 881
Interest on debt securities at amortized cost	1 091	-
	1 357 746	**1 476 881**

The item Interest on cash and deposits in credit institutions refers to interest on deposits made during the period. As of December 31st 2024, there are investments worth 28 million euros, with an average rate of 3.15% and an average maturity of 17 months, as per note 11.

NOTE 5 – GAINS AND LOSSES ON SERVICES AND FEES

The amount of this item is made up of:

(EUR)

	31.12.2024	31.12.2023
Revenues from services and fees		
Management Fees		
Haitong Private Equity Fund - FCR	182 197	307 564
Haitong United Partners Fund - FCR	123 943	-
Haitong China Bond Fund - Fundo de Investimento Alternativo Mobiliário Aberto de Obrigações	6 797	-
Performance Fees		
Haitong Private Equity Fund - FCR	368 357	-
Other fees	222 110	351 288
	903 404	**658 852**

As at December 31st 2024, revenue from services and fees includes an amount of approximately 313 thousand euros (December 31st 2023: 308 thousand euros) relating to management fees charged by the Company as manager of the venture capital funds and an alternative investment fund presented in note 21, and an amount of approximately 222 thousand euros (December 31st 2023: 351 thousand euros) relating to management fees as investment manager of UCIT funds based in Luxembourg, and of individual discretionary portfolios, and other commissions.

At the end of the fiscal year, HGAM recognized a performance management fee on the Haitong Private Equity Fund in the amount of 368 thousand euros, only collectible when the fund is liquidated. This performance management fee is updated according to the results of the fund's activity and the evaluation of its portfolio of investments.

NOTE 6 – OTHER OPERATING PROFIT/LOSS

The amount of this item is made up of:

(EUR)

	31.12.2024	31.12.2023
Other customer services	6 245	3 171
Direct and indirect taxes	(28 510)	(10 923)
Other operating profit/loss	98 279	2 271
	76 014	**(5 481)**

NOTE 7 – STAFF COSTS

Staff costs are made up of:

(EUR)

	31.12.2024	31.12.2023
Wages and salaries		
Remunerations	550 635	519 119
Impact from termination agreements	128 766	324
Other costs	155 459	234 513
	834 860	**753 956**

The item “Other costs” includes in 2024 and 2023 the mandatory social charges and the performance bonus for the year.

The costs of remuneration and other benefits attributed to key management personnel allocated to HGAM, in office at the end of the year, are as follows:

	(EUR)
	Board of Directos
December 2024	
Remuneration and other short term benefits	350 686
Variable remuneration	5 756
Total	**356 442**
December 2023	
Remuneration and other short term benefits	318 370
Variable remuneration	11 996
Total	**330 366**

By professional category, the average number of employees allocated to HGAM is analyzed as follows:

	31.12.2024	31.12.2023
Senior management positions	6	4
Specific duties	2	1
Administrative duties	-	1
Total (average)	**8**	**6**

NOTE 8 – ADMINISTRATIVE EXPENSES

The amount of this item is made up of:

(EUR)

	31.12.2024	31.12.2023
Communications and expedition	16 501	315
Rents and leases	44 631	43 233
Travel and representation expenses	8 813	8 481
Maintenance and repairs	1 327	2 206
Insurance	-	40
Advertising and publications	-	-
Legal and litigation	2 218	787
Specialised services	-	-
IT	61 378	40 224
Independent work	101 526	2 954
Other specialised services	277 502	211 873
Other costs	8 349	881
	522 245	**310 994**

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.

The cost of fees for the services of the Official Auditor was 13 thousand euros (VAT not included) (2023: 12,800 euros).

(EUR)

	31.12.2024	31.12.2023
Statutory audit	13 000	12 800
Total amount of services agreed	**13 000**	**12 800**

NOTE 9 – PROVISIONS AND IMPAIRMENT

Movements in impairment losses are as follows:

(EUR)

	31.12.2023	Additions / Reversals	Uses	Exchange differences and other	31.12.2024
Financial assets at amortised cost					
Securities (Note 12)	-	(15)	-	-	(15)
Other assets (Note 16)	739 132	17 625	(71 721)	(113 386)	571 650
	739 132	**17 610**	**(71 721)**	**(113 386)**	**571 635**

(EUR)

	31.12.2022	Additions / Reversals	Uses	Exchange differences and other	31.12.2023
Financial assets at amortised cost					
Other assets (Note 16)	709 994	(4 491)	-	33 629	739 132
	709 994	**(4 491)**	**-**	**33 629**	**739 132**

NOTE 10 – CASH AND CASH EQUIVALENTS

This item is detailed as follows:

	31.12.2024	31.12.2023
		(EUR)
Cash placements	491	491
Cash placements with other credit institutions		
Demand deposits	288 982	99 695
	288 982	**99 695**
	289 472	**100 186**

On December 31st 2024 and 2023, all cash balances and cash equivalents in credit institutions are available for use.

The statement of cash flows is prepared in accordance with the direct method, through which gross cash receipts and payments from investing and financing activities are disclosed.

The Company classifies interest and dividends paid and received as operating activities.

NOTE 11 – LOANS AND ADVANCES TO CREDIT INSTITUTIONS

This item is detailed as follows, as at December 31st 2024 and 2023:

	31.12.2024	31.12.2023
		(EUR)
Loans and advances to credit institutions in the country		
Deposits	28 407 161	56 945 219
	28 407 161	**56 945 219**

As at December 31st 2024 and 2023, term deposits by residual maturities may be presented as follows:

	31.12.2024	31.12.2023
		(EUR)
Up to 3 months	2 029 511	751 719
From 3 months to one year	-	-
From one to five years	26 377 650	56 193 500
	28 407 161	**56 945 219**

The item Interest on cash and deposits in credit institutions refers to interest on deposits made during the period. As of December 31st 2024, there are investments worth 28 million euros, with an average rate of 3.15% and an average maturity of 17 months.

NOTE 12 – SECURITIES

This item, on December 31st 2024 and 2023, is analysed as follows:

(EUR)

	31.12.2024	31.12.2023
Financial assets at amortised cost		
Bonds and other fixed income securities	-	-
Of public issuers	49 163	-
	49 163	-
Total	**49 163**	-

NOTE 13 – OTHER TANGIBLE ASSETS

This item is detailed as follows, as at December 31st 2024 and 2023:

(EUR)

	31.12.2024	31.12.2023
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	1 875	1 876
Other	5 259	5 259
	99 390	**99 391**
Other tangible assets		
	112 458	**112 459**
Accumulated depreciation	(111 775)	(111 316)
	683	**1 143**

The movement in the Other tangible assets item was as follows:

(EUR)

	Real estate	Equipment	Total
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**
Forex variation and other movements	-	**(1)**	**(1)**
Balance as at 31 December 2024	**13 068**	**99 390**	**112 458**
Depreciations			
Balance as at 31 December 2022	**13 068**	**97 832**	**110 900**
Depreciation for the year	-	416	416
Balance as at 31 December 2023	**13 068**	**98 248**	**111 316**
Depreciation for the year	-	459	459
Balance as at 31 December 2024	**13 068**	**98 707**	**111 775**
Net Balance as at 31 December 2024	-	**683**	**683**
Net Balance as at 31 December 2023	-	**1 143**	**1 143**

NOTE 14 – INTANGIBLE ASSETS

This item is detailed as follows, as December 31st 2024 and 2023:

(EUR)

	31.12.2024	31.12.2023
Purchased from third parties		
Automated data processing system	53 590	53 590
	53 590	**53 590**
Fixed assets in progress	-	-
	53 590	**53 590**
Accumulated amortisation	(37 823)	(18 902)
	(37 823)	**(18 902)**
	15 767	**34 688**

Activity in this item was as follows:

	Automated data processing system	Fixed assets under construction	Total
			(EUR)
Balance as at 31 December 2022	**3 134**	**58 865**	**61 999**
Write-Offs / Sales	-	(8 409)	(8 409)
Uses	50 456	(50 456)	-
Balance as at 31 December 2023	**53 590**	**-**	**53 590**
Write-Offs / Sales	-	-	-
Uses	-	-	-
Balance as at 31 December 2024	**53 590**	**-**	**53 590**
Amortisations			
Balance as at 31 December 2022	**3 134**	**-**	**3 134**
Depreciation	15 768	-	15 768
Balance as at 31 December 2023	**18 902**	**-**	**18 902**
Depreciation	18 921	-	18 921
Balance as at 31 December 2024	**37 823**	**-**	**37 823**
Balance as at 31 December 2024	**15 767**	**-**	**15 767**
Balance as at 31 December 2023	**34 688**	**-**	**34 688**

NOTE 15 – TAXES

The Company is subject to Corporate Income Tax ("IRC"). Under Article 87 of the IRC code, the tax rate applied is 21%. Taxation is increased by *Derrama* up to the maximum limit of 1.5% on taxable profit subject to and not exempt from corporate income tax (IRC), resulting in a maximum aggregate tax rate of 22.5% in 2024 and 2023. Additionally, on the portion of taxable profits determined in excess of 1,500,000 Euros, 7,500,000 Euros and 35,000,000 Euros, subject to and not exempt from corporate income tax (IRC), an additional rate of 3%, 5% and 9% (*Derrama estadual*), respectively, is levied.

According to current legislation, tax returns are subject to review and correction by the tax authorities for a period of four years (five years for Social Security), except when there has been tax losses, tax benefits have been granted, or inspections, complaints or challenges are in progress, in which cases, depending on the circumstances, the deadlines are extended or suspended. Therefore, the Company's tax returns for 2021 and 2024 may still be subject to review.

The reconciliation between the nominal and effective income tax rates in 2024 and 2023 is as follows:

(EUR)

	31.12.2024		31.12.2022	
	%	Amount	%	Amount
Profit/loss before tax		**943 649**		**1 055 220**
Income tax expenditure		211 507		258 033
Effective tax rate		22%		24%
Corporate tax rate	22,50%	212 321	22,50%	237 425
Permanent differences:				
Autonomous taxation	0,05%	481	0,03%	309
Other movements from tax estimates	-0,14%	(1 295)	1,92%	20 299
	22,41%	**211 507**	**24,45%**	**258 033**
Of which:				
Current taxes		211 507		258 033
Effective tax rate	**22,41%**		**24,45%**	

As at December 31st 2024, the current tax asset, amounting to 671,733 euros, corresponds to payments on account made and withholding taxes incurred during the year.

As at December 31st 2024, the current tax liability, amounting to 217,390 euros (2023: 248,963 euros), corresponds to the IRC estimate.

NOTE 16 – OTHER ASSETS

Other assets as at December 31st 2024 and 2023 are detailed as follows:

(EUR)

	31.12.2024	31.12.2023
Debtors and other receivables		
Other sundry debtors	573 967	883 378
Impairment losses and other investments (Note 9)	(571 650)	(739 132)
	2 317	**144 246**
Deferred cost expenses	**10 272**	**4 008**
Other adjustment accounts		
Retirement pensions	-	4 633
Other transactions pending settlement	536 368	209 689
	536 368	**214 322**
	548 957	**362 576**

The heading Other operations to be regularized, on December 31st 2024, includes the amounts of increase in management fees receivable from customers in the amount of 532,642 euros (2023: 118,487 euros).

NOTE 17 – OTHER LIABILITIES

The Other liabilities item at December 31st 2024 and 2023 is analysed as follows:

(EUR)

	31.12.2024	31.12.2023
Creditors and other receivables		
Sundry creditors		
Creditors for supply of goods	14 633	388
Other creditors	(12 187)	(7 560)
	2 446	**(7 172)**
Costs payable		
Other costs payable	136 326	204 510
	136 326	**204 510**
Other adjustment accounts		
Other transactions pending settlement	3 879	126 707
	3 879	**126 707**
	142 651	**324 045**

The headings of Other costs payable, on December 31st 2024 and 2023, show the balances to be settled relating to audit services, taxes and remunerations.

NOTE 18 – EQUITY

Ordinary shares

The total share capital is represented by 5,000,000 shares with a nominal value of 5 euros each. As of December 31st 2024 and 2023, the capital is fully subscribed and paid up in the amount of 25,000,000 euros. The sole shareholder of the Company is Haitong Bank S.A..

NOTE 19 – FAIR VALUE RESERVES, OTHER RESERVES AND RETAINED EARNINGS

Legal reserves and other reserves

On December 31st 2024 and 2023, the item Legal Reserve, Other Reserves and Retained Earnings is detailed as follows:

(EUR)

	Reserves and retained earnings		
	Legal reserve	Other reserves and retained earnings	Total reserves and retained earnings
Balance as at 31 December 2022	**3 704 900**	**27 165 800**	**30 870 700**
Appropriation of net profit	-	222 867	222 867
Build-up of reserves	11 144	(11 144)	-
Balance as at 31 December 2023	**3 716 044**	**27 377 523**	**31 093 567**
Reduction of capital	-	(28 000 000)	(28 000 000)
Appropriation of net profit	-	797 187	797 187
Build-up of reserves	39 860	(39 860)	-
Balance as at 31 December 2024	**3 755 904**	**134 850**	**3 890 754**

On July 9th 2024, the sole shareholder approved the distribution of dividends to the sole shareholder, in the amount of 28,000,000 euros, from available free reserves.

According to current commercial legislation, at least 5% of the annual net profit, if positive, must be allocated to strengthening the legal reserve until it represents 20% of the capital. This reserve is not distributable except in the event of the liquidation of HGAM, but it can be used to absorb losses after the other reserves have been exhausted, or incorporated into the capital.

NOTE 20 – TRANSACTIONS WITH RELATED PARTIES

The value of the Company's transactions with related entities of the Company in the years ended December 31st 2024 and 2023, as well as the respective costs and revenues recognized in the year, are summarized as follows:

(EUR)

	31.12.2024						
	Assets			Liabilities	Income		Costs
	Cash and cash equivalents	Deposits and loans and advances to other credit institutions	Other assets	Other liabilities	Interests and similar income	Income from fees and services	Administrative expenses
Shareholders							
HAITONG BANK SA	285 239	28 407 161	-	36 578	1 356 655	-	240 790
Haitong Private Equity Fund	-	-	368 357	-	-	550 553	-
Haitong United Partner Fund	-	-	123 943	-	-	123 943	-
Haitong China Bond Fund	-	-	6 797	-	-	6 797	-
White Fleet III Haitong Flexible	-	-	19 141	-	-	42 348	-
White Fleet III Haitong Aggressive	-	-	13 632	-	-	101 541	-
TOTAL	**285 239**	**28 407 161**	**531 869**	**36 578**	**1 356 655**	**825 182**	**240 790**

(EUR)

	31.12.2023						
	Assets			Liabilities	Income		Costs
	Cash and cash equivalents	Deposits and loans and advances to other credit institutions	Other assets	Other liabilities	Interests and similar income	Income from fees and services	Administrative expenses
Accionistas							
HAITONG BANK SA	89 653	56 945 219	-	3 840	1 476 881	-	261 000
Haitong Private Equity Fund	-	-	-	-	-	307 564	-
TOTAL	**89 653**	**56 945 219**	**0**	**3 840**	**1 476 881**	**307 564**	**261 000**

The cost of key management personnel is presented in Note 7.

NOTE 21 – ASSETS UNDER MANAGEMENT

The Company's activity consists of the administration, management and representation of open and closed Collective Investment Schemes.

As of December 31st 2024 and 2023, the volume under management relating to the investment capital funds managed by the Company can be summarized as follows:

(EUR)

	31.12.2024	31.12.2023
Investiment Funds		
HAITONG PRIVATE EQUITY FUND - FCR	35 081 926	34 425 378
HAITONG UNITED PARTNERS FUND - FCR	23 836 380	-
HAITONG CHINA BOND FUND	2 942 427	-
WHITE FLEET HAITONG FLEXIBLE FUND	40 710 764	-
WHITE FLEET HAITONG AGGRESSIVE FUND	14 666 651	-
Client Assets	-	-
Discretionary Management	13 640 474	4 691 871
	130 878 622	**39 117 249**

NOTE 22 – 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 of December 31st 2024 and 2023, the Company's Board of Directors understands that the fair value of financial instruments assets and liabilities recorded at amortized cost does not differ significantly from their carrying amount.

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 23 – FAIR VALUE OF FINANCIAL INSTRUMENTS

When determining the fair value of a financial asset or liability, if there is an active market, the market price is applied. A market is considered active if quoted prices are readily and regularly available through exchanges, brokerages or regulatory agencies, and if these prices reflect current and regular transactions occurring in a freely competitive market (Level 1).

The fair value of financial assets and liabilities that are recorded at amortized cost is analysed as follows:

(EUR)

	Amortised Cost	Total Balance Sheet Value	Fair Value
Balance as of december 31st 2024			
Cash and cash equivalents	289 472	289 472	289 472
Financial assets at amortised cost			
Deposits and loans and advances to other credit institutions	28 407 161	28 407 161	28 407 161
Securities	49 163	49 163	49 972
Other Assets	548 957	548 957	548 957
Financial Assets	**29 294 753**	**29 294 753**	**29 295 563**
Balance as of december 31st 2024			
Other Liabilities	142 651	142 651	142 651
Financial Liabilities	**142 651**	**142 651**	**142 651**
Balance as of december 31st 2023			
Cash and cash equivalents	100 186	100 186	100 186
Financial assets at amortised cost			
Deposits and loans and advances to other credit institutions	56 945 219	56 945 219	56 945 219
Securities	-	-	-
Other Assets	362 576	362 576	362 576
Financial Assets	**57 407 981**	**57 407 981**	**57 407 981**
Balance as of december 31st 2023			
Other Liabilities	324 045	324 045	324 045
Financial Liabilities	**324 045**	**324 045**	**324 045**

NOTE 24 – RECENTLY ISSUED ACCOUNTING STANDARDS AND INTERPRETATIONS

The recently issued accounting standards and interpretations that came into force and that the Company applied in preparing its financial statements are as follows:

Clarification of requirements for classifying liabilities as current or non-current (changes to IAS 1 – Presentation of Financial Statements):

The IASB issued on January 23rd 2020 an amendment to IAS 1 Presentation of Financial Statements to clarify how to classify debt and other liabilities as current and non-current.

The amendments clarify a criterion in IAS 1 for classifying a liability as non-current: the requirement that an entity have the right to defer settlement of the liability for at least 12 months after the reporting period.

The amendments are intended to:

(a) specify that an entity's right to defer settlement must exist at the end of the reporting period and must be substantive;

b) clarify that ratios that the company must meet after the balance sheet date (i.e. future ratios) do not affect the classification of a liability at the balance sheet date. However, when non-current liabilities are subject to future indexes, companies have to disclose information that allows users to understand the risk that these liabilities may be repaid within 12 months after the balance sheet date; and

c) clarify the requirements for classifying liabilities that an entity will settle, or may settle, through the issuance of its own equity instruments (e.g. convertible debt).

This change is effective for periods after January 1st 2024.

The Company has not recorded significant changes in adopting this clarification.

Lease liability in a sale and leaseback transaction (amendments to IFRS 16 – Leases)

The IASB issued in September 2022 amendments to IFRS 16 – Leases that introduce a new accounting model for variable payments in a sale and leaseback transaction.

The amendments confirm that:

- On initial recognition, the seller-lessee includes variable lease payments when measuring a lease liability arising from a sale and leaseback transaction.

- After initial recognition, the seller-lessee applies the general requirements for subsequent accounting for the lease liability, so that it does not recognize any gain or loss related to the right of use that it retains.

A seller-lessee may adopt different approaches that meet the new subsequent measurement requirements.

Under IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, a seller-lessee will have to apply the amendments retrospectively to sale and leaseback transactions entered into since the date of initial application of IFRS 16. This means that it will have to identify and re-analyse sale and leaseback transactions entered into since the implementation of IFRS 16 in 2019 and potentially restate those that included variable lease payments.

The Company did not register any significant changes in adopting this clarification.

Changes to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures - Supplier Financing Arrangements

On May 25th 2023, the International Accounting Standards Board (IASB) published Supplier Financing Arrangements with amendments to IAS 7 - Cash Flow Statements and IFRS 7 - Disclosures in Financial Instruments.

The changes relate to disclosure requirements relating to supplier financing arrangements – also known as supply chain financing, accounts payable financing or reverse factoring arrangements.

The new requirements complement those already included in IFRS standards and include disclosures on:

• Terms and conditions of supplier financing arrangements;

• The amounts of liabilities subject to such agreements, the part of which suppliers have already received payments from financiers and under which heading these liabilities are presented in the balance sheet;

• Expiration date ranges; and

• Information on liquidity risk.

The Company did not register significant changes in the adoption of this clarification.

The Company has decided not to apply in advance the following standards and/or interpretations adopted by the European Union:

Changes to IAS 21 - The Effects of Changes in Exchange Rates: Lack of Convertibility

On August 15th 2023, the International Accounting Standards Board (IASB) issued Lack of Convertibility (Amendments to IAS 21 – Effects of Changes in Exchange Rates) (the Amendments).

The changes clarify how an entity should assess whether a currency is convertible or not and how it should determine a spot exchange rate in situations of non-convertibility.

A currency is convertible into another currency when an entity is able to exchange that currency for another currency at the measurement date and for a specified purpose. When a currency is not convertible, the entity has to estimate a spot exchange rate.

Under the changes, entities will have to provide new disclosures to help users assess the impact of using an estimated exchange rate in financial statements. Such disclosures may include:

- the nature and financial impacts of the currency not being convertible;

- the spot exchange rate used;

- the estimation process; and

- the risks to the company arising from the currency being convertible.

The amendments apply to annual reporting periods beginning on or after January 1st 2025. Earlier application is permitted.

The Company is evaluating the impacts that this change will have on its financial statements.

Standards, amendments and interpretations issued but not yet effective for the Company:

IFRS 18 Presentation and Disclosure in Financial Statements

On April 9th 2024, the International Accounting Standards Board (IASB or Board) issued the new Standard, IFRS 18 Presentation and Disclosure of Financial Statements.

The main changes introduced by this Standard are:

- Promotion of a more structured income statement. In particular, it introduces a new "operating profit" subtotal (as well as its definition) and the requirement that all revenues and expenses be classified into three new distinct categories based on a company's main business activities: Operating, Investing and Financing.

- Requirement for companies to analyze their operating expenses directly on the face of the income statement – whether by nature, by function or in a mixed form.

- Requirement that some of the 'non-GAAP' measures that the Company uses be reported in the financial statements. The Standard defines Non-GAAP Performance Measures (MPMs) as a subtotal of revenues and expenses that:

- are used in public communications outside of the financial statements; and
- communicate management's view of financial performance.

For each MPM presented, companies will need to explain in a single note in the financial statements why the measure provides useful information, how it is calculated, and reconcile it to a value determined in accordance with IFRS.

- Introduction of improved guidelines on how companies group information in financial statements. Includes guidance on whether material information is included in the primary financial statements or is further detailed in the notes.

The Standard applies to annual reporting periods beginning on or after January 1st 2027, and applies retrospectively. Early application is permitted.

The Company is evaluating the impacts that the Standard will have on the financial statements.

IFRS 19 Presentation and Disclosure in Financial Statements

On May 9th 2024, the International Accounting Standards Board (IASB) issued a new Standard, IFRS 19 Non-publicly Accountable Subsidiaries: Disclosures, which allows eligible subsidiaries to use IFRS with reduced disclosures. The application of IFRS 19 will reduce the costs of preparing subsidiaries' financial statements while maintaining the usefulness of the information for users of their financial statements.

A subsidiary may choose to apply the new Standard in its consolidated, individual or separate financial statements, provided that, at the reporting date:

- it does not have public accountability;

- its parent company prepares consolidated financial statements in accordance with IFRS.

A subsidiary that applies IFRS 19 is required to clearly state in its explicit and unconditional statement of compliance with IFRSs that IFRS 19 has been adopted.

The Standard applies to annual reporting periods beginning on or after January 1st 2027, and applies retrospectively. Early application is permitted.

The Company is evaluating the impacts that the Standard will have on the financial statements.

Changes in the Classification and Measurement of Financial Instruments

On May 30th 2024, the International Accounting Standards Board (IASB or Board) issued amendments to the classification and measurement requirements of IFRS 9 – Financial Instruments. The changes aim to address the diversity in the application of the standard, making the requirements more understandable and consistent.

These changes aim to:

- Clarify the classification of financial assets with environmental, social and corporate governance (ESG) and similar characteristics, as these characteristics in loans may affect whether loans are measured at amortized cost or fair value. To address any potential diversity in practical application, the amendments clarify how contractual cash flows from loans should be assessed.

- Clarify the date on which a financial asset or financial liability is derecognized when its settlement is carried out through electronic payment systems. There is an accounting policy option that allows a financial liability to be derecognized before cash is delivered on the settlement date if certain criteria are met.

- Improve the description of the term “non-recourse”, according to the amendments, a financial asset has non-recourse characteristics if the ultimate right to receive cash flows from an entity is contractually limited to the cash flows generated by specific assets. The presence of non-recourse features does not necessarily exclude the financial asset from complying with the SPPI, but its features need to be carefully analyzed.

- Clarify that a contractually linked instrument must feature a cascading payment structure that creates a concentration of credit risk by allocating losses disproportionately across different tranches. The underlying pool may include financial instruments that are not within the scope of IFRS 9 classification and measurement (for example, lease contracts) but must have cash flows equivalent to the SPPI criterion.

The IASB also introduced additional disclosure requirements relating to equity investments designated at fair value through other comprehensive income and financial instruments with contingent features, for example features linked to ESG targets.

This change is effective for periods beginning on or after January 1st 2026. Early adoption is permitted.

The Company is evaluating the impacts that this change will have on its financial statements.

Annual improvements

On July 18th 2024, the International Accounting Standards Board (IASB) issued limited amendments to IFRS and its guidelines, resulting from regular maintenance carried out on the Standards.

The amendments include clarifications, simplifications, corrections and modifications made with the aim of improving the consistency of various IFRSs.

The IASB has amended:

- IFRS 1 First-time Adoption of International Financial Reporting Standards, to clarify some aspects related to the application of hedge accounting by an entity that is preparing financial statements in accordance with IFRS for the first time;

- IFRS 7 Financial Instruments: Disclosures and the respective Implementation Guide, in order to clarify:

- the application guide, with regard to Gain and loss on derecognition; and
- the Implementation Guide, notably its Introduction, Fair Value paragraph (disclosures regarding the difference between fair value and transaction price) and the Credit Risk disclosure.

- IFRS 9 Financial Instruments to:

- Require entities to initially measure a receivable without a significant financing component at the amount determined by applying IFRS 15, and
- Clarify that, when a lease liability is derecognised, the derecognition is accounted for under IFRS 9. However, when a lease liability is modified, the modification is accounted for under IFRS 16 Leases. The amendment establishes that, when lease liabilities are derecognised

under IFRS 9, the difference between the carrying amount and the consideration paid is recognised in profit or loss.

- IFRS 10 Consolidated Financial Statements, clarification on the determination of “de facto agent”; and

- IAS 7 Statements of Cash Flows, change of details in the paragraph related to Investments in subsidiaries, associates and joint ventures.

The amendments apply to annual reporting periods beginning on or after January 1st 2026. Earlier application is permitted.

The Company is evaluating the impacts that the changes will have on the financial statements.

Changes to IFRS 9 and IFRS 7 - Contracts relating to nature-dependent electricity

On December 18th 2024, the International Accounting Standards Board (IASB) issued changes to help companies better report the financial effects of electricity contracts whose production is dependent on nature, which are often structured as power purchase agreements (PPAs).

Nature-dependent electricity contracts help companies secure their electricity supply from sources such as wind and solar power. The amount of electricity generated under these contracts may vary depending on non-controllable factors such as weather conditions. Current accounting requirements may not adequately reflect how these contracts affect a company's performance.

To enable companies to better reflect these contracts in their financial statements, the IASB has made specific changes to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures. Changes include:

- Clarification of the application of “own-use” requirements;

- Allowance for hedge accounting if these contracts are used as hedging instruments; and

- Add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

This change is effective for periods beginning on or after January 1st 2026. Early adoption is permitted.

The Company is evaluating the impacts that this change will have on its financial statements.

NOTE 25 – INFORMATION REQUIRED BY LEGAL DIPLOMAS

In accordance with the provisions of article 66.º A of the Commercial Companies Code:

• In addition to the operations described in the notes above, as well as in the Management Report, there are no other relevant operations that are not reflected in the balance sheet.

• The total remuneration paid to the Statutory Auditor in 2024 was 13,000 euros, which corresponds entirely to statutory audit services.

• Note 20 of the Notes to the financial statements includes all disclosures relating to relationships between related parties in accordance with applicable accounting standards.

• Application of net profit in the amount of 732,142.30 euros recorded in the fiscal year 2024, as follows:

- For Legal Reserve: 36,607.12 euros
- For Retained Earnings: 695,535.19 euros

• Other disclosures:

- The Company has no outstanding contributions to Social Security.
- The Company has no outstanding taxes with the Federal Revenue Service.

NOTE 26 – SUBSEQUENT EVENTS

No relevant events have occurred after the balance sheet date that could result in adjustments to the financial statements or put the Company's continuity at risk.

ANNEXES

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STATUTORY AUDITORS' REPORT

(Free translation from a report originally issued in Portuguese language. In case of doubt the Portuguese version will always prevail.)

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), which comprise the statement of financial position as at 31 December 2024 (showing a total of 29,982,937 euros and total equity of 29,622,896 euros, including a profit for the year of 732,142 euros), and the income statement, the comprehensive income statement, statement of changes in equity e a statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the financial position of **Haitong Global Asset Management, SGOIC, S.A.** as at 31 December 2024 and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and further technical and ethical standards and guidelines as issued by Ordem dos Revisores Oficiais de Contas (the Portuguese Institute of Statutory Auditors). Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the Financial Statements" section below. We are independent the Entity in accordance with the law and we have fulfilled other ethical requirements in accordance with the Ordem dos Revisores Oficiais de Contas' code of ethics.

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

Other matters

The financial statements for the year ended 31 December 2023, presented for comparative purposes, were audited by another statutory auditor, who issued a Statutory Auditors' Report, dated 11 March 2024. We were engaged on 4 February 2025 to perform an audit to the financial statements for the year ended 31 December 2024.

Responsibilities of management for the financial statements

Management is responsible for:

- the preparation of financial statements that give a true and fair view of the Entity's financial position, financial performance and the cash flows, in accordance with the International Financial Reporting Standards as adopted by the European Union.;
- the preparation of the management report in accordance with applicable laws and regulations;
- designing and maintaining an appropriate internal control system to enable the preparation of financial statements that are free from material misstatement, whether 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, and disclosing, as applicable, the matters that may cast significant doubt about the Entity's ability to continue as a going concern.

Auditors' responsibilities for the audit of the financial statements

Our responsibility is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements whether due to fraud or error, and to issue an auditors' 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 auditors' 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 auditors' 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 the events in a manner that achieves fair presentation; and,

- communicate with those charged with governance, 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, nr. 3, al. (e) of the Portuguese Companies' Code, it is our opinion that the management report was prepared in accordance with the applicable legal and regulatory requirements, the information contained therein is coherent with the audited financial statements and, having regard to our knowledge and assessment of the Entity, we have not identified any material misstatements.

28 February 2025

SIGNED ON THE ORIGINAL

KPMG & Associados
Sociedade de Revisores Oficiais de Contas, S.A.
(no. 189 and registered at CMVM with the no. 20161489)
represented by
Hugo Jorge Gonçalves Cláudio
(ROC no. 1597 and registered at CMVM with the no. 20161207)

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REPORT AND ADVICE OF THE STATUTORY AUDITOR

(Free translation from a report originally issued in Portuguese language. In case of doubt the Portuguese version will always prevail.)

To the Shareholder(s) of
Haitong Global Asset Management, SGOIC, S.A. (name of the Entity)

In accordance with Article 420, nr.1, g) of the Portuguese Commercial Company Act, we herewith, as Statutory Auditors of Haitong Global Asset Management, SGOIC, S.A., submit our report on the work carried out, as well as our conclusion on the management report, financial statements and proposal presented by the Board of Directors for the year ended 31 December 2024.

Through contacts established with the Board of Directors, as well as information collected from the qualified services, we have obtained information about the activity of the Entity and the management of its business, and we have reviewed the financial information issued throughout the year ended 31 December 2024, carrying out the analysis we deemed convenient.

We have inquired about the compliance with the Law and the Entity's Articles of Association, checked the accuracy of the accounting records and of the related supporting documentation, checked whether the accounting policies adopted by the Entity and the disclosures included in the Notes to the financial statements give a true and fair view of the Entity's assets and results, and carried out other procedures as deemed necessary in the circumstances.

After the closing of the accounts, we reviewed the accuracy of the annual accounts, namely, the management report prepared by the Board of Directors, as well as the financial statements that comprise the statement of financial position, the income statement, the comprehensive income statement, the statement of changes in equity, the e a statement of cash flows, and the corresponding notes.

Based on the work carried out, we issued the Statutory Auditors' Report on the financial statements, without qualifications, without emphasis of matter and with other matters.

Within the scope of our functions and based on the documentation and explanations obtained, we conclude that:

a. The financial statements provide an adequate understanding of the Entity's financial position, its financial performance and its cash flows;

b. The accounting policies adopted and disclosures made are adequate; and,

c. The management report presents the development of the business and the position of the Entity, in accordance with the Law and with the Entity's Articles of Association.

Based on the work carried out, it is our opinion that the Entity's Annual General Meeting may approve:

a) The management report and the financial statements for the year ended 31 December 2024;

b) The proposal for the application of results included in the management report.

28 February 2025

SIGNED ON THE ORIGINAL

KPMG & Associados
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