

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



China International Capital Corporation Limited

中國國際金融股份有限公司

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

(Stock Code: 03908)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2022

The board of directors of China International Capital Corporation Limited (the “**Company**”) hereby announces the audited annual results of the Company and its subsidiaries for the year ended December 31, 2022. This announcement, containing the main text of the 2022 annual report of the Company, complies with the relevant requirements of the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* in relation to preliminary announcements of annual results. The printed version of the Company’s 2022 annual report will be despatched to the shareholders of the Company in due course and the Company’s 2022 annual report will be available on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the website of the Company at www.cicc.com.

By order of the Board
China International Capital Corporation Limited
Secretary to the Board
Sun Nan

Beijing, the PRC
March 31, 2023

As at the date of this announcement, the Executive Director of the Company is Mr. Huang Zhaohui; the Non-executive Directors are Mr. Shen Rujun, Ms. Tan Lixia and Mr. Duan Wenwu; and the Independent Non-executive Directors are Mr. Liu Li, Mr. Ng Kong Ping Albert, Mr. Lu Zhengfei and Mr. Peter Hugh Nolan.

BY THE PEOPLE AND FOR THE NATION

People are our most valuable assets. We strive to attract, cultivate and retain the best people. Since inception, CICC has positioned itself as "a China-based investment bank with international perspectives". It is our mission to serve the nation by promoting economic reform and long-term development of the capital markets.

INNOVATION AND ENTREPRENEURSHIP

Innovation is the lasting force that drives CICC forward. Blessed with deep industry know-how, visionary leadership, close relationship with clients, and abundant execution experiences, CICC is always prepared to embrace change and continue to deliver innovative products and quality services to our clients.

PROFESSIONALISM AND DILIGENCE

We develop our businesses up to the highest professional standards, and nurture a high-caliber team of financial professionals, who boast international visions, diligently perform their duties and share our corporate values.

CORE VALUES

INTEGRITY

We build our franchise upon the utmost professional integrity and highest ethical standards. We value our franchise and never compromise on integrity.

CLIENT FIRST

We always put our clients first. We develop and maintain long-term relationships of trust with our clients by truly safeguarding their interests and satisfying their needs.

CHINESE ROOTS AND INTERNATIONAL REACH

As a China-based global investment bank, we are proud of our Chinese roots and international business strengths. We bridge China and the world by providing best-in-class services to clients at home and abroad.



CONTENT

2
Definitions

8
Important
Notes

10
Message from
Our Chairman

12
Message from
Our CEO

BUSINESS OVERVIEW

20
Company
Profile

38
Summary of
Accounting Data and
Financial Indicators

41
Management
Discussion and
Analysis

CORPORATE GOVERNANCE AND PARTICULARS OF BONDS

122
Directors' Report

127
Changes in Shares
and Information of
Shareholders

140
Directors, Supervisors,
Senior Management and
Employees

163
Corporate Governance
Report

199
Environmental and
Social Responsibility

203
Significant
Events

212
Particulars of
Bonds

FINANCIAL REPORT AND DOCUMENTS FOR INSPECTION

239
Independent
Auditor's Report

245
Consolidated
Financial Statements

425
Index of Documents
for Inspection

426
Information
Disclosure of
Securities Companies

427
Appendix



DEFINITIONS

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

“Company”, “our Company”, or “CICC”	China International Capital Corporation Limited (中國國際金融股份有限公司), a joint stock company incorporated in the PRC with limited liability converted from China International Capital Corporation Limited (中國國際金融有限公司), a Chinese-foreign equity joint venture, on June 1, 2015, whose H Shares are listed on Hong Kong Stock Exchange (Stock Code: 03908) and A Shares are listed on the Shanghai Stock Exchange (Stock Code: 601995)
“Group”, “our Group” or “we”	our Company and its subsidiaries (or with reference to the context, our Company and anyone or more of its subsidiaries)
“Articles of Association”	the <i>Articles of Association of China International Capital Corporation Limited</i>
“Ministry of Finance” or “MOF”	the Ministry of Finance of the PRC* (中華人民共和國財政部)
“CSRC”	the China Securities Regulatory Commission* (中國證券監督管理委員會)
“SFC”	the Securities and Futures Commission of Hong Kong (香港證券及期貨事務監察委員會)
“SSE”	the Shanghai Stock Exchange* (上海證券交易所)
“Hong Kong Stock Exchange” or “HKEX”	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“Central Bank”	the People’s Bank of China* (中國人民銀行), the central bank of the PRC
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited
“CICC Capital”	CICC Capital Management Co., Ltd.* (中金資本運營有限公司), a company incorporated in the PRC in March 2017 and a wholly-owned subsidiary of our Company
“CICC Fund Management”	CICC Fund Management Co., Ltd.* (中金基金管理有限公司), a company incorporated in the PRC in February 2014 and a wholly-owned subsidiary of our Company
“CICC Private Equity” or “CICC Private”	CICC Private Equity Management Co., Ltd.* (中金私募股權投資管理有限公司), a company incorporated in the PRC in October 2020 and a wholly-owned subsidiary of our Company

“CICC Futures”	CICC Futures Co., Ltd.* (中金期貨有限公司), a company incorporated in the PRC in July 2004 and a wholly-owned subsidiary of our Company
“CICC Wealth Management” or “CICC Wealth Management Securities”	China CICC Wealth Management Securities Company Limited (中國中金財富證券有限公司), formerly known as China Investment Securities Company Limited (中國中投證券有限責任公司), a company incorporated in the PRC in September 2005, which was renamed as China CICC Wealth Management Securities Company Limited in August 2019, and a wholly-owned subsidiary of our Company
“China Investment LuckyStone”	China Investment LuckyStone Management Co. Ltd. (中金瑞石投資管理有限責任公司), formerly known as CISC Luckystone Investment Management Co., Ltd. (中投瑞石投資管理有限責任公司), a company incorporated in the PRC in September 2009, which was renamed as China Investment LuckyStone Management Co. Ltd. in July 2021, and a wholly-owned subsidiary of CICC Wealth Management Securities
“CICC Pucheng”	CICC Pucheng Investment Co., Ltd.* (中金浦成投資有限公司), a company incorporated in the PRC in April 2012 and a wholly-owned subsidiary of our Company
“CICC International”	China International Capital Corporation (International) Limited (中國國際金融(國際)有限公司), formerly known as China International Capital Corporation (Hong Kong) Limited (中國國際金融(香港)有限公司), a company incorporated in Hong Kong in April 1997, which was renamed as China International Capital Corporation (International) Limited in June 2022, and a wholly-owned subsidiary of our Company
“CICC HK Securities”	China International Capital Corporation Hong Kong Securities Limited (中國國際金融香港證券有限公司), a company incorporated in Hong Kong in March 1998 and a wholly-owned subsidiary of CICC International
“CICC HK AM”	China International Capital Corporation Hong Kong Asset Management Limited (中國國際金融香港資產管理有限公司), a company incorporated in Hong Kong in December 2005 and a wholly-owned subsidiary of CICC International
“CICC HK Futures”	China International Capital Corporation Hong Kong Futures Limited (中國國際金融香港期貨有限公司), a company incorporated in Hong Kong in August 2010 and a wholly-owned subsidiary of CICC International
“CICC (Singapore)”	China International Capital Corporation (Singapore) Pte. Limited, a company incorporated in Singapore in July 2008 and a wholly-owned subsidiary of CICC International

DEFINITIONS

“A Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is (are) subscribed for and traded in RMB and listed on the SSE
“H Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is (are) subscribed for and traded in HK dollars and listed on the Hong Kong Stock Exchange
“A Share Offering and Listing”	the initial public offering of RMB ordinary shares (A Shares) and listing on the SSE of the Company
“ChiNext board”	the ChiNext board of the Shenzhen Stock Exchange
“STAR Market”	Sci-Tech innovation board of Shanghai Stock Exchange
“NEEQ”	The National Equities Exchange and Quotations (全國中小企業股份轉讓系統)
“Securities Law”	the <i>Securities Law of the PRC*</i> (中華人民共和國證券法)
“SFO”	the <i>Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)</i>
“Company Law”	the <i>Company Law of the PRC*</i> (中華人民共和國公司法)
“IFRSs”	the International Financial Reporting Standards, which include standards, amendments and interpretations promulgated by the International Accounting Standards Board and the International Accounting Standards (IAS) and interpretations issued by the International Accounting Standards Committee (IASC)
“CASs”	Chinese Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC and other relevant requirements
“Model Code”	the <i>Model Code for Securities Transactions by Directors of Listed Companies</i> set out in Appendix 10 to the <i>Listing Rules of the Stock Exchange</i>

“Corporate Governance Code”	Corporate Governance Code set out in Appendix 14 to the <i>Listing Rules of the Stock Exchange</i>
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each
“connected person(s)”	has the same meaning ascribed to it under the <i>Listing Rules of the Stock Exchange</i>
“Listing Rules of the Stock Exchange”	the <i>Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited</i>
“Listing Rules of the SSE”	the <i>Rules Governing the Listing of Stocks on the Shanghai Stock Exchange</i> , together with the <i>Listing Rules of the Stock Exchange</i> , are referred to as the “Listing Rules”
“Acquisition”	the acquisition by our Company of 100% of the equity interest of Former CISC (now renamed as CICC Wealth Management) from Huijin pursuant to the Equity Transfer Agreement
“Equity Transfer Agreement”	the equity transfer agreement entered into between our Company and Huijin dated November 4, 2016, pursuant to which our Company has agreed to purchase and Huijin has agreed to sell 100% of the equity interest of Former CISC (now renamed as CICC Wealth Management)
“Net capital”	net capital refers to net assets after risk adjustments on certain types of assets as defined in the <i>Provisions on the Calculation Basis for Risk Control Indicators of Securities Companies</i>
“FICC”	fixed income, commodities and currency
“ETF(s)”	exchange-traded fund(s)
“FoF”	Fund of Fund
“REIT(s)”	real estate investment trust(s)
“NSSF”	the National Council for Social Security Fund of the PRC* (中國全國社會保障基金理事會)
“CSDC”	China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司)

DEFINITIONS

“Huijin”, “Huijin Company” or “Central Huijin”	Central Huijin Investment Ltd.* (中央匯金投資有限責任公司), a wholly state-owned company ultimately owned by the PRC Government
“Jiayin Investment”	China Jiayin Investment Limited* (中國建銀投資有限責任公司), a company incorporated in the PRC in June 1986 and a wholly-owned subsidiary of Huijin and a Shareholder of our Company
“JIC Investment”	JIC Investment Co., Ltd.* (建投投資有限責任公司), a company incorporated in the PRC in October 2012 and a wholly-owned subsidiary of Jiayin Investment and a Shareholder of our Company
“China Investment Consulting”	China Investment Consulting Co., Ltd.* (中國投資諮詢有限責任公司), a company incorporated in the PRC in March 1986 and a wholly-owned subsidiary of Jiayin Investment and a Shareholder of our Company
“Haier Jinying”	Haier Group (Qingdao) Jinying Holding Co., Ltd.* (海爾集團(青島)金盈控股有限公司), formerly known as Haier Group (Qingdao) Financial Holdings Ltd.* (海爾集團(青島)金融控股有限公司), a company incorporated in the PRC in February 2014 and a Shareholder of our Company
“I&G”	China National Investment and Guaranty Corporation* (中國投融資擔保股份有限公司), a company incorporated in the PRC in 1993 and a Shareholder of our Company
“Tencent”	Tencent Holdings and its subsidiaries
“Tencent Holdings”	Tencent Holdings Limited, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the Hong Kong Stock Exchange (Stock Code: 00700)
“Jinteng Technology”	Jinteng Technology Information (Shenzhen) Co., Ltd. (金騰科技信息(深圳)有限公司), a company incorporated in the PRC in June 2020 and a joint venture of the Company and Tencent Technology (Shenzhen) Co., Ltd.* (騰訊數碼(深圳)有限公司)
“Tencent Mobility Limited”	Tencent Mobility Limited, a company incorporated in Hong Kong with limited liability, a wholly-owned subsidiary of Tencent Holdings and a Shareholder of our Company
“PRC” or “China”	the People’s Republic of China

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“HK\$”, “HKD” or “HK dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$” or “USD”	United States dollars, the lawful currency of the United States
“Latest Practicable Date”	March 31, 2023
“Reporting Period”	the period from January 1, 2022 to December 31, 2022

For ease of reference, the names of Chinese laws and regulations, governmental authorities, institutions, natural persons or other entities (including certain of our subsidiaries) have been included in the report in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail. English translations of company names and other terms from the Chinese language are marked with “*” and are provided for identification purposes only.

IMPORTANT NOTES

- I. The Board of Directors, the Supervisory Committee and the Directors, Supervisors and senior management of the Company warrant the truthfulness, accuracy and completeness of the content contained in this annual report, and that there are no misstatements, misleading representations or material omission in the contents contained herein, and severally and jointly bear legal responsibilities thereof.
- II. This report was considered and approved by the Board of Directors of the Company with the attendance of all Directors apart from the Directors set as below in person. None of the Directors raised any objection to this report.

Name	Position	Reason of Not Attending in Person	Name of Proxy
Shen Rujun	Chairman of Board	Other Work Arrangement	Lu Zhengfei
Duan Wenwu	Non-executive Director	Other Work Arrangement	Lu Zhengfei

- III. The financial statements for 2022 prepared by our Company according to the CASs and IFRSs have been audited by Deloitte Touche Tohmatsu Certified Public Accountants LLP and Deloitte Touche Tohmatsu respectively, who have expressed unqualified opinions on those financial statements.
- IV. Mr. Shen Rujun (Chairman of Board), and Mr. Huang Zhaohui (Chief Executive Officer) guarantee that the financial statements set out in this annual report are true, accurate and complete.
- V. The profit distribution plan or the plan for converting reserve into share capital resolved and approved by the Board of Directors during the Reporting Period

The Company will adopt the method of cash dividend payment to its Shareholders for its 2022 profit distribution. The total proposed cash dividends to be distributed is RMB868,906,236.24 (tax-inclusive). On the basis of 4,827,256,868 Shares in issuance of the Company as at the Latest Practicable Date, the cash dividends of RMB1.80 (tax-inclusive) per 10 Shares will be distributed. In case of any changes in the total share capital of the Company before the record date to distribute profit, the amount of cash dividend per Share will be adjusted within the total amount of RMB868,906,236.24 (tax-inclusive). The above profit distribution plan shall be submitted to the annual general meeting of the Company for consideration and approval.

- VI. Statement for the risks involved in the forward-looking statement

The forward-looking statements such as future plans, development strategies contained in this report do not constitute substantive undertakings by our Company to investors who are advised to be cautious about investment risks.
- VII. No appropriation of funds on a non-operating basis by the Company's controlling shareholders or other related parties has occurred.
- VIII. The Company did not provide any external guarantee in violation of the decision-making procedures.

- IX. The business operations of our Company are closely related to the macro economy, monetary policy and market conditions in China and other jurisdictions where our businesses are operated. Any fluctuation in China's and international capital markets will affect the Company's business performance.

The risks faced by our Company mainly include: strategic risk, business management risk, market risk, credit risk, liquidity risk, operational risk, IT risk, compliance risk, legal risk, money laundering risk and reputational risk.

Our Company will work on its organizational structure, management mechanism, IT system, risk indicator framework, talents cultivation, risks response mechanism, etc., to prevent and manage the above-mentioned risks. For detailed analysis and measures taken by our Company in respect of the risks, please refer to the content in "Management Discussion and Analysis – VII. Risk Management".

- X. Certain amounts and percentage figures included in this report have been subject to rounding. Accordingly, the arithmetic sum shown in certain tables may not be the total of the figures preceding them. Any discrepancies in any table or chart between the arithmetic sum shown and the total of the amounts listed are due to rounding. Unless otherwise stated, the amounts in this report are presented in RMB.

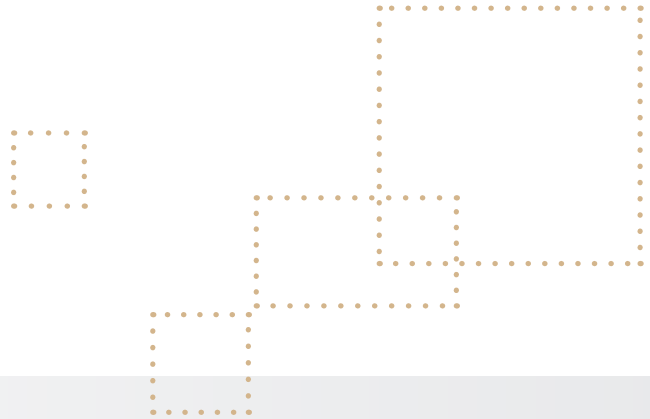
MESSAGE FROM OUR CHAIRMAN



DEAR SHAREHOLDERS,

The year 2022 was a year of significance in the history of the Party and the country. The 20th CPC National Congress drew a grand blueprint for building China into a great modern socialist country in all respects. CICC has taken the study and implementation of the spirit of the 20th CPC National Congress as our primary policy-related task, and maintained stable operation and taken steady steps to sustain progress. In the face of multiple unexpected factors, our Company adhered to the original aspiration of “By the People and For the Nation”, consciously practiced the mission of state-owned financial enterprises, actively served and integrated into the new development pattern, and contributed to the high-quality economic development with our own high-quality development.

Over the past year, our Company has achieved effective results in serving the national strategies. Our Company insists on leading high-quality development with high-quality Party building, and resolutely implements and promotes the decisions and arrangements of the Party Central Committee and the State Council. Always bearing in mind policy-related and people-oriented nature of financial work, we have fulfilled our main responsibilities and focused on main businesses to serve the real economy. Our Company has provided a variety of financial services to steadily explore new models and new products, and made efforts in stabilizing and strengthening the chain, supporting scientific and technological innovation, serving micro, small and medium-sized enterprises, assisting in preventing and mitigating risks, promoting green development, and boosting the dual circulation of domestic and foreign markets, trying to be a front-runner in serving the national strategies.



Over the past year, our Company has recorded stable operating results and continued to improve the management level. Our Company has maintained stable operation and pursued progress while ensuring stability. We have captured market opportunities in the face of the changing market environment, and developed all businesses in a balanced manner. We continued to consolidate the market position of institutional business and advanced the transformation into fee-based investment advisory services for retail business. Our Company flexibly adjusted our business strategies to better cope with the risk impact beyond expectations, and no major risk events occurred throughout the year. Our Company paid special attention to management and improvements in our daily work, further improved our organizational structure, and enhanced the solidarity, unity and creativity of our team, which further strengthened the foundation of high-quality development.

Over the past year, our Company has comprehensively implemented our strategies, and continued to cultivate new momentum. Our Company maintained strategic determination, deepened the execution of strategies, and achieved effective results in the “Three + One” strategic deployment of “digitization, regionalization, internationalization” and “One CICC”. Our Company has completed the primary work of building “CICC International” management platform and steadily promoted the development of international network and team construction. Our Company has made breakthroughs in business development in key domestic regions and further penetrated into local markets. Our Company has implemented a number of digitalization initiatives and released organizational vitality through technology support. The concept of “One CICC” has been deeply rooted in our hearts, which effectively facilitates cross-departmental and multi-business cooperation and the provision of one-stop high-quality integrated financial services for clients.

Over the past year, our Company earnestly fulfilled our social responsibilities. Our Company actively contributed to the society, increased efforts in offering assistance, consolidated the achievements in poverty alleviation and boosted rural revitalization with funds, wisdom and supports. Our Company actively participated in social welfare undertakings and continued to carry out public welfare projects in various fields including education, medical care and environmental protection, contributing to the well-being of people’s livelihood. Our Company focuses on the concept of environmental, social and corporate governance (ESG) development, continuously outlines the blueprint for sustainable development, further improves the ESG organizational structure and system construction, continues to maintain a leading position in green investment and financing, and cultivates new momentum for development with responsible finance.

In the new year, CICC will continue to thoroughly implement the spirit of the 20th CPC National Congress, and take Xi Jinping’s Thought on Socialism with Chinese Characteristics for a New Era as the guidance. We will deeply understand the meaning of “Two Establishes”, and resolutely practice the “Two Upholds”. In the critical year of the 14th Five-Year Plan, we will strengthen our awareness of finance for the nation, dedicate to our work and undertake our responsibilities. We will rouse ourselves on our way towards progress. We will shoot for the moon, challenge ourselves, motivate ourselves and fulfill ourselves so as to contribute to the Chinese modernization.

Shen Rujun
Chairman

MESSAGE FROM OUR CEO



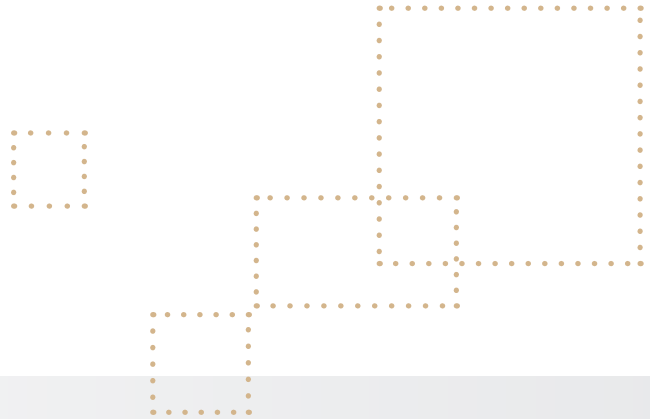
DEAR SHAREHOLDERS,

The year 2022 is an extraordinary year and memorable in CICC's development history.

We have been forging ahead through the market's ups and downs. Amid the complicated international environment and unprecedented challenges, all the staffs of CICC earnestly studied and implemented the spirit of the 20th CPC National Congress, and applied the new development philosophy in full, in the right way, and in all fields of endeavor. We are determined to face up to difficulties and move forward with a vigorous spirit and unremitting efforts. We bear in mind policy-related and people-oriented nature of financial work, and actively serve the real economic and social development, accurately seize market and industry opportunities, and march forward on the road of high-quality development based on our professional know-how.

As at the end of 2022, total assets of our Group amounted to RMB648,764.0 million; net assets^(note) amounted to RMB99,188.1 million. Our Group recorded total revenue and other income of RMB37,398.2 million and profit^(note) of RMB7,597.5 million. In 2022, CICC continued to be ranked as the "Most Honored Companies" (Rank 2) by Institutional Investor.

Note: Net assets refer to total equity attributable to shareholders of the parent company. Profit refers to profit attributable to shareholders of the parent company.



PERSEVERANCE IN FIVE ASPECTS IN 2022

This year, we kept to serve the national strategy and integrate CICC's development into the great rejuvenation of the Chinese nation. As a bridge connecting the real economy and the capital market, CICC completed direct financing of more than RMB3 trillion in total, with presence extending from the forefront of scientific and technological research to the front line of risk mitigation. For **scientific and technological innovation**, we assisted scientific and technological innovation enterprises in equity financing of approximately RMB250 billion and we supported the development of enterprises that use special and sophisticated technologies to produce novel and unique products, technologies that lack independent innovation and advance technology enterprises, in order to guide more capital to invest in scientific and technological innovation. For **industrial upgrading**, we have enriched the supply of financial services for the supply chain and industry chain, facilitating to stabilize and strengthen the chains. We released a series of forward-looking and leading research results on major national development issues including *Innovation: Keep the Torch Burning* (創新—不滅的火炬) and *Industry Chains of a Large Economy* (大國產業鏈), contributing wisdom to national development. For **inclusive finance**, we helped micro, small and medium-sized enterprises in financing of more than RMB240 billion. We have

linked the investment and financing needs of SMEs efficiently through online platforms such as "CICC Torch". We have also assisted in the stabilization of production and security in food supplies with financial instruments like special bonds of three rural issues and bond-linked derivatives. For **risk mitigation**, we participated in 9 of the top 10 transactions in debt size through our professional team of debt restructuring, introducing funds of more than RMB80 billion and safeguarding jobs for over 120,000 workers. Finance for the country, finance for the people, and following the pulse of the times of Chinese-style modernization are the shared aspiration of every CICC person.

This year, we kept to deepen the implementation of the "Three + One" strategies of "digitalization, regionalization, internationalization" and "One CICC". We continue to bridge the world and embrace the future with roots in China. In terms of regionalization, we believe that only when the roots are deep and firm can the leaves flourish. Our roots are in China, and by increasing our regional services and focusing on building local sub-branches, we aim to penetrate finance services all over the country. Significant progress has been made in regional markets including Shandong, Suzhou, Zhejiang, Guangdong and Shanghai. **In terms of internationalization**, we take the concept of "international reach", tell the story of China's high-quality development to the outside world, and introduce overseas

high-quality capital to domestic outstanding enterprises to boost a higher level of opening up, and rank second in global equity financing for PRC-based enterprises in 2022. We kick-started "CICC International" platform and established a three-level control structure of "head office-region-country". We expanded our business to the countries along the "Belt and Road", thus promoting integration of the economies along the "Belt and Road" into the circulation of the Chinese economy. We made breakthrough in international network expansion. CICC UK became the first firm qualified to access the Stock Connect Scheme with Switzerland, Frankfurt and Luxembourg.

In terms of digitalization, in order to build "Digital CICC", we promoted online and automation in all aspects of the front, middle and back offices with the customer as the center. We supported business and digital management with the whole life cycle management of data assets, and stimulated organizational dynamics with the full integration of business and technology, thus achieving comprehensive digitalization in CICC and pursuing innovation as a new engine for development. **Under the concept of "One CICC"**, we continued to promote the transformation of the Company from a model of "operating separately" to "providing collaborative services" by systematically and mechanically coordinating resources and strengthening cross-departmental collaboration and information sharing, which consolidates the strength of our team to form an agile and efficient organization with a stronger synergy of "1+1>2" to satisfy the needs of clients, promoting the transformation and upgrading of the integrated service system, achieving self-evolution and making breakthroughs through internal restructuring.

This year, we kept to follow the philosophy of client first, and acted as a "copartner" of institutional customers and a "good friend" of retail customers. Customers are not only the basis of CICC's existence, but also the future of CICC's development. Only by always of putting customers first can we go further. **For institutional customers**, in the face of the ever-changing competitive landscape, we focus on building a full range of service capabilities from initial investment to listing and financing, and by deeply exploring the diversified needs of different customer groups, "CICC Solutions" can provide professional services covering the whole business cycle. At the same time, we have built "CICC Cloud Investment Bank" and other platforms to refer business for clients and create opportunities for cooperation, so we can work in concert with our customers and move forward together. **For retail customers**, we continued to implement the comprehensive transformation into an agile organization, built a "people + digital" service model through the construction of investment consultant teams and digitalization. We launched digital services, especially the intelligent investment consultant "Jinn". With an attitude of "showing professionalism to people and giving warmth to machines", we have built a "full-spectrum" service capability by enlarging our presence and customer reach. With "China 50", "Mini 50" and "Mutual Fund 50", we continued to enhance clients' sense of contentment and value growth with our fee-based investment advisory business, contributing to people's wealth preservation and appreciation. We believe that ubiquitous and attentive service and trustworthy and stable returns are the key factors to attract customers.

This year, we kept stable operation, strictly adhered to the risk bottom line, and did a solid job of risk prevention and control. Business ability can determine how fast a financial enterprise can go, but risk management ability can determine how far to go. We know that finance is not a trivial matter. Prevention is better than treatment. In the face of the highly volatile market environment, in 2022, we kept prudent and stable operation and strengthened forward-looking judgment and normalized investigation. We identify the overall risk through observation of the details, and effectively dealt with potential risks through the organic combination of risk identification and management enhancement. We proactively adjusted our capital allocation and vigorously suppressed our risk exposure, coping well with the impact of factors exceeding expectations. No major risk events occurred throughout the year, and all businesses remained sound amidst the dramatic market fluctuations.

This year, we kept cultural-oriented, practiced social responsibility and created shared value for shareholders, customers, employees and society. We served rural revitalization. Five counties under our assistance have achieved comprehensive poverty alleviation, yet we insisted on removing poverty without removing responsibility, and continued to help comprehensive revitalization with consumption assistance, people's livelihood assistance and education assistance. **We participated in public welfares.** We focus on green low-carbon and biodiversity conservation. We have signed a strategic cooperation agreement with China Green Carbon Foundation and launched the "Ecological Carbon Forest of CICC Charity Foundation" project in Lanping, Yunnan. We have been focusing on children's education and health development for a long time, and actively promoted charity projects including "China Reach", "CICC-Jiuyang Charity Kitchens (中金一九陽公益廚房)" and "Warm Winter Action" to

promote healthy growth of children together. **We promoted sustainable development.** In 2022, the Company established an ESG committee, built a responsible investment system, joined the "Principles for Responsible Investment of the United Nations" (UNPRI), and upgraded the Company's MSCI ESG rating to A. The Company was selected as the "Best ESG Practice Cases of the Year" by the China Association for Public Companies, and won many awards such as the "Best ESG in Asia" by Institutional Investor. **We strengthened cultural construction.** We learn from the traditional culture of "only through self-cultivation, can we run our family and the country well, and bring harmony and peace to the world", align CICC dream with the Chinese dream, and implemented the concept of financial practice for the people and by the nation. We put our knowledge into practice, being open-minded and stay true to our original aspiration. In 2022, CICC was awarded the title of "Excellent Unit of Financial System Culture Construction in 2021-2022" by the Research Association of Ideological and Political Work of China Financial Institutions.

THE CHANGE HAS COME, AND THE ROAD AHEAD IS GETTING WIDER.

Only when the country is strong can finance be strong, and only when the real economy is prosperous can finance be prosperous. Looking back on our 27-year journey, from the early days of promoting the reform of telecommunications and state-owned enterprises, to promoting the restructuring and listing of the banking system, and to advising on the STAR Market, publicly-offered REITs and the comprehensive registration system, CICC has always been a participant, supporter and beneficiary of the overall reform and development of the country, and has grown together with the motherland along with the prosperity and growth of the national financial system. We are honored to be a part of these significant events.

Looking ahead, along with the market expansion and system optimization under the comprehensive registration system, the capital market has entered a new stage of deepening reform. With the gradual construction of the interconnection mechanism among the major global markets and more open systems being put forward, we have seen more investment activities between Chinese and foreign markets. As residential wealth continues to grow, the percentage of financial assets in ordinary households will grow rapidly, we are about to enter into an era of “extensive wealth” management. The emergence of a series of digital technologies, particularly the ChatGPT, has made it possible to render high quality services for massive customers with limited costs. We believe that as China’s economy continues to develop and the construction of a modern capital market with Chinese characteristics enters a new phase, the industry’s long-term development will be further broadened, providing a favorable environment for securities firms to do much more. In such a developing capital market, we are committed to making CICC a core player in the global financial industry. We were born at the right time, and we shall not hesitate to shoulder our responsibilities. This is both our blessing and our mission.

OUTLOOK FOR THE FUTURE

In 2023, we will uphold the original aspiration of “For the Nation”, and deeply integrate CICC’s strategy and core business into the priorities of the national development. We will learn from the excellent Chinese traditional culture, and move forward towards the goal of becoming a world-class investment bank.

We will continue to implement the “Three + One” strategies. For internationalization, leveraging on our own professional know-how, we will expand into emerging markets in Southeast Asia and regions along the “Belt and Road”

while steadily promoting the development of our businesses in international financial centers, to facilitate cross-border investment of Chinese capital and create more opportunities in China. **For regionalization**, we will further penetrate the regional markets, and focus on investment and financing to guide and motivate mutual funds with FoFs and industrial funds, so as to drive social investment, assist the construction of local industrial systems, and serve to coordinate regional development of China. **For digitalization**, we will better play the role of digital support for business innovation and management improvement through continuous transformation into an agile organization and by exploring data value, thus enabling the development of the Company with comprehensive technology support. **For One CICC**, we will improve the characteristic model of “investment banking + investment + research”, enhance the refined management of clients, and create a one-stop customer-oriented “CICC solution” covering the whole business cycle.

We will cultivate our internal skills to keep the Company’s operation in line with the development of the times. We will seize the opportunities from comprehensive registration system, build the core competence of “investment banking + investment”, identify and serve the outstanding enterprises with high technology in nature, growth potential and strong innovation capability. We will **seize the opportunities from high-standard opening up of capital market**, and improve the trading service and product capacity to introduce long-term stable funds for more outstanding Chinese enterprises. We will **seize the opportunities from “asset management” and “extensive wealth” in the NAV-based era**. We will keep doing the right thing even if it’s difficult, accelerate the improvement of investment research capability, and expand the scale of fee-based investment advisory business, to provide solutions for long-term asset preservation and appreciation for institutional and individual clients.

Great truths are always simple and practical work is the fundamental. In the past 27 years, no matter it was painstaking or smooth, generations of CICC people have been striving for success, upholding fundamental principles and breaking new ground. We have been supported by shareholders, trusted by clients and recognized by partners with every single transaction and project. “At sunrise riverside flowers redder than fire. In spring green waves grow as blue as sapphire”. We are at a critical time when we are embarking on a new journey to build China into a modern socialist country in all respects and advancing toward the Second Centenary Goal. We will uphold the spirit of hardworking, capture the market opportunities, focus on business development, optimize organizational management, continue to write a new chapter of high-quality development of CICC, and contribute more CICC strength for Chinese modernization.

Huang Zhaohui

Chief Executive Officer



An isometric illustration in shades of blue and white. It features a central clock tower, a bar chart with a person standing on it, a pie chart with a person sitting on it, a globe, and various business figures and icons connected by dotted lines. The text 'BUSINESS OVERVIEW' is centered in a white serif font.

BUSINESS OVERVIEW

COMPANY PROFILE

(As of December 31, 2022)

I. BASIC CORPORATE INFORMATION

Chinese name	中國國際金融股份有限公司
Abbreviation of Chinese name	中金公司
English name	China International Capital Corporation Limited
Abbreviation of English name	CICC
Legal representative	Shen Rujun
Chairman	Shen Rujun
Chief Executive Officer	Huang Zhaohui
Authorized Representatives	Huang Zhaohui, Zhou Jiaying
Joint Company Secretaries	Sun Nan, Zhou Jiaying
Registered and office address	27th and 28th Floor, China World Office 2, 1 Jianguomenwai Avenue, Chaoyang District, Beijing, PRC
Historical changes in registered address	On March 16, 2015, registered address of the Company was changed from “27th and 28th Floor, China World Office 2, 1 Jianguomenwai Avenue, Beijing” to “27th and 28th Floor, China World Office 2, 1 Jianguomenwai Avenue, Chaoyang District, Beijing”
Postcode	100004
Place of business in Hong Kong	29/F, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong, China
Company website	http://www.cicc.com
E-mail	Investorrelations@cicc.com.cn
Registered capital	RMB4,827,256,868
Net capital	RMB45,336,902,147

Each individual business qualification of the Company

The Company's business scope covers: (I) brokerage business for RMB-denominated ordinary shares, special RMB-denominated shares, shares issued overseas, domestic and overseas government bonds, debenture and corporate bonds; (II) proprietary business for RMB-denominated ordinary shares, special RMB-denominated shares, shares issued overseas, domestic and overseas government bonds, debenture and corporate bonds; (III) underwriting business for RMB-denominated ordinary shares, special RMB-denominated shares, shares issued overseas, domestic and overseas government bonds, debenture and corporate bonds; (IV) promotion and management of funds; (V) advisory services on corporate restructuring and mergers and acquisitions; (VI) advisory services on project financing; (VII) investment consultancy and other consultancy businesses; (VIII) foreign exchange trading; (IX) foreign exchange asset management of overseas enterprises and domestic foreign-invested enterprises; (X) inter-bank lending and borrowings; (XI) asset management for clients; (XII) online agency securities trading; (XIII) securities margin trading; (XIV) sales of financial products on an agency basis; (XV) sales of securities investment fund on an agency basis; (XVI) intermediary business for futures companies; (XVII) securities investment fund custody business; (XVIII) stock options market making business; and (XIX) other businesses as approved by financial regulatory authorities.

Please refer to "Appendix I: Company's Main Business Qualifications" in this report for the main business qualifications of the Company.

II. CONTACT

Contact

Secretary to the Board: Sun Nan

Securities Affairs Representative: Zhou Cen

Address

27th and 28th Floor, China World Office 2, 1 Jianguomenwai Avenue,
Chaoyang District, Beijing, PRC

Telephone

+86-10-65051166

Facsimile

+86-10-65051156

E-mail

Investorrelations@cicc.com.cn

III. INFORMATION DISCLOSURE AND PLACE AVAILABLE FOR INSPECTION

**Names and websites of the medium
where the annual report is disclosed**

China Securities Journal (www.cs.com.cn), Shanghai Securities News
(www.cnstock.com), Securities Times (www.stcn.com), Securities Daily
(www.zqrb.cn)

**Websites where the annual report is
disclosed**

Website of the SSE: <http://www.sse.com.cn>
The HKEXnews website of HKEX: <https://www.hkexnews.hk>

**Places available for inspection of the
annual report**

27th and 28th Floor, China World Office 2, 1 Jianguomenwai Avenue,
Chaoyang District, Beijing, China
29/F, One International Finance Centre, 1 Harbour View Street, Central,
Hong Kong

IV. OVERVIEW OF COMPANY STOCK

Class of shares	Stock exchange of listing	Stock abbreviation	Stock code
A Shares	SSE	CICC	601995
H Shares	HKEX	CICC	03908

V. OTHER INFORMATION OF THE COMPANY

(i) History of the Company

Our Company was established on July 31, 1995, with the name of China International Capital Corporation Limited (中國國際金融有限公司) in the PRC as approved by the People's Bank of China ("PBOC") with a registered capital of US\$100 million. The promoters of our Company were the former People's Construction Bank of China (中國人民建設銀行), Morgan Stanley & Co. Incorporated (摩根士丹利國際公司), I&G (then known as China National Investment & Guaranty Corporation (中國經濟技術投資擔保公司)), GIC Private Limited (新加坡政府投資有限公司, then known as Government of Singapore Investment Corporation Pte. Ltd. (新加坡政府投資公司)) and Mingly Corporation (名力集團控股有限公司, then known as The Mingly Corporation Limited (名力集團)).

On June 1, 2015, our Company was converted into a joint-stock company with limited liability with the name of China International Capital Corporation Limited (中國國際金融股份有限公司). Upon the conversion, our Company had a total share capital of RMB1,667,473,000, comprising 1,667,473,000 Shares with a nominal value of RMB1.00 each.

Our Company was successfully listed on the Hong Kong Stock Exchange on November 9, 2015, and initially issued 555,824,000 H Shares, and further issued 83,372,000 H Shares upon the exercise of over-allotment option. After the completion of the global offering and the exercise of the over-allotment option, the total number of issued Shares of our Company increased from 1,667,473,000 Shares to 2,306,669,000 Shares.

On November 4, 2016, our Company and Huijin entered into the Equity Transfer Agreement, pursuant to which, our Company has agreed to acquire, and Huijin has agreed to sell, 100% of the equity interest of Former CISC (now renamed as CICC Wealth Management Securities). CICC Wealth Management Securities is a fully-licensed securities firm in the PRC with an extensive and well-established branch network, a large customer base, and an integrated business platform. Our Company became the sole shareholder of Former CISC (now renamed CICC Wealth Management Securities) on March 21, 2017. 1,678,461,809 domestic shares had been issued as fully paid to Huijin as consideration for the Acquisition on April 12, 2017. Upon completion of the Acquisition, Huijin directly held 58.58% equity interest in our Company, and that the registered capital of our Company increased from RMB2,306,669,000 to RMB3,985,130,809.

Company Profile

(As of December 31, 2022)

On March 23, 2018, the Company completed the issuance of 207,537,059 new H Shares to Tencent Mobility Limited. Accordingly, the number of the Company's issued H Shares and the total issued Shares increased to 1,727,714,428 H Shares and 4,192,667,868 Shares, respectively.

On October 24, 2019, the Company successfully allotted an aggregate of 176,000,000 new H Shares to no fewer than six professional, institutional and/or individual investors, which are not connected parties or connected persons of the Company. Accordingly, the total issued H Shares and the total issued Shares of the Company increased to 1,903,714,428 H Shares and 4,368,667,868 Shares, respectively.

On November 2, 2020, our Company was successfully listed on the Shanghai Stock Exchange and issued 458,589,000 A Shares in the initial public offering and a total of 2,464,953,440 domestic shares held by the original domestic shareholders of the Company were converted into 2,464,953,440 A Shares. Upon completion of the A Share Offering and Listing, the total number of issued Shares of our Company increased to 4,827,256,868 Shares, including 1,903,714,428 H Shares and 2,923,542,440 A Shares.

In 2021, the Company completed the integration of 20 domestic business offices engaged in wealth management business with CICC Wealth Management, further realizing the business integration of both parties. After the integration, the Company, as the parent company, conducted investment banking business, equities business, FICC business, asset management business and private equity business; CICC Wealth Management, as a wholly-owned subsidiary, conducted wealth management business.

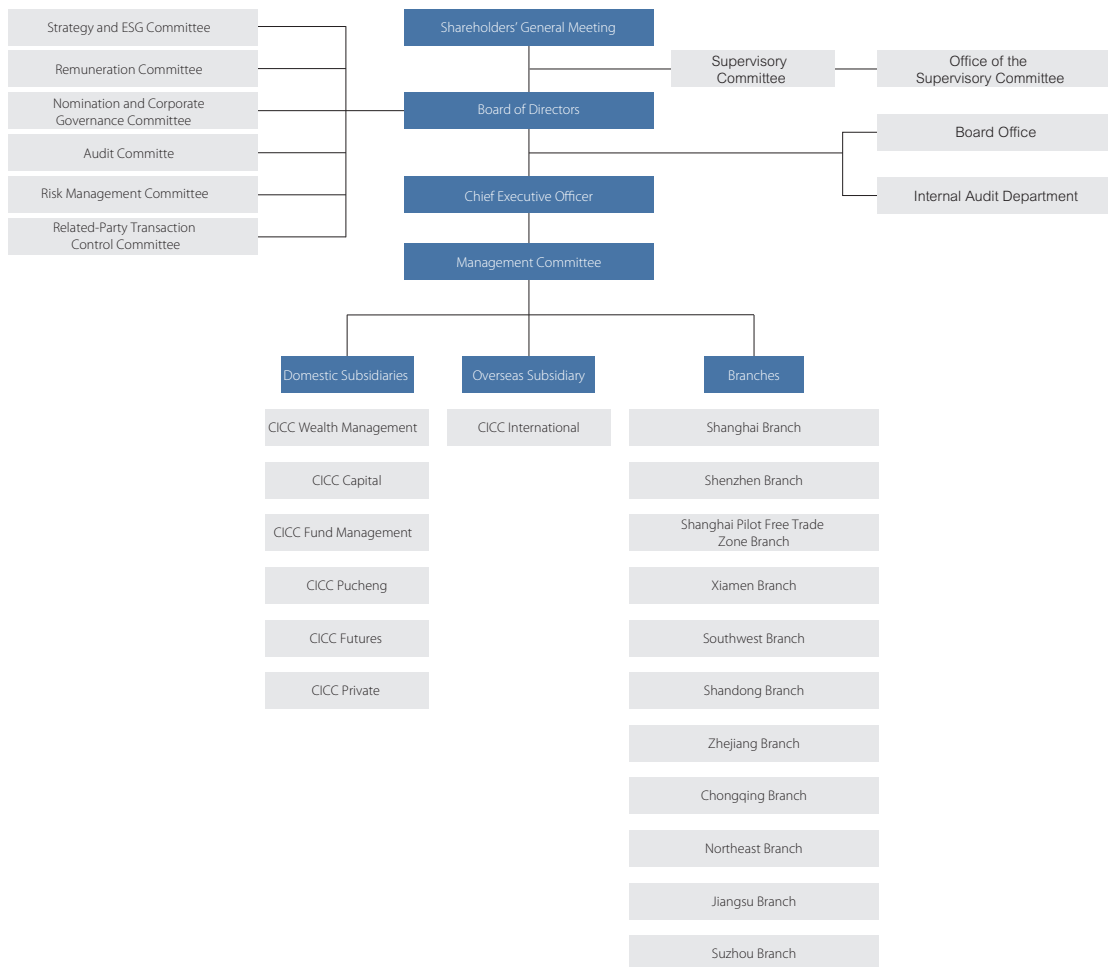
In June 2022, in line with the Company's internationalization strategy, China International Capital Corporation (Hong Kong) Limited changed its name to China International Capital Corporation (International) Limited.

The Headquarters of our Group is in Beijing and as of December 31, 2022, our Group has a number of subsidiaries in the PRC, including CICC Wealth Management Securities, CICC Capital, CICC Fund Management, CICC Pucheng, CICC Futures and CICC Private Equity. Moreover, our Group has established branch companies in Shanghai, Shenzhen, Xiamen, Chengdu, Hangzhou, Jinan, Chongqing, Shenyang, Nanjing and Suzhou. The Group and its subsidiaries with over 200 securities branches are located in 29 provinces, autonomous regions and municipalities of the PRC. As the scope of business continues to expand, our Group has also actively ventured into overseas markets and has established subsidiaries or offices in seven international financial centres, namely Hong Kong, New York, London, Singapore, San Francisco, Frankfurt and Tokyo, with our international presence further strengthened, laying a solid foundation for our Company to become a world-class investment bank in China.

In recent years, our Group has been committed to enhancing our core competitiveness by speeding up efforts to invest in innovative business and developing offshore business to build a balanced business structure. Our Group strives to become a world-renowned financial institution featuring our balanced structure and full services.

(ii) Organizational Structure of the Company

Pursuant to the *Company Law*, the *Securities Law*, the *Guidance for the Internal Control of Securities Companies* (《證券公司內部控制指引》), relevant rules and regulations of CSRC, the *Listing Rules of the Stock Exchange*, the *Listing Rules of the SSE* and the *Articles of Association*, the Company regulates its operation and continuously improves the operation mechanism and system construction of the Shareholders' General Meeting, the Board of Directors, the Supervisory Committee and the management of the Company, and has established a standardized and scientific corporate governance structure and an organizational structure to meet its development needs. The organizational chart of the Company is as follows:



Note: In this organizational chart, the subsidiaries presented under domestic subsidiaries and the overseas subsidiary are controlled and consolidated subsidiaries that belong to the second-tier structure in the organizational structure, excluding joint ventures and associates.

(iii) Number and Distribution of Branches

1. Basic information of Securities Business Offices

As of the end of the Reporting Period, the Company has a total of 212 securities business offices (including 211 securities business offices of CICC Wealth Management Securities), and the distribution is as follows:

Location	Number of Securities Business Offices	Location	Number of Securities Business Offices	Location	Number of Securities Business Offices
Guangdong	42	Jiangsu	26	Sichuan	22
Beijing	15	Zhejiang	12	Shanghai	10
Hubei	8	Anhui	9	Shandong	10
Fujian	6	Tianjin	7	Liaoning	7
Henan	6	Heilongjiang	4	Hunan	5
Shaanxi	4	Jilin	2	Qinghai	3
Hebei	2	Chongqing	2	Shanxi	2
Inner Mongolia	1	Ningxia	1	Jiangxi	1
Gansu	1	Yunnan	1	Guangxi	1
Guizhou	1	Tibet	1		

Please refer to “Appendix II: Establishment, Change and Disposal of Securities Business Offices” in this report for the establishment, change and disposal of the Company’s securities business offices during the Reporting Period.

2. Basic information of Branches

As of the end of the Reporting Period, the Company owns 11 branches, and the basic information is as follows:

No.	Name	Address	Time of establishment	Person-in-charge	Contact number
1	CICC Shanghai Branch	Units 1107-1108, 11/F; Units 2601, 2604A and 2604B-2608, 26/F; Units 2701-2704 and 2705-2708, 27/F; 28/F; Units 2901-2903, 2904B and 2905-2908, 29/F; Units 3103A, 3104B and 3105-3106, 31/F; 32/F; and Units 3301-3304A and 3306-3308, 33/F, No. 1233 Lujiazui Ring Road, China (Shanghai) Pilot Free Trade Zone	2000/12/14	Zhang Yiming	(021) 58796226
2	CICC Shenzhen Branch	72/F, 73/F and Unit 0203, 74/F, Ping An Finance Center, No. 5033 Yitian Road, Fu'an Community, Futian Street, Futian District, Shenzhen ¹	2011/07/05	Pan Zhibing	(0755) 83195000
3	CICC SFTZ Branch	Unit 3104A, 31/F, AZIA center, No. 1233 Lujiazui Ring Road, China (Shanghai) Pilot Free Trade Zone	2014/07/21	Cao Yu	(021) 58796226
4	CICC Xiamen Branch	Rooms 0402-0406, Office Building, Paragon Center; and Shop 401, 4/F, Shopping Center, No. 1 Lianyue Road, Siming District, Xiamen	2018/09/17	Chen Kang	(0592) 5157000
5	CICC Southwest Branch	Room 3603, 36/F, Building 3, No. 1199, North Section of Tianfu Avenue, Chengdu High-tech Zone, China (Sichuan) Pilot Free Trade Zone	2018/10/10	Du Yingxia	(028) 82080222
6	CICC Shandong Branch	Rooms 1717, 1718 and 1719, 17/F, Block D, Yinfeng Fortune Plaza, No. 1 Long'ao West Road, Lixia District, Jinan, Shandong	2019/04/16	Guo Yun	(0531) 55832323
7	CICC Zhejiang Branch	Room 1901, Building 2, Raffles Center, Jianggan District, Hangzhou, Zhejiang	2019/05/24	Wang Jing	(0571) 86010188

¹ Address change completed in March 2023

Company Profile

(As of December 31, 2022)

No.	Name	Address	Time of establishment	Person-in-charge	Contact number
8	CICC Chongqing Branch	Units 6#, 7#, 8# and 9-1#, 10/F, Building 1 (Star Fest Fortune), No. 8 Fortune East Road, Liangjiang New District, Chongqing	2021/08/18	Wang Yan	(010) 65051166
9	CICC Northeast Branch	Unit 03, 15/F, CR Building, No. 286 Qingnian Avenue, Heping District, Shenyang, Liaoning	2021/09/15	Wang Zilong	(024) 26205555
10	CICC Jiangsu Branch	Unit 301, 3/F, Building 4, No. 5 Wangjiang Road, Nanjing Area, China (Jiangsu) Pilot Free Trade Zone	2021/12/28	Chen Ye	(010) 65051166
11	CICC Suzhou Branch	Room 2201, Block 1, Suzhou Central Plaza & Rooms 05 and 06, 22/ F, Block D, Suzhou Central Office Building, Suzhou Industrial Park, Suzhou Area, China (Jiangsu) Pilot Free Trade Zone	2022/04/20	Huang Jiening	(010) 65051166

During the Reporting Period, the Company established 1 new branch (CICC Suzhou Branch), with no branches being disposed.

3. Basic information on major domestic and overseas subsidiaries

As of the end of the Reporting Period, the Company directly controlled one overseas subsidiary (i.e. CICC International) and 6 domestic subsidiaries (i.e. CICC Wealth Management Securities, CICC Capital, CICC Fund Management, CICC Pucheng, CICC Futures, and CICC Private Equity). Please refer to “Major controlled and participating companies” in this report for details.

VI. OTHER RELEVANT INFORMATION

(i) Accounting firm

Domestic accounting firm appointed by the Company

Name	Deloitte Touche Tohmatsu Certified Public Accountants LLP
Office address	30/F, No. 222 East Yan'an Road, Huangpu District, Shanghai
Name of signing accountants	Ma Hing Fai, Han Yunfei

Overseas accounting firm appointed by the Company

Name	Deloitte Touche Tohmatsu Registered Public Interest Entity Auditor
Office address	35/F, One Pacific Place, No. 88 Queensway, Hong Kong
Name of signing accountants	Ma Hing Fai

(ii) Legal Advisor

Domestic legal advisor appointed by the Company

Name	King & Wood Mallesons
Office address	18th Floor, East Tower, World Financial Center, 1 Dongsanhuan Zhonglu, Chaoyang District, Beijing

Overseas legal advisor appointed by the Company

Name	Clifford Chance
Office address	27/F, Jardine House, One Connaught Place, Central, Hong Kong

(iii) Sponsors for on-going supervision

Sponsors performing on-going supervision duties during the Reporting Period

Name	Industrial Securities Co., Ltd. (興業證券股份有限公司)
Office address	No. 268 Hudong Road, Fuzhou, Fujian
Name of signing representative of sponsor	Zhang Yi, Wang Haisang
Name	Shenwan Hongyuan Financing Services Co., Ltd. (申萬宏源證券承銷保薦有限責任公司)
Office address	11/F, The Center, No. 989 Changle Road, Xuhui District, Shanghai
Name of signing representative of sponsor	Shao Kaijie, Yan Pengju
On-going supervision period	October 27, 2022 to December 31, 2022

Note: For the placing of shares to the original shareholders, the Company appointed Industrial Securities Co., Ltd. and Shenwan Hongyuan Financing Services Co., Ltd. as joint sponsors. Industrial Securities Co., Ltd. and Shenwan Hongyuan Financing Services Co., Ltd. have undertaken the outstanding on-going supervision work of the initial public offering of A shares of the Company by Orient Securities Investment Banking Co., Ltd. and China Galaxy Securities Co., Ltd. For details, please refer to the relevant announcements disclosed by the Company on the website of the SSE.

Major Honors Awarded in 2022

Since its incorporation in 1995, CICC has won honors and awards in events organized by domestic and foreign media and organizations: such as Best Investment Bank in China, Best Sales Service Team and Most Influential Research Institution by leveraging on its profound and professional knowledge in economies, industries, laws and regulations, and quality customer services. Below is a list of awards that we obtained in 2022:

Awards Sponsor: Global Finance

- Best Investment Banks Awards 2022
 - Best Equity Bank in Asia-Pacific
- Stars of China 2022
 - Best Bank for Green Bonds
 - Best Domestic Bank for Renminbi Internationalization

Awards Sponsor: Institutional Investor

- 2022 All-Asia Executive Team
 - All-Asia Banks and Non-Bank Finance Sector
 - ✦ Honored Companies (Rank 2)
 - ✦ Best ESG (Combined & Buyside Rank 2)
 - ✦ Best CEOs (Combined & Buyside):
Zhaohui Huang (Rank 2)
 - ✦ Best CFOs (Combined & Buyside):
King Fung (William) Wong (Rank 2)
 - ✦ Best IR Program (Combined & Buyside Rank 2)
 - ✦ Best IR Team (Combined & Buyside Rank 2)
 - Chinese Mainland Banks and Non-Bank Finance Sector
 - ✦ Honored Companies (Rank 2)
 - ✦ Best ESG (Combined & Buyside Rank 2)
 - ✦ Best CEOs (Combined & Buyside):
Zhaohui Huang (Rank 2)
 - ✦ Best CFOs (Combined & Buyside):
King Fung (William) Wong (Rank 2)
 - ✦ Best IR Program (Combined & Buyside Rank 2)
 - ✦ Best IR Team (Combined & Buyside Rank 2)

Awards Sponsor: Institutional Investor • Caixin

- 2022 China Research & Sales Team
 - China Best Research Team
 - ✦ Firm Leaders: Overall (Rank 1)
 - ✦ Analyst Leaders: Overall (Rank 1)
 - ✦ The Leaders: Mainland (Rank 1)
 - ✦ The Leaders: Overseas (Rank 3)
 - China Best Sales Team
 - ✦ The Leaders: Overall (Rank 2)
 - ✦ The Leaders: Mainland (Rank 2)
 - China Best Corporate Access Team
 - ✦ The Leaders: Overall (Rank 2)
 - ✦ The Leaders: Mainland (Rank 2)

Awards Sponsor: IFR Asia

- IFR Asia Awards 2022
 - Asian Bank of the Year

Awards Sponsor: Fortune

- ESG Influence Ranking of China 2022 (Top 40)

Awards Sponsor: Euromoney

- Market Leaders Rankings 2022
 - Market Leader of Investment Banking (Chinese Securities Houses)

Awards Sponsor: Finance Asia

Country Awards 2022

- China (Domestic)
 - ✦ Best Investment Bank
 - ✦ Best ECM House
 - ✦ Best DCM House
 - ✦ Best Broker

Awards Sponsor: Asiamoney

Greater Bay Area Awards 2022

- Best Securities House in the Greater Bay Area

Best Wealth Managers in China Awards 2022

- Best Securities House in Wealth Management

Brokers Poll 2022

- China (A&B Share)
 - ✦ Best Domestic Brokerages
 - ✦ Best Brokerages for Research
 - ✦ Best Brokerages for Sales
 - ✦ Best Brokerages for Corporate Access
 - ✦ Best Brokerages for Execution
 - ✦ Best Brokerages for Stock Connect Northbound Trading
- Hong Kong, China
 - ✦ Best Brokerages
 - ✦ Best Brokerages for Research
 - ✦ Best Brokerages for Sales
 - ✦ Best Brokerages for Corporate Access
 - ✦ Best Brokerages for Execution
 - ✦ Best Brokerages for Stock Connect Northbound Trading

Awards Sponsor: The Asset

Country Awards 2022

- Best Corporate and Institutional Adviser in China
- Best Equity Adviser in China
- Best M&A Adviser in China

Sustainable Investing Awards for Institutional Investor, ETF, and Asset Servicing Providers 2022

- Asset Management Company of the Year (Overall Offshore, China)
CICC Hong Kong Asset Management

Awards Sponsor: Asian Private Banker

China Wealth Awards 2021

- Best Wealth Manager in China (Asset Allocation Services and Research)
CICC Wealth Management

Awards Sponsor: Zhitong Finance

Golden Central Awards 2022

- Best Wealth Management
CICC Wealth Management HK

Awards Sponsor: Global FOF Association

The World's Best Investment Institutions in 2021

- Best Performing FOFs in the World
CICC Capital (Rank 3)

Awards Sponsor: HKQAA

Hong Kong Green and Sustainable Finance Awards 2022

- Outstanding Award for Green and Sustainable Bond Lead Manager (Local Government Projects) Visionary Blue and Sustainability Bond Framework
China International Capital Corporation Hong Kong Securities Limited

.....

Awards Sponsor: HKEX

- HKEX Awards 2021
- Top Breakthrough Participant -- Currency Futures
 - Outstanding Chinese-funded Futures Commission Merchant
- China International Capital Corporation Hong Kong Futures Limited
-

Awards Sponsor: Bond Connect

- Bond Connect Awards 2022
- Northbound Top Market Maker
 - Bond Connect Marketing Award
 - Outstanding Northbound Investor (Investment Bank)
- China International Capital Corporation (Hong Kong) Limited
-

Awards Sponsor: AIX

- AIX 2021 Awards
- Driving AIX’s Awareness in China Region
-

Awards Sponsor: Asia Risk

- Asia Risk Awards 2022
- House of the Year in China
-

Awards Sponsor: Forbes China

- 2022 Best Employer Selection
- China’s Best Employers of the Year
 - China’s Most Sustainable Employer of the Year
 - China’s Best Employers for Digital Responsibility of the Year

.....

Awards Sponsor: Universum

- The Most Attractive Employers in China 2022
- Top 1 of Investment Banks
-

Awards Sponsor: Harvard Business Review

- Ram Charan Management Practice Award 2022
-

Awards Sponsor: China Association for Public Companies

- ESG Practice Cases of Listed Companies Awards 2022
- Best ESG Practice Cases of A-share Listed Companies
-

Awards Sponsor: China Securities Journal

- Best Securities Company Awards 2022
- Best Securities Companies
 - Best Securities Companies for CSR
 - Best Securities Companies for Corporate Culture Construction
 - Best Securities Companies for Financial Technology
 - Top 10 Securities Companies for Serving the Listing of Science Innovation Enterprises
 - Best Wealth Management Team
- Best Asset Management Products Awards 2022
- Best 1-year Equity Asset Management Plan: CICC Xinrui
-

Awards Sponsor: Securities Times

- Best Institutions of Securities Industry in China Awards 2022
- Best Full-Service Investment Bank
 - Best Investment Bank for SSE STAR Market
 - Best Investment Bank for Shenzhen & Shanghai Main Board

- Best Financial Advisor
 - Best Investment Bank for TMT
 - Best Investment Bank for North & Northeast China
 - Best Cross Border Investment Bank
 - Best Financial Advisor for Public Offering REITs
 - Best Deals of Main Board
 - China Telecom IPO
 - Best Main Broker
 - Best Wealth Management Brand
 - CICC Wealth Management
 - Best Full-Service Asset Management Institution
 - Public Equity Products
 - CICC Xinrui
 - Best Fixed Income + Asset Management Product
 - CICC Xiangyang Sanhao
- Best Institutions of Digital Transformation Institutions in China Awards
- Best Digital Transformation Institutions
 - Best APPs Top 10
 - CICC Wealth Management

.....

Awards Sponsor: China Business News

- China Financial Value Ranking 2022
- Investment Banker of the Year
 - Huang Zhaohui, CEO of CICC
 - Top 10 Investment Banks of the Year
 - Top 10 Investment Institutions
 - CICC Capital

.....

Awards Sponsor: NBD

- China Securities Business Awards 2022
- Best ESG Securities Companies
 - Top 30 Brand Value of Listed Chinese Securities Companies

- Best Asset Management of Securities Companies
- Best Wealth Management of Securities Companies
 - CICC Wealth Management

.....

Awards Sponsor: The Time Weekly

- The 7th Golden Tangerine Awards of Time Finance
- Best Financial Institution for Social Responsibility

.....

Awards Sponsor: China Business Journal

- Financial High Quality Development Cases Award 2022
- Outstanding Social Responsibility Securities Company

.....

Awards Sponsor: Jiemian

- Best ESG Awards 2022
- Best ESG for Green Finance of the Year

.....

Awards Sponsor: Sina

- China ESG Golden Awards 2022
- Best Securities Company for Responsible Investment

.....

Awards Sponsor: Beijing Business Today

- Top Brands of Beijing Financial Industry Awards 2022
- Top 10 Brands in Beijing Financial Industry of the Year

.....

Awards Sponsor: Finance China

- ESG Practice of Chinese Enterprises Awards 2022
- Best ESG Enterprise of the Year

.....
Awards Sponsor: The Economic Observer

High-quality Development of Chinese Economy Forum Awards 2022

- Best ESG Enterprise

.....
Awards Sponsor: Tencent

China Benefit Corporation Award 2022

- Best ESG Enterprises

.....
Awards Sponsor: JRJ.com

GoldenWis Awards 2022

- Outstanding Financial Technology

.....
Awards Sponsor: Wind

Wind Best Investment Bank Award 2022

- Best Investment Bank
- Best Equity Underwriter for A Share
- Best IPO Underwriter for A Share
- Best Refinancing Underwriter for A Share
- Best Equity Underwriter for STAR Market
- Best Equity Underwriter for GEM
- Best IPO Sponsor for H Share
- Best IPO Global Coordinator for H Share
- Best IPO Underwriter for H Share
- Best Refinancing Underwriter for H Share
- Best GDR Underwriter
- Best M&A in China
- Best Bond Underwriter (Investment Bank Category)
- Best Credit Bond Underwriter (Investment Bank Category)
- Best Medium and Long Term Bond Underwriter
- Best ABS Underwriter

- Best Credit ABS Underwriter
- Best Corporate ABS Underwriter
- Best ABN Underwriter
- Best Financial Bond Underwriter (Investment Bank Category)
- Best Corporate Bond Underwriter
- Best Convertible Bond Underwriter

.....
Awards Sponsor: Caijing

STAR Summit Awards 2022

- Best Service Institution of STAR Market

.....
Awards Sponsor: China Fund

Best Asset Management Awards 2022

- Best Asset Management Institution
 - Best Asset Management for Fixed Income
- Best Wealth Management Awards 2022
- Best Growing Wealth Management Institution
 - CICC Wealth Management
 - Excellent Investment Advisory Team
 - CICC Wealth Management

.....
Awards Sponsor: New Fortune

Best Investment Bank in China Awards 2022

- Best Investment Bank for Overseas Market (Rank 1)
- Best Investment Bank for Innovation
- Best Investment Bank for IPO (Rank 2)
- Best Equity House (Rank 2)
- Best Investment Bank for M&A (Rank 2)
- Best Investment Bank for Refinancing (Rank 2)
- Best Investment Bank in China (Rank 3)
- Best Investment Bank for Consumption Industry (Rank 3)
- Best Investment Bank for Health Industry (Rank 3)

Awards Sponsor: Wallstreetcn

Golden Tie Awards of Finance 2022
– Best Asset Management Institution

Awards Sponsor: Shanghai Stock Exchange

Annual Awards 2021
– Excellent Underwriter of Local Government Bonds

Awards Sponsor: Shenzhen Stock Exchange

Outstanding Institutions and Staff Awards 2021
– Excellent REITs Liquidity Service Providers

Awards Sponsor: Shanghai Environment & Energy Exchange

Outstanding Members Awards 2021
– Excellent Carbon Finance Practice

Awards Sponsor: China Financial Futures Exchange

Annual Awards 2021
– Excellent Transaction Team (Asset Management)
– Outstanding Members
CICC Futures

Awards Sponsor: ICDC of MIIT

Industry Integration Development Virtual Reality Innovation Competition Awards 2022
– Best Digital Man of the Year
CICC Wealth Management

Awards Sponsor: Shanghai Gold Exchange

Outstanding Members and Staff Awards 2021
– Outstanding Special Member of the Year
– Best Member of the Year for Anti Money Laundering
– Best Member of the Year for Product Promotion

Awards Sponsor: Investment Association of Central SOEs

Outstanding Investment Cases of Central SOEs Awards 2021
– Excellent Cases of Innovative Investment
CSHT.WI

Awards Sponsor: CCDC

Users of China Bond Index Awards 2021
– Best Institutions for Innovation

Awards Sponsor: Zero2IPO Group

Zero2IPO Limited Partner Awards 2022
– Top 30 PE Limited Partner in China
CICC Capital (Rank 1)

Awards Sponsor: CVINFO

CV Awards 2021
– Top 50 Domestic PE Institutions
CICC Capital (Rank 2)
– Top 10 Return PE Institutions in China
CICC Capital
– Best Investment Teams of PE Institutions in China
CICC Capital
– Top 10 Equity Investment Institutions of Investment Bank in China
CICC Capital (Rank 1)

Awards Sponsor: Chinese Venture

- Equity Investment Awards 2021
- Top 10 PE Institutions in China
CICC Capital (Rank 2)
 - Best Fundraising PE Institutions in China
CICC Capital
 - Best Equity Investment Institutions of Investment Bank in China
CICC Capital
- China Limited Partner Awards 2021
- Top 10 FoF managers in China
CICC Capital
 - Top 10 LP-Recognized PE Institutions in China
CICC Capital
 - Best FoF of Investment Bank in China
CICC Capital
- China Industrial Investment Awards 2021-2022
- Best Government-Lead Funds in China
CICC Capital

Awards Sponsor: Hurun Report

- Hurun Global Venture Capitalists 2022 Half-Year Report
- Hurun Global Venture Capitalists
CICC Capital (Rank 5)
 - Hurun Most Successful Venture Capitalists in China
CICC Capital (Rank 2)
 - Hurun Most Successful Unicorn Investors in China
CICC Capital (Rank 2)
 - Hurun Global Gazelle Investors Top 50
CICC Capital (Rank 2)
 - Hurun Most Successful Gazelle Investors in China
CICC Capital (Rank 2)
 - Hurun Most successful Cheetah Investors in China
CICC Capital (Rank 2)

Awards Sponsor: China FoF

- China FoF Awards 2021
- Best China FOFs
CICC Capital (Rank 1)
 - Best PE Funds
CICC Capital (Rank 2)
 - Best FOF Investors
CICC Capital (Rank 3)
- China FoF Awards 2022 Half-Year
- Top 15 Risk Management FOFs in China
CICC Capital (Rank 1)
 - Top 20 Return State-owned PE Institutions
CICC Capital (Rank 2)
- China FoF Awards 2022 Special List
- Top 20 Best SRDI FOF Investors
CICC Capital (Rank 1)
 - Top 20 Best Unicorn FOF Investors
CICC Capital (Rank 3)
 - Top 10 Best Gazelle FOF Investors
CICC Capital (Rank 1)
 - Top 20 Best Gazelle Investors
CICC Capital (Rank 2)

Awards Sponsor: World Artificial Intelligence Conference Committee

Elite Partner Award of WAIC 2022

Note: As of the Latest Practicable Date

SUMMARY OF ACCOUNTING DATA AND FINANCIAL INDICATORS

I. MAJOR ACCOUNTING DATA AND FINANCIAL INDICATORS

Unit: RMB in million

Items	2022	2021	Change year-on-year	2020	2019	2018
Operating results						
Total revenue and other income	37,398.2	40,964.4	(8.7%)	32,401.8	22,782.5	18,539.7
Total expenses	28,338.7	28,133.9	0.7%	23,656.4	17,541.3	14,270.9
Profit before income tax	9,056.0	12,978.1	(30.2%)	8,712.7	5,301.6	4,387.3
Profit attributable to shareholders of the parent company	7,597.5	10,777.7	(29.5%)	7,207.5	4,238.7	3,492.2
Net cash generated from/(used in) operating activities	57,960.9	1,867.4	3,003.8%	(33,738.7)	(27,657.8)	11,056.1
Basic earnings per share (RMB/share)	1.459	2.159	(32.4%)	1.598	0.990	0.830
Weighted average return on net assets	8.9%	14.6%	Decreased by 5.8 percentage points	13.5%	9.6%	8.8%

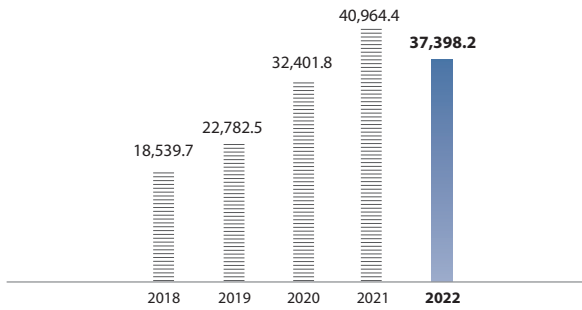
Items	December 31, 2022	December 31, 2021	Change year-on-year	December 31, 2020	December 31, 2019	December 31, 2018
Financial position						
Total assets	648,764.0	649,795.5	(0.2%)	521,620.5	344,971.2	275,420.5
Total liabilities	549,289.3	565,064.7	(2.8%)	449,805.4	296,439.7	233,043.8
Total equity attributable to shareholders of the parent company	99,188.1	84,422.1	17.5%	71,634.9	48,293.8	42,183.5
Accounts payable to brokerage clients and to underwriting clients	92,100.0	100,749.5	(8.6%)	70,655.2	52,815.4	41,317.9
Total share capital (in million shares)	4,827.3	4,827.3	-	4,827.3	4,368.7	4,192.7
Net assets per share attributable to shareholders of the parent company (RMB/share)⁽¹⁾	17.2	15.7	9.0%	13.8	10.8	9.8
Gearing ratio⁽²⁾	82.1%	84.6%	Decreased by 2.4 percentage points	84.1%	83.4%	81.9%

(1) Net assets per share attributable to shareholders of the parent company is calculated based on total equity attributable to shareholders of the parent company less other equity instruments.

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

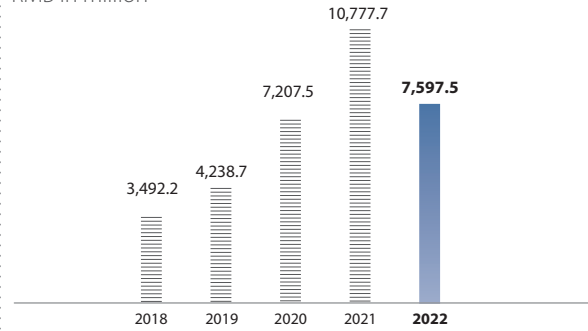
Total revenue and other income

RMB in million

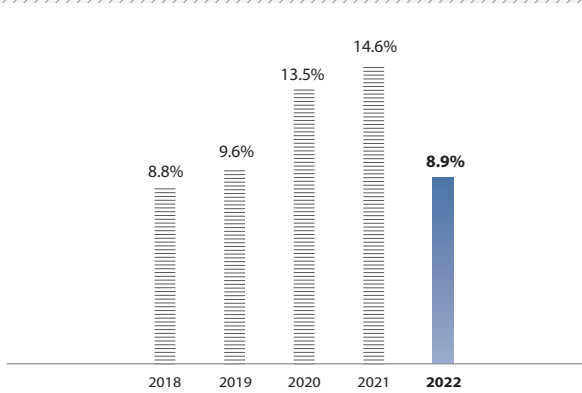


Profit attributable to shareholders of the parent company

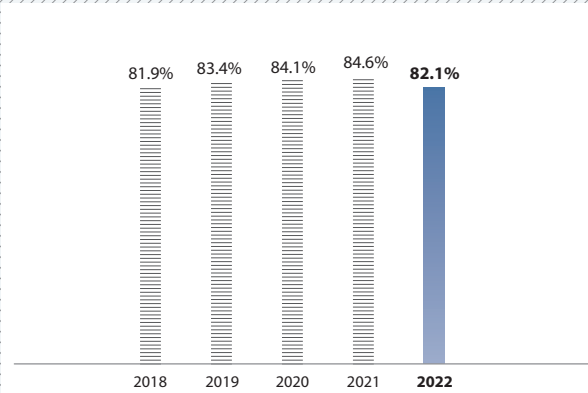
RMB in million



Weighted average return on net assets

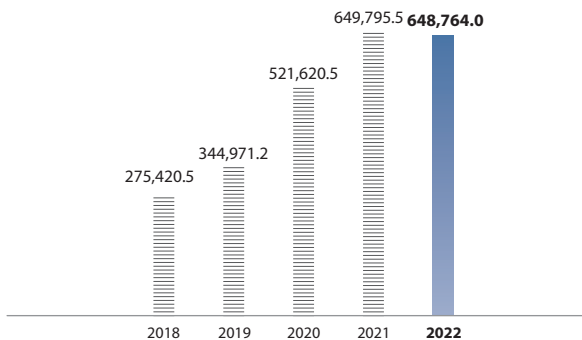


Gearing ratio



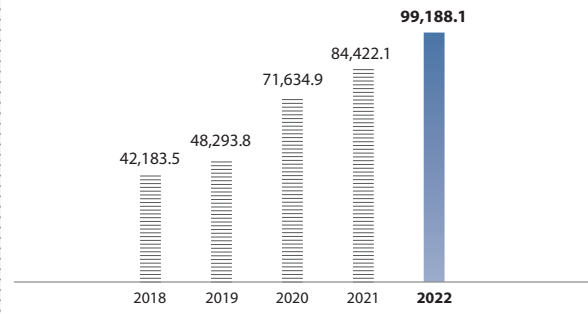
Total assets

RMB in million



Total equity attributable to shareholders of the parent company

RMB in million



II. DIFFERENCES OF ACCOUNTING DATA UNDER DOMESTIC AND FOREIGN ACCOUNTING STANDARDS

In terms of our Group's consolidated profits for 2022 and 2021 and the consolidated net assets as of December 31, 2022 and December 31, 2021, there's no difference between the data presented in the consolidated financial statements prepared in accordance with IFRSs and that presented in the consolidated financial statements prepared in accordance with CASs.

III. NET CAPITAL AND RELEVANT RISK CONTROL INDICATORS

As of December 31, 2022, the net capital of the parent company amounted to RMB45,336.9 million, representing a decrease of 6.0% as compared with RMB48,228.7 million as of December 31, 2021. In 2022, our parent company's net capital and other risk control indicators all met regulatory requirements.

Unit: RMB in million

Items	December 31, 2022	December 31, 2021
Core net capital	30,224.6	32,528.7
Supplementary net capital	15,112.3	15,700.0
Net capital	45,336.9	48,228.7
Net assets	77,107.1	66,656.6
Total risk capital reserves	24,852.8	31,808.0
Total on-and-off-balance-sheet assets	268,837.1	253,907.9
Risk coverage ratio	182.4%	151.6%
Capital leverage ratio	11.2%	12.8%
Liquidity coverage ratio	239.7%	316.7%
Net stable funding ratio	154.3%	136.4%
Net capital/net assets	58.8%	72.4%
Net capital/liabilities	18.1%	19.7%
Net assets/liabilities	30.8%	27.2%
Equity securities and related derivatives held/net capital	57.5%	58.0%
Non-equity securities and related derivatives held/net capital	339.5%	306.4%

MANAGEMENT DISCUSSION AND ANALYSIS

I. CORPORATE STRATEGIES AND OPERATIONS

Market Environment

The Chinese economy forged ahead against headwinds in 2022 and the economic structure further improved. Although multiple unexpected factors constrained China's economic growth to some extent in 2022, the country's efforts to stabilize the economy received solid support from active macro policies, effective implementation of pro-growth policy packages, and steady growth of infrastructure investment. China's 2022 GDP exceeded RMB120 trillion, rising by 3.0% year-on-year in constant-price terms. Based on the annual average exchange rate, China's GDP reached about US\$18.0 trillion, ranking the second in the world. Meanwhile, China's economic structure continued to improve and the country's high-tech industries maintained rapid growth. Investment in China's high-tech manufacturing industries and high-tech service sectors grew by 22.2% and 12.1% year-on-year in 2022, which exceeded the growth of China's fixed asset investment by 17.1 and 7.0 percentage points, respectively. This provided a strong boost to the country's industrial transformation and upgrading.

We believe the Chinese economy is likely to recover at a fairly rapid pace in 2023, and the country will make further progress in reform and opening-up. China will maintain an accommodative stance in its macroeconomic policies. According to the Central Economic Work Conference, China will continue to implement proactive fiscal policies and

prudent monetary policies, and the country will focus on five key areas in 2023: boosting domestic demand, accelerating the construction of a modern industrial system, working unswervingly both to consolidate and develop the public sector and to encourage, support and guide development of the non-public sector, making greater efforts to attract and utilize foreign capital, and effectively forestalling and defusing major economic and financial risks. We believe China's economic growth will rally at an accelerating pace in 2023 and reach a relatively high level among the world's major economies.

In the medium and long term, China will continue to focus on high-quality development, in our view. The Report to the 20th CPC National Congress emphasized that China must, first and foremost, pursue high-quality development so as to build a modern socialist country in all respects. This means China will keep working diligently to expand its economy and improve the quality of development. In this process, China will strive to improve its capacity for scientific and technological innovation, build an innovation-driven development model, implement strategies to boost domestic demand, and effectively leverage its economies of scale as a large country. In addition, we believe China will further improve and adjust the relationship between the financial sector and the real economy to underpin sustainable and healthy economic growth. For a fairly long period of time, China's strategic focus on high-quality development will continue to provide development opportunities for companies, in our view.

The financial sector has provided increasing support for the real economy.

In the face of unexpected shocks both at home and abroad, the PBOC stepped up efforts to implement prudent monetary policies in 2022. The annual average interest rate on new corporate loans was 4.17% in 2022, indicating a marked decline in comprehensive financing costs in the real economy. The PBOC rolled out a variety of structural monetary policy tools and continued to provide stronger credit support for key areas and weak links of the real economy. Compared with 2021, there was a full-year increase of 36.7% in medium- and long-term loans to manufacturing industries in 2022, and the increase was 24.3% in loans to sci-tech SMEs, 24.0% in loans to enterprises that use special and sophisticated technologies to produce novel and unique products, and 23.8% in inclusive loans to micro and small businesses. All these figures were higher than the growth of total corporate loans. China's policy banks and development banks issued in 2022 RMB739.9 billion worth of policy-based and developmental financial instruments, which prioritized the support for infrastructure development.

China continued to work on the prevention and elimination of financial risks and the establishment of long-term mechanisms to maintain financial stability.

In 2022, financial institutions supported restructuring and M&A in the real estate industry, helping high-quality leading real estate companies to improve their balance sheets and prevent or eliminate risks. For the first time, a draft law on financial stability was submitted to legislators for their consideration, and it was also released to the public for opinions. We believe this law will help China further improve its institutional arrangements for risk prevention, elimination and management, clearly specify responsibilities of various parties involved, and provide solid legal underpinning for the forestalling and defusing of major financial risks.

China advanced capital market reforms in an orderly manner to achieve high-quality development.

Although the Chinese market faced multiple challenges in 2022, such as rising geopolitical risks around the world, China still implemented a full array of high-level opening-up measures for its capital market. In early 2022, the CSRC expanded the scope of depositary receipt business under the Stock Connect scheme between domestic and overseas stock exchanges. The Shanghai-London Stock Connect scheme was expanded to include exchanges in Germany and Switzerland as well as the Shenzhen Stock Exchange, which further advanced internationalization of China's capital market. Meanwhile, China further improved the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect programs. The CSRC and the SFC expanded Stock Connect programs to include eligible open-end ETFs. The scope of eligible stocks under Stock Connect schemes between Chinese mainland and Hong Kong SAR were also expanded at the end of 2022. These measures further accelerated the in-depth integration between capital markets in Chinese mainland and Hong Kong SAR, and further advanced the high-level opening-up of China's capital market. China accelerated development of the private pension system and gradually standardized management frameworks for private pension funds in 2022. We believe this is a significant move as it would help channel more long-term funds into the capital market. In February 2023, China officially rolled out the across-the-board registration-based stock issuance system, which encompasses a wide range of rules and institutional arrangements covering all national securities exchanges and all types of public stock offerings. This marks the beginning of a new era of across-the-board registration-based stock issuance for the A-share market. We believe this reform will help enhance the efficiency of equity financing, optimize stock issuance, financing and trading mechanisms, improve the capital market's investment philosophies and fund demand-supply landscape, and accelerate the transformation of household asset allocation.

From a medium- to long-term perspective, a crucial measure in the Chinese path to modernization and high-quality development is to reform the capital market so that it can better serve the real economy.

Institutionalization and internationalization of China's capital market continued. Chinese and overseas economic cycles gradually shifted from a divergence characterized by slowing growth in China and high inflation in other economies to a convergence characterized by slowing growth both at home and abroad in 2022. The overall performance of the Chinese market was weak. However, domestic and overseas institutional investors continued to increase exposures to the Chinese market despite headwinds. On the domestic side, the flow of household assets into the capital market decelerated due to cyclical factors. In 2022, the annual increase in mutual fund units was 144 million, which is lower than that in 2021, but mutual funds' proportion in the A-share market's total stock holdings further expanded. In addition, the shift of Chinese households' asset allocation from physical assets to financial assets will likely continue. These trends are key drivers for the increasing proportion of institutional investors in China's capital market. On the international front, northbound fund flows under Stock Connect programs became more volatile and the net inflow totaled RMB90,019 million in 2022 despite tight global liquidity conditions and RMB depreciation. Since the launch of northbound Stock Connect programs, the cumulative net inflow has exceeded RMB1.7 trillion, which clearly shows that the Chinese market remains attractive to global investors and the country is still committed to market opening-up. As China further improves Stock Connect programs and regulators steadfastly advance high-level opening-up, the country's capital market will continue to internationalize and become a key hub for global capital flows, in our view.

Landscape of Securities Industry

Further reforms and two-way opening-up of the capital market underpin high-quality development of the securities industry. Despite relatively high market volatility in 2022, the securities industry's high-quality development received support from the transformation and development of the real economy as well as further reforms and two-way opening-up of the capital market: 1) The capital market's primary functions, i.e. services for the real economy and investors, have further improved. As the multi-level capital market reform progresses and full implementation of the registration-based stock issuance system approaches, we believe the capital market's financing function and effectiveness of resource allocation will improve through perfection of its securities listing, issuance, trading and continuous supervision systems. As such, the capital market's capabilities to serve the real economy will improve. Meanwhile, the capital market's services for investors are also improving along with the issuance of industrial policies to develop private pensions and fund investment advisory services as well as progresses in the transformation of wealth management and asset management businesses; 2) Institutionalization, internationalization and digitalization are long-term trends in China's capital market. Institutional and international investors account for increasingly larger proportions of investors in China's capital market due to accelerated opening-up of the A-share market and the growth of domestic institutional investors. This facilitates accelerated reforms and development of the capital market. In addition, proactive policy guidance and technological progress in the era of digital economy have helped financial institutions reach a consensus on the necessity to advance digital transformation and adopt new technologies to drive business development.

Earnings of the securities sector came under short-term pressure, but industry transformation has improved the sector's business structure and competitive landscape.

Fluctuations of domestic and overseas capital markets in 2022 weighed on the securities sector's earnings in the short term. However, the securities sector has played a pivotal role to support the real economy and assist in household asset allocation as China further reforms its capital market. The securities sector's business structure has become more diversified and balanced, and its competitive landscape has further improved. Looking ahead, we believe China's vibrant real economy and maturing capital market will be a fertile ground for the growth of world-leading investment banks, and we see major opportunities for China's securities sector in the medium and long term: 1) Securities firms' revenue from traditional investment banking, co-investment in sponsored IPO projects in SSE STAR market and other capital-based businesses will likely increase thanks to market expansion and system optimization under full implementation of the registration-based stock issuance system. Securities firms can leverage the "investment + investment banking" model to generate increasing revenues from their business chains; 2) Growth of wealth management and asset management businesses will likely receive a boost from both demand and supply sides thanks to improvements in the market's resource allocation efficiency, the flow of household assets into the capital market, and the significant change in household asset allocation; 3) As institutional investors account for increasingly larger proportions of trading volume and market capitalization, we see strong growth potential in securities firms' institutional businesses, such as research, trading and derivative products. We also see opportunities for securities firms' international business thanks to China's continuous institutional opening-up at higher levels. As for the securities sector's competitive landscape, we believe wealth

management, active asset management, institutional businesses, investment banking, and co-investment in sponsored IPO projects would grow more rapidly than the highly homogeneous "channel business" under advancing capital market reforms. However, success in these businesses depends on improvements in comprehensive and professional service capabilities. Under these circumstances, leading integrated securities firms with diversified business structures, solid capital strength and strong risk control capabilities will likely capture larger market shares, in our view. On the other hand, securities firms focusing on niche market segments can also grow by differentiating themselves from competitors. Therefore, we believe the securities industry will see both integration and differentiation in its improving competitive landscape.

Accelerated opening-up of China's financial sector and impacts from "black swan" events impose more challenging requirements on securities firms' operation capabilities:

1) As China further opens up its financial sector at an accelerating pace, international investment banks have also accelerated their expansion into China, especially in cross-border M&A, investment, financing, asset management and wealth management. This has further intensified competition and raised the bar for Chinese securities firms in terms of capital strength, human resources, professional capabilities, technologies and client networks. On the other hand, Chinese securities firms that explore global markets may also face challenges as overseas regulatory and compliance rules may be quite different from domestic ones; 2) As the world is undergoing profound changes unprecedented in the past century, the macro economy and financial markets face increasingly significant impacts from non-economic factors such as geopolitics and national security, which lead to uncertainties in operations of securities firms.

Development Strategies

CICC's strategic vision is to focus on serving the priorities of the national development, innovating to support the real economy, actively promoting capital market reform, and effectively promoting financial risk mitigation. CICC attaches importance to medium and long-term development, and will clarify the direction, capture the opportunities to promote the Company to accelerate strengthening and improving its core competitiveness, and strives to become a world-class investment bank in China and a core player in the future financial system.

Business Plans

In 2023, we will uphold the original aspiration of "For the Nation", and deeply integrate CICC's strategy and core business into the priorities of the national development. We will learn from the excellent Chinese traditional culture, and move forward towards the goal of becoming a world-class investment bank.

We will continue to implement the "Three + One" strategies. For internationalization, leveraging on our own professional know-how, we will expand into emerging markets in Southeast Asia and regions along the "Belt and Road" while steadily promoting the development of our businesses in international financial centers, to facilitate cross-border investment of Chinese capital and create more opportunities in China. For regionalization, we will further penetrate the regional markets, and focus on investment and financing to guide and motivate mutual funds with FoFs and industrial funds, so as to drive social investment, assist the construction of local industrial systems, and serve to coordinate regional development of China. For digitalization, we will better play the role of digital support for business innovation and management improvement through continuous transformation into an agile organization and by exploring data value, thus enabling the development of the Company with comprehensive technology support. For One CICC, we

will improve the characteristic model of "investment banking + investment + research", enhance the refined management of clients, and create a one-stop customer-oriented "CICC solution" covering the whole business cycle.

We will cultivate our internal skills to keep the Company's operation in line with the development of the times.

We will seize the opportunities from comprehensive registration system, build the core competence of "investment banking + investment", identify and serve the outstanding enterprises with high technology in nature, growth potential and strong innovation capability. We will seize the opportunities from high-standard opening up of capital market, and improve the trading service and product capacity to introduce long-term stable funds for more outstanding Chinese enterprises. We will seize the opportunities from "asset management" and "extensive wealth" in the NAV-based era. We will keep doing the right thing even if it's difficult, accelerate the improvement of investment research capability, and expand the scale of fee-based investment advisory business, to provide solutions for long-term asset preservation and appreciation for institutional and individual clients.

Great truths are always simple and practical work is the fundamental.

In the past 27 years, no matter it was painstaking or smooth, generations of CICC people have been striving for success, upholding fundamental principles and breaking new ground. We have been supported by shareholders, trusted by clients and recognized by partners with every single transaction and project. In the new year, we will uphold the spirit of hardworking, capture the market opportunities, focus on business development, optimize organizational management, continue to write a new chapter of high-quality development of CICC, and contribute more CICC strength for Chinese modernization.

II. ANALYSIS OF CORE COMPETITIVENESS

(I) Premier Brand

Our Company has established a premier brand in the financial services industry. Since the inception, our Company has drawn on the best practices in the market, and has always adhered to the business philosophy of “By the People and For the Nation, Professionalism and Diligence, Innovation and Entrepreneurship, Clients First, and Integrity”, which won us a market reputation at home and abroad. For years, while maintaining high-standard practices, our Company has actively participated in reforms and system construction of the capital market to stimulate business innovation. Our Company maintained leading positions in many businesses for years, and was honored numerous awards as the best player in China.

Our Company regarded the brand cultivation and cultural building as key measures to continuously enhance our market leading position. Leveraging our franchise and core values of professionalism, entrepreneurship and pursuing excellence, our Company continued to attract outstanding talents and new clients, expand our business scope and capture important business opportunities while maintaining the stability of existing employees and clients.

(II) High-quality Client Base

Our Company has explored an extensive and profound client base with high quality. Relying on our excellent service quality and professional service capabilities, our Company has formed a profound client base covering a wide range of large-sized enterprises, high-quality emerging growth companies, professional institutional investors and growing wealth management clients that play important roles in the national economy and capital market. Our Company can provide our clients with complicated, diversified and high-quality business services through our integrated and customized cross-border platform. Our Company has developed long-term cooperation with clients and are dedicated to providing them with a comprehensive suite of products and services.

(III) Balanced Business Structure

Our Company has established our business structure from a forward-looking prospective based on our insight into development trends of global capital markets. With the accelerating process of internationalization and institutionalization of the capital market in recent years, a large number of traditional channel businesses are facing tremendous pressure. As such, in line with the trend of “institutionalization”, “internationalization” and “product sophistication”, our Company continued to enhance the overall capabilities, and has embarked on a new track in advance to closely focus on key national deployment areas such as technological innovation, green development, and promoted the sustainable development of emerging businesses related to the asset management business, private equity business and wealth management business.

(IV) Outstanding Cross-border Capability

Capitalizing on pursuing international strategy in early stage, our Company has formed outstanding cross-border business capabilities with a leading position in the cross-border arena, thus proactively playing our role in serving cross-border capital transactions and promoting the mutual opening of financial markets.

In terms of international presence, our Company has established overseas operations and business activities in seven financial centres across Hong Kong, New York, London, Singapore, San Francisco, Frankfurt and Tokyo, which are managed by respective business lines vertically, so as to fully mobilize domestic and overseas resources including research, people and products, thus providing one-stop cross-border services for our clients. The seamless connection among our domestic and overseas businesses equipped our teams with both domestic and overseas business experience. Our teams have obtained qualifications for domestic businesses and businesses in several overseas regions.

In terms of cross-border business, our Company has been serving the “bringing in” and “going global” needs of industrial capital and financial capital, which enabled us to enjoy certain advantages in businesses such as overseas IPOs for PRC-based companies, offshore bond offerings, and cross-border mergers and acquisitions, to sustain strong growth in emerging businesses such as cross-border transactions and the Connect business, thereby obtaining more bargaining and pricing power in the international capital markets.

(V) Leading and Influential Research

Research is an important foundation for our business. Our talented and experienced international research team has provided objective, independent, prudent and professional research services for domestic and overseas clients through our research platform covering the global markets. With in-depth understanding, thorough analysis and unique insights into Chinese companies and industries, our research team has won the Company a reputation as the “China Expert”.

Our research capabilities have been widely recognized by influential international institutions. These included the “No. 1 Overall Country Research for China” in the *Asiamoney Brokers Poll*, which marked the 17th consecutive year of our championship in this poll from 2006 to 2022. We were also named the “No.1 The All-China Research Team” by *Institutional Investor* for eleven consecutive years from 2012 to 2022. In 2020, our Company established the CICC Global Institute (CGI), which focuses on public policy research and is committed to building a new think tank in the new era. The CGI and CICC Research are committed to working side by side to provide all-round research support for the economic and social development.

(VI) Experienced Management and High-quality Workforce

Our Company has a senior management team with global perspectives and entrepreneurship, and a high-quality workforce with full licenses at home and abroad.

Most members of our senior management team have work experience in domestic and overseas financial institutions with global perspectives. In the meantime, they have experienced the main development course and multiple cycles of China's securities industry, and are equipped with rich experience and profound understanding regarding domestic and overseas capital markets and the securities markets. Riding on the concept of "Chinese Roots and International Reach", our senior management team has constantly combined advanced management experience with the practices of China's financial reform, and took the lead in developing new products and vigorously exploring new markets.

Our excellent brand and high-quality platforms enabled us to recruit the best graduates from top domestic and overseas universities, providing the best talents for our domestic and overseas branches. Our sound staff development and training system has provided comprehensive and systematic training for employees at different levels and positions, thereby continuously enhancing professional capabilities of our workforce and equipping them with practice capabilities to obtain full licenses. Through the above measures, we have developed high-quality workforce to support our rapid, healthy and sustainable development.

(VII) Efficient Management Model and Prudent Risk Management Mechanism

Our Company has established an efficient and reasonable management model and a comprehensive and prudent risk management mechanism. Since establishment, our Company has adhered to the concept of combining best international practices with the actual conditions of China, formulated a full set of governance structure and management procedures in line with international standards, and established a vertical management model covering all business operations and internal control of the Company to ensure efficient and effective management. At the same time, our Company has always adhered to and continuously strengthened the "all staff, whole process, full coverage and penetrating" risk control compliance system and operating mechanism, through which the parent company can conduct integrated vertical management over domestic and overseas subsidiaries and branches, and the same business and the same client can be subject to unified risk management. Therefore, our Company has formed centralized and effective business management and risk control, and unified decision-making, management and resources allocation, thus ensuring the smooth and orderly development of our business and the stable operation of our risk control system.

(VIII) Advanced Information Technology Capabilities

We consider information technology as a core component of our competitiveness. We have a sound IT governance structure and the industry-leading independent research and development capabilities. Our Company has developed three basic technology systems regarding basic transactions, products and services, and risk control and operation management, to provide complicated whole-process and end-to-end financial products and services for clients and various business units as well as global support of comprehensive business operation and management capabilities. Our Company has adopted self-developed and industry-leading core business systems and platforms with stable operation.

The Company will continue to promote our business development based on information technologies. With the continuous advancement of information technologies in recent years, our Company has also increased capital investment in and attached importance to talent training and capacity building, continued to optimize our organizational structure and operating model, and proactively researched and explored the application of new technologies in various business areas of investment banks, so as to promote the integration of businesses and technologies. Capitalizing on the advantages brought by the booming development of China's financial technologies, we have actively carried out strategic cooperation with China's leading technology companies to develop new products, businesses and models with data and technology.

III. ANALYSIS OF PRINCIPAL BUSINESS

(I) Investment Banking

In 2022, following the decisions and deployment of the CPC Central Committee, we actively served the national strategies and continued to promote the high-quality development of the investment banking business. To serve national science and technology innovation, we completed IPO financing of over RMB62 billion on the STAR Market and the ChiNext board, including industry benchmark projects such as Oriental Semiconductor, Semitronix and LUSTER. To serve the green development strategy, we completed related projects with a transaction scale of over RMB700 billion, including the IPO of LEAPMOTOR in Hong Kong, the A-share non-public offering of Daqo Energy, the major asset swap and issuance of shares to purchase assets and raise supporting funds by China Southern Power Grid Energy Storage Co., Ltd., and the corporate bonds of China Huaneng Group. We served the dual circulation of domestic and foreign markets and continued to demonstrate our advantage as an international player. We led the largest number and underwrote the largest volume of the first batch of Swiss GDRs, completing Swiss GDR projects such as KEDA Industrial Group, Gotion High-Tech and Lepu Medical. We developed inclusive finance and helped micro, small and medium-sized enterprises raise funds of more than RMB240 billion, completing projects such as the IPO of Tianma New Material on the Beijing Stock Exchange, the private placement of Shining 3D on the NEEQ, Huaneng Trust's Meirun Series of ABS and the ABS of Tailong Bank. We contributed to the construction of a healthy China and completed projects in relevant industries with a transaction size of over RMB100 billion, including the IPO of Lepu Sciencetech Medical in Hong Kong, the A-share

non-public offering of Fosun Pharma and the acquisition of Yi Er Kang by Bloomage Biotech, which played a role in optimizing resource allocation and integration for the development of the medical and pharmaceutical industries. To serve the strategy of rural revitalization, we completed relevant projects with a transaction size of over RMB45 billion, including the IPO of HUITONGDA in Hong Kong, the IPO of Hongjiu Fruits in Hong Kong, and the “carbon neutrality” + “rural revitalization” corporate bonds of CECEP Solar Energy, which injected financial vitality into the development of rural areas.

Equity Financing

Market Environment

In 2022, a total of 416 A-share IPOs were completed, with an aggregate financing size of RMB522,255 million, representing a year-on-year decrease of 13.4%; a total of 329 A-share follow-on offerings were completed, with an aggregate financing size of RMB668,734 million, representing a year-on-year decrease of 6.1%.

In the Hong Kong primary market, a total of 81 Hong Kong IPOs were completed, with an aggregate financing size of US\$13,396 million, representing a year-on-year decrease of 68.7%; in terms of follow-on offerings and sell-downs, a total of 192 transactions were closed with an aggregate amount of US\$10,543 million, representing a year-on-year decrease of 85.3%.

In the U.S. primary market, a total of 14 US IPOs of PRC-based companies were completed, with an aggregate financing size of US\$540 million, representing a year-on-year decrease of 96.4%. A total of 25 US follow-on offerings and sell-downs of PRC-based companies were completed, with an aggregate size of US\$792 million, representing a year-on-year decrease of 89.9%.

Actions and Achievements

In 2022, our Company closed a total of 32 A-share IPOs acting as the lead underwriter, with an aggregate lead underwriting amount of RMB52,863 million, ranking the third in the market, completing A-share IPOs including that of United Imaging, Huaxia Eye Hospital Group, EZVIZ Network, Wankai New Material and InnoCare. The Company closed a total of 46 A-share follow-on offering projects acting as the lead underwriter, with an aggregate lead underwriting amount of RMB125,661 million.

In 2022, the Company sponsored a total of 31 Hong Kong IPOs, including that of CTG Duty-Free, Tianqi Lithium, Sunshine Ins and Lygend Resource, with an aggregate lead underwriting amount of US\$3,588 million, ranking first in the market; the Company closed a total of 34 Hong Kong IPOs acting as the global coordinator, with an aggregate lead underwriting amount of US\$2,280 million, ranking first in the market; the Company also closed a total of 34 Hong Kong IPOs acting as the bookrunner, with an aggregate lead underwriting amount of US\$1,012 million, ranking first in the market. The Company reinforced its strong positioning in large deals by managing 7 out of the top 10 Hong Kong IPOs of the year. In 2022, the Company closed 10 transactions of follow-on offerings and sell-downs for Hong Kong stocks acting as the bookrunner, with an aggregate lead underwriting amount of US\$476 million.

Items A shares	2022		2021	
	Lead underwriting amount (RMB in million)	Number of offerings	Lead underwriting amount (RMB in million)	Number of offerings
IPOs	52,863	32	100,538	23
Follow-on offerings	125,661	46	81,314	37

Items Hong Kong equity offerings	2022		2021	
	Lead underwriting amount (USD in million)	Number of offerings	Lead underwriting amount (USD in million)	Number of offerings
IPOs ²	3,588	31	5,981	31
Follow-on offerings ³	476	10	5,307	21

Source: Company statistics; Wind for A-share market, Dealogic for overseas market;

Note: Domestic follow-on offerings include private placement, public placement and rights issue; follow-on offerings for Hong Kong stock market include placement, rights issue and block trade sell-down.

Outlook for 2023

In 2023, the Company will fully implement the spirit of the 20th CPC National Congress and the Central Economic Work Conference, focus on financial services for the real economy, proactively integrate into the new pattern of national development, capture business opportunities related to national strategies such as serving scientific and technological self-improvement, major regional development, dual circulation and green development, and promote the investment banking business to continue to write a new chapter of high-quality development. We will also strengthen our capacity building in all aspects, seize a series of strategic opportunities from the reform of the registration-based stock issuance system and the high-level system-based opening up, increase the number of projects in our pipeline, and enhance client coverage and market share; give full play to our professional advantages, and actively advise on the reform and opening up of the capital market; strengthen our cross-border and cross-market business capabilities, and continue to enhance our international influence.

² Acting as the sponsor

³ Acting as the bookrunner

Debt and Structured Financing

Market Environment

In 2022, the domestic bond market was relatively stable overall, with low interest rate oscillations and increased market volatility at some points due to the impact of funding and real estate policies. China's monetary policy was relatively relaxed, with greater support for the real economy. In the year, credit bonds issued amounted to approximately RMB18.07 trillion, representing a year-on-year decrease of 9.9%, among which the asset securitization products issued amounted to RMB2.02 trillion, representing a year-on-year decrease of 35.7%. In the year, local government bonds issued amounted to RMB7.36 trillion, representing a year-on-year decrease of 1.7%.

In terms of offshore bonds, the interest rate rose due to the Federal Reserve's interest rate hikes and the rising inflation expectations. The amount of offshore bond offerings by Chinese issuers dropped significantly as compared with the previous year, with medium-and long-term bonds of US\$108,120 million issued, representing a year-on-year decrease of 44.6%.

Actions and Achievements

In 2022, the onshore bonds underwriting amount of CICC was RMB918,151 million, representing a year-on-year increase of 10.2%; the offshore bonds underwriting amount was US\$5,077 million, representing a year-on-year decrease of 59.4%.

In 2022, on the basis of tight risk control, CICC's debt and structured financing business has made remarkable achievements in serving the national science and technology advancement, supporting the national "carbon neutrality" strategy, and assisting to address bond market risks, aiming to serve the real economy. In 2022, among securities companies, CICC ranked No. 4 in terms of onshore bonds underwriting amount, No. 3 in terms of underwriting amount of interest rate bonds, No. 3 in terms of underwriting amount of asset-backed securities and No. 1 in terms of offering amount of onshore green bonds underwritten. In terms of offshore bonds, CICC ranked No.1 among PRC-based securities companies in terms of offshore bond underwriting amount by Chinese issuers. Specifically, CICC reached a significant increase for underwriting offshore ESG bonds of PRC-based companies and ranked No.1 in the market in terms of underwriting amount. We also ranked No.1 among PRC-based securities companies in terms of the underwriting amount of investment-grade USD bond offerings by Chinese issuers for over six consecutive years.

For domestic milestone deals and product innovation, in terms of science and technology innovation bonds, the Company assisted Xiaomi Telecom (小米通訊) in completing the issuance of China's first corporate bond of a technology enterprise in the intelligent manufacturing industry, Guangzhou Port Holdings (廣州港股份) in completing the issuance of China's first "BRI technology innovation" corporate bond, which is the first batch of scientific and

Source: Company statistics, Wind for domestic market, Bloomberg and Dealogic for offshore market;

Note: Offshore markets include convertible bonds, but exclude money market and sovereign bonds

technological innovation corporate bonds of the Shanghai Stock Exchange. In terms of green bonds, the Company assisted CECEP Solar Energy Technology (中節能股份) in completing the issuance of China's first "carbon neutrality" and "rural revitalization" corporate bond, China Merchants Bank in completing the issuance of China's first bond for rural revitalization and green finance, Wuhan Weineng Battery (武漢蔚能電池) in completing the issuance of the China's first new energy vehicle power battery securitization project, and Huaneng Group in completing the issuance of the first exchange-traded low-carbon transition-linked bond. In the field of publicly-offered infrastructure REITs, the Company completed Xiamen Affordable Housing (廈門安居) REIT project and Beijing Affordable Housing (北京保障房) REIT project in the first three affordable rental housing REITs projects, completed the Anhui Transportation Holding (安徽交控) REIT project, the largest publicly-offered REIT issued up to then in China, completed CICC-Zhejiang Expressway (浙江滬杭甬)-Shenjiahuhang Expressway Asset-Backed Special Program, the largest private infrastructure REIT project in the market. In terms of offshore bonds, CICC, as the only Chinese investment bank, participated for the ninth time in six consecutive years in the issuance of offshore sovereign bonds by the Ministry of Finance of the PRC, assisted the People's Government of Hainan Province in completing the debut offshore local government blue and sustainability bond, assisted People's

Government of Shenzhen Municipality in issuing offshore RMB bonds for two consecutive years, and participated in the issuance of offshore RMB bonds by People's Government of Guangdong Province for two consecutive years. In terms of product innovation, CICC assisted Lingang Group in issuing the first dual-currency green FTZ bonds, assisted BOCOM Leasing in issuing the first ESG FTZ bonds by a financial institution, assisted Jinan Energy (濟南能源) in completing the issuance of Lotus bonds settled by Macao Central Securities Depository (MCS D) System, assisted Bank of East Asia in completing the issuance of non-preferred loss absorbing notes, and assisted China Development Bank Hong Kong Branch in issuing private bank certificates of deposit. In terms of ESG bonds, we assisted local governments and a number of Chinese enterprises such as Hangzhou Water, Lianyungang Port Group (連雲港港口集團), Hubei United Investment and Gansu Provincial Highway Aviation Tourism Investment Group (甘肅公航旅) in issuing offshore ESG bonds. In terms of debt restructuring, we assisted R&F Properties, Logan Group and Sunac China Holdings in completing the overall restructuring and renewal of domestic bonds with a total amount of RMB13.5 billion, RMB22.4 billion and RMB16 billion respectively, helping to resolve property debt risks.

Outlook for 2023

In 2023, the Company will continue to serve national and regional economic development, continue to increase input in policy-directed fields, respond to market changes with agility and seize opportunities for new products to emerge. We will continue to develop bond underwriting business, explore product innovation and steadily increase market share in the areas of safeguarding the supply chain of industrial chains, promoting the revitalization of stock assets, serving the financing of small and medium-sized enterprises, helping rural revitalization and promoting green and low-carbon transformation. In the international business, the Company will actively expand its global coverage network, actively participate in the construction of the Shanghai Free Trade Zone and offshore RMB bond market, and continue to contribute to the sustainable development of overseas debt financing; and actively explore debt management and credit repair business opportunities. In addition, the Company will also further strengthen its risk awareness, strictly control project admission, enhance the management of entrusted bonds, and prevent and mitigate credit risks.

Financial Advisory Services

Market Environment

In 2022, according to Dealogic, 3,298 mergers and acquisitions (“M&A”) transactions in PRC Market were announced with an aggregate volume of approximately US\$402,396 million, representing a year-on-year decrease of 31.5%, among which, 2,900 transactions were domestic with a total volume of approximately US\$351,820 million, representing a year-on-year decrease of 32.4%; and 398 transactions were cross-border with a total volume of approximately US\$50,575 million, representing a year-on-year decrease of 24.6%.

Actions and Achievements

According to Dealogic, CICC maintained our leading position and ranked No.1 in the PRC M&A Market in 2022, and has ranked No.1 in the PRC M&A Market for eight years in the past decade. According to Dealogic, CICC announced 94 transactions in 2022, involving an aggregate volume of approximately US\$99,595 million. Among these transactions, 83 were domestic with a total volume of approximately US\$91,277 million and 11 were cross-border or offshore with a total volume of approximately US\$8,318 million.

In 2022, we served the national strategy and helped the strategic restructuring of central and state-owned enterprises. We announced a number of deals, including the acquisition of Huarong Xiangjiang Bank by Central Huijin and a Hunan state-owned company, the integration of four provincial state-owned enterprises by Jiangxi State-owned Capital Operation Holding, and the restructuring of Sinosteel by China Baowu. To promote market-oriented industrial M&A transactions, we announced deals such as the cross-border acquisition of a controlling stake in Time Interconnect Technology by Luxshare Precision and the sale of a controlling stake in Meizu to Geely Holding Group. We led a number of complex and innovative A-share transactions and announced deals such as the acquisition of Broadex Technologies by Yangtze Optical Fibre and Cable and completed the spin-off and back-door listing of Gezhouba Explosive (易普力) under China Energy Engineering through Nanling Industry Explosive Material. We continued to lead cross-capital market transactions in Hong Kong and U.S. stock markets and announced deals including the general offer to acquire Jinke Smart Services by Boyu Capital (博裕投資), the privatization of China VAST Development by China Jinmao, the listing of ECARX (億咖通科技) in NASDAQ through De-SPAC, the listing of Newlink Naas in NASDAQ by means of reverse merger, and the privatization of NASDAQ-listed Glory Star New Media. The Company has also taken advantage of cross-border transactions to promote the dual circulation of domestic and international markets, and announced deals including Philips’ strategic investment in B-soft and the acquisition of Corou (可心柔) by Royal Golden Eagle Group. The Company deepened its services to the government and enterprises to resolve risks and protect employees’ employment, and led the completion of debt restructuring deals for companies including Tsinghua Unigroup, Qinghai Provincial Investment Group, Loncin Group (隆鑫集團) and Shengjing Energy. We helped to address financial risks and completed projects such as the acquisition of Huarong International Trust by China Trust Protection Fund Co., Ltd.

The milestone transactions announced in 2022 include:

Projects	Size	Highlights
Integration by Jiangxi State-owned Capital Operation Holding of four provincial state-owned enterprises, namely Jiangxi Provincial Communications Investment, Jiangxi Copper Corporation, Jiangxi Provincial Water Conservancy Investment and Jiangxi Railway & Aviation Investment	US\$39.5 billion	Serving the reform of local SOEs, optimizing, strengthening and expanding the state-owned capital operation of Jiangxi province, assisting the central region to create a new pattern of high-quality development, representing the largest transaction in Jiangxi Province in recent ten years
The listing of ECARX (億咖通科技) in NASDAQ through De-SPAC	US\$3.4 billion	The largest cross-border M&A deal in China market and the largest De-SPAC deal in Asia in 2022
The listing of Newlink Naas in NASDAQ through reverse merger of Rise Education	US\$0.6 billion	The first deal in relation to the listing of a Chinese-funded company in NASDAQ through a share-swap reverse merger
The general offer to become the largest shareholder of Jinke Smart Services by Boyu Capital (博裕投資)	US\$0.5 billion	The largest general offer deal in Hong Kong market in 2022
Cross-border acquisition of a controlling stake in Time Interconnect Technology by Luxshare Precision and triggering of a mandatory unconditional cash offer	US\$0.3 billion	A strategic setup for M&A of industrial bellwethers in the high-end manufacturing industry in the Greater Bay Area, representing the market-oriented acquisition of HKEX-listed company by A-share listed company
Strategic investment of Philips in B-soft	US\$0.2 billion	The first foreign MNC's strategic investment in A-share listed company in healthcare sector in recent five years
Acquisition of XinYuan Electronic (839229) by Sunstone Development	US\$0.2 billion	The market-based industrial M&A of an A-share manufacturing private enterprise, integration of enterprises on NEEQ that apply special, sophisticated techniques to produce negative electrode of li-ion battery, expanding the scale of the new energy industry chain
Acquisition of Broadex Technologies by Yangtze Optical Fibre	US\$0.2 billion	Covering three stock exchanges, namely the SSE, HKEX and Shenzhen Stock Exchange, and involving the transfer of control over three A-share listed companies, achieving a powerful combination in the field of optical devices
Restructuring of Sinosteel by China Baowu	Undisclosed	The first case of strategic reorganization at the group level of central enterprises after the 20th CPC National Congress
The acquisition of Huarong International Trust by China Trust Protection Fund Co., Ltd.	Approximately RMB6.2 billion	Helping China Huarong focus on its main business, streamline its structure and eliminate risks, and promoting risk management of Huarong International Trust to realize transformation and development

Projects	Size	Highlights
Debt restructuring of Tsinghua Unigroup	Approximately RMB150 billion	The largest debt restructuring transaction in China's semiconductor industry, involving various strategic emerging industries, with an investment of RMB60 billion, being selected as one of the "Top Ten Cases of the Year 2022 in Promote the Rule of Law in the New Era" co-sponsored by the Supreme People's Court of China and China Media Group
Debt restructuring of Qinghai Provincial Investment Group	Approximately RMB64 billion	Assisting local SOEs in resolving their debt risks and maximizing asset value by bringing in strategic investor, contributing to regional industrial development and employment
Debt restructuring of Loncin Group (隆鑫集團)	Approximately RMB37 billion	The only restructuring case among the top ten commercial cases of the Supreme People's Court in 2022, serving regional risk resolution and protecting industrial stability and employment and livelihood
Debt restructuring of Shengjing Energy	Approximately RMB13 billion	The largest debt restructuring transaction in China's heating industry, deepening the reform of state-owned assets and enterprises in Northeast China, supporting the revitalization of Northeast China and ensuring people's livelihood
Debt restructuring of Xinchufeng Automobile	Approximately RMB4 billion	The first transaction in which CICC acted as an administrator, deepening the service to the local government, realizing the industrial transformation and upgrading and conversion of new and old kinetic energy transition, and support efforts towards "carbon peaking and carbon neutrality" goals
Debt restructuring of Shenji Group Kunming Machine Tool	Approximately RMB2.4 billion	The first debt restructuring transaction for a delisted A+H share company in which CICC acted as an administrator
Judicial settlement of Chengxing	Approximately RMB5 billion	The first judicial settlement for an A-share company and completion of the related transaction during its listing period
Debt restructuring of Founder Technology	Approximately RMB5 billion	The first debt restructuring transaction for a listed company under the SSE's new bankruptcy restructuring rules
Debt restructuring of Etrol Technologies	Approximately RMB2 billion	The first debt restructuring transaction for a listed company under the SZSE's new bankruptcy restructuring rules
Debt restructuring of Jiangxi Firststar Panel Technology	Approximately RMB3.5 billion	Being selected as one of the top ten typical cases of Jiangxi provincial courts in 2022 on serving, protecting and optimizing business environment

Note: Size of debt restructuring deals refers to the size of debts

Outlook for 2023

In 2023, we will continue to serve national strategies and seize M&A business opportunities arising from economic development and industrial upgrading, so as to assist the high-quality development of the real economy and promote the dual circulation of domestic and foreign capitals. Meanwhile, we will continue to proactively participate in the debt restructuring of enterprises in a tight spot and defusing of financial risks, and cultivate regional and local opportunities, thus cementing our advantages, dedicating to innovation and further increasing our market share.

(II) Equities Business

Market environment

In 2022, with the falling down of global capital markets, sharply tightened global liquidity due to the Federal Reserve's aggressive rate hike and balance sheet reduction, and further increased risk aversion arising from the Russia-Ukraine conflict and geopolitical tensions, stock indices in major economies around the world all experienced relatively large shocks and downturns.

As of the end of 2022, there were decreases of 15.1% in SSE Composite Index, 25.9% in SZSE Component Index, and 29.4% in ChiNext board Price Index, and there were declines of 15.5% in Hang Seng Indexes and 18.6% in Hang Seng China Enterprises Index compared with the beginning of the year. In 2022, the average daily turnover of A shares reached RMB925,106

million, representing a year-on-year decrease of 12.6%; the average daily turnover in the Hong Kong stock market was HK\$124,907 million, representing a year-on-year decrease of 25.1%; the net flow into Northbound Stock Connect was RMB90,019 million, and the net flow into the Southbound Stock Connect reached HK\$386,281 million⁴.

Actions and Achievements

In 2022, the Company took advantage of the synergy of "One CICC", adhered to the guidance of serving the national strategies, made serving the real economy, preventing and controlling financial risks, and deepening financial reform as the key tasks, promoted the high-quality development of equity business, maintained the top position in the market in terms of institutional coverage, innovative products and cross-border business, created value for domestic and foreign professional investors, guided the flow of capital to the real economy, and helped the high-quality development of the capital market.

We consolidated the advantages of institutional clients and upgraded trading capabilities.

We followed the principle of client first and continued to diversify our clientele, covering more than 9,000 domestic and foreign institutional investors. We provided domestic and foreign institutional investors with one-stop financial services on stock business platform, including investment research, sales, trading, products and cross-border services, and were committed to becoming a high-quality platform

⁴ Source: Shanghai Stock Exchange, Shenzhen Stock Exchange, Hong Kong Stock Exchange

and partner for cross-border bilateral investment for domestic and foreign institutional investors. In 2022, the number of new accounts has grown by leaps and bounds and the overall trading market share has steadily risen to a new record in the face of significant volatility and pressure in the domestic and international secondary markets. The market share of QFII clients has ranked first in the market for 19 consecutive years, and investment research services for a number of QFII and global long-only funds ranked first. The market share of Hong Kong stock trading continued to lead among Chinese brokerages. In the past three years, the Company has been ranked among the top three in the investment research services for mutual funds clients. We have achieved a high coverage of hedge funds and remained among the top three in the investment research services for insurance clients.

We launched innovative financial products to serve national strategies. As a primary dealer, we continued to improve product and service capabilities throughout the whole life cycle for domestic businesses and maintained our market advantage. Through product innovation, we supported the development of high technology and green finance by creating innovative financial products such as the “CICC Strategic Hard Technology Index (CSHT.WI) and Minsheng Wealth Management-CICC Low Carbon Leading Index” (CLC.WI). We continued to diversify the product and client structure for overseas businesses, forming a competitive product sales team and ranking among the tops in overseas Chinese securities companies in terms of comprehensive advantages, and have formed excellent brand effect.

We expanded our international presence and presented compelling China stories.

We deepened our advantage of cross-border linkage and promoted the two-way high-quality capital financing between “Going Out” and “Bringing In”. CICC Hong Kong (中金(香港)) kept the leading position in cross-border businesses, especially in the market share of connect trading; CICC (Singapore) successfully commenced its product business and continued to expand its influence in Southeast Asia; CICC US further consolidated its leading position among PRC-based institutions in the local market; and CICC UK was approved as the first and only cross-border conversion institution for GDR in the world which is qualified to access the Stock Connect Scheme between Shanghai Stock Exchange and Shenzhen Stock Exchange, and Germany, UK and Switzerland, and became the first Chinese listed company and trading member approved to join the Luxembourg Stock Exchange. In the meantime, we continued to expand the equities businesses in Middle East, Southeast Asia, Japan and Korea and other international markets, and expanded the breadth and depth of services for overseas clients.

We accelerated the transformation of digital empowerment and optimized client experience.

We focused on building five system platforms covering on-exchange transaction, OTC derivatives, market making, prime brokerage and client management to enhance business efficiency. The core trading platform provides international leading professional trading tools for domestic and foreign institutional clients and supports the implementation of all kinds of transactions for

clients. The comprehensive operation platform is equipped with management tools which is built to cover the whole life cycle of clients' business development and to achieve efficient integration of internal data and intelligent management of services.

We continued to strengthen the construction of the operation and risk control platform and strictly abided by the bottom line of risk. We built and broadened the 1.5 lines of defense control system in various departments, and formed a multi-level and all-round compliance risk control system to improve operational efficiency and prevent financial risks. We strengthened the construction of systems and culture and stuck to the bottom line of integrity and compliance.

Outlook for 2023

In 2023, the Company will continue to promote the implementation of its equity business strategies, adhere to the client-oriented development concept, and build a comprehensive client service capability system in order to meet the diversified needs of different types of clients. We will take professional investment research services and trading services as the start point, continuously improve our digital capabilities, focus on client needs and provide accurate and differentiated services for client; rely on our financial product innovation capabilities, give full play to our advantages of international businesses, continuously serve domestic and foreign institutional clients and build a global leading, cross-border connected and one-stop service platform for our equity business.

(III) FICC

Market Environment

In 2022, geopolitical conflicts, domestic and foreign policy divergence and other factors caused the continued global macroeconomic uncertainty. The domestic bond market was relatively resilient, while the overseas bond markets were generally dragged down by U.S. debt market. At the beginning of the year, with an increase in downward pressure on the economy and a strong expectation for a cut in interest rate and RRR (Required Reserve Ratio), the yield in the domestic market fell to a low at the end of January and subsequently rose to the level at the beginning of the year due to factors including the growth stabilization policy and the higher-than-expected progress in Federal Reserve's interest rate hikes and balance sheet reduction. In 2022, according to the data of ChinaBond, the total bond transaction amount in the inter-bank market was RMB179.01 trillion, of which the cumulative trading volume of Bond Connect amounted to over RMB8 trillion according to the data of China Bond Connect.

Actions and Achievements

In 2022, the Company continued to promote the development of FICC business. We improved the quality and efficiency of traditional businesses, and actively expanded market presence of emerging businesses with focus on customer service, aiming to be more superior and powerful. We recorded constant and rapid growth in bond underwriting and trading volume, maintaining our leadership in the market. We continued to rank No.1 by spot trading volume of book-entry government bond as a syndicate member and No.1 in the market in terms of the underwriting amount of USD bonds of PRC-based companies. We further enhanced the coverage of international customers and trading service capabilities, and established a global sales network covering New York, London, Singapore and Tokyo with Chinese mainland and Hong Kong SAR as centers, with cross-border settlement amount continuing to increase.

In order to actively capture opportunities, we enhanced our product innovation and customer services and continued to develop derivatives business. We continued to capture market opportunities from publicly-offered REITs, carbon transaction, green finance, and enterprises that use special and sophisticated technologies to produce novel and unique products. In order to develop the capacity to provide customized products and services, we enhanced the innovation of domestic and foreign products and launched a number of innovative product lines. We continued to develop the cross border

derivatives business and expand the interest rate and foreign exchange businesses, thereby rallying among leading market makers in terms of key categories of commodities.

In the meantime, we vigorously promoted the integration of business and technology, actively explored the innovation of cutting-edge fin-tech, and continuously enhanced risk control capabilities and operation systems constructions.

Outlook for 2023

In 2023, the Company will continue to promote the strategic transformation of FICC business, enhance comprehensive customer service capabilities, develop a global market-making platform with full time zones, multiple currencies and markets, thus constantly expanding our influence; continue to maintain our dominant position in the traditional FICC business market and expand the scale of the emerging businesses. We will continue to optimize the risk control system and strengthen risk control; further strengthen capabilities in customized products, continuously promote product innovation, and improve the capacity to serve the real economy, with an aim to build an one-stop customer service platform covering all products. We will improve cross-border business capabilities and capitalize on domestic and international dual circulations, thus accelerating our international presence. In the meantime, we will continue to promote the digital transformation, step up the development of digital economy and enhance the systematic ability of global business development to build a first-class FICC fin-tech platform.

(IV) Asset Management

Asset Management

Market Environment

2022 was the year for the whole asset management industry to enter the era of net assets value, and a new stage of high-quality development for all kinds of asset management institutions. In this year, we saw more refined and improved regulatory policies, and a series of new regulatory documents, particularly the *Opinions on High-quality Development of Mutual Funds*, the deepening of internal structural transformation of the industry, and the optimization and upgrading of assets quality. In the era after the implementation of new regulations on asset management, asset management institutions, on the one hand, have a major opportunity of NAV-based transformation, which is promising in promoting the optimal allocation of resources and the well-being of people's livelihood, but on the other hand, they also face a number of challenges in terms of business, products and talents against the background of increased volatility in the capital market and intensified competition in the industry. In the future, asset management institutions should firmly grasp the major development opportunities in the industry, make efforts in various aspects such as investment research capability, mechanism, positioning, license and capital, and shape distinctive, differentiated and professional core competitiveness to serve the overall national strategy and create new outlook of high-quality development.

Actions and Achievements

In 2022, the Company took the initiative to optimize its structure, carried out the strategic transformation of "quality and efficiency", and actively followed the guidance of national policies. Focusing on the major issues and frontier problems of the times, we improved the product mix and embraced the development opportunities brought by the national strategies and the demand of the third-pillar pension. We improved the efficiency of resource allocation, actively promoted product innovation in science and technology innovation, green finance and inclusive finance, and enriched the supply of financial products. We continued to consolidate the construction of core investment research capabilities for asset management, improved the organizational management of investment research, strengthened team building and talent training to build a high-quality talent pool. With the principle of customer-orientation, we consolidated and expanded existing institutional clients such as banks and enterprises, deepen the development of customer base in retail and online channels, and optimize the retail businesses. We actively promoted common prosperity, increased the service for NSSF and annuities business clients, strengthened the coverage of overseas clients and explored more overseas channels. We promoted the construction of a digital platform for asset management and put the emphasis on technology-enabled approach. We optimized business systems and process systems through digital transformation and accelerated the construction of a customer service platform and

an integrated platform for investment research, so as to enhance customer experience through convenient and professional digital tools.

As of December 31, 2022, the AUM of the Asset Management Department of the Company was RMB702,479 million. By product line, the AUM of collective asset management products and segregated asset management products (including NSSF, corporate annuities, occupational annuities and pensions) were RMB230,669 million and RMB471,810 million, respectively. We had altogether 828 products under management.

Outlook for 2023

The Company will thoroughly implement the spirit of the 20th CPC National Congress, resolutely implement the strategic tasks of the central government, and plan the overall business development in serving the national strategies. We will give full play to the Company's role as a bridge between the capital side and the asset side of financial institutions, and put more efforts to serve the real economy, promote common prosperity and deepen supply-side reform. We are committed to promoting the development of various businesses and accelerating the establishment of a world-class asset management institution that closely follows the pulse of the times and the needs of customers.

In 2023, the Company will closely follow the directions of national development strategies and make innovation to serve the real economy. The Company will promote the steady construction of investment research system to improve investment research capabilities and product performance, continue to enrich product portfolios, and promote financial technology innovation and accelerate digital transformation. We will strengthen the breadth of customer coverage and service quality, thus further improving the ability to provide comprehensive asset management services for all types of customers. We will practice the new development concept, serve the new development pattern, and continue to move toward the goal of achieving high-quality development. We will strengthen risk management capabilities, enhance the awareness of all employees and strictly abide by the bottom line of not incurring major risks.

CICC Fund Management

Market environment

In 2022, with severe international geopolitical tensions, high overseas currency inflation, and the Federal Reserve's interest rate hike beyond expectations, the risk of global economy slipping into recession rose, and both domestic and overseas stock and bond markets performed poorly. As of the end of 2022, the scale of mutual fund increased slightly by 1.8% to

RMB26.0 trillion⁵ compared with the end of 2021, and the annual new issuance scale was RMB1.5 trillion⁶, only accounting for half of last year. Innovations of mutual fund industry sprung up in 2022. The underlying assets of C-REITs expanded rapidly; individual pension system was established; multiple mutual fund managers submitted applications of innovation products such as funds with low volatility and funds with management fee concession for investors. During the year, with the release of various regulatory initiatives, regulations of mutual fund industry have been more mature and standardized, and the industry has entered into high-quality development period.

Actions and Achievements

In 2022, responding to *Opinions on Accelerating the High-quality Development of Mutual Fund Industry*, CICC Fund maintained rapid development by focusing on mutual fund business, continuing to enhance its core competitiveness and strictly observing the requirements of compliance and risk control. As for product layout, CICC Fund issued 11 new products in 2022, including first-batch government-subsidized rental housing REIT, REIT with currently largest issuing scale in C-REITs market, interbank deposit certificate index fund

and the first FOF, developed products with low volatility and equity products, and improved its index product line. During the year, CICC Fund continued to enhance its core capabilities of investment and research by replenishing the team, improving management mechanism, improving the coverage and depth of research, struggling to improve long-term performance and exploring setting stable investment styles for products, and products with stable style and outstanding performance start to appear. Sales competence was improved. The number of customers increased significantly; sales network including retail, institution and E-commerce was established; a large number of investor education activities have been carried out to help investors establish a scientific investment concept. Under the digitalization strategy of CICC, CICC Fund continued to vigorously promote digitalization competence, making breakthroughs in product management, investment research management, sales management and risk management, and using Fintech to help business development and management improvement. The overall business of CICC Fund was running smoothly, with no major violations of laws and regulations or major potential compliance risks.

⁵ Source: Data from the Asset Management Association as of the end of December 2022

⁶ Source: Data from Wind as of the end of December 2022

As of December 31, 2022, the AUM of CICC Fund increased by RMB25,869 million to RMB111,057 million. The AUM of mutual funds increased to RMB100,974 million, representing an increase of 24.2% compared with the end of 2022.

Outlook for 2023

In 2023, CICC Fund will continue to practice high-quality development strategy and strive to maintain rapid business growth. We will continue to focus on investment research team and competence building, adhere to set proper investment styles for different products, enhance the depth of research and accumulate fund performances. We will strengthen product management and keep up with industry's innovations to better meet customers' requirements and improve our product layout. We will continue to build our sales network and actively carry out investor education activities to enhance investors' sense of contentment. We will improve the operation and management of REITs, and promote projects implementation and fund raising. We will continue to vigorously promote comprehensive capacity building, adhere to digital investment to drive business development; continue to strengthen compliance and risk control management, and safeguard the bottom line of no occurrence of major risks.

(V) Private Equity Investment

Market Environment

In 2022, due to multiple internal and external factors such as the Russia-Ukraine conflict and rising macroeconomic uncertainty, investors' risk appetite in the private equity market significantly decreased, and the fundraising of the market slowed down, with a particularly significant decline in fundraising for USD funds. Meanwhile, the incremental capital flowed into leading private equity fund managers more rapidly, and the polarization between large and small-to-medium alternative investment companies continued.

In terms of investment, due to a combination of factors such as the pessimistic fundraising environment and increased volatility in domestic and international capital markets, the amount and number of investments in China's private equity market declined in 2022, with a greater decline in USD deals in particular. The investment in IT and biomedical industry slowed down in 2022, while more and more investments turned to new energy, semiconductor and automobile. Especially, the new energy industry showed high prosperity due to the demands generated from "carbon neutrality" policy and technological upgrading. Power batteries, smart new energy vehicles, energy storage, photovoltaic and other sub-sectors were extremely appealing to investors.

Regarding to exit market, the number of IPO exit cases in China's private equity market declined in 2022 as changes in the macro environment exacerbated domestic and international secondary market volatility, but the number of exit cases of M&A, trade sale, buyback and other types of exits increased significantly year-on-year, therefore the exit channels for private equity funds became more diversified. It is expected that the future domestic private equity exit methods will follow those in Europe and the United States. M&A and Secondary transactions are expected to become important exit strategies for private equity funds.

Actions and Achievements

Despite the overall sluggish private equity market environment in 2022, we achieved remarkable results against the trend by expanding business opportunities, cutting operation costs, improving products quality and increasing work efficiency. As of the end of 2022, assets under management of CICC Capital Management Department reached RMB359.5 billion, further consolidating the leading position in the market. In terms of fundraising, we completed the fundraising for various new funds focusing on investment themes such as "technology innovation" and "carbon neutrality", and the size of newly raised funds exceeded RMB50 billion, which was in a leading position among the top private equity firms in China. In terms of investment, we promoted

China's technological self-reliance with high-quality investment, systematically focusing on strategic emerging industries such as digital sector, advanced manufacturing, healthcare and environment protection. The number of deals invested was top-ranking among the private equity firms. Leveraging the advantages of "One CICC" platform, we enabled both the investors and the portfolio companies and provided diversified services to the government, corporates and ultra-high-net-worth individuals. In terms of exits, the number of IPOs of portfolio companies exceeded 30 in 2022, which was in a leading position in the industry and fully demonstrated our expertise in deal screening, investment management and exits.

In 2022, we implemented CICC's "Three + One" strategies and achieved remarkable results in various businesses. In terms of internationalization, we successfully launched and actively promoted a number of special USD funds with our partners, further deepening our connections with global clients. In terms of regionalization, we reinforced our presence in the existing markets in traditional advantageous regions such as Beijing, Yangtze River Delta, Henan and Fujian on the one hand, and continuously developed new markets in accordance with the regional development strategy of China on the other hand, making breakthroughs in Hubei, Shaanxi, Sichuan and Chongqing. In terms of digitalization, we

continued to improve our business agility and built an industry-leading investment management platform around business data, platform capabilities, business synergy and ecological construction. In terms of “One CICC” platform, we proactively carried out deal recommendation, client collaboration and business cooperation with other departments of the Company, and worked together to promote the Company’s ten strategic businesses.

Outlook for 2023

Looking ahead to 2023, as “measures for stable growth” continues to take effect, China’s economy is expected to march into a new era and lead the global recovery, creating favorable macro environment for the rebound of the private equity market. CICC Capital Management Department will continue to play a pivotal role in the private equity industry and strive to serve the national strategy. We will firmly implement CICC’s philosophy of “For the Nation”, guide and leverage social capital. We will contribute to the national strategy of scientific and technological self-reliance, industrial transformation and upgrading, and green development, and support the development of small and medium-sized companies, and ensure supply chain stability, better fulfilling the mission of financial services to serve the real economy. At the same time, we will continue to improve the working mechanisms to serve national strategies in terms of management, fundraising, investment and post-investment management, and strengthen business innovation and synergy.

Specifically, we will seize the opportunities of the private equity market with Chinese characteristics to achieve high-quality development. We will continue to improve revenue and investment quality while continuously expanding the scale of private equity asset under management. In terms of fundraising, we will provide high-quality fund products and services in line with the core demands of various LPs, and develop diversified businesses including infrastructure funds, S funds, special opportunity funds and USD funds. In terms of investment, we will increase investment in strategic emerging industries, drive investment by research to improve investment capability and cognitive level, and continue to iterate our investment model. In terms of services and support, we will strengthen cooperation with governments at all levels, industrial groups and portfolio companies. We will enable both the investors and the portfolio companies, and build sound investment ecology. In terms of management improvement, we will further enhance the refined management, balance development and costs, and improve per capita revenue, while focusing on digitalization to fully mobilize the platform’s digital resources. In terms of risk and compliance, we will further strengthen internal control and risk control, optimize the organizational model, and reinforce the control and support of the middle office.

The Assets Under Management of the Group

As of December 31, 2022, the size of total assets managed by different business divisions and subsidiaries of our Group is set forth as follows:

Unit: RMB in million

Items	December 31, 2022	December 31, 2021	% of change
AUM in relation to fee and commission income (wholly-owned)			
Collective asset management plans	230,676	572,635	-60%
Segregated asset management plans	517,014	607,445	-15%
Special asset management plans	176,936	171,963	3%
Mutual funds	114,845	85,191	35%
Private equity investment funds	262,609	220,737	19%
Subtotal	1,302,080	1,657,972	-21%
AUM in relation to share of profits of associates and joint ventures (jointly-invested)			
Private equity investment funds	111,158	121,067	-8%
Non-private equity investment funds	71,755	86,666	-17%
Subtotal	182,913	207,733	-12%
Total	1,484,993	1,865,704	-20%

Note: Mutual funds mainly include public securities investment funds and private asset management plans under the management of CICC Fund Management.

(VI) Wealth Management

Market Environment

In 2022, impacted by international geopolitical disputes and other over-expected factors, the trading turnover of Shanghai and Shenzhen markets altogether was RMB223.89 trillion, representing a year-on-year decrease of 12.8%⁷. The number of new investors in the market reached 17.4276 million, representing a year-on-year decrease of 25.0%⁸. 2022 saw the implementation of a number of new policies, with the AUM of mutual funds of RMB26.0 trillion, up slightly by 1.8% year-on-year. The implementation of the private pension system drove long-term funds into the market and residents sought more diversified and specialized wealth management services and products.

⁷ Source: Wind

⁸ Source: Wind

Actions and Achievements

The size of existing product grew against the market and we kept leading the industry's wealth management transformation.

With China 50 (中國50), Mini 50 (微50), Mutual Fund 50 (公募50) and other fee-based investment advisory practices, we provided clients with full life-cycle services. We upgraded our services such as Mutual Fund 50 Target Profit (公募50目標盈) and Control Tools for Fixed Investment (定投紅綠燈) and launched the one-click position adjustment function of Mini 50 (微50). The size of existing product of the wealth management business exceeded RMB340 billion, representing a year-on-year increase of over 10%. The balance of fee-based investment advisory assets⁹ remained stable at nearly RMB80 billion. We further consolidated our leading position in wealth management model and scale.

We always adhered to the philosophy of customer-orientation, with stable growth in customer size.

The number of wealth management customers of CICC was 5.8165 million, representing a year-on-year increase of 28.3%, and the total customer assets reached RMB2.76 trillion. Among them, there were 34.4 thousand high-net-worth individuals¹⁰ and the total assets of high-net-worth individuals amounted to RMB779,602 million. We optimized the “omni-channel, multi-scenario” customer acquisition model, with a focus on financial

inclusiveness and continued to improve the “online + offline” service system. We launched more than 750 online live broadcasts to customers during the year, including the innovative programs “China 50 – Cloud Chatting Room (中國50中國行一雲會客廳)” and “Desired Investment (嚮往的投資)” with an average of nearly 20,000 viewers. We also conducted more than 2,000 offline activities and activities of the nine brands were held in nearly 100 cities. In addition, the wealth management business officially went abroad and kick-started a new business line in Singapore, taking an important step towards internationalization.

Digitalization of wealth management achieving progress: upgraded APP and new investment advisory platform.

In 2022, we made a new breakthrough in digital transformation and put efforts on user experience and digital support. CICC Wealth APP version 9.0 was upgraded with 7x24 services, the panoramic view of assets and the unified account system. We created the first virtual “digital employee” named Jinn. E-SPACE was upgraded to provide one-stop service and growth platform for more than 3,800 advisors. We launched the China 50 and the four-step approach to full accounts to build a content community and make investment advisory services a reliable investment consultant and “mini-asset manager” for clients.

⁹ The size of the fee-based investment advisory assets is the total asset for which CICC Wealth Management acts as the manager and/or provides investment advisory services and the asset of discretionary accounts opened in Wealth Management Department of CICC HK Securities, including China 50, Mini 50, Mutual Fund 50, CICC Wealth Management FoF (中金財富FoF), Overseas 30 (海外30)

¹⁰ High-net-worth individuals represent the customers whose assets exceed (include) RMB3 million

Outlook for 2023

Looking ahead to 2023, we will continue to focus on pursuing high-quality development following national strategies, and insist on doing the “right thing for the long term”, in order to achieve greater life and social values together with our clients. In terms of the product and solution, we will deepen the product business, continue to lead the transformation of the industry’s fee-based investment advisory business, and focus on the improvement of advisory capability. We will explore and promote trading business through service model innovation; integrate product and investment research resources to help partner institutions transform into fee-based investment advisory business to enlarge the eco-cycle. In terms of the investment consultant team, we will strengthen the refined management and support of investment advisory business, and continue to build a high-quality talent team. In terms of the customer experience, we will expand the scale of customer base, improve the quality of customer acquisition through various channels, and enhance the conversion and retention of customers through digital operation. In terms of the technology and digitalization, we will continue to build the brand of financial technology and strengthen the construction of “digital intelligence”, and continue to enhance our digitalization level.

(VII) Research

Our research team covers global markets and serves clients both at home and abroad through our offices and platforms across the

world. The scope of our research products and investment analysis ranges from macro economy and market strategy to fixed income, financial engineering, asset allocation, equities, commodities, and foreign exchange. As of December 31, 2022, our research team consisted of nearly 400 highly experienced professionals, and covered more than 40 sectors and nearly 1,600 companies listed on stock exchanges in Chinese mainland, Hong Kong SAR, New York, Singapore, Frankfurt, London and Paris.

CICC Research has won recognition from domestic and international investors for its independent, unbiased and insightful research products. In 2022, we issued more than 18,000 research reports in Chinese and/or foreign languages. On top of numerous sector and company reports, we also published a series of thematic reports, such as reports on C-REITs, environmental, social and governance (ESG) investing, China’s broad consumer sectors, the metaverse, automotive electronics, global asset management, as well as enterprises that use special and sophisticated technologies to produce novel and unique products. These research products have showcased our profound understanding of China and broad global vision. The superior depth and extensive coverage of our research reports have earned us the reputation as the “China Expert”. In November 2022, we launched the “CICC Research Insights Portal”, an integrated online gateway to all of CICC’s research services, which gained us a leading status in the digitalized sell-side research sector.

CICC Global Institute (CGI) has worked diligently to perform its tasks, improve its social influence, and build a strong, comprehensive brand name for public policy research. Focusing on China's new development philosophy, CGI and the Research Department jointly published in 2022 a major report: *Industry Chains of a Large Economy: Macro and Sector Trends in New Landscape* (大國產業鏈——新格局下的宏觀與行業趨勢, Chinese version). We also published three books *"Guidebook to Carbon Neutrality in China"* (the English edition of our Chinese report on the economics of carbon neutrality), *"Innovation: Keep the Torch Burning"* (創新——不滅的火炬, Chinese version) and *"Towards an Olive-Shaped Society"* (邁向橄欖型社會, Chinese version). CGI conducted field research on rural revitalization in 16 villages, 9 counties and 7 provinces, and issued multiple reports under the title *2022 Rural Research Report* (萬里田園夢——2022鄉村調研報告, Chinese version). We successfully held "Forum on Inclusive Growth in the New Development Stage" and "Open Forum for CCICED 2022 Annual General Meeting: Building a Green BRI Together to Boost Global Green and Low-Carbon Transition". In addition, we held quarterly macro seminars to facilitate high-level, international academic exchanges and dialogues on macroeconomic policies.

The Research Department continued to win awards from prominent international institutions in 2022. We have maintained our first place in Asiamoney's Best Brokerages for Research (China) poll for 17 consecutive years (2006-2022). We have also topped Institutional Investor's All-China Research Team poll for 11 consecutive years (2012-2022).

IV. ANALYSIS ON PRINCIPAL OPERATIONS AND FINANCIAL STATEMENTS

(i) Profitability Analysis of Our Group

In 2022, the Group maintained solid operating results. The Group have captured market opportunities in the face of the changing market environment, and developed all businesses in a balanced manner. The Group continued to consolidate the market position of institutional business and advanced the transformation into fee-based investment advisory services for retail business.

In 2022, the Group realized total revenue and other income of RMB37,398.2 million, representing a year-on-year decrease of RMB3,566.2 million or 8.7%. In 2022, the Group realized profit attributable to shareholders of the parent company of RMB7,597.5 million, representing a year-on-year decrease of RMB3,180.2 million or 29.5%. The Group realized earnings per share of RMB1.459 in 2022, representing a year-on-year decrease of 32.4%. The weighted average return on net assets was 8.9%, representing a year-on-year decrease of 5.8 percentage points.

(ii) Asset Structure and Quality

As of December 31, 2022, total assets of the Group amounted to RMB648,764.0 million, representing a year-on-year decrease of RMB1,031.4 million or 0.2%. Total liabilities of the Group amounted to RMB549,289.3 million, representing a year-on-year decrease of RMB15,775.3 million or 2.8%. The Group's total equity attributable to shareholders of the parent company amounted to RMB99,188.1 million, representing a year-on-year increase of RMB14,766.0 million or 17.5%. After deducting accounts payable to brokerage clients and to underwriting clients of RMB92,100.0 million, the adjusted total assets of the Group amounted to RMB556,664.1 million; the adjusted total liabilities amounted to RMB457,189.4 million; the gearing ratio was 82.1%, decreased by 2.4 percentage points from 84.6% as of December 31, 2021; the operating leverage ratio¹¹ was 5.6 times, representing a decrease of 0.9 time compared with 6.5 times as of December 31, 2021.

As of December 31, 2022, the Group's financial assets at fair value through profit or loss and derivative financial assets totalled RMB287,188.3 million, accounting for 44.3% of the total assets; financial assets at fair value through other comprehensive income amounted to RMB66,689.4 million, accounting for 10.3%

of the total assets; cash and bank balances and cash held on behalf of clients totalled RMB168,806.2 million, accounting for 26.0% of the total assets; receivable from margin clients and reverse REPOs totalled RMB58,762.0 million, accounting for 9.1% of the total assets; interests in associates and joint ventures amounted to RMB1,015.6 million, accounting for 0.2% of the total assets; other assets amounted to RMB66,302.5 million, accounting for 10.2% of the total assets.

As of December 31, 2022, the majority of the Group's liabilities were current liabilities. Accounts payable to brokerage clients and to underwriting clients totalled RMB92,100.0 million, accounting for 16.8% of the total liabilities; REPOs amounted to RMB43,156.7 million, accounting for 7.9% of the total liabilities; placements from financial institutions, short-term debt securities issued and long-term debt securities issued due within one year totalled RMB144,108.9 million, accounting for 26.2% of the total liabilities; financial liabilities at fair value through profit or loss and derivative financial liabilities totalled RMB56,551.4 million, accounting for 10.3% of the total liabilities; long-term debt securities issued amounted to RMB87,273.1 million, accounting for 15.9% of the total liabilities; other liabilities amounted to RMB126,099.3 million, accounting for 22.9% of the total liabilities.

¹¹ Operating leverage ratio = (total assets – accounts payable to brokerage clients and to underwriting clients)/total equity attributable to shareholders of the parent company

(iii) Cash Flows

In 2022, excluding the impacts of changes in cash held on behalf of clients, net increase in cash and cash equivalents of the Group amounted to RMB19,396.1 million, representing a decrease of RMB665.7 million or 3.3% compared with that in 2021. The net increase in cash and cash equivalents are mainly generated from the following daily activities:

- Net cash generated from operating activities in 2022 amounted to RMB57,960.9 million, representing an increase of RMB56,093.5 million or 3,003.8% compared with the net cash generated of RMB1,867.4 million in 2021, mainly due to changes in net cash flows from the net cash outflow from investments in financial instruments at fair value through profit or loss in 2021 to the corresponding net cash inflow in 2022; meanwhile, the growth rates of REPOs and of receivable from margin clients increased compared with those during 2021. The above increase in net cash inflow was partially offset by net cash outflow associated with trade payables for derivative transactions;
- Net cash used in investing activities amounted to RMB23,437.5 million in 2022, representing an increase of RMB16,107.0 million or 219.7% compared with the net cash used of RMB7,330.5 million in 2021, mainly due to an increase in purchase of investments, which was partially offset by an increase in cash receipts from disposal of investments;
- Net cash used in financing activities amounted to RMB15,127.4 million in 2022. The variation from the net cash generated from financing activities in 2021 was primarily attributable to a decrease in proceeds from issuing debt securities and an increase in redemption of debt securities issued.

(iv) Financing Channels and Capability

Our Group constantly broadens its financing channels to optimize its liability structure. The financing instruments of our Group include perpetual subordinated bonds, subordinated bonds, corporate bonds, financial bonds, syndication loans, short-term commercial papers, beneficiary certificates, USD-denominated medium-term notes, structured notes, inter-bank borrowings and REPOs.

In addition, our Group may finance through follow on offerings, rights issues and other ways according to market conditions and business needs.

(v) Operating Revenue and Profit Analysis

1. Analysis of Items in Statement of Profit or Loss

Summary of Financial Performance

In 2022, the Group realized a profit of RMB7,594.9 million, representing a year-on-year decrease of 29.7%. The financial performance of the Group is summarized as follows:

Unit: RMB in million

Items	2022	2021	Change	% of change
Revenue				
Fee and commission income	18,063.3	19,481.2	(1,417.9)	(7.3%)
Interest income	8,153.3	7,276.5	876.9	12.1%
Investment income	10,607.9	14,703.5	(4,095.6)	(27.9%)
Total revenue	36,824.5	41,461.2	(4,636.6)	(11.2%)
Other income/(losses), net	573.7	(496.7)	1,070.4	N/A
Total revenue and other income	37,398.2	40,964.4	(3,566.2)	(8.7%)
Total expenses	28,338.7	28,133.9	204.9	0.7%
Share of (losses)/profits of associates and joint ventures	(3.5)	147.6	(151.0)	N/A
Profit before income tax	9,056.0	12,978.1	(3,922.1)	(30.2%)
Income tax expense	1,461.1	2,168.2	(707.1)	(32.6%)
Profit for the year	7,594.9	10,809.9	(3,215.0)	(29.7%)
Profit attributable to shareholders of the parent company	7,597.5	10,777.7	(3,180.2)	(29.5%)

Revenue Breakdown

In 2022, the Group's revenue decreased by 11.2% to RMB36,824.5 million compared with that in 2021. Fee and commission income accounted for 49.1% of total revenue, representing a year-on-year increase of 2.1 percentage points; interest income accounted for 22.1%, representing a year-on-year increase of 4.6 percentage points; investment income accounted for 28.8%, representing a year-on-year decrease of 6.7 percentage points. The Group's revenue structure is presented as follows:

Items	2022	2021	Change
Fee and commission income	49.1%	47.0%	Increased by 2.1 percentage points
Interest income	22.1%	17.5%	Increased by 4.6 percentage points
Investment income	28.8%	35.5%	Decreased by 6.7 percentage points
Total	100.0%	100.0%	

In 2022, the Group's investment income decreased compared with that in 2021, resulting in a relatively increase in the proportion of fee and commission income and of interest income in revenue.

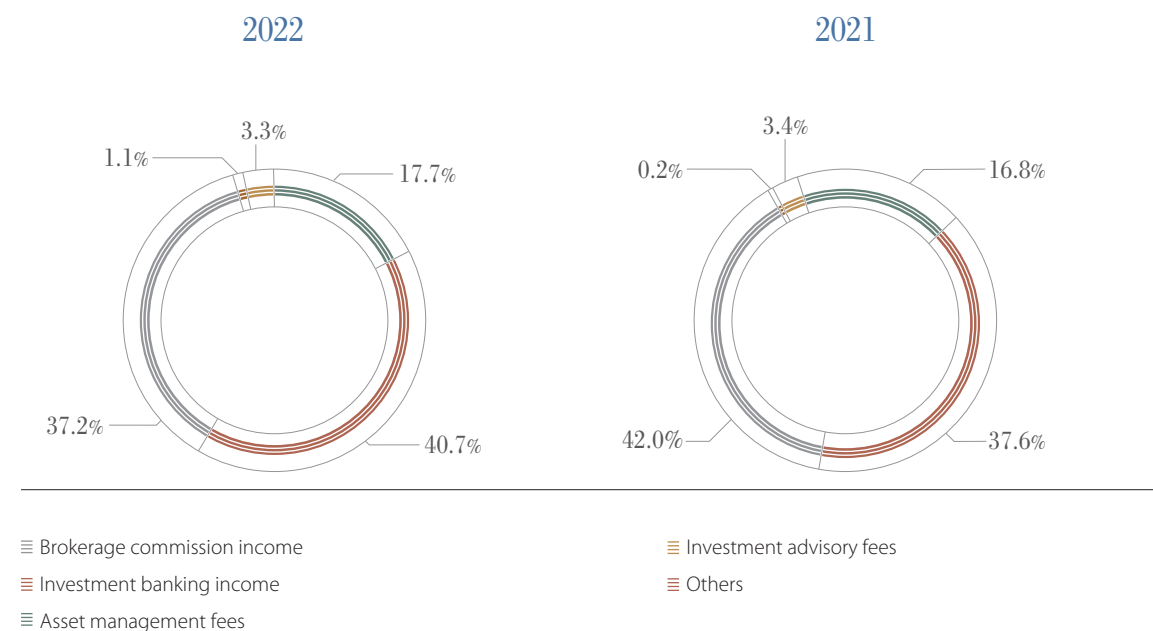
Fee and Commission Income and Expenses

In 2022, the Group realized a net fee and commission income of RMB15,943.0 million, representing a year-on-year decrease of RMB885.3 million or 5.3%. A breakdown of the Group's fee and commission income and expenses is presented as follows:

Unit: RMB in million

Items	2022	2021	Change	% of change
Fee and commission income				
Brokerage commission income	6,724.6	8,175.0	(1,450.4)	(17.7%)
Investment banking income	7,347.5	7,323.3	24.1	0.3%
Underwriting and sponsoring fees from equity financing	5,076.4	4,589.7	486.7	10.6%
Underwriting and sponsoring fees from debt and structured financing	1,325.4	1,565.4	(240.0)	(15.3%)
Financial advisory fees	945.6	1,168.3	(222.6)	(19.1%)
Asset management fees	3,200.6	3,265.4	(64.8)	(2.0%)
Asset management and mutual funds	1,679.3	1,795.4	(116.2)	(6.5%)
Private equity investment funds	1,521.4	1,470.0	51.4	3.5%
Investment advisory fees	599.9	654.2	(54.3)	(8.3%)
Others	190.7	63.2	127.5	201.6%
Total fee and commission income	18,063.3	19,481.2	(1,417.9)	(7.3%)
Fee and commission expenses	2,120.3	2,652.8	(532.6)	(20.1%)
Net fee and commission income	15,943.0	16,828.4	(885.3)	(5.3%)

The charts below set forth the composition of the Group's fee and commission income:



The structure of the Group's fee and commission income is presented as follows:

Items	2022	2021	Change
Brokerage commission income	37.2%	42.0%	Decreased by 4.7 percentage points
Investment banking income	40.7%	37.6%	Increased by 3.1 percentage points
Asset management fees	17.7%	16.8%	Increased by 1.0 percentage point
Investment advisory fees	3.3%	3.4%	Decreased by 0.0 percentage point
Others	1.1%	0.2%	Increased by 0.8 percentage point
Total	100.0%	100.0%	

Brokerage commission income amounted to RMB6,724.6 million, representing a year-on-year decrease of RMB1,450.4 million or 17.7%, mainly due to the shock down in global capital markets in 2022, with stock indices in major economies around the world experiencing relatively significant shocks and downturns; besides, the average daily turnover of A shares decreased by 12.6% year on year and the average daily turnover of the H shares decreased by 25.1% year-on-year.

Investment banking income amounted to RMB7,347.5 million, representing a year-on-year increase of RMB24.1 million or 0.3%. Investment banking income included underwriting and sponsoring fees from equity financing and from debt and structured financing and financial advisory fees. The underwriting and sponsoring fees amounted to RMB6,401.8 million, representing a year-on-year increase of RMB246.7 million or 4.0%; of which, underwriting and sponsoring fees from equity financing increased by RMB486.7 million, or 10.6%, mainly due to an increase in revenue related to equity financing such as IPO in ChiNext board and STAR Market and A share placement; underwriting and sponsoring fees from debt and structured financing decreased by RMB240.0 million, or 15.3%, mainly due to a decrease in revenue related to debt and structured financing through asset securitization products, convertible bonds, offshore bonds, etc.. Financial advisory fees amounted to RMB945.6 million, representing a year-on-year decrease of RMB222.6 million or 19.1%, mainly due to a decrease in fees from advisory services for fixed-income products, private equity financing and share acquisition.

Asset management fees amounted to RMB3,200.6 million, representing a year-on-year decrease of RMB64.8 million or 2.0%. Asset management fees consisted of fees from asset management business, mutual fund business and private equity investment fund business. In addition to asset management fees, a portion of the Group's share of profits of associates and joint ventures was generated from the AUM of fund management companies jointly-invested by the Group.

Investment advisory fees amounted to RMB599.9 million, representing a year-on-year decrease of RMB54.3 million or 8.3%.

Fee and commission expenses amounted to RMB2,120.3 million, representing a year-on-year decrease of RMB532.6 million or 20.1%, mainly due to a decrease of brokerage commission expenses resulting from the downward trend of capital markets.

Interest Income and Expenses

In 2022, the Group incurred net interest expenses of RMB1,023.2 million, among which interest income amounted to RMB8,153.3 million, representing a year-on-year increase of 12.1%, and interest expenses amounted to RMB9,176.5 million, representing a year-on-year increase of 11.0%. A breakdown of the Group's interest income and expenses is presented as follows:

Unit: RMB in million

Items	2022	2021	Change	% of change
Interest income				
Interest income from financial institutions	2,845.5	2,131.3	714.2	33.5%
Interest income from margin financing and securities lending	2,672.5	2,857.4	(184.9)	(6.5%)
Interest income from reverse REPOs	885.4	976.2	(90.8)	(9.3%)
Interest income from financial assets at fair value through other comprehensive income	1,432.3	1,177.1	255.3	21.7%
Others	317.7	134.5	183.2	136.2%
Total interest income	8,153.3	7,276.5	876.9	12.1%
Interest expenses				
Interest expenses on accounts payable to brokerage clients	332.0	294.1	37.9	12.9%
Interest expenses on REPOs	925.8	716.8	209.1	29.2%
Interest expenses on placements from financial institutions	1,370.4	1,027.1	343.2	33.4%
Interest expenses on debt securities issued	5,729.6	5,816.3	(86.7)	(1.5%)
Interest expenses on lease liabilities	75.4	57.3	18.1	31.6%
Others	743.2	355.1	388.1	109.3%
Total interest expenses	9,176.5	8,266.7	909.8	11.0%
Net interest expenses	(1,023.2)	(990.2)	(33.0)	3.3%

Interest income from financial institutions amounted to RMB2,845.5 million, representing a year-on-year increase of RMB714.2 million or 33.5%, mainly due to an increase in average daily scale of bank balances as compared with that in 2021.

Interest income from margin financing and securities lending amounted to RMB2,672.5 million, representing a year-on-year decrease of RMB184.9 million or 6.5%.

Interest income from reverse REPOs amounted to RMB885.4 million, representing a year-on-year decrease of RMB90.8 million or 9.3%.

Interest income from financial assets at fair value through other comprehensive income amounted to RMB1,432.3 million, representing a year-on-year increase of RMB255.3 million or 21.7%, mainly due to an increase in scale of debt investments at fair value through other comprehensive income.

Interest expenses amounted to RMB9,176.5 million, representing a year-on-year increase of RMB909.8 million or 11.0%, mainly due to the increases in the interest expenses arising from REPOs, placements from financial institutions and other external financing.

Investment Income

In 2022, the Group realized an investment income of RMB10,607.9 million, representing a year-on-year decrease of RMB4,095.6 million or 27.9%. A breakdown of the Group's investment income is presented as follows:

Unit: RMB in million

Items	2022	2021	Change	% of change
Investment income				
Net (losses)/gains from disposal of financial assets at fair value through other comprehensive income	(117.3)	60.7	(178.0)	N/A
Net gains from financial instruments at fair value through profit or loss and from derivative financial instruments	10,722.5	14,702.5	(3,979.9)	(27.1%)
– Equity investments	5,583.4	6,250.4	(667.0)	(10.7%)
– Debt investments	3,175.4	3,327.1	(151.7)	(4.6%)
– Other investments	1,963.8	5,125.0	(3,161.2)	(61.7%)
Others	2.6	(59.8)	62.4	N/A
Total	10,607.9	14,703.5	(4,095.6)	(27.9%)

Net losses from disposal of financial assets at fair value through other comprehensive income amounted to RMB117.3 million. The variation from the net gains in 2021 was mainly due to the loss from disposal of the Group's bond investments at fair value through other comprehensive income in overseas markets which were generally dragged down by U.S. debt market.

Net gains from financial instruments at fair value through profit or loss and from derivative financial instruments totalled RMB10,722.5 million, representing a year-on-year decrease of RMB3,979.9 million or 27.1%, and were from the following categories of investments:

- The net gains from equity investments decreased by RMB667.0 million or 10.7% year-on-year, mainly due to a fall of market value securities held under the following-investment mechanism on STAR Market as a result of a fall in market value of the securities amid the market downturn;
- The net gains from debt investments were mainly gains or losses from investments in securitized products, corporate bonds and government bonds, and such net gains decreased by RMB151.7 million or 4.6% year on year;
- The net gains from other investments were mainly gains or losses arising from investments in funds and decreased by RMB3,161.2 million or 61.7% year on year. The decrease was primarily attributable to a fall in net asset value of mutual funds, money market funds and private funds held by the Group amid the downward market conditions and factors such as exchange rate fluctuations.

Other investment gains were gains or losses from disposal of long-term equity investment.

For detailed information of the Group's financial instruments at fair value through profit or loss and of derivative financial instruments, please refer to "(vi) Analysis of Items in Statement of Financial Position – 1. Items of Assets – Investments – Financial Assets at Fair Value through Profit or Loss", "(vi) Analysis of Items in Statement of Financial Position – 1. Items of Assets – Investments – Derivative Financial Assets" and "(vi) Analysis of Items in Statement of Financial Position – 2. Items of liabilities" respectively.

Operating expenses

In 2022, the Group's operating expenses (excluding fee and commission expenses and interest expenses, the same below) amounted to RMB17,042.0 million, representing a year-on-year decrease of RMB172.4 million or 1.0%. A breakdown of the Group's operating expenses is presented as follows:

Unit: RMB in million

Items	2022	2021	Change	% of change
Operating expenses				
Staff costs	11,927.2	13,326.5	(1,399.3)	(10.5%)
Depreciation and amortization expenses	1,645.1	1,182.7	462.4	39.1%
Tax and surcharges	122.7	133.8	(11.2)	(8.3%)
Other operating expenses and costs	3,367.8	2,979.3	388.5	13.0%
Reversal of impairment losses under expected credit loss model	(20.9)	(408.0)	387.1	(94.9%)
Total	17,042.0	17,214.3	(172.4)	(1.0%)

Staff costs amounted to RMB11,927.2 million, representing a year-on-year decrease of RMB1,399.3 million or 10.5%, primarily attributable to the decline in the Group's operating performance compared with that in 2021 under the unfavorable market conditions in 2022 and the corresponding decrease in staff costs.

Depreciation and amortization expenses amounted to RMB1,645.1 million, representing a year-on-year increase of RMB462.4 million or 39.1%, mainly due to an increase in the depreciation of properties and equipment and amortization of intangible assets and right-of-use assets.

Tax and surcharges amounted to RMB122.7 million, representing a year-on-year decrease of RMB11.2 million or 8.3%.

Other operating expenses and costs amounted to RMB3,367.8 million, representing a year-on-year increase of RMB388.5 million or 13.0%, mainly due to increases in business development expenses, electronic equipment operating expenses and information technology expenses.

Reversal of impairment losses under expected credit loss model amounted to RMB20.9 million, representing a year-on-year decrease of RMB387.1 million or 94.9%, mainly due to a decrease in the reversal of impairment losses for account receivables, other assets and stock-pledged repurchase business.

2. Segment Results

The Group has six principal business segments: Investment Banking, Equities, FICC, Asset Management, Private Equity and Wealth Management. The segment Others mainly comprises of other business departments, middle offices and back offices.

Unit: RMB in million

Items	2022	2021	Change	% of change
Investment Banking				
Segment revenue and other income	6,049.1	6,780.9	(731.8)	(10.8%)
Fee and commission income	6,051.4	6,029.4	22.0	0.4%
Interest income	35.1	83.8	(48.7)	(58.2%)
Investment (losses)/income	(39.8)	665.5	(705.3)	N/A
Other income, net	2.4	2.2	0.3	12.0%
Interest expenses	(320.9)	(226.5)	(94.5)	41.7%
Revenue and other income after interest	5,728.2	6,554.4	(826.3)	(12.6%)
Non-interest expenses ⁽¹⁾	3,935.4	4,100.7	(165.3)	(4.0%)
Profit before income tax	1,792.8	2,453.7	(661.0)	(26.9%)
Segment margin ⁽²⁾	29.6%	36.2%	Decreased by 6.5 percentage points	

The variation of investment losses of Investment Banking from investment income for 2021 was primarily attributable to declines in market value of the securities held by the Group under the following investment mechanism on STAR Market amid the capital market weakness, resulting in a corresponding swing in the gains and losses from these investments.

Items	2022	2021	Change	% of change
Equities				
Segment revenue and other income	8,639.1	10,366.4	(1,727.4)	(16.7%)
Fee and commission income	2,688.1	3,652.1	(964.0)	(26.4%)
Interest income	1,029.6	836.4	193.2	23.1%
Investment income	5,617.9	6,325.0	(707.1)	(11.2%)
Other losses, net	(696.5)	(447.0)	(249.5)	55.8%
Interest expenses	(2,245.2)	(1,052.8)	(1,192.4)	113.3%
Revenue and other income after interest	6,393.9	9,313.7	(2,919.8)	(31.3%)
Non-interest expenses ⁽¹⁾	1,680.5	2,257.9	(577.5)	(25.6%)
Profit before income tax	4,713.4	7,055.7	(2,342.3)	(33.2%)
Segment margin ⁽²⁾	54.6%	68.1%	Decreased by 13.5 percentage points	

Interest expenses of Equities increased significantly compared with that in 2021, mainly due to an increase in higher interest expense on external financing; meanwhile an increase in capital occupancy, resulted in a corresponding increase in the interest expenses calculated on the basis of capital occupancy.

Items	2022	2021	Change	% of change
FICC				
Segment revenue and other income	6,262.3	6,375.5	(113.2)	(1.8%)
Fee and commission income	1,017.7	964.5	53.2	5.5%
Interest income	1,436.5	1,268.7	167.8	13.2%
Investment income	3,159.8	4,323.1	(1,163.3)	(26.9%)
Other income/(losses), net	648.3	(180.8)	829.1	N/A
Interest expenses	(3,067.4)	(3,086.4)	19.1	(0.6%)
Revenue and other income after interest	3,194.9	3,289.0	(94.1)	(2.9%)
Non-interest expenses ⁽¹⁾	1,190.3	1,051.2	139.1	13.2%
Profit before income tax	2,004.7	2,237.9	(233.2)	(10.4%)
Segment margin ⁽²⁾	32.0%	35.1%	Decreased by 3.1 percentage points	

The variation of other income of FICC from other losses in 2021 was primarily resulted from changes in gains and losses from foreign currency transactions under the effect of currency fluctuations.

Items	2022	2021	Change	% of change
Asset Management				
Segment revenue and other income	1,375.2	1,551.7	(176.5)	(11.4%)
Fee and commission income	1,368.0	1,451.3	(83.3)	(5.7%)
Interest income	52.4	82.2	(29.8)	(36.2%)
Investment (losses)/income	(55.2)	20.1	(75.4)	N/A
Other income/(losses), net	10.0	(2.0)	12.0	N/A
Interest expenses	(158.3)	(95.7)	(62.6)	65.3%
Revenue and other income after interest	1,216.8	1,455.9	(239.1)	(16.4%)
Non-interest expenses ⁽¹⁾	929.4	976.6	(47.2)	(4.8%)
Share of profits of associates and joint ventures	21.3	42.0	(20.7)	(49.2%)
Profit before income tax	308.8	521.4	(212.6)	(40.8%)
Segment margin ⁽²⁾	22.5%	33.6%	Decreased by 11.1 percentage points	

The variation of investment losses of Asset Management from investment income for 2021 was mainly due to a decrease in the net value of its investments in mutual funds and private funds under the unfavorable market conditions, resulting in a corresponding increase in the net loss from related investments; the variation of other income from other losses for 2021 was mainly attributable to changes in gains and losses from foreign exchange derivatives under the effect of exchange rate fluctuations.

Items	2022	2021	Change	% of change
Private Equity				
Segment revenue and other income	2,519.0	2,545.0	(26.0)	(1.0%)
Fee and commission income	1,569.1	1,516.8	52.4	3.5%
Interest income	6.6	10.3	(3.7)	(36.2%)
Investment income	906.7	961.9	(55.2)	(5.7%)
Other income, net	36.6	56.1	(19.5)	(34.8%)
Interest expenses	(269.0)	(142.7)	(126.3)	88.5%
Revenue and other income after interest	2,250.0	2,402.4	(152.4)	(6.3%)
Non-interest expenses ⁽¹⁾	1,048.2	1,118.0	(69.7)	(6.2%)
Share of profits of associates and joint ventures	33.3	170.1	(136.7)	(80.4%)
Profit before income tax	1,235.1	1,454.5	(219.4)	(15.1%)
Segment margin ⁽²⁾	49.0%	57.1%	Decreased by 8.1 percentage points	

Items	2022	2021	Change	% of change
Wealth Management				
Segment revenue and other income	10,140.5	11,206.6	(1,066.1)	(9.5%)
Fee and commission income	5,532.1	6,005.1	(473.0)	(7.9%)
Interest income	4,093.0	4,316.5	(223.5)	(5.2%)
Investment income	408.7	812.1	(403.4)	(49.7%)
Other income, net	106.7	72.9	33.8	46.4%
Interest expenses	(2,089.1)	(2,253.7)	164.6	(7.3%)
Revenue and other income after interest	8,051.4	8,952.9	(901.5)	(10.1%)
Non-interest expenses ⁽¹⁾	6,006.8	6,095.5	(88.7)	(1.5%)
Share of losses of associates and joint ventures	(58.0)	(64.5)	6.5	(10.1%)
Profit before income tax	1,986.6	2,792.8	(806.2)	(28.9%)
Segment margin ⁽²⁾	19.6%	24.9%	Decreased by 5.3 percentage points	

Items	2022	2021	Change	% of change
Others ⁽³⁾				
Segment revenue and other income	2,413.1	2,138.3	274.8	12.9%
Fee and commission expenses	(163.0)	(137.9)	(25.2)	18.3%
Interest income	1,500.2	678.5	821.6	121.1%
Investment income	609.8	1,595.7	(986.0)	(61.8%)
Other income, net	466.2	1.9	464.3	24,949.3%
Segment expenses	5,398.3	5,676.2	(277.9)	(4.9%)
Share of (losses)/profits of associates and joint ventures	(0.1)	0.0	(0.1)	N/A
Loss before income tax	(2,985.4)	(3,537.9)	552.6	(15.6%)

- (1) Non-interest expenses include fee and commission expenses, staff costs, depreciation and amortization expenses, tax and surcharges, other operating expenses and costs, and impairment losses.
- (2) Segment margin = profit before income tax/segment revenue and other income.
- (3) The segment margin of Others is not presented because this segment incurred loss before income tax in the relevant years.

(vi) Analysis of Items in Statement of Financial Position

1. Items of Assets

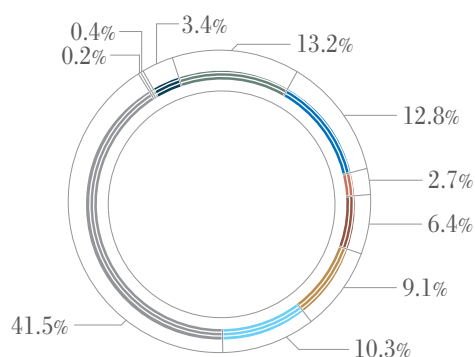
As of December 31, 2022, the Group's total assets amounted to RMB648,764.0 million, representing a year-on-year decrease of RMB1,031.4 million or 0.2%. Excluding the impact of accounts payable to brokerage clients and to underwriting clients, the Group's adjusted total assets as of December 31, 2022 amounted to RMB556,664.1 million, representing a year-on-year increase of RMB7,618.1 million or 1.4%. A breakdown of the Group's assets is presented as follows:

Unit: RMB in million

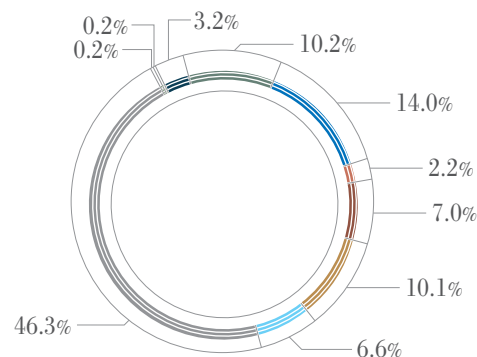
Items	December 31, 2022	December 31, 2021	Change	% of change
Property and equipment and intangible assets	2,364.3	1,564.6	799.7	51.1%
Interests in associates and joint ventures	1,015.6	1,086.9	(71.4)	(6.6%)
Financial assets at fair value through profit or loss	269,397.0	301,174.2	(31,777.2)	(10.6%)
Financial assets at fair value through other comprehensive income	66,689.4	43,010.0	23,679.5	55.1%
Receivable from margin clients and reverse REPOs	58,762.0	65,337.6	(6,575.6)	(10.1%)
Accounts receivable	41,769.5	45,742.9	(3,973.4)	(8.7%)
Derivative financial assets	17,791.4	14,564.2	3,227.1	22.2%
Cash held on behalf of clients	83,016.9	91,037.4	(8,020.5)	(8.8%)
Cash and bank balances	85,789.3	66,143.1	19,646.2	29.7%
Others	22,168.7	20,134.6	2,034.1	10.1%
Total	648,764.0	649,795.5	(1,031.4)	(0.2%)

The charts below set forth the composition of the Group's assets as of the dates indicated:

As of December 31, 2022



As of December 31, 2021



- Property and equipment and intangible assets
- Interests in associates and joint ventures
- Financial assets at fair value through profit or loss
- Financial assets at fair value through other comprehensive income
- Receivable from margin clients and reverse REPOs

- Accounts receivable
- Derivative financial assets
- Cash held on behalf of clients
- Cash and bank balances
- Others

INVESTMENTS

The Group's investments consisted of financial assets at fair value through other comprehensive income, interests in associates and joint ventures, financial assets at fair value through profit or loss and derivative financial assets.

As of December 31, 2022, the total investments of the Group amounted to RMB354,893.3 million, representing a year-on-year decrease of RMB4,942.0 million or 1.4%. A breakdown of the Group's investments is presented as follows:

Unit: RMB in million

Items	December 31, 2022	December 31, 2021	Change	% of change
Financial assets at fair value through other comprehensive income	66,689.4	43,010.0	23,679.5	55.1%
Interests in associates and joint ventures	1,015.6	1,086.9	(71.4)	(6.6%)
Financial assets at fair value through profit or loss	269,397.0	301,174.2	(31,777.2)	(10.6%)
Derivative financial assets	17,791.4	14,564.2	3,227.1	22.2%
Total	354,893.3	359,835.3	(4,942.0)	(1.4%)

Financial Assets at Fair Value through Other Comprehensive Income

The Group's financial assets at fair value through other comprehensive income was debt investment. As of December 31, 2022, the carrying amount of such assets amounted to RMB66,689.4 million, accounting for 10.3% of the Group's total assets which represented an increase of RMB23,679.5 million or 55.1% year on year, mainly due to an increase in scale of debt investments.

Interests in Associates and Joint Ventures

As of December 31, 2022, the Group's interests in associates and joint ventures amounted to RMB1,015.6 million, representing a year-on-year decrease of RMB71.4 million or 6.6% and accounting for 0.2% of the Group's total assets. A breakdown of the Group's interests in associates and joint ventures is presented as follows:

Unit: RMB in million

Items	December 31, 2022	December 31, 2021	Change	% of change
Associates	515.4	497.8	17.6	3.5%
Joint ventures	500.2	589.1	(88.9)	(15.1%)
Total	1,015.6	1,086.9	(71.4)	(6.6%)

Financial Assets at Fair Value through Profit or Loss

As of December 31, 2022, the Group's financial assets at fair value through profit or loss amounted to RMB269,397.0 million, representing a year-on-year decrease of RMB31,777.2 million or 10.6% and accounting for 41.5% of the Group's total assets. The investment categories are listed as follows:

Unit: RMB in million

Items	December 31, 2022	December 31, 2021	Change	% of change
Equity investments				
– Hedge position held for OTC derivative transactions	109,145.8	108,425.5	720.3	0.7%
– Financial assets of consolidated structured entities	3,507.2	4,821.3	(1,314.1)	(27.3%)
– Equity investments held directly by the Group	12,497.0	14,502.5	(2,005.5)	(13.8%)
Subtotal	125,150.0	127,749.3	(2,599.3)	(2.0%)
Debt investments				
– Financial assets of consolidated structured entities	6,705.1	3,659.9	3,045.3	83.2%
– Debt investments held directly by the Group	74,814.0	78,430.2	(3,616.2)	(4.6%)
Subtotal	81,519.1	82,090.1	(571.0)	(0.7%)
Funds and other investments				
– Financial assets of consolidated structured entities	4,205.1	29,095.9	(24,890.8)	(85.5%)
– Funds and other investments held directly by the Group	58,522.7	62,238.9	(3,716.2)	(6.0%)
Subtotal	62,727.8	91,334.8	(28,606.9)	(31.3%)
Total	269,397.0	301,174.2	(31,777.2)	(10.6%)

The Group's financial assets at fair value through profit or loss decreased by RMB31,777.2 million or 10.6% year-on-year and mainly consisted of the following categories:

- RMB14,417.5 million in financial assets of consolidated structured entities in which the Group held interests, accounting for 5.4% of the total financial assets at fair value through profit or loss. The financial assets of these consolidated structured entities included RMB3,507.2 million of equity investments, primarily listed stocks; RMB6,705.1 million of debt investments, most of which were debt securities above investment grade; and RMB4,205.1 million of funds and other investments, mainly private funds and money market funds;
- RMB109,145.8 million of investments in hedge equity position held for OTC derivative transactions by the Group, consisting of underlying assets under the OTC derivatives trading agreements into which the Group had entered with its clients, accounting for 40.5% of the total financial assets at fair value through profit or loss. These underlying assets were held to hedge the market risks associated with OTC derivative trading whereby the volatility in fair value of the underlying assets was mainly assumed by the clients and had no material impact on the Group's profit or loss;
- RMB12,497.0 million of equity investments held directly by the Group, accounting for 4.6% of the total financial assets at fair value through profit or loss, most of which were investments in the private equity investment funds and in the stocks listed on STAR Market;
- RMB74,814.0 million in debt investments held directly by the Group, accounting for 27.8% of the total financial assets at fair value through profit or loss, most of which were debt securities above investment grade and securitized products;
- RMB58,522.7 million in funds and other investments held directly by the Group, accounting for 21.7% of the total financial assets at fair value through profit or loss, most of which were money market funds and mutual funds with high liquidity and low risks.

Derivative Financial Assets

As of December 31, 2022, the Group's derivative financial assets amounted to RMB17,791.4 million, representing a year-on-year increase of RMB3,227.1 million or 22.2% and accounting for 2.7% of the Group's total assets. The growth was mainly attributable to an increase in derivative financial assets under equity contracts as a result of fluctuations of valuation of the Group's OTC derivatives caused by changes in stock market prices; meanwhile the derivative financial assets under currency contracts increased as a result of a growth in scale of the Group's relevant derivative transactions and valuation changes under exchange rate fluctuations. A breakdown of the Group's derivative financial assets is presented as follows:

Unit: RMB in million

Items	December 31, 2022	December 31, 2021	Change	% of change
Interest rate contracts	966.8	1,238.0	(271.1)	(21.9%)
Currency contracts	2,435.9	1,321.0	1,114.9	84.4%
Equity contracts	13,772.8	11,666.6	2,106.2	18.1%
Credit contracts	180.1	28.5	151.5	531.3%
Other contracts	435.8	310.2	125.6	40.5%
Total	17,791.4	14,564.2	3,227.1	22.2%

RECEIVABLE FROM MARGIN CLIENTS AND REVERSE REPOS

As of December 31, 2022, the Group's receivable from margin clients and reverse REPOs amounted to RMB58,762.0 million, representing a year-on-year decrease of RMB6,575.6 million or 10.1%, mainly due to a decrease in scale of margin business as a result of decline in financing demands of domestic clients; the decrease was partially offset by a growth in reverse REPOs resulting from an increase in scale of bond outright REPO business.

PROPERTY AND EQUIPMENT AND INTANGIBLE ASSETS

As of December 31, 2022, the Group's property and equipment and intangible assets amounted to RMB2,364.3 million, representing a year-on-year increase of RMB799.7 million or 51.1%, mainly due to an increase in expenditures on office equipment and softwares, as well as investment in construction in progress. A breakdown of the Group's property and equipment and intangible assets is presented as follows:

Unit: RMB in million

Items	December 31, 2022	December 31, 2021	Change	% of change
Property and equipment	1,560.4	1,131.9	428.6	37.9%
Intangible assets	803.9	432.7	371.1	85.8%
Total	2,364.3	1,564.6	799.7	51.1%

CASH HELD ON BEHALF OF CLIENTS

The Group's cash held on behalf of clients consisted of cash held on behalf of brokerage clients and underwriting clients. As of December 31, 2022, it amounted to RMB83,016.9 million, representing a year-on-year decrease of RMB8,020.5 million or 8.8%.

CASH AND BANK BALANCES

As of December 31, 2022, the Group's cash and bank balances amounted to RMB85,789.3 million, representing a year-on-year increase of RMB19,646.2 million or 29.7%, mainly due to an increase in self-owned funds.

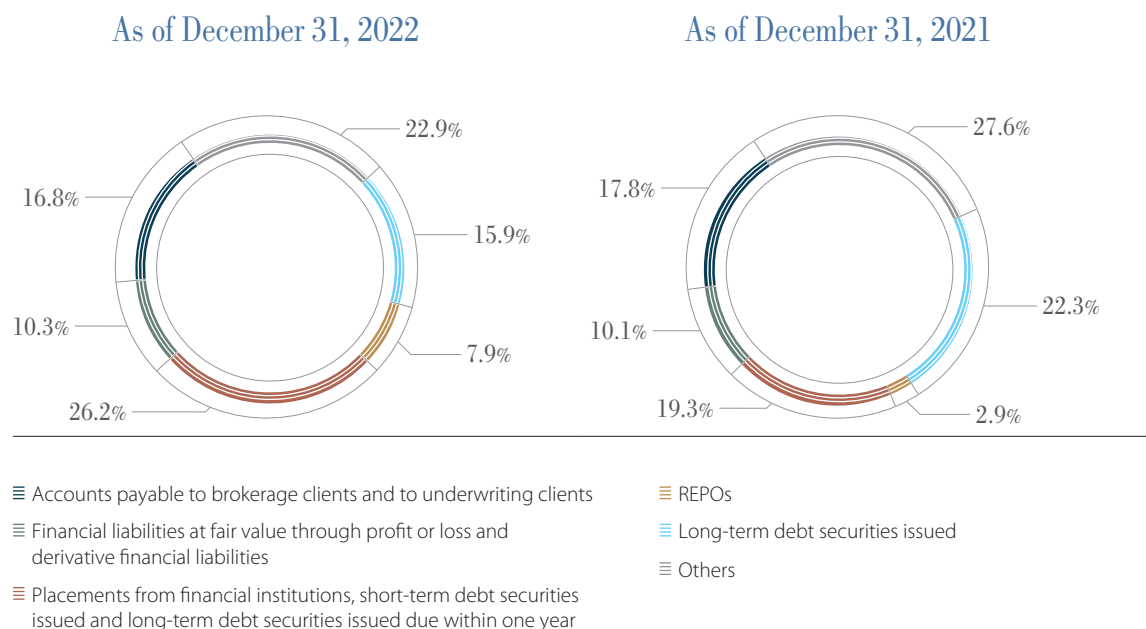
2. Items of Liabilities

As of December 31, 2022, the Group's total liabilities amounted to RMB549,289.3 million, representing a year-on-year decrease of RMB15,775.3 million or 2.8%. Excluding the impact of accounts payable to brokerage clients and to underwriting clients, the Group's adjusted total liabilities as of December 31, 2022 amounted to RMB457,189.4 million, representing a year-on-year decrease of RMB7,125.8 million or 1.5%. A breakdown of the Group's liabilities is presented as follows:

Unit: RMB in million

Items	December 31, 2022	December 31, 2021	Change	% of change
Accounts payable to brokerage clients and to underwriting clients	92,100.0	100,749.5	(8,649.5)	(8.6%)
Financial liabilities at fair value through profit or loss and derivative financial liabilities	56,551.4	57,060.8	(509.4)	(0.9%)
Placements from financial institutions, short-term debt securities issued and long-term debt securities issued due within one year	144,108.9	109,220.4	34,888.5	31.9%
REPOs	43,156.7	16,376.1	26,780.6	163.5%
Long-term debt securities issued	87,273.1	125,755.3	(38,482.2)	(30.6%)
Others	126,099.3	155,902.6	(29,803.3)	(19.1%)
Total	549,289.3	565,064.7	(15,775.3)	(2.8%)

The following charts set out the composition of the Group's liabilities as of the dates indicated:



As of December 31, 2022, the Group's accounts payable to brokerage clients amounted to RMB92,100.0 million, representing a year-on-year decrease of RMB1,345.2 million or 1.4%. A breakdown of the Group's accounts payable to brokerage clients is presented as follows:

Unit: RMB in million

Items	December 31, 2022	December 31, 2021	Change	% of change
Individual clients	37,880.7	37,920.3	(39.6)	(0.1%)
Institutional/corporate clients	54,204.9	55,508.8	(1,303.9)	(2.3%)
Accrued interest	14.3	16.0	(1.7)	(10.6%)
Total	92,100.0	93,445.2	(1,345.2)	(1.4%)

As of December 31, 2022, the Group's financial liabilities at fair value through profit or loss and derivative financial liabilities amounted to RMB56,551.4 million, representing a year-on-year decrease of RMB509.4 million or 0.9%; of which, derivative financial liabilities decreased by RMB6,785.9 million or 37.4% year on year, mainly due to a decrease in scale of the OTC derivative business under equity contracts resulted from a decline in client demands and due to fluctuations in valuation of derivatives in line with changes in stock market prices. Financial liabilities at fair value through profit or loss increased by RMB6,276.5 million or 16.1%, mainly due to a growth in scale of the structured notes embedded with rights, linked to stocks, to indices and to money market funds and initiated by the Group domestically; this growth was partially offset by a decrease in scale of the stock-linked and index-linked structured products initiated by the Group overseas under the impact of stock market downward trend and decline in client demands.

As of December 31, 2022, the Group's placements from financial institutions, short-term debt securities issued and long-term debt securities issued due within one year amounted to RMB144,108.9 million, representing a year-on-year increase of RMB34,888.5 million or 31.9%, mainly due to an increase in corporate bonds due within one year. A breakdown of the Group's placements from financial institutions, short-term debt securities issued and long-term debt securities issued due within one year is presented as follows:

Unit: RMB in million

Items	December 31, 2022	December 31, 2021	Change	% of change
Placements from financial institutions	60,846.0	51,477.3	9,368.7	18.2%
Corporate bonds	55,175.5	20,714.3	34,461.2	166.4%
Beneficiary certificates	15,725.0	15,172.9	552.1	3.6%
Medium-term notes	10,513.8	6,391.7	4,122.1	64.5%
Subordinated bonds	1,036.2	10,157.3	(9,121.1)	(89.8%)
Structured notes	812.3	1,773.8	(961.4)	(54.2%)
Short-term commercial papers	–	1,002.2	(1,002.2)	N/A
Financial bonds	–	2,530.9	(2,530.9)	N/A
Total	144,108.9	109,220.4	34,888.5	31.9%

As of December 31, 2022, the Group's REPOs amounted to RMB43,156.7 million, representing a year-on-year increase of RMB26,780.6 million or 163.5%, mainly due to an increase in scale of securities-pledged repurchase business and securities outright repurchase business.

As of December 31, 2022, the Group's long-term debt securities issued amounted to RMB87,273.1 million, representing a year-on-year decrease of RMB38,482.2 million or 30.6%. The Group's long-term debt securities issued in 2022 included 9 tranches of corporate bonds with an aggregate principal of RMB13,500.0 million, 2 tranches of subordinated bonds with an aggregate principal of RMB2,000.0 million, and 2 tranches of USD-denominated medium term notes with an aggregate principal of US\$1,250.0 million. A breakdown of the Group's long-term debt securities issued is presented as follows:

Unit: RMB in million

Items	December 31, 2022	December 31, 2021	Change	% of change
Corporate bonds	50,114.6	89,636.1	(39,521.5)	(44.1%)
Medium-term notes	19,227.5	19,191.3	36.2	0.2%
Subordinated bonds	17,931.0	16,927.9	1,003.0	5.9%
Total	87,273.1	125,755.3	(38,482.2)	(30.6%)

As of December 31, 2022, the Group's other liabilities amounted to RMB126,099.3 million, representing a year-on-year decrease of RMB29,803.3 million or 19.1%, mainly due to a decrease in trade payable for derivative transactions and accounts payable to underwriting clients.

3. Items of equity

As of December 31, 2022, the Group's total equity attributable to shareholders of the parent company amounted to RMB99,188.1 million, representing a year-on-year increase of RMB14,766.0 million or 17.5%. The increase mainly consisted of issuance of perpetual subordinated bonds with the amount of RMB7,900.0 million and operational accumulations. A breakdown of the Group's equity is presented as follows:

Unit: RMB in million

Items	December 31, 2022	December 31, 2021	Change	% of change
Share capital	4,827.3	4,827.3	–	–
Capital reserve	39,515.2	39,531.9	(16.7)	(0.0%)
Surplus reserve	1,856.7	1,392.4	464.2	33.3%
General reserves	6,804.6	5,470.1	1,334.6	24.4%
Investment revaluation reserve	(142.5)	129.7	(272.3)	N/A
Foreign currency translation reserve	572.3	(955.5)	1,527.8	N/A
Other reserves	1.7	(2.7)	4.4	N/A
Retained profits	29,352.8	25,528.9	3,823.9	15.0%
Other equity instruments	16,400.0	8,500.0	7,900.0	92.9%
Total equity attributable to shareholders of the parent company	99,188.1	84,422.1	14,766.0	17.5%

(vii) Contingent Liabilities

The Group is exposed to the risk of economic benefit outflows due to litigations, arbitrations or regulatory investigations in the course of operations. The Group, after having assessed in accordance with the IAS, believes that the economic benefit outflows of such risk do not meet the recognition of provisions. The Group had no outstanding litigations, arbitration or regulatory investigations which had a material impact on its consolidated financial position as at 31 December 2022.

(viii) Pledge of assets of the Group

The Group has no pledge of assets as of December 31, 2022.

(ix) Income tax Policy

In accordance with the *Enterprise Income Tax Law of the PRC* (《中華人民共和國企業所得稅法》) and the *Provisions of Implementation for the Enterprise Income Tax Law of the PRC* (《中華人民共和國企業所得稅法實施條例》), the statutory corporate income tax rate applicable to our parent company and our PRC subsidiaries is 25%. Our Hong Kong subsidiaries are subject to a tax rate of 16.5% on their assessable profit. The parent company's income tax computation and payment are governed by the *Announcement of the State Administration of Taxation on Printing and Distributing the Administrative Measures for Collection of Consolidated Payments of Enterprise Income Tax by the Enterprises with Trans-regional Operations* (《國家稅務總局關於印發〈跨地區經營匯總納稅企業所得稅徵收管理辦法〉的公告》) (Public Notice of the State Administration of Taxation [2012] No.57). During the year ended December 31, 2022, we had fulfilled all our tax obligations and did not have any unresolved tax disputes with the relevant tax authorities in China or other jurisdictions.

V. ANALYSIS ON INVESTMENT AND FINANCING ACTIVITIES

(I) Overall analysis on external investments

For information on equity investments of the Group as of December 31, 2022, please refer to “Notes to the Consolidated Financial Statements – 25. Investments in Associates and Joint Ventures”. The Group had no significant non-equity investments.

For information on the financial assets measured at fair value held by the Group based on its principal activities, please refer to “Management Discussion and Analysis – IV. Analysis on Principal Operations and Financial Statements – (vi) Analysis of Items in Statement of Financial Position – 1. Items of Assets – Investments” of the Report.

(II) Analysis on financing activities

The Company held the 26th meeting of the second session of the Board on September 13, 2022, and the 2022 First Extraordinary General Meeting, the 2022 First A Shareholders' Class Meeting and the 2022 First H Shareholders' Class Meeting on October 24, 2022, at which the resolutions in relation to rights issue of shares to the original Shareholders were considered and approved. The aforesaid matters are still in progress. The Company will make further announcements on material updates and progress of the matter in due course.

For information on debt financing during the Reporting Period, please refer to “Particulars of Bonds” in this report.

(III) Material assets and equity disposal

During the Reporting Period, the Company had no material disposal of assets and equity.

(IV) Major controlled and participating companies and structured entities

1. Major controlled and participating companies

The Company currently has 8 major subsidiaries, the principal information on which is as follows:

No.	Name	Shareholding	Time of establishment	Registered capital	Person-in-charge	Contact number	Registered address	Main business
1	CICC International	100%	1997/04/04	597,660,000 outstanding shares	Liu Qingchuan, Xu Yicheng, Wong King Fung, Chu Gang, Xia Xinghan, Ma Kui and Wu Bo	(852)28722000	29F, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong	Overseas investment holding business
2	CICC Wealth Management Securities	100%	2005/09/28	RMB8 billion	Gao Tao	(0755)82026676	L4601-L4608, China Resources Building, No. 2666 Keyuan South Road, Haizhu Community, Yuehai Street, Nanshan District, Shenzhen	Securities brokerage; securities investment consulting; financial consulting relating to the securities trading and securities investment; proprietary trading of securities; securities asset management; proxy sale of securities and investment fund; margin financing and securities lending; and proxy sale of financial products
3	CICC Capital	100%	2017/03/06	RMB2 billion	Shan Junbao	(010)65051166	Units 09-11, 9th Floor, 1 Jianguomenwai Avenue (Phase II), Chaoyang District, Beijing	Asset management; investment management; project investment; and investment consulting
4	CICC Fund Management	100%	2014/02/10	RMB500 million	Hu Changsheng	(010)63211122	Room 05, 26th Floor, China World Office 2, 1 Jianguomenwai Avenue, Chaoyang District, Beijing	Fund offering, fund sales, provision of asset management service for specific clients, asset management and other activities as approved by the CSRC
5	CICC Pucheng	100%	2012/04/10	RMB6 billion	Liu Jian	(021)58796226	Unit 2904A, 29/F, AZIA center, No. 1233 Lujiazui Ring Road, China (Shanghai) Pilot Free Trade Zone	Investment management, investment consultancy, import and export of goods and technology, domestic cargo transportation agency services and storage (excluding hazardous articles)

Management Discussion and Analysis

No.	Name	Shareholding	Time of establishment	Registered capital	Person-in-charge	Contact number	Registered address	Main business
6	CICC Futures	100%	2004/07/22	RMB350 million	Sui You	(0971)8224987	No. 1811 and 1813, Sapphire Hotel, No. 21 Shengli Road, Chengxi District, Xining, Qinghai	Commodity futures brokerage, financial futures brokerage and asset management
7	CICC Private Equity	100%	2020/10/30	RMB500 million	Long Liang	(010)65051166	Unit 03, 8/F, No. 100 South Zhongshan Road, Huangpu District, Shanghai	Equity investment management, investment management, asset management, and investment consulting
8	CICC Financial Trading Limited	Wholly owned by CICC Financial Holdings Limited	2012/04/10	With issued share capital of HK\$1	Jia Jia, Lao Tsz Wing, Wang Jin, Diao Zhihai, Feng Sibo ¹² , Ji Yanbin, Lin Ning, Lit Ho Man Vienna, Liu Qingchuan, Peng Jun, Tan Bin, Wang Ke, Wu Bo, Yu Weijiang, Zhang Wangyi, Zhang Yongcheng and Zhou Xuetao	(852)28722000	29/F, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong	Client facilitation trade, trading of listed securities, ETFs, and derivative financial instruments

¹² Resigned in March 2023

The key information on the financial position and financial performance of the Company's major subsidiaries is as follows:

CICC International: Under the Hong Kong Financial Reporting Standards, as of December 31, 2022, the total assets were HK\$193,771.7 million, the net assets were HK\$23,757.9 million, and the net profit in 2022 was HK\$3,098.0 million. As of December 31, 2021, the total assets were HK\$219,366.4 million, the net assets were HK\$18,811.7 million, and the net profit in 2021 was HK\$5,153.4 million.

CICC Wealth Management Securities: As of December 31, 2022, the total assets were RMB154,623.3 million, the net assets were RMB18,334.6 million, and the net profit in 2022 was RMB1,106.2 million. As of December 31, 2021, the total assets were RMB156,510.5 million, the net assets were RMB18,544.1 million, and the net profit in 2021 was RMB1,919.3 million.

CICC Capital: As of December 31, 2022, the total assets were RMB6,273.8 million, the net assets were RMB3,152.6 million, and the net profit in 2022 was RMB786.5 million. As of December 31, 2021, the total assets were RMB5,600.4 million, the net assets were RMB2,912.0 million, and the net profit in 2021 was RMB802.0 million.

CICC Fund Management: As of December 31, 2022, the total assets were RMB715.8 million, the net assets were RMB390.0 million, and the net profit in 2022 was RMB21.6 million. As of December 31, 2021, the total assets were RMB519.4 million, the net assets were RMB368.4 million, and the net profit in 2021 was RMB1.5 million.

CICC Pucheng: As of December 31, 2022, the total assets were RMB9,001.8 million, the net assets were RMB5,238.7 million, and the net profit in 2022 was RMB796.8 million. As of December 31, 2021, the total assets were RMB10,310.6 million, the net assets were RMB4,941.9 million, and the net profit in 2021 was RMB722.1 million.

CICC Futures: As of December 31, 2022, the total assets were RMB9,171.2 million, the net assets were RMB720.2 million, and the net profit in 2022 was RMB63.4 million. As of December 31, 2021, the total assets were RMB7,200.9 million, the net assets were RMB657.8 million, and the net profit in 2021 was RMB54.7 million.

CICC Private Equity: As of December 31, 2022, the total assets were RMB814.7 million, the net assets were RMB561.9 million, and the net profit in 2022 was RMB392.6 million. As of December 31, 2021, the total assets were RMB407.4 million, the net assets were RMB259.2 million, and the net profit in 2021 was RMB159.7 million.

CICC Financial Trading Limited: Under the Hong Kong Financial Reporting Standards, as of December 31, 2022, the total assets were US\$16,689.5 million, the net assets were US\$1,002.1 million, and the net profit in 2022 was US\$299.1 million. As of December 31, 2021, the total assets were US\$20,363.1 million, the net assets were US\$703.0 million, and the net profit in 2021 was US\$280.9 million.

2. Structured entities

For the information on structured entities controlled by the Company, please refer to “Notes to the Consolidated Financial Statements- 53. INTERESTS IN STRUCTURED ENTITIES” in this report.

3. Transactions between the Company and its foreign subsidiaries

According to the relevant requirements of *Measures for the Administration of Overseas Establishment, Acquisition of and Equity Participation in Business Organizations by Securities Companies and Securities Investment Fund Management Companies*, transactions between the Company and its overseas subsidiaries are disclosed as below: as of December 31, 2022, the assets of the Company generated from transactions between the Company and its overseas subsidiaries totalled RMB2,118.2 million, including derivative financial assets, accounts receivable and other current assets; the liabilities of the Company incurred by such transactions totalled RMB674.3 million, including derivative financial liabilities and other current liabilities.

VI. COMPLIANCE OF THE COMPANY'S ACCOUNTS

(i) Compliance of Accounts of CICC Wealth Management

The Company's wealth management business is mainly conducted through CICC Wealth Management. Since the CSRC has comprehensively carried out the account regulation work on securities companies, CICC Wealth Management has fully implemented the account regulation in strict accordance with the regulations and requirements under the CSRC.

1. Rectification over unqualified account

CICC Wealth Management All-in-one Counter System solves the problem that the rectification over unqualified accounts are confined to the level of manual control by integrating second-generation ID card readers, real-time automatic verification with CSDC, and activation and verification management of unqualified and dormant accounts, which technically solidified the long-term mechanism of account rectification work. In 2022, CICC Wealth Management has no new unqualified accounts, no unqualified accounts activated by mistake, and unqualified accounts sending entrustments to exchanges. As of December 31, 2022, CICC Wealth Management has 3,757 unqualified securities accounts remaining.

2. Standardized management on judicially frozen accounts

CICC Wealth Management freezes and unfreezes customer accounts in strict accordance with the requirements of the judiciary and other competent state authorities. For the unqualified accounts frozen by the judicial system, CICC Wealth Management has performed separate storage in the counter system. If the unqualified accounts frozen by the judicial system remained unrectified after the judicial freeze is removed, CICC Wealth Management will report to CSDC the suspension of transactions and the separate storage of remaining unqualified securities accounts, whilst submitting a report to the Shenzhen Securities Regulatory Bureau within fifteen days after the judicial freeze is removed. As of December 31, 2022, there are 318 judicially frozen securities accounts separately stored in the CICC Wealth Management Counter System.

3. Standardized management of risk disposal accounts

According to the risk disposal arrangement for the former China Southern Securities Co., Ltd. ((hereinafter referred to as "China Southern Securities"), CICC Wealth Management continued to receive some retained accounts of China Southern Securities in 2020. An independent branch has been established in the OTC system for separate storage and cessation of transactions according to relevant regulations, and separate reservation and trading restrictions will be lifted subject to the completion of standardized procedures of the accounts, and third-party escrow has been implemented.

4. Standardized management of pure capital accounts

In 2022, CICC Wealth Management continued to implement separate reservation management for pure capital accounts in strict compliance with the relevant regulations and complete the activation procedures for customers in accordance with the prescribed processes.

(ii) Compliance of Accounts of the CICC's Business Office

Apart from CICC Wealth Management, CICC had one securities business office as at the end of the Reporting Period, Beijing Jianguomenwai Avenue Securities Business Office of CICC (hereinafter referred to as the "Jianguomen Business Office").

In 2022, Jianguomen Business Office continued to strictly implement the real name system for securities accounts when handling securities account business. The securities account business of Jianguomen Business Office was handled by the counter of the branches, and each counter of the branch had set up handling position and review position to audit the application materials for various account business in strict compliance with the relevant regulations of CSDC and verify identity information in accordance with the requirements of CSDC. As of December 31, 2022, Jianguomen Business Office had no remaining and opening of any ineligible account.

In 2022, the Jianguomen Business Office continued to implement restrictive management for pure fund accounts in strict accordance with relevant regulations and to freeze and unfreeze customer accounts in strict accordance with the requirements of judicial organs and other state authorities. As of December 31, 2022, the Jianguomen Business Office had 7 judicially frozen accounts held in storage of the over-the-counter system, which did not involve the risky disposal accounts.

VII. RISK MANAGEMENT

Overview

Our Company has always believed that risk management creates value. The risk management of our Company aims to effectively allocate risk-based capital, limit risks to a controllable level, maximize the corporate value and constantly solidify the foundation for the steady and sustainable development of our Company. Our Company has sound corporate governance, effective risk management measures and a strict internal control system.

Pursuant to the relevant laws and regulations and regulatory requirements, our Company has established a sound governance structure. The Shareholders' General Meeting, the Board of Directors and the Supervisory Committee of our Company perform duties in accordance with the *Company Law*, the *Securities Law*, the *Guidance for the Internal Control of Securities Companies* (《證券公司內部控制指引》), the *Norms for the Comprehensive Risk Management of Securities Companies* (《證券公司全面風險管理規範》) and the *Articles of Association* and supervise and manage the business operations of our Company. Through enhancing and improving the internal control structure, compliance and risk management culture, the Board of Directors has made internal control and risk management an essential aspect of the business operation management of our Company.

Risk Management Framework

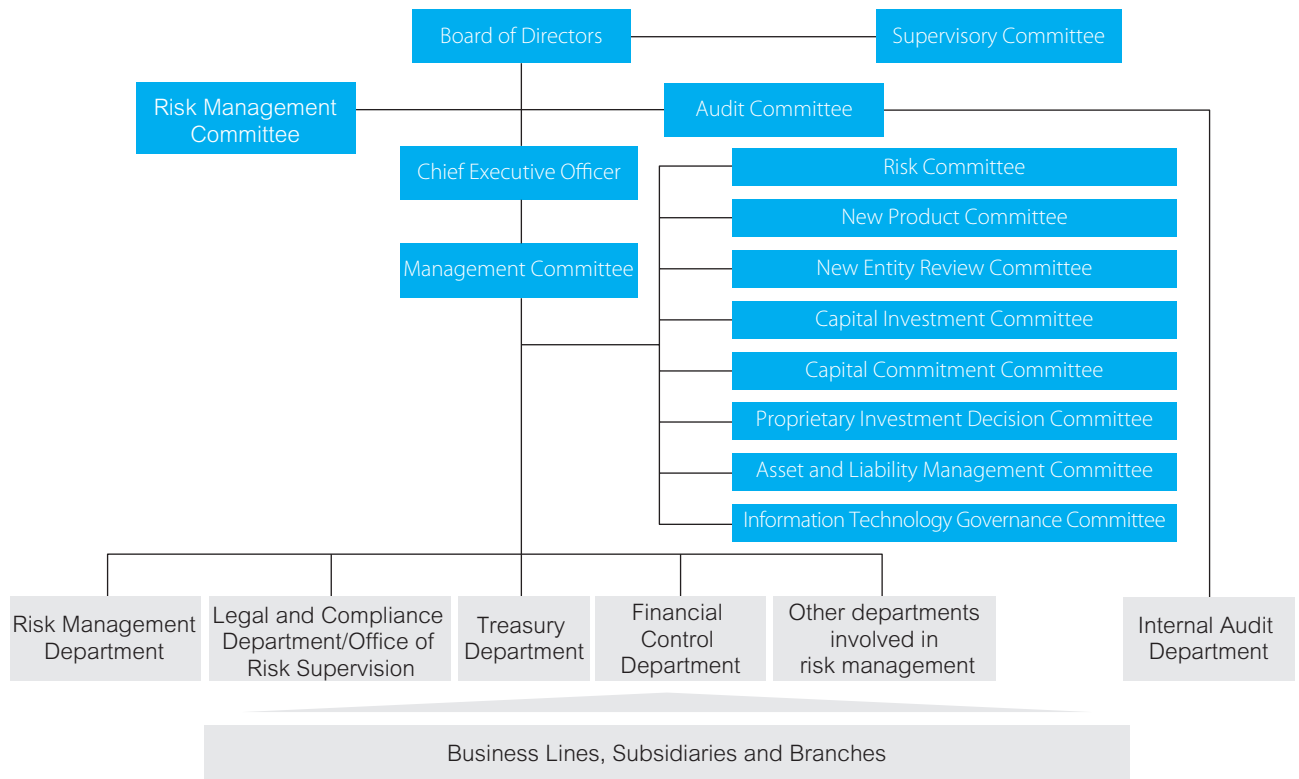
The Company has established a multi-level risk management organizational structure which comprises the Board of Directors, the Supervisory Committee, senior management, independent departments performing risk management functions,

business departments and branches, of which, 1) the Board of Directors is the top level of our Company's risk management and internal control governance structure and is responsible for facilitating the enforcement of the firmwide risk management culture and reviewing and approving the overall risk management goals, risk appetite, risk tolerance, important risk limits and the risk management policy of our Company. The Board of Directors performs its risk management duties primarily through the Risk Management Committee and the Audit Committee; 2) the Supervisory Committee assumes the supervision duty on the effectiveness of the overall risk management of our Company, and supervises and inspects the fulfillment of the risk management duties performed by the Board of Directors and the management, and reviews the rectification of risk management deficiencies and findings; 3) under the Board of Directors, our Company has established the Management Committee chaired by the Chief Executive Officer. The Management Committee determines the risk appetite of our Company in accordance with the overall risk management goals set by the Board of Directors and assumes the major responsibility of ensuring the effectiveness of the overall risk management of our Company; 4) the Risk Committee established under the Management Committee reports risk issues to the Management Committee and significant risk matters to the Risk Management Committee under the Board of Directors. The Chief Operating Officer is the chairman of the Risk Committee, and the Chief Risk Officer and Chief Compliance Officer are the co-executive chairmen of the Risk Committee. Other members include the Chief Financial Officer, heads of each of the business departments and heads of independent departments performing risk management functions. There are New Product Committee, New Entity Review

Committee, Capital Investment Committee, Capital Commitment Committee, Proprietary Investment Decision Committee, Asset and Liability Management Committee and Information Technology Governance Committee under Management Committee, which perform their duties in respect of new business/new product approval, branch set-up and approval, approval of capital contribution from owned funds, risk control of issuance and underwriting in investment banking business, management of investment decision-making process of proprietary business, management of assets and liabilities of the Company and management of information

technology and etc.; 5) independent departments performing risk management functions, including departments such as Risk Management Department, Legal and Compliance Department, Treasury Department, Financial Control Department, Operations Department, Information Technology Department and Public Relations Department, coordinate to manage various risks based on their respective perspectives; and 6) heads of business departments and branches take the primary responsibility for the effectiveness of risk management. During our daily business operations, all staff involved in business operations in our business departments and branches are required to perform risk management functions.

The organizational structure of our Company's risk management is shown in the following chart:



Risk to Our Company's Business activities and Management Measures

Risks related to business activities of our Company mainly include market risk, credit risk, liquidity risk, operational risk, IT risk, compliance risk, legal risk, money laundering risk and reputational risk, etc. During the Reporting Period, the aforementioned risk factors did not have any significant impact on the current or future operating results of the Company. Our Company proactively responded to and managed risks through effective risk management measures, which generally prevented the occurrence of significant risk events and ensured the stable development of the business operation of our Company.

In 2022, with the intensification of global financial market turmoil and high inflation in major economies, the world economic growth continued to decline. China maintained the general economic and social stability by considering both domestic and external situations, and both the development and security in a coordinative way. However, the foundation of economic recovery was not solid and China's economic development was still facing pressure from shrinking demand, disrupted supply and weakening expectations. The economic was developed into a period of coexistence of strategic opportunities and risks and challenges with increasing uncertainty and unpredictable factors. Confronted with severe and complex market environment challenges, the Company persisted in implementing the risk management and control requirements of "full coverage, looking through, and full cycle", and continuously strengthened the integrated vertical risk management system covering its subsidiaries and

branches. Through joint efforts on risk management control of three lines of defense, the Company actively identified, prudently evaluated, dynamically monitored, timely reported and proactively coped with risks. The Company deeply publicized the risk management culture, continuously enhanced risk management capabilities, coordinated its business plans, considered its risk appetite, reviewed and improved the multi-dimensional and multi-level risk management system, optimized the management mechanism and processes prospectively, and continuously promoted the optimization and sustainable development of its business models. During the Reporting Period, the business operation of the Company was stable without material risk events and large losses, and the overall risks were controllable and tolerable.

During the Reporting Period, the Company continued to enhance risk management of the same business and the same customer. The Company formulated identification standards for the same business to implement relatively consistent risk management standards and measures for the same business and to identify, assess, measure, monitor and aggregate risks of the same business within the Company in a unified manner. The Company also formulated identification standards for the same customer to enhance standardized and regulated management of information of the same customer and to aggregate and monitor the business transactions in various business lines of the Company with the same customer, which will be implemented throughout all key links of business. At the same time, the Company managed relevant risks of customers identified as related parties in a unified manner.

Market Risk

Market risk refers to risks of changes in the fair value of financial assets held by our Company resulting from the fluctuations in equity prices, interest rates, exchange rates and commodity prices, etc.

Our Company has adopted the following measures to manage market risk:

- Business departments of our Company, as the first line of defense, dynamically manage market risk of exposures by way of diversifying risk exposures, controlling the size of positions and utilizing hedging instruments;
- The Risk Management Department of our Company independently assesses, monitors and manages the overall market risk of our Company. The market risk management mainly includes risk measurement, limit formulation and risk monitoring, etc.:
- Our Company measures market risk mainly by means of Value at Risk (VaR) analysis, stress tests and sensitivity analysis, etc. VaR is a major tool for our Company to measure and monitor market risk. VaR measures the potential maximum loss to an asset portfolio by changes in market risk factors at a certain confidence level within a certain holding period. Our Company computes the single day VaR at a confidence level of 95% by adopting a historical simulation method based on three years of historical data and examines the effectiveness of the model through the method of back testing on a regular basis. Meanwhile, our Company adopts stress test to complement the VaR analysis and measures whether the investment loss of our Company is within the scope of the risk tolerance when market risk factors such as equity prices, interest rates, exchange rates and commodity prices undergo extreme changes. In addition, in respect of sensitivity factors of different assets, our Company measures the impact of changes in specific factors on the value of assets by calculating the corresponding sensitivity indicators.

- Our Company has formulated a risk limit indicator framework. Risk limit is a means for controlling risks and also represents the risk appetite and risk tolerance of our Company. Our Company sets appropriate market risk limits based on the business nature, such as notional limit, VaR limit, concentration limit, sensitivity limit, stress test limit and stop-loss limit, etc.
- Our Company monitors risk limit usage in real time or on a daily basis. The Risk Management Department prepares daily risk reports to monitor the usage of limits and submits them to the management and business departments. When the limit usage triggers the warning line, the Risk Management Department will issue a warning notice to business departments. Once the risk indicators exceed the limits, business departments shall report reasons of the breach and measures to be taken to the Chief Risk Officer or his/her authorized person and shall be responsible for reducing the risk exposure to a level within the limits in a given time frame. If this cannot be achieved, they are required to apply to the Chief Risk Officer or his/her authorized person for a temporary increase in limit. If necessary, the Chief Risk Officer will submit a request to the management.

Value at Risk (VaR)

Our Company sets the total VaR limit of our investment portfolio and VaR limits for different business lines. The Risk Management Department computes and monitors VaRs of these financial instruments on a daily basis to ensure the daily VaRs are maintained within limits. The following table sets forth the computed VaRs and diversification effect of the Company by risk categories (equity prices, interest rates, currency rates and commodity prices) as of the dates and for the periods as indicated: 1) the daily VaRs as of the end of the respective period; 2) the averages of daily VaRs during the respective period; and 3) the highest and lowest daily VaRs during the respective period.

Management Discussion and Analysis

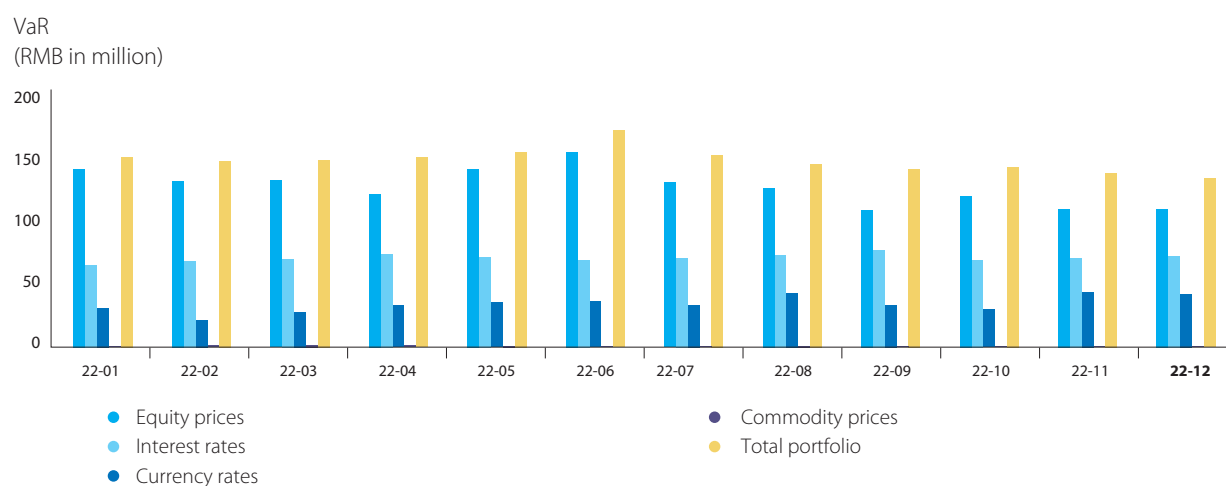
(RMB in million)	December	December 31, 2021	2022 (as of December 31)			2021 (as of December 31)		
	31, 2022		Average	Highest	Lowest	Average	Highest	Lowest
Equity prices ¹	108.0	185.7	130.8	187.3	96.9	180.1	215.7	132.5
Interest rates ²	71.7	51.7	69.9	83.0	50.9	54.6	79.3	35.8
Currency rates ³	42.0	39.1	35.0	48.5	20.8	33.8	44.3	19.0
Commodity prices ⁴	0.7	1.0	1.1	2.7	0.5	0.6	1.5	0.1
Diversification effect	(90.4)	(97.2)	(87.3)			(83.7)		
Total portfolio	132.1	180.3	149.5	186.1	126.1	185.4	220.8	151.3

Notes:

- including equities and the price-sensitive portion of derivative products
- including fixed income products and the interest-rate sensitive portion of derivative products
- including financial products subject to exchange rate changes (including derivative products)
- including commodity and the price-sensitive portion of derivative products

The chart below sets forth the VaRs by risk categories of the Company as of the end of each month over the past year:

Monthly VaR Chart



The Company has set price-sensitive exposure limits for price-related businesses, which are measured and monitored on a daily basis. During the Reporting Period, the equity market showed a volatile trend, and the Company managed price market risks through adjusting positions, applying derivatives for hedging and controlling the concentration.

The Company closely followed the changes in interest rates and credit spreads in domestic and overseas markets, measuring risk exposures and monitoring risk limit utilizations on a daily basis. The Company hedged the interest rate risk for the fixed-income portfolio by using treasury bond futures, interest rate swaps, etc.

The Company conducted foreign exchange risk management for domestic and overseas assets, measuring risk exposures and monitoring risk limit utilizations on a daily basis. The foreign exchange risk exposures were managed by adjusting currency positions and using foreign exchange derivatives as hedging instruments.

The Company's exposure to commodity market risks was relatively low. During the Reporting Period, as the prices of some domestic and overseas commodities fluctuated sharply, the Company conducted commodity risk management by using commodity futures, options and swaps as hedging instruments.

Credit Risk

Credit risk refers to the risk caused by deterioration in creditworthiness or default losses of counterparties, borrowers and securities issuers.

Bond Investments Business

Our Company emphasizes the diversification level of the fixed income credit products and the credit products invested are those predominantly with relatively high credit ratings. Our Company controls its market risk and credit risk exposures by various initiatives, such as setting up limits on investment size, product types, credit ratings and concentrations, and carrying out forward-looking risk research, as well as closely monitors and tracks bond issuers' business performance and credit profiles so as to constantly evaluate and warn any credit deterioration.

During the Reporting Period, when bond defaults were rising, FICC Department closely collaborated with the Risk Management Department and identified, assessed, monitored and managed credit risk related to bond investments. As a result, the Company avoided material losses during the Reporting Period through effective risk management measures.

The Company	As of December 31, 2022 (RMB in million)		
	Position	DV01	Spread DV01
Overseas rating			
– AAA	1,254.2	0.20	0.00
– AA- to AA+	201.6	0.03	0.03
– A- to A+	7,156.8	0.73	0.73
– BBB- to BBB+	2,833.6	0.44	0.44
– below BBB-	107.7	0.03	0.03
NR	1,766.2	0.23	0.23
Sub-total	13,320.2	1.65	1.46
Domestic rating			
– AAA	78,359.6	11.17	10.32
– AA- to AA+	8,910.4	1.28	1.28
– A- to A+	1,113.1	0.11	0.11
– below A-	543.4	0.03	0.03
Sub-total	88,926.5	12.59	11.74
– Non-rated 1	38,326.0	7.01	–
– Non-rated 2	7,635.8	0.02	0.02
Total	148,208.6	21.27	13.23

Notes: The Risk Management Department uses DV01 and Spread DV01 to measure the interest rate sensitivity and credit spread sensitivity of bonds.

DV01 measures the change in the value of interest rate sensitive products for each parallel movement of one basis point in a market interest rate curve. Spread DV01 measures the change in the value of credit spread sensitive products for each parallel movement of one basis point in the credit spread.

1. The Company refers the credit ratings of its debt securities to the credit ratings of the debt securities or the debt securities' issuers from Bloomberg comprehensive ratings or the local major rating agencies.
2. Non-rated 1: These non-rated financial assets mainly include government bonds and policy financial bonds.
3. Non-rated 2: These non-rated financial assets are mainly other debt securities and trading securities which are not rated by independent rating agencies.

Capital Business

For the credit risks of margin financing and securities lending business, stock-based lending business and other capital businesses, our Company has established a comprehensive and robust risk control system, including the customers' creditworthiness assessment, collateral management, underlying securities management, risk limit management, margin ratio monitoring, mandatory liquidation, etc. Our Company attaches considerable importance to customers' onboarding and has established and implemented a strict customer selection and credit assessment mechanism, under which the branches are responsible for preliminary assessment of the customers' credit profile by collecting customers' basic information, financial status, securities investment experience, credit record and risk tolerance. The information of the customers that has passed the preliminary assessment will be submitted to the relevant business departments at the headquarters for further review, which, if qualified, will then be submitted to the Risk Management Department for formal approval, which will conduct an independent assessment of the customers' qualifications, and determine their credit ratings and credit limits.

During the Reporting Period, no significant losses were incurred in the Company's margin financing and securities lending business and stock-based lending business. Our Company primarily controlled the risks of margin financing and securities lending business and stock-based lending business by the following measures:

Margin Financing and Securities Lending Business

During the Reporting Period, our Company strictly controlled the concentrations of single customer and single underlying security, closely monitored and assessed accounts with higher collateral concentration and riskier investment portfolio, timely communicated with the customers and promptly took corresponding measures to mitigate such risks; our Company attached considerable importance to collateral management and dynamically adjusted the scope and haircuts of the collaterals; we prudently reviewed and approved business extension by considering

the following factors, i.e., the concentration and risk condition of the investment portfolio, and the collateral ratio of the existing deal; our Company also conducted regular and irregular stress testing and closely monitored customers with high risks.

Stock-based Lending Business

During the Reporting Period, our Company exercised strict control over the onboarding and approval of the stock-based lending deals, and has taken effective risk control measures, including, but not limited to, strengthening deal risk assessment, evaluating the risks by the customers' creditworthiness and fundamentals of the pledged securities (including the pledge ratio of the large shareholder, pledge ratio of all shareholders, liquidity and trading suspension records, shareholder structure, capital status of the controlling shareholder, potential delisting risk and negative news), carefully determining the loan-to-value ratio, as well as exercising strict control over the financing amount of the customers who are subject to shareholding reduction restriction; our Company strictly controlled single security concentration, established a security blacklist mechanism, and managed the overall exposure of a single security within the Company. In addition, our Company strengthened the on-site due diligence investigation, assessment and analysis of the pledged securities and clients with large financing demand, and raised the approval requirements to ensure risks were managed at a controllable level.

Meanwhile, our Company closely monitored the risks of the outstanding contracts, conducted regular and irregular stress testing, and classified deals into different risk status and kept track of the deals with potential high risks; we maintained close monitoring and regular assessment of the customers' credit risk with large financing amount, and maintained dynamic monitoring of the pledged securities, continuously tracked the fundamentals and security price fluctuations of large deals, and if any abnormal circumstances identified on the pledged security, our Company will ensure the risk precautions are in place, and corresponding measures are taken promptly.

Margin Financing and Securities Lending Business

The following table sets forth the balance of margin financing and securities lending, market value of collaterals, and collateral ratio data of the margin financing and securities lending business of the Company:

Unit: million Yuan Currency: RMB

Items	As of December 31, 2022	As of December 31, 2021
Amounts of margin financing and securities lending	41,153.8	50,211.4
Market value of collaterals	110,229.3	143,029.3
Collateral ratio	267.8%	284.9%

Note: The collateral ratio is calculated as the ratio of the client's total account assets balance (including cash and securities held) to the client's balance of margin loans and securities borrowed from our Company (i.e. the sum of margin loans extended, the securities sold short and any accrued interests and fees).

As of December 31, 2022, the collateral ratio of the margin financing and securities lending business of the Company was 267.8%. Assuming that the market value of all securities as collaterals of the Company's margin financing and securities lending business declined by 10% and 20% respectively, and the liabilities of securities lending business increased by 10% and 20% respectively, the collateral ratio of the Company's margin financing and securities lending business as of December 31, 2022, would have been 237.3% and 206.8% respectively.

Stock-based Lending Business

The following table sets forth the lending amount, market value of collaterals, and collateral ratio data of the stock-based lending business of the Company:

Unit: million Yuan Currency: RMB

Items	As of December 31, 2022	As of December 31, 2021
Amounts of stock-based lending	5,657.0	8,269.2
Market value of collaterals	18,215.6	29,556.2
Collateral ratio	322.0%	357.4%

Note: The collateral ratio refers to the ratio of the total market value of the pledged collateral and its yields to the client's total amount payable to our Group.

Liquidity Risk

Liquidity risk refers to the risks arising from our Company's inability to obtain sufficient funds at reasonable costs in a timely manner to settle debts due, fulfill other payment obligations, and satisfy the funding needs in conducting normal business operations.

Our Company implements vertical and centralized management on liquidity risks of all domestic and overseas branches and subsidiaries. Our Company has adopted the following measures to manage liquidity risk:

- Closely monitoring balance sheets of our Company and its branches and subsidiaries, and managing liquidity gaps between assets and liabilities;
- Setting liquidity risk limits based on our Company's overall situation and regulatory requirement;
- Conducting cash flow forecast and liquidity risk stress test on a regular and irregular basis to analyze and assess our liquidity risk exposure;
- Maintaining adequate high-quality liquid assets and establishing liquidity contingency plan for potential liquidity emergencies.

In order to withstand the potential liquidity risk and satisfy the short-term liquidity needs, our Company constantly holds sufficient unsecured and high-quality liquid assets as its liquidity reserves. The liquidity reserves are held by the Treasury Department and are managed independently from business departments. Our Company manages the liquidity reserves of

all branches and subsidiaries vertically to ensure the allocation efficiency of the liquidity reserves. Meanwhile, due to the liquidity transfer restrictions between entities and regions, the liquidity reserves are held in various currencies and maintained within its major operating subsidiaries, ensuring that the liquidity requirements of different entities are met in a timely manner. The size and composition of the liquidity reserves are actively managed by our Company based on the consideration of factors including, but not limited to, funding maturity profile, balance sheet size and composition, business and operational capital requirements, stress test results, and regulatory requirements. Our Company strictly limits the liquidity reserves to high-quality liquid assets (including cash and cash equivalents, interest rate bonds and money market funds) and sets risk limits.

Our Company constantly broadens and diversifies its funding channels to optimize the liability structure. The funding instruments of our Company include corporate bonds, medium-term note program, bank loan, short-term commercial papers, beneficiary certificates, refinancing, transfer of right to income, inter-bank borrowing, REPOs, etc. Our Company maintains good relationship with banks and has sufficient bank credit to meet the funding requirement for business development. As of the Latest Practicable Date, as assessed by China Chengxin International Credit Rating Company Limited (中誠信國際信用評級有限責任公司), the credit rating of our Company was AAA and the rating outlook was stable. As of the Latest Practicable Date, as assessed by Standard & Poor's, the long-term rating of the Company was BBB+, the short-term rating was A-2 and the rating outlook is stable. As assessed by Moody's, the long-term rating of the Company was

Baa1, the short-term rating was P-2 and the rating outlook was stable. As assessed by Fitch, the long-term rating of the Company was BBB+, the short-term rating was F2 and the rating outlook was stable.

Our Company's liquidity risk management was sound, the liquidity reserves were sufficient, and the liquidity risk was under control.

During the Reporting Period, the regulatory liquidity risk management indicator of our Company continued to comply with the regulatory requirements. As of December 31, 2022, the liquidity coverage ratio and the net stable funding ratio of our Company were 239.7% and 154.3%, respectively.

Operational Risk

Operational risk refers to the risks arising from losses resulting from inadequate or problematic internal procedures, personnel, IT systems, and external events. Operational risk can occur in all business operations and daily operations of the Company, which may eventually lead to other risks including but not limited to legal risk, compliance risk and reputational risk.

Our Company has adopted the following measures to manage operational risk:

- Cultivating the operational risk idea of all staffs and improving employees' awareness to operational risks;
- Establishing a transparent organizational structure with a proper decision-making mechanism and defining the responsibilities of the management and control of business processes;

- Promoting risk management in key areas and processes, and optimizing and improving systems, processes and mechanisms;
- Carrying out risk assessment and follow-up review of new businesses and products, and effectively managing and controlling operational risks of new businesses and products;
- Continuously strengthening the identification, assessment, monitoring and response to operational risks of the operational risk management and control tools, and strengthening the ex ante management of operational risks, management of operational risks in the act and ex post facto management of operational risks;
- Optimizing the communication, reporting and processing mechanism for operational risk information to prevent and control risks in a more active and forward-looking manner;
- Promoting the construction of business continuity management systems to enhance the continuity of going concern ability.

Our Company continued to strengthen the operational risk management by enhancing IT systems and streamlining business procedures. By improving the IT systems and optimizing and standardizing business procedures, our Company further improved the operation efficiency and prevent operational risk.

IT Risk

IT risk refers to the operational, legal and reputational risks arising from natural factors, human factors, technology vulnerabilities and management deficiencies in the application of information technology in CICC.

The Company has mainly adopted the following measures to control and prevent IT risks:

- Establishing an effective IT governance framework to keep information technology construction consistent with business goals;
- Clarifying the information technology risk management mechanism, and clarifying at the policy level the division of responsibilities of the three lines of defense in IT risk management, defining and regulating management strategies and methods;
- Conducting IT risk assessment, fully identifying and analyzing the risks, analyzing the possibility and potential impact of the risks, and implementing risk prevention measures; establishing an IT key risk indicator system and monitoring mechanism; cultivating IT risk culture and improve employees' awareness of IT risk prevention and control;
- Ensuring the reliability, integrity, availability and maintainability of information system through the management process of initialization, approval and control of IT projects;
- Establishing information security management system, formulating and implementing information security plan, monitoring information security threats;
- Establishing a data governance organizational framework to ensure unified management, sustainable controllability and storage safety of data;
- Tracking, responding to, analyzing and dealing with problems of information system and emergencies of information technology through establishing an effective process to manage problems;
- Through establishing an IT emergency management system, formulating an emergency plan, carrying out emergency drills, and continuously improving IT emergency management process, to ensure that the system can support the Company's business operations in a continuous and steady manner.

Compliance Risk

Compliance risk refers to the risk of the Company being legally held accountable, subject to supervisory measures, given self-discipline penalties or suffering from loss of property or reputation because of the violation of laws, regulations, industry self-regulatory rules or our internal policies arising from our operations and management activities or employee behavior.

Our Company has mainly adopted the following measures to manage and prevent compliance risk:

- Our Company formulates and updates our compliance policies and procedures in accordance with changes in laws, regulations and industry norms;
- Our professional compliance team is responsible for examining various businesses and providing compliance advice. We implement effective compliance risk management measures at an early stage of new businesses and conduct compliance reviews and supervision during carrying out new business;
- Our Company controls the circulation of sensitive information by monitoring work information flows and establishing dynamic information barrier walls, with the aim to prevent risks of insider trading and manage conflicts of interest;
- Our Company undertakes compliance supervision and reviews in accordance with applicable laws and regulations, other regulatory documents, self-regulatory rules, industry norms and our internal policies, to monitor the compliance of our business operations and employee activities and identify and manage compliance risks in a proactive manner;
- Our Company adopts various means to cultivate a compliance culture with each business line, functional department and branch and provide compliance training to our employees to improve their compliance awareness;

- Our Company has established an internal accountability system in respect of employees' violations of laws and regulations and internal policies to impose applicable punishments on offenders.

Legal Risk

Legal risk refers to the possible risk of economic loss or damage to our Company's reputation resulting from breach of contracts, infringement-related disputes, litigation or other legal disputes.

Our Company manages, controls and prevents legal risks mainly through the following measures:

- Our Company continuously enhances our internal policies and business procedures from a legal perspective to ensure that our operations and management satisfy the requirements of applicable laws and regulations;
- Our Company formulates templates for various business contracts and requires our business departments to use our in-house templates to the fullest extent. We also review contracts drafted or provided by counterparties prior to entering into such contracts to mitigate the legal risk associated with performing such contracts;
- Our Company conducts legal training to enhance our employees' legal awareness;
- The application, maintenance and protection of our trademarks, protection of our goodwill and trade secrets and taking actions against behaviors that harms our reputation or interests;

- Our Company takes active measures to mitigate legal risks when disputes and litigation arise.

Money Laundering Risk

Money laundering risk refers to the risks of being used by illegal and criminal activities such as money laundering, terrorist financing and proliferation financing in the course of conducting business and operating management of the Company, which may bring regulatory penalties, legal disputes, financial loss or reputation loss to the Company.

The Company mainly adopted the following measures to manage and prevent money laundering risks:

- Establishing an organizational structure for money laundering risk management and properly conducting anti-money laundering human resource assurance;
- Formulating and updating anti-money laundering policies in accordance with laws, regulations, and regulatory requirements;
- Conducting regular and irregular money laundering risk assessment;
- Integrating risk control measures into relevant business operation processes in consideration of anti-money laundering obligations, including customer identification, preservation of customer identity information and transaction records, suspicious transaction monitoring and reporting, name screening and monitoring, asset freezing;

- Continuously carrying out anti-money laundering publicity and training to promote the full transmission of money laundering risk management culture;
- Establishing and improving the anti-money laundering monitoring system and data quality control mechanism;
- Carrying out anti-money laundering inspection and internal audit work and conducting anti-money laundering performance appraisals, rewards and punishments, and emergency management work.

Reputational Risk

Reputational risk refers to the risk of negative comments of investors, issuers, regulators, disciplinary organizations, the public and the media on our Company caused by our Company's actions or external events and our employees' violation of integrity rules, professional ethics, business norms, and rules and regulations of the industry, which may damage the brand value of the Company, hinder the normal operation of the Company, and even undermine the market and social stability.

Our Company has mainly adopted the following measures to manage and prevent reputational risk:

- All business departments take measures to prevent and control reputational risks across important business activities and processes, and strictly follow "Know your Customers (KYC)" principle, enhance project due diligence and quality control, as well as timely prevent and deal with potential reputational risk;

- Establishing and improving the reputational risk management system and rules to specify the organizational structure and division of responsibilities for reputational risk management. The Risk Management Department and the Public Relations Department, as the lead management departments for reputational risk, jointly carry out reputational risk management work;
- Identifying and monitoring the risk information or sources that may affect the Company's reputation, conducting annual investigations of reputational risks and ex-ante evaluation of reputational risks, adopting corresponding risk control measures based on the evaluation results, and continuously improving the mechanism for assessing, responding to and handling reputational risk events;
- By the establishment of an effective public opinion monitoring system, supporting the timely identification, early warning and judgment of reputational risks, proposing and organizing the implementation of plans to respond to public opinions, publishing and communicating the Company's views and positions to the public in a timely manner, so as to avoid the spread and deterioration of erroneous information including misreading and misinformation in the public opinion environment;
- Defining the content, form, frequency and scope of reputational risk reporting to timely inform the Board and the management of the levels and management of reputational risks, and submitting reports on major reputational events as required by regulatory authorities or their branches;
- Strengthening employee reputational risk management, developing employees' awareness of reputational risks and their good professional conduct through system construction and training mechanism, improving the employee reputation information registration mechanism, incorporating employee reputation into the personnel management system, and strengthening the assessment and accountability of personnel who have a negative impact on the reputation of the Company.

Establishment of Monitoring and Complementary Mechanism of the Company's Risk Control Indicators

Establishment of risk control indicators monitoring

The Company has established a sound monitoring and management mechanism of the risk control indicators based on the regulatory standards and early warning standards for risk control indicators of securities companies stipulated by the CSRC. By means of the limit management, daily monitoring and reporting, regular stress test, report of abnormalities, etc., we continuously optimized and improved the comprehensive risk management system of the Company, so as to ensure that the net capital, liquidity and other risk control indicators always comply with the regulatory requirements.

Complementary mechanism

For risk control indicators, the Company has established a dynamic complementary mechanism for net capital and liquidity. The Company's complementary channels of net capital include but not limited to suspending or reducing the scale of capital-intensive business, issuing subordinated bonds, increasing equity capital, reducing or suspending profit distribution, etc. The complementary channels of liquidity include but not limited to raising external funds (such as corporate bonds, medium-term note program, bank loan, short-term commercial papers, beneficiary certificates, refinancing, transfer of right to income, inter-bank borrowing, REPOs, etc.), suspending or reducing the scale of certain businesses, realizing the liquidity reserves held by the Company, disposing other assets of the Company, etc.

The Investment of the Company in Compliance Risk Control and Information Technology

In 2022, the cumulative investment of the Company in compliance risk control and information technology amounted to RMB597 million and RMB1,906 million, respectively.

Business Innovation and Its Effects on the Company's Business Performance and Future Development, and Risk Control

During the Reporting Period, the Company actively improved its innovation capability, systematically integrated all-round resources for business innovation, and continuously launched new financial products and services. The development of business innovation can meet the diversified needs of customers, enhance the efficiency of resource utilization, as well as facilitate fast adaptation to the requirements of capital market reform, timely grasp of the future development direction of the financial market, and consolidate and enhance the core competitiveness of the Company.

The Company has established a mechanism for risk assessment, prevention and elimination of new businesses and products. All businesses or products with new features and risks are subject to the review of the new products' legal features, major risks or uncertainties and risk control measures under the relevant internal policies on new product management, which are assessed and approved by the Company's New Product Committee. The committee will also carry out follow-up reviews and monitoring to ensure a match between innovative business development and risk management capabilities.





CORPORATE GOVERNANCE AND PARTICULARS OF BONDS

DIRECTORS' REPORT

I. PRINCIPAL BUSINESS

The principal businesses of our Company are Investment Banking, Equities Business, FICC, Asset Management, Private Equity, Wealth Management and relevant financial services. The business operations and prospects of our Company and risks possibly faced by our Company in our business activities are respectively set out in "Management Discussion and Analysis – Analysis of Principal Business" and "Management Discussion and Analysis – Risk Management" of this report. The key financial indicators of our Company are set out in "Summary of Accounting Data and Financial Indicators" and "Consolidated Financial Statements" of this report.

II. PLAN ON PROFIT DISTRIBUTION OR ON CONVERTING CAPITAL RESERVE INTO SHARE CAPITAL

(i) Formulation, implementation or adjustment of profit distribution policy

The Board of Directors of the Company is responsible for submitting proposals in respect of profit distribution plan, to the shareholders' general meeting for approval. The determination of whether to pay a dividend and in what amount is based on factors including the Company's results of operations, cash flows, financial condition, capital adequacy ratio, dividends the Company receives from its subsidiaries, future business prospects, statutory and regulatory restrictions on the payment of dividends by the Company and other factors that the Board of Directors deems relevant.

Article 254 of the *Articles of Association* stipulates the specific policies for the Company's profit distribution as follows:

" (I) Profit shall be distributed in the following manner: the Company may use cash, shares or a combination of cash and shares or other methods permitted by law or regulation to distribute profit; (II) Conditions for and proportions of cash dividends distribution: if the Company has no events such as major investment plans or significant cash expenditures, and the Company's risk control indicators can meet regulatory requirements and the normal operating capital requirements of the Company can be satisfied after the distribution of cash dividends, within any three (3) consecutive years, the cumulative profit distributed by the Company in cash shall not be less than 30% of the annual average distributable profit realized in such three (3) years; (III) Interval of profit distribution: in principle, the Company makes a profit distribution once a year, and the Board of Directors can propose the Company to carry out the interim profit distribution according to the profit situation and the situation of capital requirements and related conditions; (IV) Conditions for issuing share dividends: when the Company is operating well and the Board of Directors believes that the Company's share price does not match the size of the Company's share capital and that the issuance of share dividends is in the interest of the shareholders of the Company as a whole, and comprehensively taking into account the Company's growth, dilution of net assets per share and other factors, it can propose share dividends distribution plan under the conditions of meeting the aforesaid cash dividends distribution."

During the Reporting Period, the Company did not amend or adjust the profit distribution policy.

The 2021 profit distribution plan of our Company is to distribute cash dividends to its Shareholders in the form of cash dividends of RMB3.0 (tax-inclusive) per 10 Shares, for a total cash dividend of RMB1,448,177,060.40 (tax-inclusive). The Company's profit distribution for the year 2021 has been implemented on August 19, 2022.

The Company will adopt the method of cash dividend to distribute cash dividends to its Shareholders for its 2022 profit distribution. The total proposed cash dividends to be distributed is RMB868,906,236.24 (tax-inclusive), representing 12.3% of the net profit attributable to shareholders of the parent company in the consolidated statement of the year (excluding the net profit attributable to holders of perpetual subordinated bonds). On the basis of the total number of 4,827,256,868 Shares of the Company as at the Latest Practicable Date, the cash dividends of RMB1.80 (tax-inclusive) per 10 Shares will be distributed. In case of any changes in the total share capital of the Company before the record date to distribute profit, the amount of cash dividend per Share will be adjusted within the total amount of RMB868,906,236.24 (tax-inclusive). The cash dividends will be denominated and declared in RMB, and paid in RMB and in HKD to holders of A Shares and holders of H Shares, respectively. The actual amount distributed in HKD will be converted based on the average central parity of the exchange rate of RMB against Hong Kong dollars as announced by PBOC for the five business days prior to the date of the 2022 Annual General Meeting of the Company.

The cash dividends will be paid within two months after the 2022 profit distribution plan is considered and approved at the annual general meeting. The Company will, in due course, announce the date of the annual general meeting, the time of the closure of the register of members of the H Shares for the purpose of determining the Shareholders entitled to attend and vote at the annual general meeting and the record date for A Shares.

(ii) Particulars of profit distribution policy

The Company's profit distribution policy, especially the cash dividend policy, was in line with the relevant industry requirements, with clear standards and ratios of dividend distribution. The relevant formulation and revision procedures were compliant, transparent and complete, without prejudice of the legitimate interests of minority shareholders.

During the Reporting Period, the profit distribution plan of our Company were in line with the requirements of the *Articles of Association*, which had been considered and approved by the Board of Directors and the independent Directors had expressed independent opinions, and should be submitted to shareholders' general meeting for consideration. The legitimate interests of minority shareholders had been fully protected.

III. ISSUANCE OF SHARES AND USE OF PROCEEDS

During the Reporting Period, the Company did not issue any shares and did not use the relevant proceeds.

For other financing activities of the Company during the Reporting Period, please also refer to "Management Discussion and Analysis – Analysis on Investment and Financing Activities" and "Particulars of Bonds " in this report.

IV. ISSUANCE OF BONDS

During the Reporting Period, the Group completed the issuance of 9 tranches of corporate bonds, 2 tranches of subordinated bonds, 2 tranches of perpetual subordinated bonds, 1 tranche of short-term corporate bonds, and 2 tranches of medium-term notes, with an aggregate principal amount of RMB25.4 billion and US\$1.25 billion. The funds raised were fully used to replenish the working capital and repay direct debt financing instruments that were due or redeemed. For details, please refer to "Changes in Shares and Information of Shareholders – Issuance and Listing of Securities – Issuance of Securities" and "Particulars of Bonds" in this report.

V. DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS

Our Company has entered into service contracts with the Directors and Supervisors. The Directors or Supervisors may be re-elected upon expiry of their term of office, upon the approval by the shareholders' general meeting.

In addition, none of the Directors or Supervisors has entered into any service contracts with our Company or its subsidiaries which cannot be terminated within one year without compensation (other than statutory compensation).

VI. PERMITTED INDEMNITY

Our Company has maintained liability insurance policies for its Directors, Supervisors and senior management.

VII. DIRECTORS' AND SUPERVISORS' INTEREST IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

No transactions, arrangements or contracts of significance in which the Directors or Supervisors of the Company or their connected entities had a material interest, directly or indirectly, has been entered into by our Company or its subsidiaries during the Reporting Period.

VIII. DIRECTORS' INTERESTS IN BUSINESSES THAT COMPETE WITH THE BUSINESSES OF OUR COMPANY

Save as disclosed in the "Directors, Supervisors, Senior Management and Employees – Biographies of Directors, Supervisors and Senior Management" of this report, none of the Directors has any disclosable interests in any business competing against the businesses of our Company.

IX. RIGHTS OF DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

As of the end of the Reporting Period, neither the Company nor any subsidiaries were a party to any arrangements to enable the Directors, Supervisors or their spouses or minor children under the age of 18 to acquire benefits by means of acquiring shares or debentures of the Company or any other body corporate.

X. MANAGEMENT CONTRACTS

Save for employment contracts with employees, our Company did not enter into any contracts nor had any existing contracts in respect of all or any significant part of management and administration of business of our Company during the Reporting Period.

XI. PRE-EMPTIVE RIGHTS

During the Reporting Period, our Company has no arrangements in respect of pre-emptive rights according to the provisions under the PRC laws and the *Articles of Association*.

XII. TAX RELIEF AND EXEMPTION INFORMATION FOR HOLDERS OF H SHARES

The holders of H Shares of our Company shall pay relevant tax and/or enjoy tax relief and exemption in accordance with the following provisions:

According to the *Individual Income Tax Law of the People's Republic of China* (《中華人民共和國個人所得稅法》) and its implementation rules, dividends paid to individuals by PRC companies are generally subject to an individual income tax levied at a flat rate of 20%.

Pursuant to the requirements of *Notice of the Ministry of Finance and the State Administration of Taxation on Certain Policies Regarding Individual Income Tax (Cai Shui Zi [1994] No. 020)* (《財政部、國家稅務總局關於個人所得稅若干政策問題的通知》(財稅字[1994]020號)), individual foreigners are exempted from individual income tax on dividends and bonus received from foreign-invested enterprises in the PRC. As the Company is a foreign-invested joint stock limited company, the foreign individual Shareholders who hold the H Shares of the Company and whose names appear in the H-share register are not required to pay the individual income tax of the PRC.

Pursuant to the *Notice of the State Administration of Taxation on Issues Concerning Withholding the Enterprise Income Tax on Dividends Paid by Chinese Resident Enterprises to Holders of H Shares who are Overseas Non-resident Enterprises (Guo Shui Han [2008] No. 897)* (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號)), a PRC resident enterprise, when distributing dividends for 2008 and for the years afterwards to holders of H Shares who are overseas non-resident enterprises, shall withhold the enterprise income tax at a flat rate of 10%. A non-PRC resident enterprise which is entitled to a preferential tax rate under an applicable tax treaty or arrangement may, directly or through its agent, apply to the competent tax authorities for a refund of the excess amount of tax withheld.

Pursuant to the *Notice on Taxation Policies concerning the Pilot Program of an Interconnection Mechanism for Transactions in the Shanghai and Hong Kong Stock Markets (Cai Shui [2014] No. 81)* (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)) and the *Notice on Taxation Policies concerning the Pilot Program of an Interconnection Mechanism for Transactions in the Shenzhen and Hong Kong Stock Markets (Cai Shui [2016] No. 127)* (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)) jointly promulgated by the Ministry of Finance, the State Administration of Taxation and the CSRC, for dividends derived by Mainland individual investors from investing in H Shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect, H-share companies shall withhold individual income tax at a tax rate of 20% for the investors. For mainland securities investment funds investing in shares listed on Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect, the above rules also apply and individual income tax shall be levied on dividends derived therefrom. Dividends derived by mainland enterprise investors from investing in shares listed on Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect shall be reported and paid by the enterprise investors themselves. H-share companies will not withhold or pay enterprise income tax on their behalf in the distribution of dividends. For dividends derived by mainland resident enterprises where the relevant H shares have been continuously held for more than 12 months, the enterprise income tax thereon may be exempt according to the tax law.

XIII. RESERVES AND DISTRIBUTABLE RESERVES

For the movement of distributable profit, please refer to the "Statement of Changes in Equity of the Company" and the "Notes to the Consolidated Financial Statements" of this report.

XIV. MAJOR CLIENTS AND SUPPLIERS

Our Company has a high-quality and diversified client base (primarily consisting of industry-leading corporations, institutional investors and high-net-worth individuals). Our Company develops and maintains long-term cooperation with clients and is dedicated to providing them with a comprehensive suite of products and services. Our Company has won our clients' loyalty through our deep engagement and thorough knowledge and understanding of their businesses.

The Group's client base is diversified. In 2022, revenue from transactions with the top five customers accounted for less than 30% of our Company's total revenue.

By virtue of the nature of our Company's business, our Company has no major suppliers. In 2022, the total purchases from the top five suppliers accounted for less than 30% of our Company's total purchases.

XV. DONATION

During the Reporting Period, the Group donated over RMB50.6 million to support public welfare and assistance programs.

By order of the Board
Chairman
Shen Rujun

CHANGES IN SHARES AND INFORMATION OF SHAREHOLDERS

I. CHANGES IN SHARE CAPITAL

(i) Changes in Shares

As at the end of the Reporting Period, the total issued Shares of the Company were 4,827,256,868 Shares, of which, 2,923,542,440 were A Shares and 1,903,714,428 were H Shares.

During the Reporting Period and up to the Latest Practicable Date, the Company had no preferred shares.

During the Reporting Period, there was no change in the total number of shares of the Company, and the changes in shareholding structure are detailed in the following table.

1. Changes in shareholding structure

Unit: share

	Before the change		Amount of Change	After the change	
	Number	Percentage (%)		Number	Percentage (%)
I. Shares subject to selling restrictions	2,392,421,159	49.56	-398,500,000	1,993,921,159	41.31
1. Shares held by state	1,936,155,680	40.11	-	1,936,155,680	40.11
2. Shares held by state-owned legal persons	2,734,800	0.06	-	2,734,800	0.06
3. Shares held by other domestic investors	429,454,757	8.90	-398,500,000	30,954,757	0.64
Including: Shares held by domestic non-state-owned legal persons	429,454,757	8.90	-398,500,000	30,954,757	0.64
Shares held by domestic natural persons	-	0.00	-	-	0.00
4. Shares held by foreign investors	24,075,922	0.50	-	24,075,922	0.50
Including: Shares held by foreign legal persons	24,075,922	0.50	-	24,075,922	0.50
Shares held by foreign natural persons	-	0.00	-	-	0.00
II. Outstanding shares not subject to selling restrictions	2,434,835,709	50.44	+398,500,000	2,833,335,709	58.69
1. RMB-denominated ordinary shares	531,121,281	11.00	+398,500,000	929,621,281	19.26
2. Foreign shares listed in the PRC	-	0.00	-	-	0.00
3. Foreign shares listed overseas	1,903,714,428	39.44	-	1,903,714,428	39.44
4. Others	-	0.00	-	-	0.00
III. Total number of shares	4,827,256,868	100.00	-	4,827,256,868	100.00

Notes:

- The above table is prepared based on the information of registered shareholders which obtained by the Company from the share registrar.
- "Shares subject to selling restrictions" and "Outstanding shares not subject to selling restrictions" in this section are defined in accordance with the relevant rules issued by the CSRC, and "Foreign shares listed overseas" refers to H Shares.

2. Description of changes in shareholding structure

398,500,000 A Shares subject to selling restrictions in the IPO of the Company held by Haier Jinying were listed and traded on March 11, 2022, and the number of shares subject to selling restrictions and outstanding shares not subject to selling restrictions of the Company changed accordingly. For details, please refer to “Changes in Shares Subject to Selling Restrictions” in this report and the relevant announcements disclosed by the Company on the website of SSE.

3. Effect of changes in shares on financial indicators such as earnings per share and net assets per share for the most recent year and the most recent period: Not applicable

(ii) Changes in Shares Subject to Selling Restrictions

Unit: share

Name of shareholder	Number of shares subject to selling restrictions at the beginning of the year	Number of shares released from selling restrictions in the year	Increase in shares subject to selling restrictions in the year	Number of shares subject to selling restrictions at the end of the year	Reasons for selling restrictions	Date of release from selling restrictions
Haier Jinying	398,500,000	398,500,000	-	-	A share offering and listing and shareholder undertakings	2022/3/11
Total	398,500,000	398,500,000	-	- /		/

II. ISSUANCE AND LISTING OF SECURITIES

(i) Issuance of Securities

During the Reporting Period, the Company did not issue ordinary shares, convertible corporate bonds, detachable convertible bonds and other derivative securities.

During the Reporting Period, the information of the issued bonds of the Company and subsidiaries (including enterprise bonds, corporate bonds and debt financing instruments of financial enterprises) is as follows:

Currency: RMB

Issuer	Name of bond	Abbreviation	Code	Class of bonds	Issuing date	Coupon rate (%)	Issuance size (RMB 100 million)	Listing date	Approved listing transaction size (RMB 100 million)	Place for trading	Termination date of transaction	Trading arrangements
CCC	2022 Perpetual Subordinated Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (First Tranche)	22.CCCC.V1	185245.SH	Publicly issued perpetual subordinated bonds	2022/1/12	3.60	39	2022/1/18	39	SSE	-	Matching, one-click-order, price-enquiry, bidding and agreement trading
CCC	2022 Perpetual Subordinated Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Second Tranche)	22.CCCC.V2	137871.SH	Publicly issued perpetual subordinated bonds	2022/9/30	3.35	40	2022/10/14	40	SSE	-	Matching, one-click-order, price-enquiry, bidding and agreement trading
CCC	2022 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (First Tranche)	22.CCCC.G2	138665.SH	Publicly issued corporate bonds	2022/11/28	3.52	20	2022/12/5	20	SSE	2023/11/29	Matching, one-click-order, price-enquiry, bidding and agreement trading
CCC	2022 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Second Tranche)	22.CCCC.G1	138664.SH	Publicly issued corporate bonds	2022/11/28	2.94	25	2022/12/5	25	SSE	2023/11/29	Matching, one-click-order, price-enquiry, bidding and agreement trading
CCC	2022 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (First Tranche) (Type I)	22.CCCC.G3	138735.SH	Publicly issued corporate bonds	2022/12/15	3.36	10	2022/12/22	10	SSE	2025/12/16	Matching, one-click-order, price-enquiry, bidding and agreement trading
CCC	2022 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Second Tranche) (Type I)	22.CISC.WMS.G1	185481.SH	Publicly issued corporate bonds	2022/3/7	3.07	15	2022/3/15	15	SSE	2025/3/8	Matching, one-click-order, price-enquiry, bidding and agreement trading
CCC	2022 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (First Tranche) (Type II)	22.CISC.WMS.G2	185482.SH	Publicly issued corporate bonds	2022/3/7	3.49	5	2022/3/15	5	SSE	2023/8	Matching, one-click-order, price-enquiry, bidding and agreement trading
CCC	2022 Subordinated Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (First Tranche) (Type I)	22.CISC.WMS.C1	185607.SH	Publicly issued subordinated bonds	2022/3/23	3.50	15	2022/3/30	15	SSE	2025/3/24	Matching, one-click-order, price-enquiry, bidding and agreement trading

Changes in Shares and Information of Shareholders

Issuer	Name of bond	Abbreviation	Code	Class of bonds	Issuing date	Coupon rate (%)	Issuance		Approved listing transaction		Trading arrangements
							size (RMB 100 million)	Listing date	size (RMB 100 million)	Place for trading	
CCC Wealth Management	2022 Subordinated Bonds of China CCC Wealth Management Securities Company Limited Publicly Issued to Professional Investors (First Tranche) (Type II)	22-CSC-WMS-C2	185608.SH	Publicly issued subordinated bonds	2022/3/23	3.89	5	2022/3/30	5	SSE	Matching, one-click-order, price-enquiry, bidding and agreement trading
CCC Wealth Management	2022 Corporate Bonds of China CCC Wealth Management Securities Company Limited Publicly Issued to Professional Investors (Second Tranche) (Type I)	22-CSC-WMS-G3	137357.SH	Publicly issued corporate bonds	2022/7/15	2.83	20	2022/7/22	20	SSE	Matching, one-click-order, price-enquiry, bidding and agreement trading
CCC Wealth Management	2022 Corporate Bonds of China CCC Wealth Management Securities Company Limited Publicly Issued to Professional Investors (Second Tranche) (Type I)	22-CSC-WMS-G4	137358.SH	Publicly issued corporate bonds	2022/7/15	3.20	10	2022/7/22	10	SSE	Matching, one-click-order, price-enquiry, bidding and agreement trading
CCC Wealth Management	2022 Short-term Corporate Bonds of China CCC Wealth Management Securities Company Limited Publicly Issued to Professional Investors (Second Tranche) (Type II)	22-CSC-WMS-S1	137645.SH	Publicly issued short-term corporate bonds	2022/8/10	2.04	20	2022/8/18	20	SSE	Matching, one-click-order, price-enquiry, bidding and agreement trading
CCC Wealth Management	2022 Corporate Bonds of China CCC Wealth Management Securities Company Limited Publicly Issued to Professional Investors (Third Tranche) (Type-I)	22-CSC-WMS-G5	137735.SH	Publicly issued corporate bonds	2022/8/26	2.69	15	2022/9/2	15	SSE	Matching, one-click-order, price-enquiry, bidding and agreement trading
CCC Wealth Management	2022 Corporate Bonds of China CCC Wealth Management Securities Company Limited Publicly Issued to Professional Investors (Third Tranche) (Type II)	22-CSC-WMS-G6	137736.SH	Publicly issued corporate bonds	2022/8/26	3.06	15	2022/9/2	15	SSE	Matching, one-click-order, price-enquiry, bidding and agreement trading
CCC Hong Kong Finance 2016 MTN Limited	USD600m 2.875% Notes due 2025	CCCCHK 2.78	XS2454321519	Overseas USD-denominated medium-term notes	2022/3/21	2.875	41.79	2022/3/22	41.79	HSEX	Public offer
CCC Hong Kong Finance 2016 MTN Limited	USD650m 5.42% Notes due 2025	CCCCHK 5.42	XS2539361001	Overseas USD-denominated medium-term notes	2022/11/22	5.42	45.27	2022/11/23	45.27	HSEX	Public offer

Note: The translation of the overseas USD-denominated medium-term notes is based on the middle exchange rates as at December 31, 2022.

Description of Issuance of Securities: for details, please refer to "Particulars of Bonds - BOND ISSUANCE AND DURATION" in this report.

(ii) Changes in Total Number of Ordinary Shares and Shareholding Structure and the Assets and Liabilities Structure of the Company

For the information on changes in total number of ordinary shares and shareholding structure of the Company, please refer to “Changes in Share Capital” in this section of this report. For the information on changes in the assets and liabilities structure of the Company, please refer to “Management Discussion and Analysis – IV. Analysis on Principal Operations and Financial Statements” in this report.

(iii) During the Reporting Period, the Company Had No Existing Internal Employee Shares

III. INFORMATION OF SHAREHOLDERS

(i) Total Number of Shareholders

As of the end of the Reporting Period, the Company had a total of 95,472 ordinary shareholders, among which 95,085 are holders of A Shares and 387 are registered holders of H Shares.

As of the end of February 2023, the Company had a total of 97,643 ordinary shareholders, among which 97,257 are holders of A Shares and 386 are registered holders of H Shares.

(ii) Shareholding of Top Ten Shareholders and Top Ten Holders of Shares Not Subject to Selling Restrictions

1. Shareholding of top ten shareholders

Changes in Shares and Information of Shareholders

Unit: share

Name of shareholder	Number of shares held as at the end of the Reporting Period	Percentage in the total share capital (%)	Increase/decrease during the Reporting Period	Number of shares held subject to selling restrictions	Class of shares	Pledged, marked or frozen shares	Class of shareholder
Central Huijin Investment Ltd.	1,936,155,680	40.11	-	1,936,155,680	A Shares	Nil	Nation
HKSCC Nominees Limited	1,902,953,434	39.42	-2,015	-	H Shares	Unknown	Foreign legal person
Haier Group (Qingdao) Jinying Holding Co., Ltd.	304,950,000	6.32	-93,550,000	-	A Shares	Nil	Domestic non-state-owned legal person
China National Investment and Guaranty Corporation	127,562,960	2.64	-	-	A Shares	Nil	State-owned legal person
Hong Kong Securities Clearing Company Limited	32,786,453	0.68	+17,171,453	-	A Shares	Nil	Foreign legal person
China Life Asset Management-Bank of China-China Life Asset-Dingkun Superior Selection 2232 Insurance Asset Management Product	20,670,000	0.43	+20,670,000	-	A Shares	Nil	Others
China Life Asset Management-Bank of China-China Life Asset-Dingkun Superior Selection 2265 Insurance Asset Management Product	20,670,000	0.43	+20,670,000	-	A Shares	Nil	Others
China Life Asset Management-Bank of China-China Life Asset-Dingkun Superior Selection 2231 Insurance Asset Management Product	20,545,000	0.43	+20,545,000	-	A Shares	Nil	Others
China Life Asset Management-Bank of China-China Life Asset-Dingkun Superior Selection 2266 Insurance Asset Management Product	18,625,000	0.39	+18,625,000	-	A Shares	Nil	Others
China Construction Bank Corporation – Guotai CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund	17,039,629	0.35	+10,998,191	-	A Shares	Nil	Others

Notes:

- The information set out in the above table are extracted from the information on registered shareholders which was obtained by the Company from the share register or calculated based on such information.
- HKSCC Nominees Limited is the nominal holder of shares on behalf of the unregistered shareholders of H Shares of the Company. The number of shares held by HKSCC Nominees Limited included the shares held by Tencent Mobility Limited and Des Voeux Investment Company Limited which are registered under the name of HKSCC Nominees Limited.
- The shares held by Hong Kong Securities Clearing Company Limited refer to shares held by non-registered shareholders of northbound of the Shanghai-Hong Kong Stock Connect.
- According to the information disclosed in the Disclosure of Interests Online System of The HKEX, Des Voeux Investment Company Limited, a wholly-owned subsidiary of Alibaba Group Holding Limited, holds 202,844,235 unregistered H Shares of the Company through HKSCC Nominees Limited. Alibaba Group Holding Limited also holds 13,757,670 A Shares of the Company through its wholly-owned subsidiary, Alibaba (China) Network Technology Co., Ltd. Please refer to “Disclosure of Interests” of this section in this report for the details of the interests held by relevant entities in the shares and underlying shares of the Company.
- According to the information disclosed in the Disclosure of Interests Online System of The HKEX, Tencent Mobility Limited, a wholly-owned subsidiary of Tencent Holdings, holds 216,249,059 unregistered H Shares of the Company through HKSCC Nominees Limited. Please refer to “Disclosure of Interests” of this section in this report for the details of the interests held by relevant entities in the shares and underlying shares of the Company.

2. Shareholding of top ten holders of Shares not subject to selling restrictions

Unit: share

Name of shareholder	Number of out- standing shares held not subject to selling restrictions	Class of shares	Number of shares held
HKSCC Nominees Limited	1,902,953,434	H Shares	1,902,953,434
Haier Group (Qingdao) Jinying Holding Co., Ltd.	304,950,000	A Shares	304,950,000
China National Investment and Guaranty Corporation	127,562,960	A Shares	127,562,960
Hong Kong Securities Clearing Company Limited	32,786,453	A Shares	32,786,453
China Life Asset Management – Bank of China – China Life Asset – Dingkun Superior Selection 2232 Insurance Asset Management Product	20,670,000	A Shares	20,670,000
China Life Asset Management – Bank of China – China Life Asset – Dingkun Superior Selection 2265 Insurance Asset Management Product	20,670,000	A Shares	20,670,000
China Life Asset Management – Bank of China – China Life Asset – Dingkun Superior Selection 2231 Insurance Asset Management Product	20,545,000	A Shares	20,545,000
China Life Asset Management – Bank of China – China Life Asset – Dingkun Superior Selection 2266 Insurance Asset Management Product	18,625,000	A Shares	18,625,000
China Construction Bank Corporation – Guotai CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund	17,039,629	A Shares	17,039,629
China Reform Investment Co., Ltd.	13,599,680	A Shares	13,599,680

3. Other issues

There is no designated repurchase account for the above-mentioned top ten Shareholders.

The Company is not aware of any relevant arrangements with voting rights entrusted by or to, or waived by the top ten Shareholders, and is also not aware of any related relationship or acting in concert arrangements among these top ten Shareholders.

(iii) Shareholding of Holders of Restricted Shares

Unit: share

Name of shareholder	Number of shares held subject to selling restrictions	Available time for listing and trading of shares subject to selling restrictions	Number of shares available for listing and trading increased	Restricted period
Central Huijin Investment Ltd.	1,936,155,680			
Abu Dhabi Investment Authority	13,757,670			
Alibaba (China) Network Technology Co., Ltd.	13,757,670			
China Life Insurance Company Limited – Traditional – Ordinary insurance products – 005L – CT001 Hu	10,318,252	2023/11/2		Within 36 months from the listing date of A Shares of the Company
Brunei Investment Agency	10,318,252			
Taiping Life Insurance Co., Ltd. – Traditional – Ordinary insurance products – 022L – CT001 Hu	6,878,835			
China Jianyin Investment Limited	911,600			
JIC Investment Co., Ltd.	911,600			
China Investment Consulting Co., Ltd.	911,600			

Description of the connected relationship or action in concert between the above shareholders:

Jianyin Investment, JIC Investment and China Investment Consulting are direct or indirect wholly-owned subsidiaries of Huijin Company.

(IV) Strategic Investors or General Legal Persons Who Became Top Ten Shareholders Due to Placement of New Shares: Not applicable

IV. CONTROLLING SHAREHOLDER AND ACTUAL CONTROLLER

(i) Controlling Shareholder

The controlling shareholder of the Company is Huijin Company. During the Reporting Period, the controlling shareholder of the Company did not change.

Huijin Company is a state-owned investment company established in accordance with the *Company Law*. Headquartered in Beijing, Huijin Company was established in December 2003 and mandated to exercise the rights and the obligations as a contributor in major state-owned financial enterprises on behalf of the PRC Government. In September 2007, the Ministry of Finance issued special treasury bonds and acquired all the shares of Huijin Company from the PBOC. The acquired shares of Huijin Company were injected into China Investment Corporation as part of its initial capital contribution. However, principal shareholder rights of Huijin Company are exercised by the State Council. The members of the Board of Directors and Supervisory Committee of Huijin Company are appointed by and are accountable to the State Council. In accordance with authorization by the State Council, Huijin Company makes equity investments in major state-owned financial enterprises, and shall, to the extent of its capital contribution, exercise the rights and perform the obligations as a contributor on behalf of the PRC Government in accordance with applicable laws, so as to achieve the goal of preserving and enhancing the value of state-owned financial assets. Huijin Company does not conduct any other business or commercial activity and does not intervene in the daily business operations of the key state-owned financial enterprise in which it holds controlling shareholding. The basic information of Huijin Company is as follows:

Name	Central Huijin Investment Ltd.
Legal representative	Peng Chun
General Manager	Shen Rujun
Date of establishment	December 16, 2003
Nature of business	Investment in equity interests of major State-owned financial institutions under the authorisation of the State Council and other related businesses approved by the State Council.
Registered capital	RMB828.209 billion

Changes in Shares and Information of Shareholders

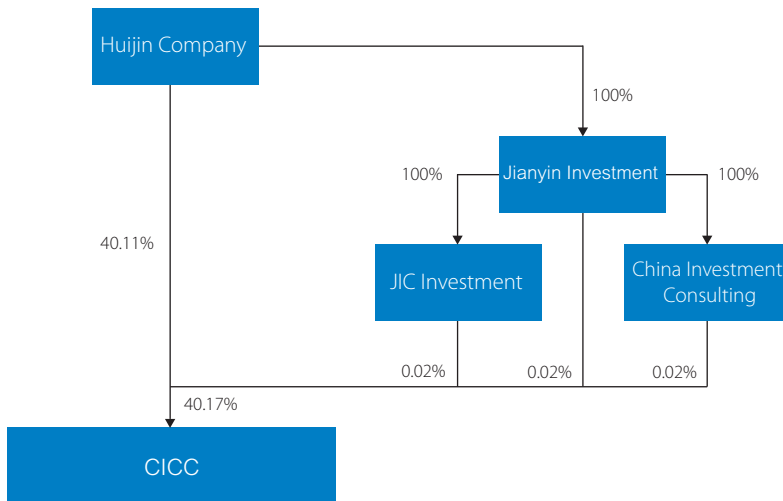
As of the end of the Reporting Period, companies held by Huijin Company directly are as follows:

No.	Name of institution	Percentage of shareholding by Huijin Company
1	China Development Bank	34.68%
2	Industrial and Commercial Bank of China Limited ★ ☆	34.71%
3	Agricultural Bank of China Limited ★ ☆	40.03%
4	Bank of China Limited ★ ☆	64.02%
5	China Construction Bank Corporation ★ ☆	57.11%
6	China Everbright Group Ltd.	63.16%
7	China Export & Credit Insurance Corporation	73.63%
8	China Reinsurance (Group) Corporation ☆	71.56%
9	China Jiayin Investment Limited	100.00%
10	China Galaxy Financial Holding Co., Ltd.	69.07%
11	Shenwan Hongyuan Group Co., Ltd. ★ ☆	20.05%
12	New China Life Insurance Company Ltd. ★ ☆	31.34%
13	Evergrowing Bank Co., Limited	53.95%
14	Bank of Hunan Co., Ltd.	20.00%
15	China Securities Co., Ltd. ★ ☆	30.76%
16	China Galaxy Asset Management Co., Ltd.	13.30%
17	Guotai Junan Investment Management Co., Ltd.	14.54%

Notes:

- ★ represents A-share listed companies; ☆ represents H-share listed companies.
- In addition to the above controlled and participating companies, Huijin Company also wholly owns Central Huijin Asset Management Ltd.. Central Huijin Asset Management Ltd. was established in November 2015 and was registered in Beijing with a registered capital of RMB5 billion. It is engaged in the asset management business.

(ii) Framework of the Ownership and Controlling Relationship Between the Company and the Controlling Shareholder



(iii) Information on the Actual Controller: Not applicable

V. DISCLOSURE OF INTERESTS

(i) Directors', Supervisors' and Chief Executive's Interests and Short Positions

As of the end of the Reporting Period, the interests or short positions of the Directors, Supervisors and chief executive of our Company in the shares, underlying shares or debentures of our Company and its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by our Company under section 352 of the SFO, or as otherwise notified to our Company and the Hong Kong Stock Exchange pursuant to the *Model Code* were as follows:

Name	Class of Shares	Capacity	Number of securities/Type of shares held	Percentage of the total share capital(%)	Percentage of the total number of the relevant class of shares(%)
Huang Zhaohui	H Shares	Others (Note 1)	7,240,173/Long positions	0.15	0.38

Note:

- Mr. Huang Zhaohui indirectly holds interests through subscription of fund and the asset management plan.

(ii) Substantial Shareholders' Interests and Short Positions

As of the end of the Reporting Period, to the knowledge of our Company and the Directors after making reasonable inquiries, the following persons (other than the Directors, Supervisors and chief executive of our Company as disclosed above) have interests or short positions in shares or underlying shares which would be required to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and recorded in the register required to be maintained by our Company under Section 336 of the SFO:

Name	Class of Shares	Capacity	Number of securities/ Type of shares held	Percentage of the total share capital(%)	Percentage of the total number of the relevant class of shares(%)
Huijin Company (Note 1)	A Shares	Beneficial owner	1,936,155,680/Long positions	40.11	66.23
		Interest of controlled corporation	2,734,800/Long positions	0.06	0.09
Haier Group Corporation (Note 2)	A Shares	Interest of controlled corporation	304,950,000/Long positions	6.32	10.43
Alibaba Group Holding Limited (Note 3)	H Shares	Interest of controlled corporation	202,844,235/Long positions	4.20	10.66
	A Shares	Interest of controlled corporation	13,757,670/Long positions	0.28	0.47
Tencent Holdings (Note 4)	H Shares	Interest of controlled corporation	216,249,059/Long positions	4.48	11.36

Notes:

1. Each of Jianyin Investment, JIC Investment and China Investment Consulting is wholly owned by Huijin Company. Therefore, Huijin Company is deemed to be interested in 2,734,800 A Shares held by Jianyin Investment, JIC Investment and China Investment Consulting for the purpose of the *SFO*.
2. As of the end of the Reporting Period, each of Haier Cosmo Shareholding Company (as the sole member of Haier Group (Qingdao) Jinying Holding Co., Ltd.), Qingdao Haichuangke Management Consulting Enterprise (Limited Partnership) (holding 48.8% interest in Haier Cosmo Shareholding Company), Haier Group Corporation (holding 51.2% interest in Haier Cosmo Shareholding Company) and Qingdao Haichuangke Investment Management Co., Ltd. (as general partner of Qingdao Haichuangke Management Consulting Enterprise (Limited Partnership) and a member holding its 0.5% interest) is deemed to be interested in the A Shares held by Haier Group (Qingdao) Jinying Holding Co., Ltd. under the *SFO*.
3. As of the end of the Reporting Period, Des Voeux Investment Company Limited held 202,844,235 H Shares of the Company. Des Voeux Investment Company Limited is wholly owned by Alibaba Group Treasury Limited, which is wholly owned by Alibaba Group Holding Limited. Therefore, Alibaba Group Treasury Limited and Alibaba Group Holding Limited are deemed to be interested in 202,844,235 H Shares held by Des Voeux Investment Company Limited under the *SFO*. In addition, Alibaba (China) Network Technology Co., Ltd. held 13,757,670 A Shares of the Company. Alibaba (China) Network Technology Co., Ltd. is wholly owned by Alibaba Group Holding Limited. Therefore, Alibaba Group Holding Limited is deemed to be interested in 13,757,670 A Shares held by Alibaba (China) Network Technology Co., Ltd. under the *SFO*.
4. As of the end of the Reporting Period, Tencent Mobility Limited, directly interested in 216,249,059 H Shares, is a wholly-owned subsidiary of Tencent Holdings, which is therefore deemed to be interested in the H Shares held by Tencent Mobility Limited.

VI. SUFFICIENT PUBLIC FLOAT

As of the Latest Practicable Date and based on the information available to our Company and to the knowledge of the Directors, our Company's public float complies with the requirements of Rule 8.08 of the Listing Rules of the Stock Exchange.

VII. PURCHASE, SALE OR REDEMPTION OF SECURITIES OF OUR COMPANY

For details, please refer to "PARTICULARS OF BONDS – BOND ISSUANCE AND DURATION – Triggering and implementation of the corporate bonds with option clauses during the Reporting Period" in this report.

During the Reporting Period, save as otherwise disclosed in this report, neither the Company nor its subsidiaries have purchased, sold or redeemed any of the Company's securities.

VIII. OTHER EXPLANATIONS

During the Reporting Period, there is no case that the accumulative number of pledged shares of the Company held by the controlling shareholder of the Company exceeded 80% of the total number of Shares held by it, or that the reduction of Shares held by the controlling shareholder and other covenantors is restricted.

During the Reporting Period, the Company did not repurchase any shares.

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

I. BASIC INFORMATION, CHANGES IN SHAREHOLDING AND REMUNERATIONS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Name	Position	Tenure for the session	Gender	Date of Birth	Number of shares held at the beginning of the year (Share)	Number of shares held at the end of the year (Share)	Whether received remuneration from related party of the Company
Shen Rujun (沈如軍)	Chairman of the Board, Non-executive Director	Since August 2019	Male	February 1964	0	0	No
Huang Zhaohui (黃朝暉)	Executive Director	Since February 2020	Male	January 1964	0	0	No
	Chief Executive Officer, Chairman of the Management Committee	Since December 2019					
Tan Lixia (譚麗霞)	Non-executive Director	Since February 2020	Female	September 1970	0	0	Yes
Duan Wenwu (段文務)	Non-executive Director	Since February 2020	Male	June 1969	0	0	Yes
Liu Li (劉力)	Independent Non-executive Director	Since June 2016	Male	September 1955	0	0	No
Ng Kong Ping Albert (吳港平)	Independent Non-executive Director	Since June 2022	Male	September 1957	0	0	No
Lu Zhengfei (陸正飛)	Independent Non-executive Director	Since June 2022	Male	November 1963	0	0	No
Peter Hugh Nolan (彼得·諾蘭)	Independent Non-executive Director	Since March 2020	Male	April 1949	0	0	No
Gao Tao (高濤)	Chairman of the Supervisory Committee, Employee Representative Supervisor	Since June 2017	Male	January 1965	0	0	No
Jin Lizuo (金立佐)	Supervisor	Since June 2015	Male	June 1957	0	0	No
Cui Zheng (崔錚)	Supervisor	Since February 2020	Male	December 1980	0	0	No
Chu Gang (楚鋼)	Chief Operating Officer, Member of the Management Committee	Since April 2015	Male	February 1964	0	0	No
Wong King Fung (黃勁峯)	Chief Financial Officer, Member of the Management Committee	Since February 2017	Male	July 1968	0	0	No
Hu Changsheng (胡長生)	Member of the Management Committee	Since June 2017	Male	March 1966	0	0	No
Wu Bo (吳波)	Member of the Management Committee	Since April 2018	Male	June 1977	0	0	No
Zhang Kejun (張克均)	Member of the Management Committee	Since October 2021	Male	February 1966	0	0	No
Xu Yicheng (徐翌成)	Member of the Management Committee	Since January 2023	Male	October 1974	0	0	No
	Assistant President	March 2020-January 2023					
Wang Jianli (王建力)	Member of the Management Committee	Since January 2023	Male	August 1971	0	0	No
Wang Shuguang (王曙光)	Member of the Management Committee	Since January 2023	Male	November 1974	0	0	No

Name	Position	Tenure for the session	Gender	Date of Birth	Number of shares held at the beginning of the year (Share)	Number of shares held at the end of the year (Share)	Whether received remuneration from related party of the Company
Zhang Fengwei (張逢偉)	Chief Risk Officer	Since June 2017	Male	December 1967	0	0	No
Ma Kui(馬葵)	Financial Controller	Since May 2015	Female	October 1971	0	0	No
Sun Nan(孫男)	Secretary to the Board of Directors	Since May 2020	Male	September 1979	0	0	No
Cheng Long (程龍)	Chief Information Officer	Since October 2021	Male	March 1976	0	0	No
Zhou Jiaxing (周佳興)	Chief Compliance Officer	Since December 2021	Male	August 1972	0	0	No
Zhu Hailin (朱海林)	Non-executive Director (Resigned)	September 2021-July 2022	Male	October 1965	0	0	No
Siu Wai Keung (蕭偉強)	Independent Non-executive Director (Resigned)	June 2015-June 2022	Male	April 1954	0	0	No
Ben Shenglin (賁聖林)	Independent Non-executive Director (Resigned)	June 2015-June 2022	Male	January 1966	0	0	No
Huang Haizhou (黃海洲)	Member of the Management Committee (Resigned)	April 2015-June 2022	Male	June 1962	0	0	No
Wang Sheng (王晟)	Member of the Management Committee (Resigned)	March 2020-July 2022	Male	June 1977	0	0	No
Total	/	/	/	/	0	0	/

Notes:

- For details of changes in Directors, Supervisors and senior management of the Company during the Reporting Period, please refer to “Changes in Directors, Supervisors and Senior Management” in this report.
- The commencement date of tenure for the session in respect of re-elected Directors and Supervisors is the effective date of their first appointment.
- The number of shares held by Directors, Supervisors and senior management at the beginning and end of the year are the total number of A Shares directly held by them during their terms of office. Mr. Siu Wai Keung held 100,000 H shares of the Company and Ms. Ma Kui held 19,600 H shares of the Company during their respective term of office.
- As some Directors, during their tenure of office, served as directors and senior management of legal persons or other organizations other than the Company and its controlled subsidiaries (other than being independent directors of both sides), such legal person or other organization constitutes the related party of the Company. During the Reporting Period, relevant persons have received remuneration or allowance from such related parties.

II. BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Directors

Mr. Shen Rujun (沈如軍), born in February 1964, has been appointed as the Chairman of our Company since August 2019, and serves as Executive Director and Executive Vice President of China Investment Corporation as well as the Vice Chairman, Executive Director and President of Huijin Company. Mr. Shen successively served as the Deputy Section Chief, Section Chief, and Deputy Director of the Accounting Division, as well as Deputy Director (in charge of the work) and Director of the Planning Division of Jiangsu Branch of Industrial and Commercial Bank of China Limited (hereinafter referred to as “ICBC”), a company listed on the Shanghai Stock Exchange (Stock Code: 601398) and the Hong Kong Stock Exchange (Stock Code: 01398), from December 1984 to December 1998. He served as the Vice General Manager of the Planning and Finance Department of ICBC from December 1998 to November 2003; Vice President of ICBC Beijing Branch from November 2003 to July 2008; General Manager of the Finance and Accounting Department of ICBC from July 2008 to November 2013; and President of ICBC Shandong Branch from November 2013 to March 2015. Mr. Shen served as the Vice President of Bank of Communications Co., Ltd. (hereinafter referred to as “Bank of Communications”), a company listed on the Shanghai Stock Exchange (Stock Code: 601328) and the Hong Kong Stock Exchange (Stock Code: 03328), from March 2015 to June 2018; and Executive Director and Vice President of Bank of Communications from June 2018 to October 2018. Mr. Shen obtained his doctoral degree from School of Technology and Economics of Hohai University in 2001.

Mr. Huang Zhaohui (黃朝暉), born in January 1964, has been appointed as a Director of the Company since February 2020, the Chief Executive Officer and Chairman of the Management Committee of our Company since December 2019. He joined the Group in February 1998 and held several positions, including the Head, Deputy Head and Co-Head of the Investment Banking Department. He also served as a member of the Management Committee of the Company from April 2015 to December 2019. Prior to joining our Group, he joined China Construction Bank Corporation, a company listed on the Hong Kong Stock Exchange (Stock Code: 00939) and Shanghai Stock Exchange (Stock Code: 601939), and served as a clerk of the Ningbo branch office, an assistant research officer of the department of investment research, a senior economist of the department of real estate financing, deputy director of the department of international business and director of the secretariat of the general administration office from July 1988 to January 1998. He currently serves as a director of CICC Wealth Management, CICC HK Securities and Jinteng Technology. Mr. Huang obtained a bachelor’s degree in physics from Wuhan University (武漢大學) in July 1985 and a master’s degree in economics from Renmin University of China in July 1988.

Ms. Tan Lixia (譚麗霞), born in September 1970, a Chartered Global Management Accountant, has been appointed as a Director of the Company since February 2020. Ms. Tan joined Haier in August 1992, and successively served as the director of the Department of Overseas Market Development of Haier Group, Chief Financial Officer of Haier Group, and Senior Vice President of Haier Group. Ms. Tan currently serves as the Board Vice Chairwoman and Executive Vice President of Haier Group, Chairwoman of Haier Group (Qingdao) Jinying Holding Co., Ltd., a non-executive director of Bank of Qingdao Co., Ltd., a company listed on the Shenzhen Stock Exchange (Stock Code: 002948) and the Hong Kong Stock Exchange (Stock Code: 03866), Chairwoman of Qingdao Haier Biomedical Co., Ltd., a company listed on the Shanghai Stock Exchange (Stock Code: 688139) and Chairwoman of INKON Life Technology Co., Ltd., a company listed on the Shenzhen Stock Exchange (Stock Code: 300143). Ms. Tan once served as a non-executive director of Haier Electronics Group Co., Ltd. and Vice Chairwoman of Haier Smart Home Co., Ltd., a company listed on the Shanghai Stock Exchange (Stock Code: 600690) and the Hong Kong Stock Exchange (Stock Code: 06690). Ms. Tan currently serves as a standing member of the 12th session of All-China Women's Federation, Vice President of China Women Entrepreneurs Association, the Chairwoman of Shandong Women Entrepreneurs Association and the Vice Chairwoman of the 13th session of Qingdao Women's Federation. Ms. Tan graduated from Central University of Finance and Economics majoring in public finance in June 1992 and obtained an EMBA degree from the China Europe International Business School in July 2009 and a doctoral degree in Advanced Professional Research in Applied Finance from the University of Geneva in Switzerland in January 2022.

Mr. Duan Wenwu (段文務), born in June 1969, a senior accountant, has been appointed as a Director of the Company since February 2020. Mr. Duan has served as the Chairman of I&G (NEEQ: 834777) from May 2020. Mr. Duan served as an assistant to the director of Finance and Accounting Department of State Development & Investment Corporation (later renamed as State Development & Investment Corp., Ltd.) from May 2008 to November 2008, Deputy General Manager of SDIC Finance Co., Ltd. from November 2008 to August 2010, Deputy Director of Finance and Accounting Department of State Development & Investment Corporation from August 2010 to August 2014, Director and Deputy General Manager of China National Complete Plant Import and Export Group Corporation Limited from March 2013 to August 2014, Director of Finance and Accounting Department of State Development & Investment Corporation (renamed as Finance Department in August 2016) from August 2014 to May 2017, General Manager of SDIC Essence Co., Ltd. (renamed as SDIC Capital Co., Ltd. in December 2017), a company listed on the Shanghai Stock Exchange (Stock Code: 600061), from May 2017 to March 2018, Director of Essence Securities Co., Ltd. from December 2017 to January 2019, Chairman of SDIC Finance Co., Ltd. from March 2018 to April 2019, and General Manager of I&G from April 2019 to November 2021. Mr. Duan obtained a bachelor's degree in economics from Xiamen University in July 1990, and a master's degree in business administration from Jiangxi University of Finance and Economics in January 2003.

Mr. Liu Li (劉力), born in September 1955, has been appointed as a Director of our Company since June 2016. He currently holds positions such as a Finance Professor in Guanghua School of Management of Peking University and Deputy Head and Doctoral Supervisor in Finance and Securities Research Center of Peking University. Mr. Liu has been teaching in Guanghua School of Management (formerly known as Economic Management Department of School of Economics) of Peking University since January 1986, and taught in Beijing Institute of Iron and Steel from September 1984 to December 1985. Mr. Liu has been an independent non-executive director of Metallurgical Corporation of China Ltd., a company listed on the Shanghai Stock Exchange (Stock Code: 601618) and the Hong Kong Stock Exchange (Stock Code: 01618), since January 2022, and an external supervisor of China Cinda Asset Management Co., Ltd., a company listed on the Hong Kong Stock Exchange (Stock Code: 01359), since August 2022. Mr. Liu also served as an independent non-executive director of China Machinery Engineering Corporation, from January 2011 to November 2021, an independent non-executive director of Bank of Communications, a company listed on the Shanghai Stock Exchange (Stock Code: 601328) and the Hong Kong Stock Exchange (Stock Code: 03328), from September 2014 to November 2020, an independent director of Success Electronics Ltd., a company listed on the Shenzhen Stock Exchange (Stock Code: 002289), from January 2016 to October 2020, and an independent director of CNPC Capital Company Limited, a company listed on the Shenzhen Stock Exchange (Stock Code: 000617), from June 2017 to September 2022. Mr. Liu obtained a master's degree in physics from Peking University in July 1984 and MBA from Catholic University of Louvain in Belgium in July 1989.

Mr. Ng Kong Ping Albert (吳港平), born in September 1957, has been appointed as a Director of our Company since June 2022 and is a member of the Hong Kong Institute of Certified Public Accountants (HKICPA), Chartered Accountants of Australia and New Zealand (CAANZ), CPA Australia (CPAA) and Association of Chartered Certified Accountants (ACCA). Mr. Ng is the retired chairman of Ernst & Young China, the managing partner of Ernst & Young in Greater China and a member of Ernst & Young's Global Executive Committee. He has over 30 years of professional experience in accounting in Hong Kong and Mainland China. Prior to joining Ernst & Young, Mr. Ng successively served as the partner-in-charge of Arthur Andersen LLP in Greater China, the partner-in-charge of China business of PricewaterhouseCoopers and the managing director of Citigroup China Investment Banking. Mr. Ng has been an independent non-executive director of Beijing Airdoc Technology Co., Ltd., a company listed on the Hong Kong Stock Exchange (Stock Code: 02251), since April 2021, an independent non-executive director of Ping An Insurance (Group) Company of China, Ltd., a company listed on the Shanghai Stock Exchange (Stock Code: 601318) and the Hong Kong Stock Exchange (Stock Code: 02318), since August 2021, an independent non-executive director of Alibaba Group Holding Limited, a company listed on the Hong Kong Stock Exchange (Stock Code: 09988) and the New York Stock Exchange (Stock Code: BABA), since August 2022, and an independent non-executive director of Shui On Land Limited, a company listed on the Hong Kong Stock Exchange (Stock Code: 00272), since October 2022. Mr. Ng currently serves as the president of the Hong Kong China Chamber of Commerce. He once served as a member of the First and Second Consulting Committee of Corporate Accounting Standards of the Ministry of Finance of the PRC, an honorary advisor of the Hong Kong Business Accountants Association and a member of the Advisory Board of the School of Accountancy of The Chinese University of Hong Kong. Mr. Ng is also a member of the Audit Committee of The Chinese University of Hong Kong, Shenzhen and a council member of the Education Foundation of The Chinese University of Hong Kong, Shenzhen. Mr. Ng obtained a bachelor's degree in business administration from The Chinese University of Hong Kong in December 1981 and a master's degree in business administration from The Chinese University of Hong Kong in October 1988.

Mr. Lu Zhengfei (陸正飛), born in November 1963, has been appointed as a Director of our Company since June 2022. Mr. Lu has been a professor and doctoral supervisor of the Accounting Department of Guanghua School of Management of Peking University since November 1999, and he successively served as deputy director, director and deputy dean of Accounting Department of Guanghua School of Management of Peking University. From July 1988 to October 1999, he successively served as an assistant, lecturer, associate professor, professor, deputy director and director of the Accounting Department of the International Business School of Nanjing University. Mr. Lu currently serves as an independent non-executive director of China Cinda Asset Management Co., Ltd. (a company listed on the Hong Kong Stock Exchange (Stock Code: 01359)), an independent non-executive director of Sino Biopharmaceutical Limited (a company listed on the Hong Kong Stock Exchange (Stock Code: 01177)), an independent director of Xinjiang Tianshan Cement Company Limited (a company listed on the Shenzhen Stock Exchange (Stock Code: 000877)) and an independent supervisor of PICC Property and Casualty Company Limited (a company listed on the Hong Kong Stock Exchange (Stock Code: 02328)). Mr. Lu once served as an independent non-executive director of Bank of China Limited (a company listed on the Shanghai Stock Exchange (Stock Code: 601988) and the Hong Kong Stock Exchange (Stock Code: 03988)) from July 2013 to August 2019 and an independent director of China Nuclear Engineering & Construction Corporation Limited (a company listed on the Shanghai Stock Exchange (Stock Code: 601611)) from November 2018 to November 2019. Mr. Lu obtained a bachelor's degree in economics from Zhejiang Gongshang University in July 1985, a master's degree in economics from Renmin University of China in June 1988 and a doctorate degree in economics from Business School of Nanjing University in June 1997. From September 1997 to September 1999, he was engaged in post-doctoral research at Renmin University of China.

Mr. Peter Hugh Nolan, born in April 1949, recipient of the Commander of the Most Excellent Order of the British Empire, has been appointed as a Director of the Company since February 2020. He has served as an independent non-executive director of China Everbright Group since January 2019 and the director of China Forum, Jesus College at University of Cambridge since 2017. He has also served as the Director of the China Executive Leadership Programme (CELP) since 2005. Professor Nolan was a lecturer of Faculty of Economics and Politics at University of Cambridge from 1979 to 1997 and Sinyi Professor of Chinese Management at Cambridge Judge Business School at University of Cambridge from 1997 to 2012. He was the founding director and Chong Hua Professor of Chinese Development in the Centre of Development Studies at University of Cambridge from 2012 to 2016 and Chong Hua Professor of Chinese Development (Emeritus) since 2016. Professor Nolan also served as an independent non-executive director of Bank of Communications (a company listed on the Shanghai Stock Exchange (Stock Code: 601328) and the Hong Kong Stock Exchange (Stock Code: 03328)) from November 2010 to November 2017. Professor Nolan obtained his Doctoral degree in Economics from University of London in 1981.

Supervisors

Mr. Gao Tao (高濤), born in January 1965, has been elected as the employee representative Supervisor and appointed as the Chairman of the Supervisory Committee of the Company since June 2017. He has been the chairman of the board of directors of CICC Wealth Management (formerly known as “CISC”) since October 2015. From June 1991 to May 2005, he held several positions in China Construction Bank including vice director and general manager of the department of human resources of Anhui Branch, and the president of Huainan Branch. From May 2005 to September 2005, he served as a member of the Securities Restructuring Committee of China Jiayin Investment Limited. From September 2005 to September 2006, he held several positions in CISC including general manager of the department of human resources and vice president. From September 2006 to September 2012, he held several positions in Hong Yuan Securities Co., Ltd., including vice general manager, board secretary and vice chairman. From September 2012 to August 2015, he served as vice president of China Jiayin Investment Limited. Mr. Gao graduated with a bachelor’s degree from Anhui Agricultural University (formerly known as “Anhui Agricultural College”) in July 1986, and an executive master of business administration degree from Renmin University of China in January 2009.

Mr. Jin Lizuo (金立佐), born in June 1957, has been appointed as a Supervisor of our Company since May 2015. He participated in the establishment of our Company from 1994 to 1995. Mr. Jin has been an independent non-executive director of Beijing Enterprises Environment Group Limited, a company listed on the Hong Kong Stock Exchange (Stock Code: 00154), since September 2004 and an independent non-executive director of Dadi International Group Limited, a company listed on the Hong Kong Stock Exchange (Stock Code: 08130), since February 2020. Mr. Jin obtained a bachelor’s degree in economics from Peking University in January 1982 and a doctoral degree in economics from the University of Oxford, the United Kingdom, in November 1993. He is the founding president of the Chinese Economic Association (CEA) UK.

Mr. Cui Zheng (崔錚), born in December 1980, has been appointed as a Supervisor of the Company since February 2020. He has been serving as head of Legal Compliance Division of the General Management Department of Huijin since February 2020. Mr. Cui joined Huijin in July 2011, successively served as the manager of the General Department, the manager and senior deputy manager of the General Management Department/Banking Institution Department II, head of Legal Compliance Division of the General Management Department/Banking Institution Department II, etc. From July 2003 to July 2011, Mr. Cui successively served as a business director, business executive and senior business executive of Corporate Strategy Department (Legal Department) of China Telecommunications Corporation (中國電信集團公司). Mr. Cui received a bachelor’s degree in law and a bachelor’s degree in economics from Peking University in July 2003, a master’s degree in law from Peking University in July 2009 and a master’s degree in business administration from Peking University in July 2010.

Senior Management

Mr. Huang Zhaohui (黃朝暉), an executive Director, the Chief Executive Officer and Chairman of the Management Committee of our Company. See “Directors” in this section for his profile.

Mr. Chu Gang (楚綱), born in February 1964, has been appointed as the Chief Operating Officer and member of the Management Committee of our Company since April 2015. He joined the Group in May 2009 and held several positions, including Managing Director of the Research Department, Deputy Head of the Capital Markets Department and Deputy Chief Operating Officer. Prior to joining the Group, he held several positions in Citigroup, including Emerging Market Risk Manager, US Local Government Bonds Proprietary Trader, Head of Latin America Stock Derivatives Trading and Managing Director of Alternative Investment Funds from September 1993 to August 2008. He currently serves as Director of a number of subsidiaries of our Company, including CICC HK Securities. Mr. Chu was qualified as a Chartered Financial Analyst of the CFA Institute in September 2002. He obtained a bachelor’s degree in physics from University of Science and Technology of China (中國科學技術大學) in July 1987 and a doctoral degree in theoretical physics from Northeastern University, the United States, in September 1993. He also studied at Leonard N. Stern School of Business of New York University, the United States, until June 1997.

Mr. Wong King Fung (黃勁峯), born in July 1968, has been appointed as the Chief Financial Officer and member of the Management Committee of the Company since February 2017. He joined the Group in May 2016 and served as Managing Director in the Firm Management Department. Mr. Wong has over 20 years of working experience in Mainland China, Hong Kong, Japan and the UK, with international commercial banks, international investment banks, domestic securities firms and in public accounting firms. Before joining the Group, Mr. Wong worked in Goldman Sachs and Beijing Gao Hua Securities Company Limited from March 2000 to May 2016; during which he held a number of positions in the asset management division of Goldman Sachs (Asia) from June 2008 to May 2016, including Asia Pacific COO, Asia Pacific ex Japan COO, Head of Product Development and Managing Director. From November 2006 to June 2008, he was responsible for coordinating the middle and back offices as well as risk management functions at Beijing Gao Hua Securities Company Limited. From March 2000 to November 2006, he served in a number of roles, including Head of FICC Product Financial Control, Head of Equities Product Financial Control, Head of Japan Product Financial Control, the Hong Kong Financial Controller and Executive Director at Goldman Sachs (Asia) and Goldman Sachs Japan. From July 1997 to February 2000, Mr. Wong worked at HSBC HK as Financial Manager of Capital Markets and Financial Manager of Money Foreign Exchange Markets. From September 1991 to May 1997, Mr. Wong worked in the audit department as an Auditing and Accounting Trainee, Assistant Manager and Manager at KPMG (UK and HK). Mr. Wong has been a member of the HKICPA and ICAEW for over 20 years. He met the professional requirements by passing the exams and going through the required training for the ICAEW and officially became a member and a certified accountant of ICAEW in November 1994. He met the professional requirements of the HKICPA and officially became a member and a certified accountant of the HKICPA in October 1995. He is currently the Director of CICC International. Mr. Wong obtained a Bachelor’s Degree in Mechanical Engineering from University of Bristol in June 1990.

Mr. Hu Changsheng (胡長生), born in March 1966, has been appointed as member of the Management Committee since June 2017, and the Chairman of CICC Fund Management Co., Ltd. since December 2020. From December 1998 to December 2005, he has successively served as the Deputy Director of the General Division of the Policy Research Office, member (at cadre level) of the Planning and Development Committee, Consultant of the Institution Supervision Division, and Commissioner of the Shenzhen Commissioner's Office under the CSRC. From December 2005 to January 2008, he has served as the Deputy Director and then Director of the capital market department of Huijin. From January 2008 to November 2011, he has acted as the Senior Business Head and Director of Capital Market Division of the non-bank department of Huijin. From December 2005 to April 2010, he successively held the position as Director, Vice Chairman of the board of directors and Acting President of China Galaxy Securities Co. Ltd., a company listed on the Hong Kong Stock Exchange (Stock Code: 06881) and Shanghai Stock Exchange (Stock Code: 601881). From January 2007 to September 2010, he served as Director of China Galaxy Financial Holdings Company Limited. From November 2007 to January 2010, he acted as a Director of China Everbright Industry Group Ltd. He also served as the Vice Chairman of the board of directors of China Securities Co., Ltd. from March 2011 to November 2012. He was the Chairman of CISC Changchun Venture Capital Fund Management Co., Ltd. from November 2012 to August 2015. He also served as the Vice Chairman of the Executive Committee of CICC Wealth Management Securities from March 2012 to November 2019. He acted as the Chairman of China Investment LuckyStone Management Co. Ltd. from November 2011 to April 2020. He served as the Director and the Vice Chairman of CICC Wealth Management Securities from November 2011 to November 2020, and the President of CICC Wealth Management Securities from December 2011 to November 2020 and the Chairman of the Executive Committee of CICC Wealth Management Securities from November 2019 to December 2020. Mr. Hu graduated with a doctor's degree in economics from the Graduate Division of Beijing Public Finance Science Research Institute of Ministry of Finance in June 1997.

Mr. Wu Bo (吳波), born in June 1977, has been appointed as member of the Management Committee of the Company since April 2018, the Head of Wealth Management Department of the Company since February 2017, the President of CICC Wealth Management Securities since November 2020 and the Head of Equities Department and Securities Investment Department of the Company since June 2022. He joined the Group in May 2004 and held several positions, including the Head of the Sponsor Business Department, Deputy Head of the Growth Enterprise Investment Banking Department, member of the Operations Team of the Investment Banking Department and Secretary to the Board of Directors. Prior to joining the Group, from July 1999 to June 2002, Mr. Wu served as Auditor of Arthur Andersen Huaqiang Certified Public Accountants and Senior Auditor of PricewaterhouseCoopers Zhong Tian LLP from July 2002 to April 2004. Mr. Wu obtained a bachelor's degree in economics from Peking University in July 1998 and an EMBA degree from Guanghua School of Management, Peking University and Kellogg School of Management (Northwestern University) in July 2018.

Mr. Zhang Kejun (張克均), born in February 1966, has been appointed as member of the Management Committee of the Company since October 2021 and member of CPC Committee and Secretary of Discipline Inspection Commission of the Company since August 2021. Prior to joining the Group, he took several roles at Shenwan Hongyuan Securities Co., Ltd. (including its predecessor, Shenyin & Wanguo Securities Co., Ltd.) from April 1994 to August 2021, including general manager of its branch, general manager of divisions in headquarters and assistant president of the company, during which period he also acted as the member of the CPC Committee and Secretary of Discipline Inspection Commission for Shenwan Hongyuan Group Co., Ltd. and Shenwan Hongyuan Securities Co., Ltd. from May 2020 to August 2021. He worked at Xiamen Branch of Industrial Bank in Fujian from April 1990 to April 1994, as department manager of the branch and assistant subbranch manager successively. Mr. Zhang gained his master's degree in computer software from National University of Defense Technology in April 1990.

Mr. Xu Yicheng (徐翌成), born in October 1974, has been appointed as member of the Management Committee of the Company since January 2023 and the Head of Asset Management Department of the Company since February 2020. Mr. Xu joined Investment Banking Department of the Company in January 2000, and became Managing Director in January 2008, and held several positions, including Assistant President, Secretary to the Board of Directors and Head of Strategic Development Department and Firm Office of the Company. As one of China's first batch of mergers and acquisitions (M&A) professionals, Mr. Xu founded and led the CICC's M&A business in 2005. Mr. Xu was responsible for and closed a large number of landmark M&A transactions with a total value of more than USD150 billion. He led the team to top the China M&A leaderboard for five consecutive years from 2006 to 2010. In recent years, Mr. Xu assisted in formulating CICC's medium and long-term strategic planning, including wealth management business strategy, asset management business strategy, among others, and took the lead in completing important capital market operations such as the acquisition of CISC and the introduction of Tencent as a strategic investor. Mr. Xu obtained a bachelor's degree in arts from Beijing Foreign Studies University in 1997 and a master's degree in economics from the Graduate School of the PBOC in 2000.

Mr. Wang Jianli (王建力), born in August 1971, has been appointed as member of the Management Committee of the Company since January 2023, member of Executive Committee of China CICC Wealth Management Securities Company Limited (formally known as China Investment Securities Company Limited (中國中投證券有限責任公司), hereinafter referred to as "CICC Wealth Management Securities") since January 2017, Vice President of CICC Wealth Management Securities since March 2017 and Head of Omnichannel Platform Development and Digital Competence Development Center of CICC Wealth Management Securities since July 2022. Mr. Wang once served as General Manager, Head of Customer Group Development, Assistant President, General Manager of Trading Operation Department, General Manager of Brokerage Business Headquarter, General Manager of Marketing Service Headquarter, General Manager of Marketing Department, General Manager of Product Center and General Manger of Wealth Management Department

and other positions of CICC Wealth Management Securities Guangzhou Branch; Vice General Manager of Brokerage Business Headquarter, General Manager of Marketing Department, General Manager of Guangzhou Shuiyin Road Business Office and other positions of China Jiayin Investment Securities Co., Ltd. (中國建銀投資證券有限責任公司), predecessor of China Investment Securities Company Limited (中國中投證券有限責任公司)); and Vice General Manager of Guangzhou and Jinan Management Headquarter, Assistant President of Human Resource Department and other positions of China Southern Securities Joint Stock Co., Ltd. (南方證券股份有限公司, predecessor of China Investment Securities Company Limited (中國中投證券有限責任公司)). Mr. Wang obtained a bachelor's degree in economics from Renmin University of China in 1992 and an EMBA degree from Peking University in 2003.

Mr. Wang Shuguang (王曙光), born in November 1974, has been appointed as member of the Management Committee of the Company since January 2023 and Head of Investment Banking Department since July 2022. Mr. Wang joined the Investment Banking Department of the Company in 1998 and became a Managing Director in January 2010, and held various positions, including Head of the Growth Enterprise Investment Banking Department of the Company and Joint Head of CICC Capital. Mr. Wang obtained a bachelor's degree in science and a bachelor's degree in economics from Tsinghua University in 1996 and a master's degree in engineering from Tsinghua University in 1998.

Mr. Zhang Fengwei (張逢偉), born in December 1967, has been appointed as the Chief Risk Officer and the Head of the Risk Management Department of our Company since June 2017. He joined the Group in April 2004 and held several positions, including Senior Associate of the Operations Department, Vice President, Managing Director and Deputy Head of the Risk Management Department. From March 2011 to February 2015, he served as the Chief Risk Officer of Zheshangjinhui Trust Co., Ltd., an associated company of the Group. Prior to joining our Group, he served as a Programmer and Network Engineer of STONE Group from July 1991 to March 1996, and Assistant Vice President of Bank One N.A. Beijing Branch from April 1996 to March 2004. Mr. Zhang obtained a bachelor's degree in Applied Mathematics from Tsinghua University in July 1991 and a master's degree in Economics from Peking University in July 1997.

Ms. Ma Kui (馬葵), born in October 1971, has been appointed as the Financial Controller, Head of Institutional Management Department of our Company since May 2015 and September 2011 respectively. She joined the Group in April 1998 and held several positions including the Head of the Finance Department, Head of the Market Risk Department, Head of the Planning and Analysis Department, Head of Operation Support Department, Assistant Chief Financial Officer, chairwoman of the board of directors of CICC Pucheng, and Director of CICC Jiacheng. Prior to joining the Group, she served as, among other things, an accountant in Motorola (China) Electronics Co., Ltd. from May 1995 to August 1997. She currently serves as Director of a number of our subsidiaries, including CICC International, CICC Futures, CICC HK Securities, CICC HK AM and CICC HK Futures. Ms. Ma obtained a bachelor's degree in international economic cooperation and a master's degree in international finance from the University of International Business and Economics (對外經濟貿易大學) in June 1993 and June 1996 respectively.

Mr. Sun Nan (孫男), born in September 1979, has been appointed as Secretary to the Board of Directors of our Company since May 2020. Mr. Sun Nan currently serves as the Head of Strategic Development Department, Firm Office of the Company and Office of the Supervisory Committee. He joined the Investment Banking Department of our Company in July 2003, and served as the Head of Global M&A Business of Investment Banking, the Head of Sponsor Business of Investment Banking, the member of the Investment Banking Business Committee, the member of operations team of the Investment Banking Department, the Head of Strategic Research Department, etc. Mr. Sun obtained a bachelor's degree in economics from Tsinghua University in 2001 and a master's degree in management from Tsinghua University in 2003.

Mr. Cheng Long (程龍), born in March 1976, has been appointed as the Chief Information Officer of the Company since October 2021 and the Head of Information Technology Department of the Company since March 2021. Prior to joining the Group, Mr. Cheng was the Chief Information Officer, Director of Financial Technology Committee, Deputy Director of Wealth Management Committee and General Manager of Internet Finance Department of Zhongtai Securities Co., Ltd. from September 2018 to March 2021. Mr. Cheng served as the Chief Information Officer of Dongxing Securities Co., Ltd. from February 2016 to September 2018, and prior to this, he served as the Chief Technical Architect, Information Technology Director, and Head of PMO Center in CITIC Securities Co., Ltd. from July 2010 to February 2016. Mr. Cheng also directed financial market solutions department and worked in IBM SOA-China Development Center and IBM Research-China as a senior researcher from July 2003 to July 2010. Mr. Cheng obtained a double bachelor's degree in computer science and business management from Nankai University in July 1998 and a PhD in computer science from Nankai University in July 2003.

Mr. Zhou Jiaxing (周佳興), born in August 1972, has been appointed as the Chief Compliance Officer of the Company since December 2021 and the Head of Legal and Compliance Department of the Company since November 2021. He joined the Legal Department of the Group in June 2009, became the Managing Director in January 2016, and has been appointed as the Head for Legal Matters in Hong Kong of China International Capital Corporation (Hong Kong) Limited since October 2017. Prior to joining the Group, Mr. Zhou had served in several law firms engaging in legal affairs: He has served as a lawyer at White & Case (Hong Kong Office) from August 2008 to March 2009, and as a lawyer at Slaughter and May (Hong Kong Office) from September 2004 to July 2008. Mr. Zhou obtained a bachelor's degree in English teaching from Nanjing Institute of International Relations in July 1993 and a master's degree in law (LLM) from University of Southampton in July 2000.

III. POSITIONS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

(i) Position held in shareholder entities

Name	Name of shareholder entities	Position	Commencement time of tenure for the session	Ending time of tenure for the session
Shen Rujun	Central Huijin Investment Ltd.	Vice Chairman	March 2020	Up to now
		Executive Director	November 2018	
		General Manager	November 2018	
Tan Lixia	Haier Group (Qingdao) Jinying Holding Co., Ltd.	Chairman	July 2014	Up to now
Duan Wenwu	China National Investment and Guaranty Corporation	Chairman	May 2020	Up to now
Cui Zheng	Central Huijin Investment Ltd.	Head of Legal Compliance Division of the General Management Department	February 2020	Up to now

(ii) Position held in other entities

Name	Name of entities	Position	Commencement time of tenure for the session	Ending time of tenure for the session
Shen Rujun	China Investment Corporation	Member of the Party Committee	October 2018	Up to now
		Vice General Manager	October 2018	
		Executive Director	June 2020	
Huang Zhaohui	Capital Healthtech Incubation Engineering Foundation (首都醫療科技成果轉化公益基金會)	Director	June 2022	Up to now

Name	Name of entities	Position	Commencement time of tenure for the session	Ending time of tenure for the session
Tan Lixia	Haier Group Corporation	Vice Chairwoman of the Board	November 2021	
		Executive Vice President	February 2016	
	Haier Cosmo Shareholding Company	Director	September 2014	
	Chongqing Haier Money Co., Ltd. (重慶海爾小額貸款有限公司)	Chairman	March 2014	
	Haier Group Holding Co., Ltd. (海爾集團控股有限公司)	Director, General Manager	May 2015	Up to now
	Qingdao Haicuba Equity Investment Management Co., Ltd. (青島海立方舟股權投資管理有限公司)	Chairman	July 2015	
	INKON Life (Chongqing) Technology Co., Ltd. (盈康一生(重慶)科技有限公司)	Director	May 2018	
	Qingdao Haier Biomedical Holding Co., Ltd.	Chairman	August 2018	
	Haier Financial Factoring (Chongqing) Co., Ltd. (海爾金融保理(重慶)有限公司)	Chairman	April 2016	July 2022
	Zhe Jiang Xunchi Digital Technology Co., Ltd. (浙江迅弛數字科技有限公司, formally known as Zhejiang Haier Network Technology Co., Ltd. (浙江海爾網絡科技有限公司))	Director	January 2014	July 2022
Haier Consumer Finance Co., Ltd.	Director	December 2020	September 2022	

Directors, Supervisors, Senior Management and Employees

Name	Name of entities	Position	Commencement time of tenure for the session	Ending time of tenure for the session
Duan Wenwu	I&G Enriching Asset Management (Beijing) Co., Ltd.	Chairman	July 2019	Up to now
	China Insurance Technology Financing Guarantee Co., Ltd (中投保科技融資擔保有限公司)	Chairman	April 2020	
	Zhejiang Santan Technology Co., Ltd. (浙江三潭科技股份有限公司)	Chairman	August 2019	June 2022
Liu Li	Everwin Capital Investment Management Co., Ltd. (久盈資本投資管理有限公司)	Director	October 2016	Up to now
	Shenzhen MFExchange Financial Information Service Co. Ltd.	Director	March 2017	
	China United SME Guarantee Corporation	Supervisor	May 2020	
	Guomin Pension & Insurance Company Limited (國民養老保險股份有限公司)	Independent Director	May 2022	
	YOU+ BANK (中郵惠萬家銀行有限責任公司)	Independent Director	September 2022	
Ng Kong Ping Albert	Shanghai Cheng'an M&A Equity Investment Management Co., Ltd. (上海承安併購股權投資管理有限公司)	Chairman/General Manager	July 2020	Up to now
Lu Zhengfei	Shenwan Hongyuan Securities Co., Ltd.	Independent Director	May 2018	Up to now
	CMB International Capital Corporation Limited	Independent Director	January 2020	
	Zhejiang Tailong Commercial Bank Co., Ltd. (浙江泰隆商業銀行股份有限公司)	Independent Supervisor	July 2022	
Jin Lizuo	Shanghai Yongjia Xinfeng Management Co., Ltd.	Supervisor	January 2001	Up to now
	NetBrain Technologies Inc.	Director	August 2012	

Name	Name of entities	Position	Commencement time of tenure for the session	Ending time of tenure for the session
Chu Gang	Global Bridge Capital Management, LLC	Member of the board of directors	September 2021	Up to now
Wong King Fung	Krane Funds Advisors, LLC ¹³	Director	August 2019	March 2022
Wu Bo	Putai Aspect Investment Management Co., Ltd. (浦泰寬立投資管理有限公司)	Vice Chairman	March 2017	Up to now
Wang Shuguang	Caixin Zhongjin (Hunan) Private Equity Investment Management Co., Ltd. (財信中金(湖南)私募股權投資管理有限公司)	Director	July 2021	March 2023
	Henan Zhongjin Huirong Private Equity Fund Management Co., Ltd. (河南中金匯融私募基金管理有限公司)	Director	April 2022	September 2022
Zhang Fengwei	Zheshang Jinhui Trust Co., Ltd. (浙商金匯信託股份有限公司)	Supervisor	August 2020	Up to now
Other issues	For other major positions, please refer to the "Biographies of Directors, Supervisors and Senior Management" of this section in this report			

¹³ Including its subsidiary Gobe Wealth Management, LLC

IV. REMUNERATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

(i) Procedures for determining the remuneration of Directors, Supervisors and senior management

The Remuneration Committee, established by the Board of the Company, is responsible for developing and implementing a performance evaluation system that is adaptive to the changing market, a competitive remuneration policy, reward and punishment measures that are linked to the operation and performance of our Company and a deferred remuneration distribution mechanism in compliance with regulatory requirements, according to the characteristics of the financial and securities industries, the main scopes, duties and importance of the positions of Directors and members of senior management, and the remuneration levels of the relevant positions in comparable companies. The Remuneration Committee reviews and approves the management's remuneration proposals with reference to the corporate goals and objectives formulated by the Board of Directors and makes recommendations to the Board of Directors on our Company's policy and structure for remuneration of all Directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policy. The Remuneration Committee reviews the performance of duties of the Directors and senior management, carries out annual performance appraisals and makes recommendations to the Board of Directors on the remuneration packages of Directors and senior management (including non-monetary benefits, pension rights and compensation payments (including any compensation payable for loss or termination of their office or appointment)). The Remuneration Committee shall consider factors such as characteristics of the financial and securities industries, salaries paid by comparable companies, time commitment and responsibilities of the Directors and senior management, individual performance, employment conditions elsewhere in our Company when considering remuneration packages.

The remuneration of the Directors and Supervisors is subject to approval by the Shareholders at shareholders' general meetings, whereas the remuneration of members of senior management is subject to approval by the Board of Directors.

(ii) Basis for determining the remunerations of the Directors, Supervisors and senior management

When determining the remuneration of Directors, Supervisors and senior management, we will consider factors such as characteristics of the financial and securities industries, salaries paid by comparable companies, time commitment and responsibilities of the Directors and senior management, individual performance, employment conditions elsewhere in our Company.

(iii) Actual payment of remunerations of senior management

In 2022, the annual remuneration of the members of the senior management of the Company by band is set out below:

Band of remuneration	Number of individuals
RMB1 to RMB1,000,000	1
RMB1,000,001 to RMB2,000,000	2
RMB2,000,001 to RMB3,000,000	7
RMB3,000,001 to RMB4,000,000	4

Note: The annual remuneration of the members of the senior management of the Company is the remuneration accrued and distributed for 2022 earned by who served as senior management of the Company during the Reporting Period.

V. CHANGES IN DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

(i) Change in Directors and Composition of the Special Committees

Name	Position	Changes	Reason for change
Ng Kong Ping Albert	Independent non-executive Director	Elected	Note 1
Lu Zhengfei	Independent non-executive Director	Elected	
Siu Wai Keung	Independent non-executive Director	Resigned	Note 2
Ben Shenglin	Independent non-executive Director	Resigned	
Zhu Hailin	Non-executive Director	Resigned	Note 3

Notes:

- With the approval of the shareholders' general meeting of the Company, Mr. Ng Kong Ping Albert and Mr. Lu Zhengfei were appointed as independent non-executive Directors of the Company. With the approval of the Board of the Company, Mr. Ng Kong Ping Albert was appointed as the chairman of the Audit Committee and the Related-Party Transaction Control Committee, and the member of each of the Remuneration Committee and the Risk Management Committee of the Board of the Company, and Mr. Lu Zhengfei was appointed as the chairman of the Risk Management Committee, and the member of each of the Nomination and Corporate Governance Committee and the Audit Committee of the Board of the Company. The aforementioned term of office shall start from June 23, 2022 to the date of expiration of the term of office of the second session of the Board of the Company (where a member ceases to hold the position of Director of the Company during his or her term of office, he or she will lose the membership of the special committees of the Board automatically).
- Mr. Siu Wai Keung and Mr. Ben Shenglin have resigned from the office of independent non-executive Directors and positions of the relevant special committees of the Board of the Company with effect from June 23, 2022, after serving for six consecutive years.
- Due to work arrangement, Mr. Zhu Hailin tendered his resignation to the Board on July 27, 2022 to resign from the office of the non-executive director of the Company and the member of each of the Strategy and ESG Committee, the Audit Committee and the Risk Management Committee of the Board with effect from the same date.
- As of the Latest Practicable Date, the term of office of the second session of the Board and the Supervisory Committee of the Company have expired. The Company is actively promoting the re-election of the Board and the Supervisory Committee and will make timely disclosure. In order to ensure the continuity of the work of the Board and the Supervisory Committee of the Company, the second session of the Board and the Supervisory Committee of the Company will continue to perform their duties in accordance with the relevant laws and regulations and the *Articles of Association* until the completion of the re-election work.

(ii) Change in Supervisors

During the Reporting Period and up to the Latest Practicable Date, there was no change in Supervisors.

(iii) Changes in Senior Management

Name	Position	Changes	Reason for change
Xu Yicheng	Member of the Management Committee	Appointed	Note 1
	Assistant President	Ceased to serve	
Wang Jianli	Member of the Management Committee	Appointed	
Wang Shuguang	Member of the Management Committee	Appointed	
Huang Haizhou	Member of the Management Committee	Resigned	Note 2
Wang Sheng	Member of the Management Committee	Resigned	Note 3

Notes:

1. After consideration and approval by the Board of the Company, Mr. Xu Yicheng, Mr. Wang Jianli and Mr. Wang Shuguang were appointed as members of the Management Committee of the Company, with effect from January 13, 2023. Mr. Xu Yicheng ceased to serve as the Assistant President at the same date.
2. After consideration and approval by the Board of the Company, Mr. Huang Haizhou ceased to serve as a member of the Management Committee of the Company due to age, with effect from June 23, 2022.
3. After consideration and approval by the Board of the Company, Mr. Wang Sheng ceased to serve as a member of the Management Committee of the Company due to work arrangement, with effect from July 13, 2022.

Save from the above-mentioned changes, there was no other change in Directors, Supervisors and senior management of our Company as of the Latest Practicable Date.

VI. PENALTIES IMPOSED ON DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT BY SECURITIES REGULATORY AUTHORITIES DURING RECENT THREE YEARS

As of the end of the Reporting Period, no current or resigned Directors, Supervisors or senior management of the Company were subject to any penalties imposed by securities regulatory authorities in recent three years.

VII. EMPLOYEES AND REMUNERATION

(I) Number and Composition of Employees

As of the end of the Reporting Period, the Group had 15,168 employees, a net increase of 1,611 compared with December 31, 2021. The Group has been actively creating job opportunities for outstanding talents. Among our employees, 14,087 were based in the Mainland China and 1,081 were based in Hong Kong SAR, Singapore, the United States, the United Kingdom, Japan, Germany and other places, representing 93% and 7%, respectively, of the total number of our Group's employees. Approximately 42% and 55% of our Group's employees had obtained bachelor's degrees or master's degrees and above, respectively. Moreover, approximately 30% of our Group's employees and 43% of our managing directors had overseas education or working experience. The breakdown details are as follows:

Number of staff employed by the parent company	6,501
Number of staff employed by major subsidiaries	8,667
Total number of staff employed	15,168
Number of retired employees for whom the parent company and major subsidiaries should bear costs	–

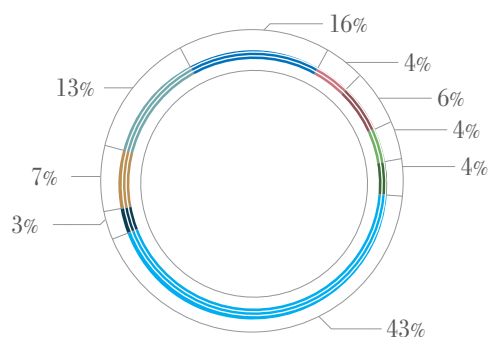
Business segments and departments	Number of person	Percentage of total (%)
Investment banking	2,410	16
Equities business	613	4
FICC	893	6
Asset management	554	4
Private Equity	584	4
Wealth management	6,505	43
CICC International ¹	30	0
Research	525	3
Information technology ²	1,056	7
Middle and back offices	1,998	13
Total	15,168	100

Educational background	Number of person	Percentage of total (%)
Doctors or above	233	1
Masters	8,146	54
Bachelors	6,395	42
Associate degree and below	394	3
Total	15,168	100

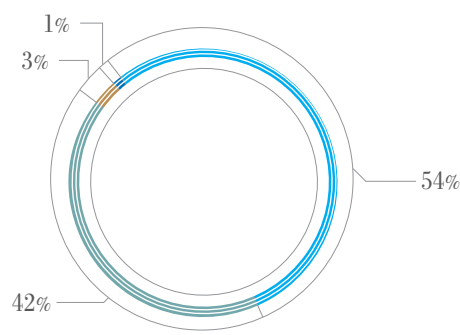
Note 1: CICC implements matrix management for international business, where CICC International refers to the dedicated management team that drives international business development.

Note 2: CICC adopts a federation-based organizational structure for information technology, with the staff of the Information Technology Department an important part of the federal structure.

Profession Structure of Employees



Educational Background of Employees



- Investment banking
 - Equities business
 - FICC
 - Asset management
 - Private equity
- Wealth management
 - Research
 - IT
 - Middle and back offices
- Doctors or above
 - Masters
 - Bachelors
 - Associate degree and below

Our Company considers that an outstanding and motivated team is the foundation for our Company’s sustainable growth, and our Company has made significant investment in human resources development. Our Company recruits and cultivates professionals through a range of human resources management tools, including a strict recruitment and selection process, a competitive remuneration structure, an efficient performance evaluation system and long-term employee development schemes.

As of the end of the Reporting Period, the proportion of male employees and female employees (including senior management) is 47% and 53% respectively. The Group fully respects individual differences in talent and is committed to providing equal opportunities for its employees. The Group expects to maintain a reasonable level of gender diversity at the employee level.

(II) Talent Management Mechanism

Our Company attaches great importance to the organization and development of talents, and continues to enhance the assessment system in line with the Company's strategy. We optimize performance appraisal, separate and implement the indicators and targets, and design customized assessment plans for different groups. We establish a scientific management system for the management personnel, design a diversified talent review plan, and strengthen the construction of talent echelon in an all-round manner to enhance our organizational capabilities. We also strengthen the construction of incentive mechanism and pay attention to the long-term consistency between the interests of employees and those of the Company. Meanwhile, we further strengthen the construction of corporate culture, continue to publicize and implement corporate cultural content, and explore the relationship among culture, organization, and talents to promote the implementation of culture.

(III) Remuneration Policy

Consistent with market practice, the remuneration structure of our Company's employees consists of basic salary, which is determined according to the particular position, requirements of qualifications, working experience and market demand, and a bonus which is determined according to the employee's performance. As of the end of 2022, the Group had a total of 15,168 employees. In 2022, the total amount of salaries, bonus, allowance and subsidies provided by the Company to employees was RMB9,820.1 million. Our Company provides employees with statutory benefits such as social insurance in accordance with laws and regulations, and provides employees with supplementary benefits such as corporate annuities in light of the Company's actual condition. A small portion of our Company's supporting employees are contracted through third-party employment agencies and our Company pays salaries and statutory social welfare contributions for these employees. Our Company provides employees of overseas offices with benefits in compliance with local laws and regulations. Our Company encourages the employees to hold directly or indirectly, on a voluntary basis, the Shares of our Company on the premise that the requirements of applicable laws, regulations and other relevant regulatory authorities have been complied with.

(IV) Training Plans

Our Company has built a internal training system with diverse contents and forms for employees, and continuously enriches our training resources to improve the study experience of employees, with an aim to simultaneously promote the career development of employees and the business development of the Company. During the Reporting Period, our Company provides various types of training programs for employees, including new employee orientation, professional skills training, management skills training and an executive development training program to improve their general and professional skills. In addition, our Company also organized a number of thematic trainings for specific target audience to promote the culture of risk awareness, enhance employees' understanding of and compliance with applicable laws, regulations, regulatory guidelines and internal policies.

(V) Relationship with Employees

During the Reporting Period and up to the Latest Practicable Date, our Company had not experienced any labor strikes or other material labor disputes of our employees that affected our Company's operations. Our Company has maintained a good relationship with our employees.

(VI) Client Solicitation and Client Services by the Brokers Entrusted by the Company

As of the end of the Reporting Period, the Company had 49 securities brokers.

The Company has established a sound management system to manage brokers in a unified manner, which covers qualification management, training management, performance appraisal, code of conduct, certificate management, compliance risk management and other aspects. All branches of the Company are required to strictly implement relevant regulations in the daily management of marketing personnel.

(VII) Labor Outsourcing: Not applicable

CORPORATE GOVERNANCE REPORT

I. OVERVIEW OF CORPORATE GOVERNANCE

As a leading investment bank with Chinese roots and international reach, and a company registered in China and listed on the SSE as well as the Hong Kong Stock Exchange, the Company operates in strict accordance with the laws, regulations and normative documents issued in Mainland China and Hong Kong, and has established a sound and complete corporate governance structure composed of the Shareholders' General Meeting, the Board of Directors, the Supervisory Committee and the management of the Company in accordance with the requirements of the *Company Law*, the *Securities Law*, the *Rules on Supervision over Securities Companies*, the *Code of Corporate Governance for Securities Companies* and other laws, regulations and normative documents, contributing to the establishment of a complete corporate governance system of deliberation, decision-making, authorization and implementation with clear authority and responsibility, standardized operation, mutual coordination and checks and balances among the organ of power, the organ of decision-making, the organ of supervision and the management.

In accordance with the relevant laws, regulations and normative documents, the Company has formulated the *Articles of Association*, the *Rules of Procedures of Shareholders' General Meeting*, the *Rules of Procedures of the Meeting of Board of Directors*, the *Rules of Procedures of the Meeting of Supervisory Committee*, the *Rules of Procedures of Management Committee* and other corporate governance policies. The scope of authority and responsibility and work procedures of the Shareholder's General Meeting, the Board of Directors, the Supervisory Committee and the management of the Company are further clarified, which provides institutional guarantee for the standardized operation of the Company. Meanwhile, the Board established the Strategy and ESG Committee, the Remuneration Committee, the Nomination and Corporate Governance Committee, the Audit Committee, the Risk Management Committee and the Related-Party Transaction Control Committee, and also developed rules of procedures for these committees and clearly defined their respective duties and powers and rules of procedures.

The Company believes that adhering to a high level of corporate governance distinguishes our Company from other companies and helps us establish a healthy and stable relationship with Shareholders. The Shareholder's General Meetings, meetings of the Board of Directors and meetings of the Supervisory Committee of the Company are held in accordance with the *Articles of Association* and relevant rules of procedures. During the Reporting Period, there was no material difference between the actual situation of the Company's corporate governance and laws, administrative regulations and the requirements of the CSRC on the governance of listed companies. Our Company strictly complied with the *Corporate Governance Code*, followed all code provisions and met the requirements of part of the recommended best practices set out in the *Corporate Governance Code*.

The organization chart of our Company is set out in "Company Profile – Other Information of the Company – Organizational Structure of the Company" in this report.

II. SPECIFIC MEASURES TAKEN BY THE CONTROLLING SHAREHOLDER AND ACTUAL CONTROLLER OF THE COMPANY TO ENSURE THE INDEPENDENCE OF THE COMPANY'S ASSETS, PERSONNEL, FINANCE, ORGANIZATION AND BUSINESS, AS WELL AS SOLUTIONS, PROGRESS AND SUBSEQUENT PLAN AGAINST THE EFFECT TOWARDS THE COMPANY'S INDEPENDENCE

The Company operates in strict accordance with relevant provisions of the *Company Law* and the *Articles of Association*. We have established and improved our corporate governance structure to ensure the independence of our assets, personnel, finance, organization and business from the controlling shareholder and other companies controlled by it. The Company has a complete business system and the ability to operate independently in the market, and the independence of the Company has not been affected by the controlling shareholder. The basic information of Central Huijin, the Company's controlling shareholder, and controlling interests and investments in other major companies are set out in "Changes in Shares and Information of Shareholders– Controlling Shareholder and Actual Controller – Controlling Shareholder" in this report.

Businesses of the controlling shareholder, actual controller and other entities under their control that are the same or similar businesses as the Company, as well as the impact, solutions, and measures taken, progress and subsequent plan in relation to any peer competition or any major changes thereof

Not applicable. The Company has no peer competition with Central Huijin. Central Huijin has also made undertakings to avoid peer competition with the Company in connection with the A Share Offering and Listing of the Company.

III. SHAREHOLDERS AND SHAREHOLDERS' GENERAL MEETINGS

(i) Rights of Shareholders' General Meetings and Shareholders

The shareholders' general meeting is the body exercising the highest authority of our Company and shall exercise the powers and duties in accordance with the laws, the *Articles of Association* and the *Rules of Procedures of the Shareholders' General Meeting*. Our Company convened and held the shareholders' general meetings in strict compliance with the *Articles of Association*, the *Rules of Procedures of the Shareholders' General Meeting* and relevant rules and procedures such that all Shareholders are treated equally and can exercise their rights comprehensively, transparently and fully.

The shareholders' general meeting provides opportunities for constructive communications between our Company and its Shareholders. Our Company welcomes Shareholders to attend shareholders' general meetings and makes appropriate arrangements for the shareholders' general meetings to encourage Shareholders' participation. Our Company's Directors, Supervisors and senior management will attend the shareholders' general meetings, and shall also ensure that the external auditors will attend annual general meetings to answer the relevant questions raised by the Shareholders. If Shareholders fail to attend such meetings, they can appoint proxies to attend and vote at the meetings for and on their behalves. Our Company highly values the opinions, suggestions and concerns of the Shareholders and has assigned dedicated persons to proactively carry out various types of investor relation activities to keep in contact with the Shareholders and timely meet their reasonable demands.

Our Company's website (<http://www.cicc.com>) provides the Shareholders with Group information, such as major business activities and the latest developments of the Group, the Group's corporate governance, the structure and functions of the Board and each of the committees of our Company. To serve as a channel promoting effective communication with the Shareholders, our Company's website also publishes announcements, circulars, notices of the shareholders' general meeting, financial data and other information of our Company required to be disclosed under the Listing Rules from time to time through the "Investor Relations" section. Our Company encouraged Shareholders to make enquiries by phone or email or write directly to the office address of our Company, which will be dealt with appropriately in a timely manner. Please refer to "Company Profile" in this report for the contact details.

The Shareholders may propose to convene an extraordinary general meeting or shareholders' class meeting and put forward proposals at the meetings pursuant to the *Articles of Association*. The Shareholders may attend and vote at the shareholders' general meetings in person or by proxy. The resolutions of the meetings and the attendance records signed by the attending Shareholders and instruments of proxy shall be kept at our Company's principal address. The Shareholders may inspect the copy of the resolutions of the meetings during our Company's business hours free of charge. The *Articles of Association* is set out on the websites of our Company, the HKEX and the SSE.

Our Company shall arrange the Directors, Supervisors and senior management to answer the questions raised by the Shareholders during the 2022 Annual General Meeting. Detailed procedures of voting and proposals will be contained in the information or circular of the shareholders' general meetings.

(ii) Overviews of Shareholders' General Meetings

During the Reporting Period, our Company convened four shareholders' general meetings (including shareholders' class meetings), the details and resolutions of which are as follows:

1. On June 23, 2022, the 2021 Annual General Meeting of the Company was held and the following resolutions were considered and approved: the *Proposal regarding the Amendments to the Articles of Association*; the *Proposal regarding the 2021 Work Report of the Board of Directors*; the *Proposal regarding the 2021 Work Report of the Supervisory Committee*; the *Proposal regarding the 2021 Annual Report*; the *Proposal regarding the 2021 Profit Distribution Plan*; the *Proposal regarding the Re-appointment of the Accounting Firms*; the *Proposal regarding the 2022 Annual Estimation for Daily Related-party Transactions*; the *Proposal regarding the Election of Mr. Ng Kong Ping Albert as an Independent Non-executive Director*; and the *Proposal regarding the Election of Mr. Lu Zhengfei as an Independent Non-executive Director*.
2. On October 24, 2022, the 2022 First Extraordinary General Meeting of the Company was held and the following resolutions were considered and approved: the *Proposal regarding the Satisfaction of the Conditions for the Rights Issue by the Company*; the *Proposal regarding the 2022 Rights Issue Plan of the Company*; the *Proposal regarding the Plan on Public Issuance of Securities by Way of Rights Issue in 2022 of the Company*; the *Proposal regarding the Authorization to the Board of Directors and Its Authorized Person(s) to Deal with Matters in Connection with the 2022 Rights Issue of the Company*; the *Proposal regarding the Report on the Use of Previously Raised Proceeds of the Company*; the *Proposal regarding the 2022 Feasibility Analysis Report on the Use of Proceeds from the Rights Issue of the Company*; the *Proposal regarding the Risk Reminder of and Remedial Measures for Dilution of Immediate Returns as a Result of the Proposed Rights Issue to the Existing Shareholders and the Undertakings by the Relevant Parties of the Company*; the *Proposal regarding Exempting Central Huijin from Making an Offer under the Applicable PRC Laws and Regulations*; and the *Proposal regarding the Whitewash Waiver in relation to Waiving the Obligation of Central Huijin to Make a Mandatory General Offer*.
3. On October 24, 2022, the 2022 First A Shareholders' Class Meeting of the Company was held and the following resolutions were considered and approved: the *Proposal regarding the Satisfaction of the Conditions for the Rights Issue by the Company*; the *Proposal regarding the 2022 Rights Issue Plan of the Company*; the *Proposal regarding the Plan on Public Issuance of Securities by Way of Rights Issue in 2022 of the Company*; the *Proposal regarding the Authorization to the Board of Directors and Its Authorized Person(s) to Deal with Matters in Connection with the 2022 Rights Issue of the Company*; the *Proposal regarding the 2022 Feasibility Analysis Report on the Use of Proceeds from the Rights Issue of the Company*; and the *Proposal regarding the Risk Reminder of and Remedial Measures for Dilution of Immediate Returns as a Result of the Proposed Rights Issue to the Existing Shareholders and the Undertakings by the Relevant Parties of the Company*.

4. On October 24, 2022, the 2022 First H Shareholders' Class Meeting of the Company was held and the following resolutions were considered and approved: the *Proposal regarding the Satisfaction of the Conditions for the Rights Issue by the Company*; the *Proposal regarding the 2022 Rights Issue Plan of the Company*; the *Proposal regarding the Plan on Public Issuance of Securities by Way of Rights Issue in 2022 of the Company*; the *Proposal regarding the Authorization to the Board of Directors and Its Authorized Person(s) to Deal with Matters in Connection with the 2022 Rights Issue of the Company*; the *Proposal regarding the 2022 Feasibility Analysis Report on the Use of Proceeds from the Rights Issue of the Company*; and the *Proposal regarding the Risk Reminder of and Remedial Measures for Dilution of Immediate Returns as a Result of the Proposed Rights Issue to the Existing Shareholders and the Undertakings by the Relevant Parties of the Company*.

Announcements on the resolutions of the above shareholders' general meetings were also published on HKEXnews website (www.hkexnews.hk), SSE website (www.sse.com.cn) and the Company's website (www.cicc.com) on the date of the meetings.

IV. BOARD OF DIRECTORS AND PERFORMANCE OF DUTIES

(i) Duties of the Board of Directors and the Management

The Board exercises the powers and duties set out in the *Articles of Association*, and shall be accountable to the shareholders' general meeting. The duties of the Board include but are not limited to being responsible for convening the shareholders' general meetings and reporting its work thereto; implementing resolutions adopted at the shareholders' general meetings; deciding the business plans and investment programs of our Company; formulating profit distribution plans and loss recovery plans of our Company; making decisions on the establishment of our Company's internal management bodies; appointing or dismissing the senior management of our Company and deciding on matters concerning the remuneration of the senior management; and other functions and powers prescribed by the relevant laws, regulations, securities regulatory rules of the place where the Company's shares are listed or the *Articles of Association* and authorized by the shareholders' general meeting. The management of our Company is responsible for carrying out the resolutions or decisions of the Board and other duties specified in the *Articles of Association*.

(ii) Composition of the Board of Directors

Our Company strictly complies with the requirements under the *Articles of Association* and relevant rules in respect of the appointment of the Directors. Directors are elected by the shareholders' general meeting to serve a term of 3 years and are eligible for re-election upon the expiration of the term. The Board meetings were convened in accordance with the *Articles of Association* and the *Rules of Procedures of the Board of Directors*.

As at the end of the Reporting Period, the Board of our Company comprises eight Directors, including one executive Director (Mr. Huang Zhaohui), three non-executive Directors (Mr. Shen Rujun, Ms. Tan Lixia and Mr. Duan Wenwu) and four independent non-executive Directors (Mr. Liu Li, Mr. Ng Kong Ping Albert, Mr. Lu Zhengfei and Mr. Peter Hugh Nolan). None of the Directors, Supervisors and senior management is related to other Directors, Supervisors and members of the senior management of our Company. For the details in the changes of Directors, please refer to “Directors, Supervisors, Senior Management and Employees – Changes in Directors, Supervisors and Senior Management” in this report.

Our Company has received the annual confirmation of independence from each of the independent non-executive Directors pursuant to Rule 3.13 of the *Listing Rules of the Stock Exchange*. Our Company believes that each independent non-executive Director is independent as specified in the Listing Rules. Independent non-executive Directors are able to exercise independent and objective judgments and protect the interests of minority shareholders.

The biographies of all Directors are set out in “Directors, Supervisors, Senior Management and Employees – Biographies of Directors, Supervisors and Senior Management” in this report.

(iii) Board of Directors Diversity Policy

The Nomination and Corporate Governance Committee under the Board has adopted a Board of Directors Diversity Policy concerning the diversity of Board members pursuant to Rule 13.92 of the *Listing Rules of the Stock Exchange*. Our Company considers increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and sustainable development. In designing the composition of the Board, diversity of the Board members has been considered from a number of aspects, including but not limited to gender, age, cultural, educational background, professional experience and other factors. All appointments of the Board will be based on meritocracy, and candidates will be considered against objective criteria with due regard for the benefits of diversity on the Board. Selection of candidates will be based on a range of diversity perspectives, the ultimate decision will be made based on meritocracy and contribution that the selected candidates can bring to the Board. The composition of the Board will be disclosed in the *Corporate Governance Report* annually. For further details about the Board of Directors Diversity Policy, please refer to Appendix I to the *Terms of Reference of the Nomination and Corporate Governance Committee of the Board of Directors* of our Company, which has been published on the websites of our Company, the Hong Kong Stock Exchange and the SSE.

The Nomination and Corporate Governance Committee annually reviews and monitors the implementation of the Board of Directors Diversity Policy to ensure its effectiveness. The Nomination and Corporate Governance Committee heard and discussed about the *Report on the Composition of the Board and the Diversity of the Board Members* of the Company on October 28, 2022 and no revision was needed out of the diversity considerations.

As of the Latest Practicable Date, the diversity analysis of the Board of the Company is as follows:

Item	Type	As a percentage of	
		Number	Board members
Gender	Male	7	87.5%
	Female	1	12.5%
Age	55 or below	2	25.0%
	55-60	3	37.5%
	60 or above	3	37.5%
Position	Executive Director	1	12.5%
	Non-executive Director	3	37.5%
	Independent non-executive Director	4	50.0%
Educational background	Doctoral degree	4	50.0%
	Master's degree	4	50.0%

The Board of Directors consists of professionals from different professional backgrounds, such as economics, finance, accounting, management, with different genders and ages, of which women Directors account for 12.5% of the total number of the Board of Directors. The composition of the Board of Directors is in line with the requirements relating to gender diversity of the members of the Board of Directors specified in *the Listing Rules of the Stock Exchange*, and in line with the diversification policy formulated by the Company. The Company values the importance and benefits of gender diversity of the members of the Board of Directors, and the Company's nomination policy ensures that the Board of Directors will have a potential successor to continue the existing gender diversity of the Board of Directors.

(iv) Independent Views and Input in the Board of Directors

The Board of Directors has established relevant mechanisms to ensure that the Board of Directors obtain independent views and input. According to the *Articles of Association* and the *Policy on the Work of Independent Directors*, the number of independent non-executive Directors in the Board of Directors of the Company shall be no less than 3 and shall constitute no less than one third of the Board of Directors.

Our Company has also formulated the *Policy on the Work of Independent Directors*, which stipulates the qualifications and duties of independent non-executive Directors, and clarifies that the Company shall provide necessary conditions for independent non-executive Directors to effectively exercise their functions and powers. The Nomination and Corporate Governance Committee strictly complies with the independence assessment criteria in the Listing Rules relating to the nomination and appointment of independent non-executive Directors, and the Company also assesses the independence of independent non-executive Directors annually to ensure that they can make independent judgments in a continuous manner. As equity-based remuneration with performance-related elements may lead to biased decision-making and affect objectivity and independence, the Company does not grant such remuneration to independent non-executive Directors.

According to the *Articles of Association* and the *Policy on the Work of Independent Directors*, in addition to the functions and powers conferred by the *Company Law* and other laws and regulations and with the consent of more than half or all of the independent non-executive Directors, the independent non-executive Directors may also exercise the following functions and powers: submit significant related party transactions that approved by them to the Board of Directors for discussion; propose to appoint or dismiss the accounting firm and to give prior approval for appointment or dismissal of the accounting firm by the Company; propose to convene an extraordinary general meeting and propose to convene a Board meeting.

During the Reporting Period, the Company fully complied with the above regulations, and implemented effective mechanisms to ensure that there were strong and sufficient independent elements on the Board of Directors. The independent non-executive Directors of the Company shall also submit an annual work report to the annual general meeting.

(v) Convening of the Board meetings

During the Reporting Period, the Board of Directors convened 7 meetings (including 2 meetings held by way of written resolution and written ballots, and 5 meetings held by way of onsite meeting, teleconference and video conference), and the details and resolutions of which are as follows:

1. On March 30, 2022, the twenty-first meeting of the second session of the Board was held and the following resolutions were considered and approved: the *Proposal regarding the 2021 Compensation Distribution Plan for the Senior Management*; the *Proposal regarding the 2021 Work Report of the Board of Directors*; the *Proposal regarding the 2021 Annual Report*; the *Proposal regarding the 2021 Social Responsibility and Environmental, Social and Governance Report*; the *Proposal regarding the 2021 Profit Distribution Plan*; the *Proposal regarding the Re-appointment of the Accounting Firms*; the *Proposal regarding the 2022 Annual Estimation for Daily Related-party Transactions*; the *Proposal regarding the 2021 Annual Compliance Report*; the *Proposal regarding the 2021 Internal Control Assessment Report*; the *Proposal regarding the 2021 Risk Assessment Report*; the *Proposal regarding the 2021 IT Efficiency and Effect Assessment Report*; the *Proposal regarding the Amendments to the Articles of Association and the Rules of Procedures of Management Committee (Trial)*; the *Proposal regarding the Change of Name of the Strategy Committee of the Board of Directors and the Amendments to the Terms of Reference of the Committee*; the *Proposal regarding the Election of Independent Non-executive Directors*; the *Proposal regarding the 2021 Annual Work Report of Independent Non-Executive Directors*; the *Proposal regarding the Request to Convene the 2021 Annual General Meeting*; and the *Proposal regarding the Adjustment of Internal Organization*;
2. On April 29, 2022, the twenty-second meeting of the second session of the Board was held and the following resolutions were considered and approved: the *Proposal regarding the 2022 First Quarterly Report*; the *Proposal regarding the Amendments to the Risk Management Policy*; and the *Proposal regarding the Bond Information Disclosure*;
3. On June 23, 2022, the twenty-third meeting of the second session of the Board was held and the following resolutions were considered and approved: the *Proposal regarding the Adjustments to the Composition of the Special Committees of the Board of Directors*; and the *Proposal regarding the Adjustment to the Composition of the Management Committee*;
4. On July 13, 2022, the twenty-fourth meeting of the second session of the Board was held and the following resolutions were considered and approved: the *Proposal regarding the Adjustment to the Composition of the Management Committee*; and the *Proposal regarding the 2022 Total Amount of External Donations*;
5. On August 30, 2022, the twenty-fifth meeting of the second session of the Board was held and the following resolutions were considered and approved: the *Proposal regarding the 2022 Interim Report*; the *Proposal regarding the 2022 Operating Plan*; and the *Proposal regarding the Application for the Business Qualification of Market-Making Transactions in Listed Securities and Conduction of Market-Making Business of STAR Market Stocks*;

6. On September 13, 2022, the twenty-sixth meeting of the second session of the Board was held and the following resolutions were considered and approved: the *Proposal regarding the Satisfaction of the Conditions for the Rights Issue by the Company*; the *Proposal regarding the 2022 Rights Issue Plan of the Company*; the *Proposal regarding the Plan on Public Issuance of Securities by Way of Rights Issue in 2022 of the Company*; the *Proposal regarding the Authorization to the Board of Directors and Its Authorized Person(s) to Deal with Matters in Connection with the 2022 Rights Issue of the Company*; the *Proposal regarding the Determination of the Person(s) Authorized by the Board of Directors for Matters in connection with the 2022 Rights Issue of the Company*; the *Proposal regarding the Report on the Use of Previously Raised Proceeds of the Company*; the *Proposal regarding the 2022 Feasibility Analysis Report on the Use of Proceeds from the Rights Issue of the Company*; the *Proposal regarding the Risk Reminder of and Remedial Measures for Dilution of Immediate Returns as a Result of the Proposed Rights Issue to the Existing Shareholders and the Undertakings by the Relevant Parties of the Company*; the *Proposal regarding Seeking Shareholders' General Meeting's Approval on Exempting Central Huijin from Making an Offer*; the *Proposal regarding Seeking Shareholders' General Meeting's Approval on the Whitewash Waiver in Relation to Waiving the Obligation of Central Huijin to Make a Mandatory General Offer*; the *Proposal regarding the Establishment of the Independent Board Committee for the Matter of 2022 Rights Issue of the Company*; and the *Proposal regarding the Request to Convene the 2022 First Extraordinary General Meeting, 2022 First A Shareholders' Class Meeting and 2022 First H Shareholders' Class Meeting of the Company*;
7. On October 28, 2022, the twenty-seventh meeting of the second session of the Board was held and the following resolutions were considered and approved: the *Proposal regarding the 2022 Third Quarterly Report*; and the *Proposal regarding the Amendments to the Protection of Investor Rights and Interests Policy*.

(vi) Performance of Directors

1. Attendance at Board meetings and Shareholders' General Meetings/Shareholders' Class Meetings

Name	Independent Director or not	Attendance at Board meetings			Attendance at Shareholders' General Meetings/Shareholders' Class Meetings	
		Required attendance at meetings	Actual attendance at meetings in person	Actual attendance at meetings by proxy	Required attendance at meetings	Actual attendance at meetings
Shen Rujun	No	7	7	–	4	4
Huang Zhaohui	No	7	7	–	4	4
Tan Lixia	No	7	7	–	4	3
Duan Wenwu	No	7	6	1	4	4
Liu Li	Yes	7	7	–	4	4
Ng Kong Ping Albert	Yes	5	5	–	3	3
Lu Zhengfei	Yes	5	5	–	3	3
Peter Hugh Nolan	Yes	7	5	2	4	4
Siu Wai Keung (resigned)	Yes	2	2	–	1	1
Ben Shenglin (resigned)	Yes	2	2	–	1	1
Zhu Hailin (resigned)	No	4	4	–	1	1

Notes:

1. "Actual attendance at meetings in person" includes on-site attendance and participation in the meetings by way of teleconference, video conference and written ballots.
2. Mr. Peter Hugh Nolan was unable to attend the twenty-fifth and twenty-sixth meetings of the second session of the Board in person due to personal reasons, and entrusted Mr. Liu Li in writing to attend the meetings and vote on his behalf.

2. Directors' objections to relevant matters of the Company

During the Reporting Period, the Directors had no objections to relevant matters of the Company, and all the Directors voted for the proposals considered by the Board, with no waiver or opposition.

3. Training

The training and continuous professional development of Directors plays an important role in ensuring that Directors are kept abreast of the latest developments of the Company and understand their responsibilities under the relevant laws and regulations and the Company's business and governance policies, so as to assist them in performing their duties as Directors. During the Reporting Period, our Company provided orientation trainings for new Directors, and arranged trainings for all the Directors related to the duties and responsibilities as a director of a listed company in a variety of ways such as providing online training and written and video training materials. Meantime, we also proactively coordinated and supported Directors to participate in external trainings organized by the SSE, the CSRC and its branches, the China Association for Public Companies and other organizations. The trainings covered a broad range of topics including the information disclosure, insider dealing, corporate governance and the code of conduct of directors, supervisors and senior management under the Listing Rules, and recent regulatory developments and rule updates.

(vii) Chairman and Chief Executive Officer

During the Reporting Period, Mr. Shen Rujun and Mr. Huang Zhaohui serve as the Chairman of the Board and the Chief Executive Officer of the Company, respectively, and their powers and duties are clearly divided and specified in the *Articles of Association*. The Chairman of the Board is also the legal representative of the Company. The roles of the Chairman of the Board and the Chief Executive Officer are separate and are taken by different persons. A clear division of the management of the Board and the day-to-day management of the Company ensures a balance of power and authority, guarantees the independence of their duties and avoids excessive concentration of power in any individual.

The Chairman is responsible for overseeing the overall operations of the Group and formulating business and corporate development strategies, providing leadership for the Board, ensuring that the Board works effectively and performs its duties. The Chairman also ensures that good corporate governance practices and procedures are established and complied with and that the Board acts in the best interests of the Company and all Shareholders.

The Chief Executive Officer is in charge of the operation and management of the Group, organizing the implementation of the resolutions of the Board and reporting to the Board.

V. BOARD COMMITTEES AND PERFORMANCE OF DUTIES

(i) Composition of Board Committees

In accordance with the relevant PRC laws and regulations, the *Articles of Association* and the corporate governance practice prescribed in the Listing Rules, our Company has established six Board Committees, namely, the Strategy and ESG Committee, the Remuneration Committee, the Nomination and Corporate Governance Committee, the Audit Committee, the Risk Management Committee and the Related-Party Transaction Control Committee, to each of which certain responsibilities are delegated, so as to assist the Board in performing its duties from various aspects.

As at the end of the Reporting Period, the composition of each of Board Committee is listed as follows:

Name of Committees	Members of Committee
Strategy and ESG Committee	Shen Rujun (Chairman), Huang Zhaohui, Tan Lixia and Duan Wenwu
Remuneration Committee	Peter Hugh Nolan (Chairman), Tan Lixia and Ng Kong Ping Albert
Nomination and Corporate Governance Committee	Liu Li (Chairman), Shen Rujun, Lu Zhengfei and Peter Hugh Nolan
Audit Committee	Ng Kong Ping Albert (Chairman), Liu Li and Lu Zhengfei
Risk Management Committee	Lu Zhengfei (Chairman), Huang Zhaohui, Duan Wenwu, Liu Li and Ng Kong Ping Albert
Related-Party Transaction Control Committee	Ng Kong Ping Albert (Chairman), Liu Li and Peter Hugh Nolan

For details about the change of Directors' positions in Board Committees, please refer to the section headed "Directors, Supervisors, Senior Management and Employees – Change in Directors and Composition of the Special Committees" in this report.

(ii) Board Committees and Performance of Duties

1. Strategy and ESG Committee

(1) Functions of the Committee

In 2022, the Company renamed the Strategy Committee to the Strategy and ESG Committee, made corresponding amendments to *Terms of Reference of the Strategy Committee of the Board of Directors*, and increased the duties related to ESG. The primary duties of the Strategy and ESG Committee include, but are not limited to, the following: 1) conducting research on our Company's short, medium and long-term development strategies or other relevant issues; 2) providing suggestions for our Company's long-term development strategies, major investments, reforms and other major decisions; 3) analyzing and understanding ESG related policies; advising on ESG governance related decisions of the Company; reviewing ESG reports of the Company and making recommendations to the board of directors; supervising the Company to strengthen communication with stakeholders on important ESG matters; paying attention to significant ESG related risks; supervising the Company to implement the national goal of "Carbon Peak and Carbon Neutrality" and to keep track of the progress; and 4) performing other duties stipulated in laws, regulations and the Listing Rules and authorized by the Board.

(2) Work Summaries and Meetings of the Committee

During the Reporting Period, the Strategy and ESG Committee has convened 2 meetings, the details of which are as follows:

1. On March 30, 2022, the 2022 first meeting was held and the following resolution was considered and approved: the *Proposal regarding the Change of Name of the Strategy Committee of the Board of Directors* and the *Amendments to the Terms of Reference of the Committee*;
2. On September 13, 2022, the 2022 second meeting was held and the following resolutions were considered and approved: the *Proposal regarding the Satisfaction of the Conditions for the Rights Issue by the Company*; the *Proposal regarding the 2022 Rights Issue Plan of the Company*; and the *Proposal regarding the Plan on Public Issuance of Securities by Way of Rights Issue in 2022 of the Company*.

During the Reporting Period, the Strategy and ESG Committee convened meetings and performed their duties in accordance with the provisions and requirements of the *Articles of Association* and *Terms of Reference of the Strategy and ESG Committee of the Board of Directors*, agreed to each proposal and put forward opinions and suggestions for related work, and played a positive and important role in facilitating the scientific decision-making of the Board of Directors.

(3) *Attendance of Members of the Committee*

Name	Required attendance at meetings	Actual attendance at meetings
Shen Rujun	2	2
Huang Zhaohui	2	2
Tan Lixia	2	2
Duan Wenwu	2	2
Zhu Hailin (Resigned)	1	1

2. Remuneration Committee(1) *Functions of the Committee*

The primary duties of the Remuneration Committee include, but are not limited to, the following: 1) deliberating on the appraisal and remuneration management system for Directors and members of senior management and giving opinions; 2) conducting appraisal of Directors and members of senior management and making recommendations; and 3) performing other duties stipulated in laws, regulations and the Listing Rules and authorized by the Board. For details, please refer to the *Terms of Reference of the Remuneration Committee of the Board of Directors of the Company* available on the websites of our Company, the Hong Kong Stock Exchange and SSE.

(2) *Work Summaries and Meetings of the Committee*

During the Reporting Period, the Remuneration Committee has convened 1 meeting, the details of which are as follows:

On March 29, 2022, the 2022 first meeting was held and the following resolution was considered and approved: the *Proposal regarding the 2021 Compensation Distribution Plan for Senior Management*.

During the Reporting Period, the Remuneration Committee convened meeting and performed their duties in accordance with the provisions and requirements of the *Articles of Association* and *Terms of Reference of the Remuneration Committee of the Board of Directors*, agreed to each proposal and put forward opinions and suggestions for related work, and played a positive and important role in facilitating the scientific decision-making of the Board of Directors.

(3) Attendance of Members of the Committee

Name	Required attendance at meetings	Actual attendance at meetings
Peter Hugh Nolan	1	1
Tan Lixia	1	1
Ng Kong Ping Albert	–	–
Siu Wai Keung (Resigned)	1	1
Ben Shenglin (Resigned)	1	1

3. Nomination and Corporate Governance Committee*(1) Functions of the Committee*

The primary duties of the Nomination and Corporate Governance Committee include, but are not limited to, the following: 1) deliberating on selection and appointment standards and procedures of Directors and members of senior management and giving opinions, searching for qualified candidates of Directors and members of senior management and reviewing the qualification criteria of the candidates for Directors and members of senior management and making recommendations; 2) developing policies and practices in relation to corporate governance, and promoting the formulation and enhancement of the corporate governance standards; 3) conducting appraisal of corporate governance structure and governance standards and making recommendations; 4) reviewing and monitoring the training and continuous professional development of Directors and senior management; 5) reviewing the Company's policies and practices with regard to compliance with legal and regulatory requirements; 6) developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and Directors; 7) reviewing the Company's compliance with the *Corporate Governance Code* and information disclosure in the *Corporate Governance Report*; and 8) performing other duties stipulated in laws, regulations and the Listing Rules and authorized by the Board. For details, please refer to the *Terms of Reference of the Nomination and Corporate Governance Committee under the Board of Directors of the Company* available on the websites of our Company, the Hong Kong Stock Exchange and SSE.

With respect to nomination for new Directors and re-election of Directors, our Company follows a considered and transparent nomination policy. Under the nomination policy for Directors, the Nomination and Corporate Governance Committee shall nominate suitable candidates to the Board for consideration and make recommendations to the Shareholders regarding election and re-election of Directors. The nomination of Directors shall be made in accordance with the nomination policy for Directors and all appointments of Directors will be merit-based with due regard for the objective criteria (including gender, age, cultural and educational background, relevant or professional experience, ethnicity, skills, knowledge, etc.) as set out under the Board of Directors Diversity Policy. The ultimate decision will be made based on meritocracy and contribution that the selected candidates can bring to the Company and the Board.

The factors used as reference by the Nomination and Corporate Governance Committee in assessing the suitability of a proposed candidate include, but are not limited to, integrity and character; accomplishment and experience in the financial services industry; professional qualifications, skills and knowledge that are relevant to our Company's business and corporate strategy; commitment in respect of available time; diversity; independent criteria as required under the Listing Rules for candidates for independent non-executive Directors, etc. These factors are not meant to be exhaustive and decisive. The Nomination and Corporate Governance Committee has the discretion to nominate any person, as it considers appropriate.

Proposed candidates will be asked to submit the necessary personal information, together with their written consent to be appointed as a Director and to the public disclosure of their personal data on any documents or the relevant websites for the purpose of their standing for election as a Director. The Nomination and Corporate Governance Committee will review such information of the potential candidates and may request candidates to provide additional information and documents if it considers necessary. A meeting of Nomination and Corporate Governance Committee will be called for the members to discuss the credentials of the proposed candidates and assess their qualifications based on the factors set out above. The Nomination and Corporate Governance Committee may also invite nominations of suitable candidates (if any) from the Board members for consideration by the Nomination and Corporate Governance Committee prior to its meeting. For filling a casual vacancy, the Nomination and Corporate Governance Committee shall make recommendations for the Board's consideration and approval. For proposing candidates to stand for election and re-election at a general meeting, the Nomination and Corporate Governance Committee shall make nominations to the Board for its consideration and recommendation.

(2) *Work Summaries and Meetings of the Committee*

During the Reporting Period, the Nomination and Corporate Governance Committee has convened 2 meetings, the details of which are as follows:

1. On March 30, 2022, the 2022 first meeting was held and the following resolution was considered and approved: the *Proposal regarding the Election of the Independent Non-executive Director*;
2. On October 28, 2022, the 2022 second meeting was held and did not involve the resolution.

During the Reporting Period, the Nomination and Corporate Governance Committee convened meetings and performed their duties in accordance with the provisions and requirements of the *Articles of Association* and *Terms of Reference of the Nomination and Corporate Governance Committee of the Board of Directors*, agreed to each proposal and put forward opinions and suggestions for related work, and played a positive and important role in facilitating the scientific decision-making of the Board of Directors.

(3) *Attendance of Members of the Committee*

Name	Required attendance at meetings	Actual attendance at meetings
Liu Li	2	2
Shen Rujun	2	2
Lu Zhengfei	1	1
Peter Hugh Nolan	2	2
Ben Shenglin (Resigned)	1	1

4. Audit Committee

(1) *Functions of the Committee*

The primary duties of the Audit Committee include, but are not limited to, the following: 1) supervising annual audit work, making judgment on the truthfulness, accuracy and completeness of audited financial information and submitting the same to our Board for consideration; 2) proposing engagement or replacement of external audit firm and supervising the practice of external audit firm; 3) being responsible for communication between internal and external auditors; and 4) performing other duties stipulated in laws, regulations and the Listing Rules and authorized by the Board. For details, please refer to the *Terms of Reference of the Audit Committee of the Board of Directors of the Company* available on the websites of our Company, the Hong Kong Stock Exchange and SSE.

(2) *Work Summaries and Meetings of the Committee*

During the Reporting Period, the Audit Committee has convened 4 meetings, the details of which are as follows:

1. On March 28, 2022, the 2022 first meeting was held and the following resolutions were considered and approved: the *Proposal regarding the 2021 Annual Report*, the *Proposal regarding the 2021 Audit Report*, the *Proposal regarding the Re-appointment of the Accounting Firms*, the *Proposal regarding the 2021 Internal Control Assessment Report*, the *Proposal regarding the 2021 Report on the Effectiveness Evaluation of the Internal Control, Comprehensive Risk Management, Compliance Management and IT Management*, the *Proposal regarding the 2021 Anti-Money Laundering Audit Report*, the *Proposal regarding the 2021 Work Report of the Internal Audit Department*, and the *Proposal regarding the 2021 Annual Work Report of the Audit Committee of the Board of Directors*;
2. On April 27, 2022, the 2022 second meeting was held and the following resolutions were considered and approved: the *Proposal regarding the 2022 First Quarterly Report* and the *Proposal regarding the Review Plan on 2022 Interim Financial Statements*;
3. On August 26, 2022, the 2022 third meeting was held and the following resolution was considered and approved: the *Proposal regarding the 2022 Interim Report*;
4. On October 25, 2022, the 2022 fourth meeting was held and the following resolutions were considered and approved: the *Proposal regarding the 2022 Third Quarterly Report* and the *Proposal regarding the 2022 Annual Audit Plan*.

During the Reporting Period, the Audit Committee convened meetings and performed their duties in accordance with the provisions and requirements of the *Articles of Association* and *Terms of Reference of the Audit Committee of the Board of Directors*, agreed to each proposal and put forward opinions and suggestions for related work, and played a positive and important role in facilitating the scientific decision-making of the Board of Directors.

(3) Attendance of Members of the Committee

Name	Required attendance at meetings	Actual attendance at meetings
Ng Kong Ping Albert	2	2
Liu Li	4	4
Lu Zhengfei	2	2
Zhu Hailin (Resigned)	2	2
Siu Wai Keung (Resigned)	2	2
Ben Shenglin (Resigned)	2	2

5. Risk Management Committee*(1) Functions of the Committee*

The primary duties of the Risk Management Committee include, but are not limited to, the following: 1) considering and making recommendations on the overall goals and policies for compliance management and risk management; 2) considering and making recommendations on the establishment and duties of compliance management and risk management organizations; 3) evaluating and making recommendations on the risks of important decisions and solutions for significant risks requiring consideration of the Board; 4) reviewing and making recommendations on compliance reports and risk assessment reports requiring consideration of the Board; and 5) performing other duties stipulated in laws, regulations and the Listing Rules and authorized by the Board. For details, please refer to the *Terms of Reference of the Risk Management Committee of the Board of Directors of the Company* available on the websites of our Company, the Hong Kong Stock Exchange and SSE.

(2) Work Summaries and Meetings of the Committee

During the Reporting Period, the Risk Management Committee has convened 5 meetings, the details of which are as follows:

1. On March 28, 2022, the 2022 first meeting was held and the following resolutions were considered and approved: the *Proposal regarding the 2021 Annual Compliance Report*, and the *Proposal regarding the 2021 Risk Assessment Report*;

2. On April 27, 2022, the 2022 second meeting was held and the following resolutions were considered and approved: the *Proposal regarding the 2022 First Quarterly Risk Assessment Report*, the *Proposal regarding the 2022 First Quarterly Compliance Management Report*, and the *Proposal regarding the Amendments to Risk Management Policy*;
3. On August 26, 2022, the 2022 third meeting was held and the following resolutions were considered and approved: the *Proposal regarding the 2022 Interim Compliance Management Report* and the *Proposal regarding the 2022 Interim Risk Assessment Report*;
4. On October 25, 2022, the 2022 fourth meeting was held and the following resolutions were considered and approved: the *Proposal regarding the 2022 Third Quarterly Compliance Management Report* and the *Proposal regarding the 2022 Third Quarterly Risk Assessment Report*;
5. On December 13, 2022, the 2022 fifth meeting was held and the following resolution was considered and approved: the *Proposal regarding the 2021 Self-assessment Report on the Institutional Money-Laundering and Terrorism Financing Risks*.

During the Reporting Period, the Risk Management Committee convened meetings and performed their duties in accordance with the provisions and requirements of the *Articles of Association* and *Terms of Reference of the Risk Management Committee of the Board of Directors*, agreed to each proposal and put forward opinions and suggestions for related work, and played a positive and important role in facilitating the scientific decision-making of the Board of Directors.

(3) *Attendance of Members of the Committee*

Name	Required attendance at meetings	Actual attendance at meetings
Lu Zhengfei	3	3
Huang Zhaohui	5	5
Duan Wenwu	5	5
Liu Li	5	5
Ng Kong Ping Albert	3	3
Zhu Hailin (Resigned)	2	2
Siu Wai Keung (Resigned)	2	2
Ben Shenglin (Resigned)	2	2

6. Related-Party Transaction Control Committee

(1) *Functions of the Committee*

The primary duties of the Related-Party Transaction Control Committee include, but are not limited to, the following: 1) to design and revise the Policy on Management of Related Party Transactions of the Company, and to supervise its implementation; 2) to obtain the list of related (connected) persons of the Company and report to the Board of Directors and the Supervisory Committee; 3) to review related (connected) transactions to be approved by the Company's Board of Directors or shareholders' general meeting, form written opinions, submit them to the Board of Directors for consideration, and report to the Supervisory Committee; and 4) to perform other duties stipulated in laws, regulations and provisions of securities regulators and stock exchanges in the places where the Company's shares are listed and as authorized by the Board of Directors.

(2) *Work Summaries and Meetings of the Committee*

During the Reporting Period, the Related-Party Transaction Control Committee has convened 2 meetings, the details of which are as follows:

1. On March 28, 2022, the 2022 first meeting was held and the following resolution was considered and approved: the *Proposal regarding the 2022 Annual Estimation for Daily Related-party Transactions*;
2. On August 26, 2022, the 2022 second meeting was held and did not involve resolution.

During the Reporting Period, the Related-Party transaction Control Committee convened meetings and performed their duties in accordance with the provisions and requirements of the *Articles of Association* and *Terms of Reference of the Related-Party Transactions Control Committee of the Board of Directors*, agreed to each proposal and put forward opinions and suggestions for related work, and played a positive and important role in facilitating the scientific decision-making of the Board of Directors.

(3) Attendance of Members of the Committee

Name	Required attendance at meetings	Actual attendance at meetings
Ng Kong Ping Albert	1	1
Liu Li	2	2
Peter Hugh Nolan	2	2
Siu Wai Keung (Resigned)	1	1

(iii) Details of Matters Subject to Objection

During the Reporting Period, no objection has been raised in meetings of the Special Committees of the Board by its member, and all members voted for the proposals considered by the Special Committees, with no waiver and opposition.

VI. SUPERVISORY COMMITTEE AND PERFORMANCE OF DUTIES**(i) Powers and Duties of the Supervisory Committee**

The Supervisory Committee is the supervisory body of our Company and is accountable to the shareholders' general meeting. The powers and duties of the Supervisory Committee include but are not limited to: examining the financial affairs of our Company; supervising the performance of duties by the Directors and senior management; reviewing financial reports and profits distribution plans to be submitted by the Board at the shareholders' general meeting; and other duties and powers prescribed by relevant regulations and the *Articles of Association* or authorized by shareholders' general meetings. The Supervisory Committee is entitled to engage professional institutions such as accounting firms and law firms to assist its work when necessary.

The Supervisory Committee strictly complied with the relevant laws and regulations and the *Articles of Association*, lawfully and diligently performed its duties, observed the relevant procedures. During the Reporting Period, members of the Supervisory Committee attended all on-site Board meetings, shareholders' general meetings and most of the regular meetings of the management and on-site meetings of the special committees of the Board of the Company held.

(ii) Composition of the Supervisory Committee

Our Company strictly complied with the *Articles of Association* and relevant rules in respect of the appointment of the Supervisors. The meetings of the Supervisory Committee shall be held in accordance with the *Articles of Association* and the *Rules of Procedures of the Supervisory Committee*. As of the end of the Reporting Period, our Company's Supervisory Committee comprised three Supervisors, including one employee representative Supervisor (Mr. Gao Tao) and two non-employee representative Supervisors (Mr. Jin Lizuo and Mr. Cui Zheng). During the Reporting Period, there were no changes in the members of the Supervisory Committee of the Company.

For the biographies of all the existing Supervisors, please refer to "Directors, Supervisors, Senior Management and Employees – Biographies of Directors, Supervisors and Senior Management" in this report.

(iii) Meetings of the Supervisory Committee

During the Reporting Period, the Supervisory Committee has convened 6 meetings, the details and resolutions of which are set out as follows:

1. On February 14, 2022, the fourteenth meeting of the second session of the Supervisory Committee was held and reviewed the *Report on 2021 Performance Evaluation of the Supervisory Committee*, which did not involve resolution;
2. On March 30, 2022, the fifteenth meeting of the second session of the Supervisory Committee was held and the following proposals were considered and approved: the *Proposal regarding the Report on 2021 Performance Evaluation of Directors by the Supervisory Committee*, the *Proposal regarding the Report on 2021 Performance Evaluation of Senior Management by the Supervisory Committee*, the *Proposal regarding the 2021 Work Report of the Supervisory Committee*, the *Proposal regarding the 2021 Annual Report*, the *Proposal regarding the 2021 Social Responsibility and Environmental, Social and Governance Report*; the *Proposal regarding the 2021 Profit Distribution Plan*, the *Proposal regarding the 2021 Annual Compliance Report*, the *Proposal regarding the 2021 Internal Control Assessment Report* and the *Proposal regarding the 2021 Risk Assessment Report*;
3. On April 29, 2022, the sixteenth meeting of the second session of the Supervisory Committee was held and the following proposals were considered and approved: the *Proposal regarding the 2022 First Quarterly Report* and the *Proposal regarding the Bond Information Disclosure*;
4. On August 30, 2022, the seventeenth meeting of the second session of the Supervisory Committee was held and the following proposal was considered and approved: the *Proposal regarding the 2022 Interim Report*;

5. On September 13, 2022, the eighteenth meeting of the second session of the Supervisory Committee was held and the following proposals were considered and approved: the *Proposal regarding the Satisfaction of the Conditions for the Rights Issue by the Company*, the *Proposal regarding the 2022 Rights Issue Plan of the Company*, the *Proposal regarding the Plan on Public Issuance of Securities by Way of Rights Issue in 2022 of the Company*, the *Proposal regarding the Authorization to the Board of Directors and Its Authorized Person(s) to Deal with Matters in connection with the 2022 Rights Issue of the Company*, the *Proposal regarding the Report on the Use of Previously Raised Proceeds of the Company*, the *Proposal regarding the 2022 Feasibility Analysis Report on the Use of Proceeds from the Rights Issue of the Company*, the *Proposal regarding the Risk Reminder of and Remedial Measures for Dilution of Immediate Returns as a result of the Proposed Rights Issue to the Existing Shareholders and the Undertakings by the Relevant Parties of the Company*, the *Proposal regarding Seeking Shareholders' General Meeting's Approval on Exempting Central Huijin from Making an Offer*, and the *Proposal regarding Seeking Shareholders' General Meeting's Approval on the Whitewash Waiver in relation to Waiving the Obligation of Central Huijin to Make a Mandatory General Offer*;
6. On October 28, 2022, the nineteenth meeting of the second session of the Supervisory Committee was held and the following proposal was considered and approved: the *Proposal regarding 2022 Third Quarterly Report*.

(iv) Attendance of Supervisors at meetings of the Supervisory Committee

Name	Required attendance at meetings	Actual attendance at meetings
Gao Tao	6	6
Jin Lizuo	6	6
Cui Zheng	6	6

(v) Description of the Company's risks identified by the Supervisory Committee

During the Reporting period, the Supervisory Committee has no dissenting view over the supervisory matters, and all Supervisors voted for the proposals considered by the Supervisory Committee, with no waiver or opposition.

VII. THE COMPANY'S SHARE INCENTIVE SCHEME, EMPLOYEE STOCK OWNERSHIP PLAN OR OTHER EMPLOYEE INCENTIVES AND THEIR IMPACTS

During the Reporting Period, the Company did not implement share incentive scheme, employee stock ownership plan or other employee incentive measures, and therefore, none of the Directors, Supervisors or senior management of the Company have been granted stock options or restricted Shares.

During the Reporting Period, the Company provided clear targets for the Senior Management within the scope of their duties and evaluated their performances by year end. In addition to focusing on financial performances, customer and market performance, internal operation management, compliance and risk control and completion of annual key tasks in their respective work sectors, it also evaluated the work of the Senior Management in strategic planning, cross-line coordination and cadre training. The incentives of the Senior Management were closely linked to the Company's overall operating performance.

During the Reporting Period, the Senior Management of the Company conscientiously performed their duties, obtained good overall performance, completed the tasks assigned to them by the Board, further promoted the optimization and adjustment of the customer-centered organizational structure, strengthened the Company's professional service capabilities, and improved the internal control system of compliance and risk management during their terms. Under the guidance of the Board, the Senior Management closely followed the transformation opportunities of the industry, based on the principle of stable operation, continuously optimized the business and talent structure, promoted the effective integration and coordination of business resources, and comprehensively deepened the implementation of the Company's strategies.

VIII. MANAGEMENT AND CONTROL OF SUBSIDIARIES

Adhered to the risk appetite commitment of "prudent and steady business operations", the Company continuously strengthened its management and control of subsidiaries and established a whole-process vertical management system with full coverage, so as to ensure the steady and orderly operation of subsidiaries and prevent any potential unauthorized operation, uncontrolled budget or moral risks during the operation and management of subsidiaries. The Company strictly abides by laws and regulations applicable to subsidiaries of securities firms, and has no conflicts of interest or peer competition with subsidiaries. The reasonable and necessary separation system has been established to prevent any possible risk transmission or conflicts of interest.

During the Reporting Period, the Company had formulated the *Policy on the Management of Joint Ventures of China International Capital Corporation Limited* and ancillary operational guideline, to refine the management requirements of joint ventures and improve the system and mechanism in relation to the management of subsidiaries. In order to implement the full-life management of subsidiaries, the Company carried out inspections and reviews on subsidiaries to review their business operation, effectiveness of internal control and profitability.

IX. ESTABLISHMENT AND IMPLEMENTATION OF INTERNAL CONTROL SYSTEM

1. Establishment of the Internal Control System

Our Company has been emphasizing building a corporate internal control system since its establishment. Our Company's corporate internal control system has been gradually taking shape and enhanced in compliance with the requirements of the *Guidelines for Internal Control of Securities Companies* and the *Basic Norms of Internal Control for Enterprises*, and has incorporated the development of internal control into the operational development of our Company.

As of the end of the Reporting Period, our Company has established an internal control system suitable for our business nature, scale and complexity, and has achieved results in ensuring the legality and compliance of operations, the safety of assets and the authenticity and completeness of financial reports and relevant information, and improving operational efficiency and effectiveness.

2. Major Characteristics of the Internal Control System

Our Company has established a reasonable, effective and balanced internal control system, with clear division of work among the Board of Directors, the Supervisory Committee, the management, functional departments, business departments and their branches within the structure of the entire internal control system, and their duties and responsibilities are as follows:

- The Board of Directors is responsible for the sound establishment and effective implementation of internal control. The Board has established the Audit Committee which is responsible for reviewing the internal control of our Company, supervising the effective implementation of internal control and conducting self-evaluation on internal control, coordinating internal control audits and other relevant matters.
- The Supervisory Committee supervises the establishment and implementation of internal control by the Board.
- The management is responsible for organizing and steering the daily operation of the internal control of our Company.
- Each of the business departments and their branches formulates and implements its business policies, internal process and control. Our Company requires all employees who participate in business operations to comply with the policies and processes in the ordinary course of business. Each of the business departments conducts self-evaluation and assessment on the specific internal control procedures and measures for its scope of business, and is responsible for reporting deficiencies of the internal control procedures to the management of our Company.

- The Internal Audit Department is independent of the business departments of our Company and reports directly to the Audit Committee of the Board. The Internal Audit Department conducts reviews, appraisals, makes reports and recommendations, independently and objectively, on the overall internal control environment, the design and implementation of the internal control measures and risk assessment measures in each business department of our Company on a regular basis, in order to prevent risks, enhance the internal control levels and utilize resources properly and effectively.
- The functional departments participating in internal control include the Risk Management Department, Legal and Compliance Department and other middle and back office departments, which actively manage market risk, credit risk, operational risk, liquidity risk, compliance risk, legal risk and reputational risk faced by our Company's businesses and identify risks in the implementation of internal control and make recommendations to improve internal control deficiencies.

3. Procedures for Evaluating the Effectiveness of the Internal Monitoring System and Rectifying Material Internal Control Deficiencies

Our Company has established the Internal Audit Department which is independent of other departments in our Company and reports directly to the Audit Committee of the Board. The Internal Audit Department conducts reviews, appraisals, and provides reports and recommendations independently on risk management, the adequacy of the design and the effectiveness of the implementation of internal control for each business line. For issues discovered during internal audits, the Internal Audit Department formulates improvement measures jointly with various departments and assist the management in following up on the issues discovered in the audits and the rectification progress on a regular basis. As for the management of related-party (connected) transactions of the Company, the Company implements a complete series of internal control measures to ensure legal compliance, while the Internal Audit Department also conducts regular reviews of relevant internal control measures over the management of related-party (connected) transactions.

By reviewing the work and audit results of the Internal Audit Department on a regular basis, the Audit Committee appraises the effectiveness of risk management and internal control system on a regular basis on behalf of the Board.

4. Procedures for Processing and Releasing Inside Information

With approval from the Board and pursuant to the requirements of domestic and foreign laws and regulations, the Listing Rules and the *Articles of Association* as well as the practical conditions of our Company, the *Policy on Information Disclosure Management* has been formulated by our Company to determine the segregation of duties and responsibilities on information disclosure, the procedures for processing and releasing inside information and other information required to be disclosed. Pursuant to this policy, our Company must, as soon as any inside information comes to its knowledge or a false market may be established, disclose the information to the public to the reasonable and practicable extent.

During the Reporting Period, our Company has truthfully, accurately, legally and timely disclosed information in strict compliance with the requirements of domestic and foreign laws and regulations, the Listing Rules, the *Articles of Association* and the *Policy on Information Disclosure Management* without any false statements, misleading statements or material omissions, to ensure that all investors receive the disclosed information fairly, timely and effectively. During the Reporting Period, the *Policy on Information Disclosure Management* has not been amended.

5. Appraisal of Internal Control

The Board and the management of our Company are jointly responsible for the establishment, the effective implementation and improvement of sound internal control system. The objectives of internal control of our Company are: guaranteeing the legality of operations of our Company and the execution of internal regulatory system, protecting against operational risk and moral risk, securing the safety and completeness of the assets of the clients and our Company, ensuring the reliability, completeness and timeliness of business records, financial information and other information of our Company and improving the operational efficiency and effectiveness of our Company.

As internal control has inherent restrictions, we can only reasonably guarantee the achievement of the above objectives. Furthermore, the effectiveness of internal control may also change according to our Company's internal and external environment and operating conditions. Our Company has set up an inspection and supervision mechanism through which our Company can take measures to rectify deficiencies in internal control once identified.

The Board concluded that, pursuant to the requirements of relevant laws, regulations and regulatory rules such as the *Guidelines for Internal Control for Securities Companies* and with reference to the requirements of the *Basic Norms of Internal Control for Enterprises* and the provisions of its ancillary guidelines, an appraisal on internal control of the Group was conducted as at the reference date (as of December 31, 2022) of the *2022 Internal Control Assessment Report of China International Capital Corporation Limited*, and the Group was not aware of any material defect in internal control of the Group. The Board is of the view that the Group has established an effective internal control system, which helps to achieve our objectives of internal control and is free of material defect and significant defect.

Deloitte Touche Tohmatsu Certified Public Accountants LLP performed audits on the effectiveness of internal control over financial statements of the Company as at December 31, 2022 in accordance with the *Guidelines on Internal Control Audit for Enterprises* and relevant requirements of the Practice Standards for Certified Public Accountants of China, and had issued the *Internal Control Audit Report of China International Capital Corporation Limited* with standard unqualified opinion. Based on the above understanding, testing and evaluation of internal control during the audit, Deloitte Touche Tohmatsu Certified Public Accountants LLP believed that the Company has maintained effective internal control over financial statements in all material aspects in accordance with the *Basic Norms of Internal Control for Enterprises* and relevant requirements as at December 31, 2022. There was no inconsistency between the *2022 Internal Control Assessment Report of China International Capital Corporation Limited* issued by the Company and the *Internal Control Audit Report of China International Capital Corporation Limited*.

For details, please refer to the *2022 Internal Control Assessment Report of China International Capital Corporation Limited* and the *Internal Control Audit Report of China International Capital Corporation Limited* published by the Company on the website of the Company, the Hong Kong Stock Exchange and the SSE.

X. ESTABLISHMENT OF COMPLIANCE MANAGEMENT SYSTEM, AND INSPECTIONS AND SUPERVISION CONDUCTED BY THE COMPLIANCE AND INTERNAL AUDIT DEPARTMENT

(i) Establishment of Compliance System

The Company has established an organizational structure for compliance management that meets regulatory requirements and the compliance management needs of the Company. According to the *Articles of Association* and the *Compliance Management Policy*, the Board determines the compliance management objectives of the Company, assumes responsibility for the effectiveness of compliance management, and performs compliance duties under relevant policies. The Supervisory Committee is responsible for supervising the performance of compliance management duties by Directors and senior management, and for proposing the removal of Directors and senior management who undertakes main and leadership responsibility for major compliance risks. The management is responsible for implementing objectives of compliance management and for compliant operations. The heads of departments and subordinate bodies are responsible for implementing their respective compliance management objectives and for supervising and managing the compliant practices of their respective employees, and assume responsibility for the effectiveness of their respective compliance management.

The Chief Compliance Officer is responsible for the compliance management of the Company, and conducts reviews, supervision and inspections on the business management and practices of the Company and its employees. The Legal and Compliance Department is responsible for the daily management of compliance work of the Company, and for assisting the Chief Compliance Officer in performing compliance management responsibilities stipulated by laws and regulations, regulatory authorities, and the *Articles of Association* of the Company.

In order to promote the rule-based compliance management, the Company has established and improved the compliance policies, compliance guidelines, compliance notices and compliance reminders based on the *Compliance Management Policy* at the company level, including the *Employee Code of Conduct*, the *Information Barrier Walls Policy* (《信息隔離牆制度》), the *Policy on the Management of All Employee Transactions, Private Investments and External Activities* (《全球員工交易、私人投資和外部活動政策》), the *Policy on the Management of Incorruptible Working for Employees* (《工作人員廉潔從業管理制度》), the *Policy on the Management of Money-Laundering and Terrorism Financing Risks* (《洗錢和恐怖融資風險管理制度》), the *Seal Management Policy* (《印章管理政策》) and the *Policy on the Management of Employees' Conflict of Interest* (《員工利益衝突管理政策》), as well as the compliance management system based on specific polices provided in compliance manuals of relevant departments/branches.

The Company has established a unified system for the compliance management of subsidiaries at all levels and a work mechanism that all subsidiaries to report the compliance management to the parent company on a regular basis. Meantime, the Company reviews the compliance management system of subsidiaries, and supervises and monitors the compliance performance of operation and management of subsidiaries, so as to ensure that the compliance management of subsidiaries complies with relevant requirements of the Company.

(ii) Internal Audit

The Internal Audit Department is independent of the business departments of our Company and reports directly to the Audit Committee of the Board. During the Reporting Period, the Internal Audit Department conducts reviews, appraisals, makes reports and recommendations, independently and objectively, on the overall internal control environment, the design and implementation of the internal control measures and risk assessment measures in each business department of our Company on a regular basis, in order to prevent risks, enhance the internal control standards and utilize resources properly and effectively.

During the Reporting Period, the Internal Audit Department conducted 219 internal audits in total. The Internal Audit Department actively implemented the requirements of the Board of Directors and China Investment Corporation on strengthening internal audit. It cooperated with the Company's strategy under the goal of full coverage of the Group's business and preventing financial risks, fulfilled the responsibility of internal audit in an earnest manner and carried out audit work on the key businesses as well as financial management, compliance management, human resources management, information technology management, and other main middle and back-end office support functions following the principle of coverage maximization and strict implementation of audit, correcting malpractices, and promoting management. In addition to carrying out special audits on key issues and business areas, it conducted comprehensive audits and follow-up audits on national policy implementation and economic responsibility audit, highlighting problem-oriented, risk-oriented, goal-oriented and result-oriented approaches, so as to achieve full audit coverage. Besides, during the audit, the Internal Audit Department attached importance to risk points relating to integrity practice, inspected the check and balance of key positions and the separation of positions and responsibilities, carried out inspections around business-related risk points relating to integrity practice, and paid attention to the check and balance of the exercise of power. According to the relevant audit results of the Internal Audit Department, no material abnormalities or material deficiencies in the internal control system have been discovered.

According to relevant audit results, the Internal Audit Department has inspected and assessed the effectiveness of internal control, comprehensive risk management and compliance management of the Company, and disclosed major risks, which proactively enhanced the risk prevention awareness and risk management capacities of all departments, subsidiaries and branches.

XI. SELF-EXAMINATION AND RECTIFICATIONS IN THE SPECIAL CAMPAIGN TO IMPROVE THE GOVERNANCE OF LISTED COMPANIES

According to the *Announcement on Launching a Special Campaign to Improve the Governance of Listed Companies* issued by the CSRC, the companies listed before June 30, 2020 (inclusive) shall complete relevant special self-examinations. The Company completed the listing of A Shares on November 2, 2020, not falling into the scope of such self-examinations.

XII. OTHERS

(i) Compliance with the *Model Code* for Securities Transactions

Our Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard set out in the *Model Code* for Securities Transactions. Our Company has made specific enquiries to all Directors and Supervisors concerning their compliance with the *Model Code*. All Directors and Supervisors confirmed that they had strictly observed all standards set out in our Company's code of conduct regarding Directors' securities transactions during the Reporting Period.

(ii) Responsibilities of Directors for the Financial Statements

The following responsibility statement of Directors regarding the financial statements shall be read in conjunction with the responsibility statement of the auditor included in the auditor's report. Each responsibility statement shall be interpreted separately.

All Directors acknowledge and confirm their responsibilities of preparing the financial statements which truly reflect the business and operating results of our Company for each financial year. To the best knowledge of all Directors, there are no events or situations which may cause any material adverse impact on the ongoing operations of our Company.

(iii) Appointment and Remuneration of the Accounting Firms and Sponsor Institution

1. Appointment and Remuneration of the Accounting Firms

Name of domestic accounting firm	Deloitte Touche Tohmatsu Certified Public Accountants LLP
Number of years of audit by domestic accounting firm	4 years
Name of certified public accountants of the domestic accounting firm	Ma Hing Fai, Han Yunfei
Continuous term of auditing service of certified public accountant(s) of domestic accounting firm	Ma Hing Fai 1 year, Han Yunfei 4 years
Name of overseas accounting firm	Deloitte Touche Tohmatsu
Number of years of audit by overseas accounting firm	4 years
Total remuneration for domestic and overseas accounting firms	RMB4.99 million

Note: The above is the audit fee (tax inclusive) in respect of the 2022 financial statements of the Company, which does not include the audit fees in respect of the subsidiaries of the Company

The description of the appointment of accounting firms:

On June 23 2022, after consideration and approval by the 2021 Annual General Meeting, the Company re-appointed Deloitte Touche Tohmatsu Certified Public Accountants LLP and Deloitte Touche Tohmatsu as the domestic and overseas accounting firm for 2022, respectively, responsible for providing the relevant statutory financial statements audit, interim financial statements review and agreed-upon procedure services of quarterly financial statements to the Company, and re-appointed Deloitte Touche Tohmatsu Certified Public Accountants LLP as the internal control audit institution of the Company in 2022. The term of both re-appointments shall be one year.

Our Company paid RMB6.96 million (tax inclusive) to Deloitte Touche Tohmatsu Certified Public Accountants LLP and Deloitte Touche Tohmatsu as fees for auditing the statutory financial statements, the reviewing of the interim financial statements and performing the agreed-upon procedures over quarterly financial statements for 2022, and paid RMB1.50 million (tax inclusive) to Deloitte Touche Tohmatsu Certified Public Accountants LLP for the auditing of 2022 internal control.

During the Reporting Period, our Company has paid RMB15 million to Deloitte Touche Tohmatsu Certified Public Accountants LLP and Deloitte Touche Tohmatsu and its network member institutions for other service fees arising from the special audit, tax compliance, debt instruments issuance, consulting, etc.

2. Appointment and Remuneration of the Sponsor Institution

For the appointment and change of the sponsor institution during the Reporting Period, please refer to “Company Profile – Other relevant information” in this report. The Company did not pay remuneration to the sponsor institution during the Reporting Period.

(iv) Review by the Audit Committee

The Audit Committee has reviewed the annual results of the Company for the year ended December 31, 2022.

(v) Joint Company Secretaries

Mr. Sun Nan, the Secretary to the Board and the Joint Company Secretary of our Company, is responsible for making recommendations and proposals to the Board on issues related to corporate governance, and ensuring that Board policies and procedures as well as applicable laws, rules and regulations are strictly followed. In order to maintain sound corporate governance and to ensure compliance with the Listing Rules and applicable Hong Kong laws, Mr. Zhou Jiaying, the Chief Compliance Officer of our Company, has previously been appointed, and will continue to be the other Joint Company Secretary, to assist Mr. Sun Nan in discharging the duties of a company secretary.

Both Mr. Sun Nan and Mr. Zhou Jiaying have confirmed that they had received not less than 15 hours of relevant professional training during the Reporting Period.

(vi) Investor Relations

In order to strengthen the communication between the Company and investors and potential investors, establish an effective communication channel between the Company and investors and promote harmonious relations between the Company and investors, the Company has formulated the *Investor Relations Management Measures* which specifies the content and manner, organization and implementation and other matters for conducting investor relations work.

According to *Investor Relations Management Measures*, the Company's investor relations work followed the basic principles of full compliance of information disclosure, equal opportunity for investors, honesty and credibility, high efficiency and labor-saving and interactive communication. Our Company has actively performed the duties of a listed company. We have formed an investor relations service team led by the Secretary to the Board of Directors, which focuses on safeguarding the rights and interests of investors and communicates with investors through multi-channels and multi-levels in a way that as convenient as possible, to ensure the faithful, effective and timely communication of corporate information to investors, and made efforts to provide comprehensive and effective investor relations services. These practices include: issuing interim announcements and periodic reports; providing convenient conditions for Shareholders to attend shareholders' general meetings; setting up a hotline and mailbox for investor relations service; setting up an investor relations section on the official website of our Company; organizing analyst meetings, performance presentations and roadshows; one-to-one communication; mailing materials; media interviews and reports and other legal and effective ways.

The contents of the communication between the Company and investors in investor relations work mainly include: the Company's development strategy; statutory information disclosure and its description; corporate culture construction; the Company's operation and management information and other significant matters that can be disclosed according to the law.

With the implementation of the following measures, the Company believes that it has effectively implemented the *Investor Relations Management Measures* of the Company:

In 2022, our Company warmly received visits from domestic and overseas institutional investors and analysts, organized various forms of investors and analyst exchanges, communicated with investors and analysts for more than 460 person times, and participated in more than 110 times of the group/one-to-one telephone/video conference with investors and analysts, effectively enhanced the investor's understanding of our Group's strategic roadmap and growth prospects.

On June 23, 2022, the Company held the 2021 Annual General Meeting. On October 24, 2022, the Company held the 2022 First Extraordinary General Meeting, 2022 First A Shareholders' Class Meeting and 2022 First H Shareholders' Class Meeting. The Company's Directors, Supervisors and the management attended each of the shareholders' general meetings and answered investors' questions on the spot. Along with the disclosure of annual results, we held the 2021 annual results presentation and the press conference through online webcast in Beijing and Hong Kong, attracting more than 500 investors and research analysts. After the annual results presentation, the management conducted an online roadshow to have deeper communication with institutional investors about the Company's strategy and business performance.

(vii) Amendment to the *Articles of Association*

According to the *Guidelines on Corporate Governance of Securities Companies* and other relevant laws and regulations, in order to promote the systematic, standardized and scientific decision-making of operation and management of the Company and further improve the corporate governance structure, taking into account the actual situation of the Company and upon the consideration and approval of the 2021 Annual General Meeting, the Company has amended the *Articles of Association* to specify the name, composition, responsibilities and rules of procedures of the Management Committee of the Company, with effect from June 23, 2022.

ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

I. ENVIRONMENTAL INFORMATION

CICC has been actively responding to the national “Carbon Peak and Carbon Neutrality” strategy. Guided by policies and regulations such as the *Action Plan for Carbon Dioxide Peaking Before 2030* promulgated by the State Council, as well as industry guidelines, we have gradually built a comprehensive strategy to address climate change in the areas of governance, risk and compliance, product and service, and sustainable operations, and established relevant mechanism on environmental protection. During the Reporting Period, the Company invested a total of RMB4.5 million in environmental protection.

In terms of governance, during the Reporting Period, the Company revised the *Risk Management System of China International Capital Corporation Limited* to incorporate climate risk into the overall risk management system, and formulated and issued the *Policy on Climate Risk Management of China International Capital Corporation Limited* to clarify the organizational structure of climate risk management and the division of responsibilities at various levels, forming a complete “three lines of defense” management system and establishing a whole process management mechanism for climate risk.

In terms of risk and compliance, the Company continues to pay attention to the environmental risks involved in the course of business development. For example, we attach great importance to risk management in the “high pollution and high energy consumption” sectors (hereinafter referred to as “Two Highs”) and focus on whether the relevant investment and financing business involves “Two Highs” projects and the financial risk of green and low-carbon transformation in our daily business control. In 2022, the Company initiated climate risk identification, laying the foundation for the whole process management of climate risk.

In terms of sustainable operation, in 2022, the Company proactively explored new ideas of energy saving and emission reduction from green operation and green building and promoted the initiatives including low-carbon office, low-carbon travel, green power procurement, green building construction and assembled construction to maximize the practices of energy saving and emission reduction. During the Reporting Period, we reduced our CO₂ equivalent emissions by 1,374 tons.

CICC strictly complied with laws, regulations and policies, including the *Environmental Protection Law of the People's Republic of China*, the *Energy Conservation Law of the People's Republic of China* and formulated institutional documents including the Office Environment Management Regulations to regulate energy consumption, water resources use and waste management, and made efforts to improve various environmental management standards to build a green operating environment. The Company is a financial company, which is not in the list of the key pollutant discharge units or their major subsidiaries published by the environmental protection authority. During the Reporting Period, the Company did not have any lawsuits or related penalties caused by environmental issues.

II. SOCIAL RESPONSIBILITIES

The Company has been fulfilling its social responsibilities under the concept of harmonious coexistence and sustainable development. In response to national strategies, the Company cares for people's livelihood and made efforts in promoting rural revitalization based on its business advantages. CICC attaches great importance to the construction of public welfare culture, and actively participates in charity and public welfare events by carrying out educational assistance including donations for education and voluntary teaching.

During the Reporting Period, the Group donated over RMB50.6 million to support public welfare and assistance programs, benefiting a total of 288,000 people, including the beneficiaries of support projects in Huining County, Gansu Province, students of support schools benefited from book donations and quality education support activities, rural doctors benefited from training of rural doctors and people benefited from charity clinics, and people benefited from consumption assistance projects.

The Company actively participated in social charity activities, and explored and innovated the development model of public welfare. We included employees' participation in public welfare and charity activities and their fulfillment of social responsibilities into the year-end performance appraisal to provide guarantees for creating a strong cultural atmosphere for public welfare and assisting in fulfilling corporate social responsibilities.

During the Reporting Period, the Company united CICC volunteers for public welfare and carried out diversified public welfare and volunteer service activities in the fields of education, environmental protection and natural disaster relief. We organized public welfare activities including the "First Class of School (開學第一課)", "Celebrate Children's Day and Grow with Nature (歡慶六一 我與自然共成長)", "SAC – Love Makes Dreams Happen (中證-愛心成就夢想)" education support activities in Xi County, Shanxi, and "Building Dreams (繪夢計畫)" for children to care for the future of our country. In response to the "Carbon Peak and Carbon Neutrality" goal, we launched the "CICC Public Welfare Project for Ecological Carbon Sink Forests" in Lanping, Yunnan, to continue to practice environmental protection. We assisted people facing natural disasters by organizing a fund-raising campaign called "Supporting Sichuan with Concerted Efforts" to raise money for post-disaster reconstruction, reflecting our responsibility.

During the Reporting Period, the Company launched and established the Capital Healthtech Incubation Engineering Foundation (首都醫療科技成果轉化公益基金會) (hereinafter referred to as the "CHIF"), which promotes the reform of medical achievements transformation in hospitals and medical colleges by establishing a public welfare fund-raising mechanism and a professional support system for medical achievements transformation, and comprehensively promotes the transformation of medical scientific and technological achievements in the capital and the innovative development of health care in Beijing through scientific and standardized support for achievement transformation projects, relevant talent construction, and the construction of medical achievement transformation platforms. Since its establishment, the CHIF has participated in the discussion and formulation of reform policies, focused on addressing the bottlenecks and problems that restrict the transformation of achievements, and assisted in the formation of a pilot plan for the transformation of medical innovation results in municipal pilot hospitals, which provided policy support for the smooth implementation of the transformation of scientific and technological achievements. By studying and interviewing 44 projects in the pilot hospitals, it put forward the first batch of incubation plans for 9 projects and suggested corresponding incubation methods. During the Reporting Period, it identified a total of three donation projects in supporting the incubation projects of pilot hospitals and the construction of professional service platforms for transformation.

III. DETAILS ON CONSOLIDATING AND EXPANDING THE ACHIEVEMENTS OF POVERTY ALLEVIATION, RURAL REVITALIZATION AND OTHER WORK

The Company resolutely implemented the decisions and arrangements of the CPC Central Committee and the State Council regarding strengthening the effective connection between the achievements of poverty alleviation and the rural revitalization. With assistance in education, consumption, and people's livelihood and other forms, we have continuously assisted Huining County of Gansu Province, Guzhang County of Hunan Province, Yuexi County of Anhui Province, and Kaizhou District (formerly known as Kai County) and Fengjie County of Chongqing City to consolidate the achievements of poverty alleviation with a view to creating the characteristics of "investment + investment banking + research + public welfare", and promoting the rural revitalization.

During the Reporting Period, CICC completed rural revitalization-related projects with a financing scale of over RMB45 billion. The total investment in assistance projects and rural revitalization projects was approximately RMB42.2 million. The Company carried out programs in Huining County of Gansu Province, including anti-poverty return insurance, insurance + futures, donation for laboratory buildings, donation for township health centers, constructing water supply guarantee projects, fostering village special industries, cultivating e-commerce platforms and organizing talent training, benefiting a total of 230,000 people.

Focusing on financial assistance. Providing microfinance loans. We promoted collaboration with Chongho Bridge Management Limited (中和農信項目管理公司), providing microfinance loans to low- and middle-income farmers in rural areas of Huining County to help develop production and improve income, granting loans of over RMB3 million and benefiting over 100 farmers.

Focusing on people's livelihood assistance. Assisting in medical treatment: we invested RMB600,000 in "Medical Aid Funds to Prevent Poverty due to Illness (防因病返貧醫療救助資金)", aiming to improve the anti-risk ability of low-income people in Guzhang County and prevent them from returning to poverty due to illness. Caring for women and children: we invested RMB100,000 as "Women's Training and Rights Protection Aid Funds" to care for women and children from difficult families, left-behind children and empty nesters in Guzhang County. The fund also provides financial support to rural women who have the will and ability for development, or to low-income women in urban areas, or to rural women who actively participate in grassroots social governance in pilot villages. Caring for the elderly: we invested RMB100,000 to finance the program of supporting the elderly in Xinghe County, Inner Mongolia.

Focusing on education assistance. We supported the construction of the laboratory complex in Huining No.1 Middle School. We established a long-acting mechanism to solve relative poverty through educational assistance and consolidate the achievements of poverty alleviation in Huining County. We set up a long-term “CICC Teacher Development Fund” at Beijing Daxing Dandelion School. We supported the on-going implementation of the “China Reach” program in Huining and Guzhang County and the cumulative number of children benefited was over 3,000. We built 20 “CICC-Jiuyang Charity Kitchens (中金-九陽公益廚房)” in Huining and Wushan County, Gansu Province, Yuexi County, Anhui Province, and Maixieti Primary School in Atushi City, Kizilsu Kirgiz Autonomous Prefecture, Xinjiang Province, to improve the kitchen conditions of local schools, enhance the implementation capacity and nutritional security capacity of the rural school nutrition improvement plan. The project helped 11,000 teachers and students. By 2022, there were 17 teacher training sessions under the “Mountain Village Kindergarten Project Volunteer Teachers Development Fund” with more than 1,000 people received training. We continued to carry out the book donation activities. We invested RMB50,000 to purchase more than 1,470 pieces of superior extracurricular reading materials for donation to Yong’an Middle School in Fengjie, benefiting about 8,500 students.

Focusing on consumption assistance. Implementing bidirectional assistance. We invested RMB100,000 in the purchase of high-quality characteristic agricultural products in Fengjie, Chongqing and for two consecutive years, we donated them to Beijing Daxing Dandelion School, one of the Foundation’s long-standing support schools through the “Sunny Days with Oranges (遇見美好前橙)” activity. We invested RMB100,000 to purchase characteristic agricultural products in Kaizhou, Chongqing, and donated the same to the Tibet Maternal and Child Healthcare Association and the Women’s Federation of Tibet Autonomous Region. We continued to carry out “Warm Tibet Program (暖藏計劃)” and gave support to the Tibetan in Nimu, Naqu, and the Senburi relocation site in Konggar County, Shannan City. We purchased high-quality rice from Guzhang County, Hunan Province, high-quality camellia seed oil and shredded bamboo shoots from Yuexi County, Anhui Province, both of which were counties supported by paired poverty alleviation programme, and subsequently donated the same to 13 local middle schools (including the schools where the “CICC-Jiuyang Charity Kitchens” project serves lunch and dinner) through Education Bureau of Huining County, benefiting 1,607 students.

For details of our performance of environmental and social responsibilities, please refer to the *2022 Environmental, Social and Governance Report of China International Capital Corporation Limited* disclosed by the Company on the website of the SSE (www.sse.com.cn), the website of the HKEXnews (www.hkexnews.hk) and the website of the Company (<http://www.cicc.com>).

SIGNIFICANT EVENTS

I. PERFORMANCE OF UNDERTAKINGS

During the Reporting Period, the undertakings of relevant covenantors were fulfilled in a timely and strict manner, and there was no failure in timely fulfillment. The details of undertakings made by relevant covenantors are as follows:

Background of undertaking	Type of undertaking	Covenantor	Undertaking	Time and duration of undertaking	Whether there is a performance period
Undertakings in relation to initial public offering	Shares selling restrictions	Central Huijin, Jiayin Investment, JIC Investment and China Investment Consulting	Undertakings in relation to restrictions on shareholdings and trading	36 months from the listing date of A Shares of the Company	Yes
	Shares selling restrictions	Central Huijin, Jiayin Investment, JIC Investment and China Investment Consulting	Undertakings in relation to the price for selling shares within 2 years from the expiring date of restrictions on shareholdings and trading	2 years from the expiring date of restrictions on shareholdings and trading	Yes
	Others	Central Huijin, Jiayin Investment, JIC Investment, China Investment Consulting, and Haier Jinying	Undertakings in relation to the intention of shareholding and reducing shareholding	Long-term	Yes
	Others	The Company, Directors (other than Independent Directors and Directors not receiving remuneration from the Company) and senior management	Undertakings in relation to stabilizing share price	3 years from the listing date of A Shares of the Company	Yes
	Others	Directors and senior management	Undertakings to take remedial measures against dilution of immediate returns	Long-term	Yes
	Others	The Company, Central Huijin, Directors, Supervisors, senior management, joint sponsors, joint lead underwriters, lawyers of the issuer, accountants of the issuer, and the asset appraisal agency of the issuer	Undertakings that there were no false records, misleading statements or material omissions in the prospectus	Long-term	Yes
	Others	The Company, Central Huijin, Jiayin Investment, JIC Investment, China Investment Consulting, Haier Jinying, Directors, Supervisors, and senior management	Undertakings in relation to binding measures on any failure to fulfill	Long-term	Yes
	Others	Central Huijin	Undertakings in relation to avoiding peer competition	Long-term	Yes
	Others	Haier Jinying	Undertakings in relation to reducing and regulating related party transactions	Long-term	Yes
	Other undertakings	Others	Haier Jinying	Undertakings in relation to restrictions on shareholdings and trading	36 months from the date of acquiring shares of the Company

II. MISAPPROPRIATION OF FUNDS ON A NON-OPERATING BASIS BY THE CONTROLLING SHAREHOLDER AND OTHER RELATED PARTIES

During the Reporting Period, there was no misappropriation of funds on a non-operating basis by the Company's controlling shareholder and other related parties.

III. NON-COMPLIANT GUARANTEES

During the Reporting Period, the Company had no non-compliant guarantees.

IV. EXPLANATION ON "NON-STANDARD AUDITORS' REPORT" ISSUED BY THE ACCOUNTING FIRMS

The accounting firms have issued "auditors' report with unqualified opinions" for the Company.

V. ANALYSIS AND EXPLANATION FROM THE COMPANY ON REASONS FOR AND IMPACTS OF CHANGES IN ACCOUNTING POLICIES, ACCOUNTING ESTIMATES OR CORRECTION OF MATERIAL ACCOUNTING ERRORS

During the Reporting Period, the Group has no significant changes in accounting policies or accounting estimates. For information on the Group's accounting policies, please refer to "Notes to the Consolidated Financial Statements — 3.2 Significant accounting policies".

During the Reporting Period, the Company had no correction of material accounting errors.

VI. THE RISKS OF DELISTING, BANKRUPTCY OR RESTRUCTURING

The Company was not exposed to the risks of delisting, bankruptcy or restructuring.

VII. MATERIAL LITIGATION AND ARBITRATION

During the Reporting Period, the Company was not involved in any material litigation or arbitration which shall be disclosed.

VIII. VIOLATIONS, PUNISHMENTS AND RECTIFICATIONS OF THE COMPANY AND ITS DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT, THE CONTROLLING SHAREHOLDER, AND THE ACTUAL CONTROLLER

During the Reporting Period and up to the Latest Practicable Date, the Company had complied with the laws and regulations and regulatory requirements of the places where the Company operates in all material respects. None of the Company, the Directors, Supervisors, senior management or the controlling shareholder of the Company had any of the following circumstances related to the Company that they were suspected of a crime and therefore subject to any investigations or mandatory measures in accordance with the law, subject to any criminal penalty, suspected violation of the law or regulation and therefore subject to any investigation initiated or administrative penalties imposed by the CSRC, subject to any major administrative penalties imposed by other competent authorities, suspected of a serious violation of law or disciplinary offences, or job-related crimes and therefore subject to detention measures by the discipline inspection and supervision authority, affecting the performance of the duties, suspected of a violation of the law or regulation and therefore subject to mandatory measures by other competent authority, affecting the performance of the duties, or subject to disciplinary action by a stock exchange or any other self-regulatory organization.

During the Reporting Period, the Company was subject to the following administrative regulatory measures by the CSRC and its delegated institutions:

1. The administrative regulatory measure of issuing a warning letter to the Company imposed by CSRC

On May 27, 2022, as the counterparty to an over-the-counter option contract of the Company was a non-professional institutional investor, which violated relevant provisions of the *Measures for Administration of Over-the-counter Option Businesses of Securities Companies*, the CSRC decided to take the administrative regulatory measure of issuing a warning letter to the Company.

In response to the administrative regulatory measure, the Company actively carried out rectification: The FICC Department conducted a self-examination on existing customers of foreign exchange and over-the-counter interest rate options, and required customers who did not meet the requirements on the appropriateness of over-the-counter option investors to supplement appropriateness certification materials; if the customers still fail to meet the eligibility requirements, the existing transactions are settled upon maturity and will not be renewed, and no new transactions will be conducted. Self-examination and rectification have been completed. The counterparties to new over-the-counter option transactions will be subject to eligibility review in strict accordance with the requirements on the appropriateness of over-the-counter option investors.

2. The administrative regulatory measure of issuing a warning letter to the Company imposed by CSRC

On June 2, 2022, with regard to the engagement in Company real estate investment and development projects by Tianjin Jiacheng Investment Management Co., Ltd. (天津佳成投資管理有限公司), an offshore round-trip subsidiary of the Company; the failure to liquidate 46 redundant special purpose vehicles within the specified period and the failure to raise the level of 22 special purpose vehicles within the specified period; the failure to amend the articles of association of overseas subsidiaries in accordance with the *Measures for the Administration of Overseas Establishment, Acquisition of and Equity Participation in Business Organizations by Securities Companies and Securities Investment Fund Management Companies*, the Company violated relevant regulations of the *Measures for the Administration of Overseas Establishment, Acquisition of and Equity Participation in Business Organizations by Securities Companies and Securities Investment Fund Management Companies*. The CSRC decided to take the administrative regulatory measure of issue a warning letter to the Company.

In response to the administrative regulatory measure, the Company actively implemented rectification. Until now, the Company completed the disposal and upgrade of all overseas SPVs; the deregistration of round-trip subsidiaries; and the amendments to the articles of association of overseas subsidiaries which were not SPVs to the extent permitted by local laws.

3. The administrative regulatory measure of issuing a warning letter to the Company imposed by CSRC Liaoning Bureau

On August 9, 2022, the Company, as the lead underwriter of Huachen Automotive Group Holdings Company Limited on application for public issuance of the 2019 corporate bonds and the lead underwriter for the 2019 1st Tranche Bonds (referred to as 19 Huaji 01), failed to perform the due diligence on certain matters of the underwriting business. The CSRC Liaoning Bureau decided to take the administrative regulatory measure of issuing a warning letter to the Company.

In response to the administrative regulatory measure, the Company has taken the following rectification measures: The Company has actively handled the risks of default on this tranche of bonds, improved the approval standards for those bonds, focused on the assessment and judgment before establishment of project, carefully estimated the quality of the projects, required the responsible committee to strengthen the audit of the projects, and earnestly assumed performance responsibilities.

4. The administrative regulatory measure of ordering the Company to take rectification measures imposed by CSRC Beijing Bureau

On November 22, 2022, as the Company's subsidiaries, CICC Qianhai Development (Shenzhen) Fund Management Co., Ltd and CICC Qianhai (Shenzhen) Equity Investment Fund Management Co., Ltd, and the relevant products under their management failed to complete rectification as scheduled, as well as overdraft of client's accounts resulted from the failure of system's interception of the Company, which violated relevant provisions of the *Regulation on the Supervision and Administration of Securities Companies*, the CSRC Beijing Bureau decided to take the administrative regulatory measure of ordering to take rectification measures to the Company.

In response to the administrative regulatory measure, the Company has taken the following rectification measures: (1) According to the regulatory requirements, the Company shall continue to follow up and complete the rectification of the two entities of CICC Qianhai and their managed products; (2) after the occurrence of the overdraft incident of client's accounts, the Company had promptly organized the technical department to conduct a comprehensive investigation for the system's problem and had restored the corresponding defects in a timely manner, and now rectification has been completed.

IX. EXPLANATIONS ON CREDITWORTHINESS OF THE COMPANY, ITS CONTROLLING SHAREHOLDER AND THE ACTUAL CONTROLLER

During the Reporting Period, the Company and its controlling shareholder did not fail to perform the obligations determined by any effective court judgment, or to pay outstanding debts with a large amount when due.

X. MATERIAL RELATED PARTY/CONNECTED TRANSACTIONS

The Group conducts related party (connected) transactions in strict compliance with the requirements of the relevant laws and regulations, the Listing Rules, the regulatory authorities and the internal management system. The Group's related party (connected) transactions are conducted based on the principles of equity, openness and fairness, and the relevant transaction agreements are entered into based on the principles of equality, voluntariness, equivalence and compensation. During the Reporting Period, the Group did not conduct any non-exempt connected transactions or continuing connected transactions in accordance with the *Listing Rules of the Stock Exchange*.

During the Reporting Period, the daily related-party transactions of the Company (as defined in the *Listing Rules of the SSE*) were implemented in accordance with the relevant resolutions considered and approved at the shareholders' general meeting. When relevant related-party transactions occur in daily operations, the Company shall determine the transaction price with related-parties strictly in accordance with the principle of fair price, with reference to market price levels, industry practices and third-party pricing, and there is no significant difference between the actual transaction price and the market price. The specific implementation is as follows, which may be different from the "Related Party Relationships and Transactions" set out in the section headed "Consolidated Financial Statements" prepared in accordance with the IFRSs:

1. **Matters disclosed in ad hoc announcements without subsequent progress or change: Not applicable**
2. **Matters disclosed in ad hoc announcements with subsequent progress or change**

Unit: ten thousand Yuan Currency: RMB

Transaction category	Transaction contents	Related-party	Brief introduction of business or event	Estimated amount	Actual amount incurred
Securities and financial products services	Expenses from service charges and commissions	Bank of China Limited (Zhejiang Branch)	Receiving asset custody services		0.09
		Global Bridge Capital Management, LLC	Providing investment consulting services		123.09
	Income from service charges and commissions	Haier Group (Qingdao) Jinying Holding Co., Ltd.	Providing securities brokerage services		113.69
			Providing investment consulting services		34.10
		Haier Financial Factoring (Chongqing) Co., Ltd. (海爾金融保理(重慶)有限公司)	Providing asset management services		21.96
		Bank of Qingdao Co., Ltd.	Providing asset management services		128.16
			Providing securities underwriting services		24.61
		China National Investment and Guaranty Corporation	Providing securities brokerage services		8.23
			Providing fund management services	Due to the uncertainty of occurrence and scale of business, the amount shall be calculated at actual amount incurred.	1,283.91
		Interest expenses	China National Investment and Guaranty Corporation		4.30
Haier Group (Qingdao) Jinying Holding Co., Ltd.	Interest expenses on settlement funds of client transactions			3.37	
Securities and financial products transactions	Joint investment	Capital Healthtech Incubation Engineering Foundation (首都醫療科技成果轉化公益基金會)		0.23	
		China National Investment and Guaranty Corporation	Balance of joint investment in funds with related party	632.19	
	Financial products transactions	Bank of Qingdao Co., Ltd.	Selling financial products to related party		5,055.28
			Purchasing financial products from related party		88.32
	Investment income	Bank of Qingdao Co., Ltd.		48.00	
	China National Investment and Guaranty Corporation	Investment income from purchasing financial assets issued by related party		0.41	

3. Matters not disclosed in ad hoc announcements: Not applicable

During the Reporting Period, except for the above-mentioned related party transactions relating to daily operations, the Company did not have the followings that should be disclosed:

Related party transactions relating to asset or share acquisition or disposal; significant related party transactions relating to joint external investments with related parties; debts due to/from related parties; financial business with any related financial company, any financial company controlled by the Company, and a related party; other significant related party transactions.

During the Reporting Period, none of the related party transactions set out in the section headed "Consolidated Financial Statements" constituted discloseable connected transactions or continuing connected transactions under the *Listing Rules of the Stock Exchange*.

XI. MATERIAL CONTRACTS AND PERFORMANCE

(I) Guarantees

Unit: 100 million Yuan Currency: RMB

External guarantees of the Company (excluding guarantees for its subsidiaries)	
Total amount of guarantees provided during the Reporting Period (excluding guarantees for subsidiaries)	–
Total balance of guarantees at the end of the Reporting Period (A) (excluding guarantees for subsidiaries)	–
Guarantees provided by the Company and its subsidiaries for subsidiaries	
Total amount of guarantees provided for subsidiaries during the Reporting Period	97.42
Total balance of guarantees provided for subsidiaries at the end of the Reporting Period (B)	333.09
Total amount of guarantees provided by the Company (including those provided for subsidiaries)	
Total amount of guarantees (A+B)	333.09
Percentage of total amount of guarantees over net assets of the Company (%)	33.58%
Including:	
Amount of guarantees provided for shareholders, actual controller and their related parties (C)	–
Amount of debt guarantees directly or indirectly provided for parties with asset-liability ratio exceeding 70% (D)	325.89
Amount of total guarantees exceeding 50% of net assets (E)	–
Total amount of above three types of guarantees (C+D+E)	325.89
Explanations on unexpired guarantees subject to joint liabilities	–

Notes:

1. The net assets in the above table refer to the total equity attributable to shareholders of the parent Company in the consolidated financial statements of the Company as of the end of the Reporting Period.
2. The exchange rates involved in the above table refer to the exchange rate of RMB against USD, and RMB against HKD on December 31, 2022.

During the Reporting Period, the new and existing guarantees of the Company and its holding subsidiaries were all guarantees provided by CICC International, a direct wholly-owned subsidiary of the Company, to its subordinate wholly-owned subsidiaries, i.e. indirectly wholly-owned subsidiaries of the Company, specifically:

1. CICC International providing guarantees for its subordinate wholly-owned subsidiaries in connection with the issuance of medium-term notes

CICC International provided an unconditional and irrevocable guarantee for its subsidiary, CICC Hong Kong Finance 2016 MTN Limited, in connection with the issuance of medium-term note under the overseas medium-term note programme. The guarantee covered the payment of the principal and interest of the notes and other payment obligations under the Notes and Trust Deed.

In 2022, CICC Hong Kong Finance 2016 MTN Limited completed two issuances under the medium-term note programme, with an aggregate principal amount of US\$1.25 billion, which all were 3-year notes. As of the end of 2022, the balance of the guarantee provided by CICC International for CICC Hong Kong Finance 2016 MTN Limited in connection with the repayment obligations under the above issuances was approximately RMB9.742 billion.

Save for the new issuances and guarantees during the 2022 as disclosed above, as of the end of the 2022, other outstanding issuances and relevant guarantees under the medium-term note programme are as follows: In 2020, CICC Hong Kong Finance 2016 MTN Limited completed two issuances under the medium-term note programme, with an aggregate principal amount of US\$1,500 million, both of which are 3-year notes. In 2021, CICC Hong Kong Finance 2016 MTN Limited completed two issuances under the medium-term note programme, with an aggregate principal amount of US\$1,500 million, including 3-year notes of US\$1,000 million and 5-year notes of US\$500 million. As of the end of 2022, the balance of the guarantee provided by CICC International for CICC Hong Kong Finance 2016 MTN Limited in connection with the repayment obligations under the above issuances was approximately RMB21,368 million.

2. CICC International providing guarantees for its subordinate wholly-owned subsidiaries in connection with overseas bank loans

There was no new guarantees during the Reporting Period. As of the end of 2022, the balance of guarantees was approximately RMB2.198 billion.

In addition, a net capital guarantee commitment of no more than RMB3 billion (inclusive) in connection with a wholly-owned asset management subsidiary to be established by the Company has not been implemented.

(II) Other material contracts

During the Reporting Period, the Company had no material custody, contracting or leasing.

Save as otherwise disclosed in this report, the Company had no other material contracts during the Reporting Period.

XII. MATERIAL ACQUISITIONS AND DISPOSALS

During the Reporting Period, the Group did not have material acquisitions, disposals, swaps and asset reorganizations relating to its subsidiaries, associates, joint operations or joint ventures during the Reporting Period.

XIII. MATERIAL SUBSEQUENT EVENTS OF THE BALANCE SHEET

Please refer to "Notes to the Consolidated Financial Statements - 63. Subsequent Events" for information on issuance and redemption of debt securities and 2022 profit distribution of the Group as of the Latest Practicable Date.

XIV. MAIN OFF-BALANCE SHEET ITEMS THAT MAY AFFECT THE COMPANY'S FINANCIAL SITUATION AND OPERATING RESULTS

Please refer to "Significant Events – Material contracts and performance" of this section in this report.

XV. DESCRIPTION OF OTHER MAJOR EVENTS THAT MAY HAVE A SIGNIFICANT IMPACT ON THE VALUE JUDGMENTS AND INVESTMENT DECISIONS OF INVESTORS

During the Reporting Period, except for being disclosed in this report, the Company has no other major events that may have a significant impact on the value judgments and investment decisions of investors.

PARTICULARS OF BONDS

I. OVERVIEW OF INTEREST-BEARING DEBT

(I) Organizational Structure

As of the beginning and the end of the Reporting Period, the outstanding balance of the Company's interest-bearing debt amounted to RMB144,687 million and RMB160,184 million respectively, and the outstanding balance of the interest-bearing debt recorded a year-on-year change of 10.71% during the Reporting Period.

Unit: 100 million Yuan Currency: RMB

Types of interest-bearing debt	Overdue	Time to maturity ¹⁴			Total
		Within 6 months (inclusive)	6 months (exclusive) to 1 year (inclusive)	More than 1 years (exclusive)	
Short-term debt securities issued	–	69.85	20.30	–	90.15
Placements from financial institutions	–	302.06	39.06	–	341.12
REPOs	–	212.55	–	–	212.55
Corporate credit bonds	–	197.59	212.02	548.40	958.01
Total	–	782.05	271.39	548.40	1,601.84

As of the end of the Reporting Period, among the corporate credit bonds¹⁵ issued by the Company, the outstanding balance of corporate bonds was RMB79,401 million, and the outstanding balance of perpetual subordinated bonds was RMB16,400 million, of which a total of RMB32,724 million of corporate credit bonds will mature or can be sold back during April to December 2023.

¹⁴ The calculation of the remaining life is based on the exercise date of the early redemption/sell-back option, and the debt securities with clauses which allow such securities to be terminated at any time are classified as less than 3 months (inclusive)

¹⁵ Including perpetual subordinated bonds with an outstanding balance of RMB16,400 million accounted as equity instruments

(II) Interest-bearing Debts and Their Changes

- (1) As of the beginning and the end of the Reporting Period, the outstanding balance of the Group's interest-bearing debt amounted to RMB259,852 million and RMB290,939 million respectively, and the outstanding balance of the interest-bearing debt recorded a year-on-year change of 11.96% during the Reporting Period.

Unit: 100 million Yuan Currency: RMB

Types of interest-bearing debt	Overdue	Time to maturity ¹⁶			Total
		Within 6 months (inclusive)	6 months (exclusive) to 1 year (inclusive)	More than 1 years (exclusive)	
Beneficiary certificates	–	127.85	29.40	–	157.25
Structured notes	–	7.87	0.25	–	8.12
Placements from financial institutions	–	569.40	39.06	–	608.46
REPOs	–	431.57	–	–	431.57
Corporate credit bonds	–	269.43	292.68	844.46	1,406.57
Medium-term notes	–	70.11	35.03	192.28	297.41
Total	–	1,476.24	396.42	1,036.73	2,909.39

As of the end of the Reporting Period, among the corporate credit bonds¹⁷ issued by the Group, the outstanding balance of corporate bonds was RMB124,257 million and the outstanding balance of perpetual subordinated bonds was RMB16,400 million, of which a total of RMB43,858 million of corporate credit bonds will mature or can be sold back during April to December 2023.

- (2) As of the end of the Reporting Period, the outstanding balance of the medium-term notes issued overseas by the Group was RMB29,741 million, of which a total of RMB3,503 million of the medium-term notes issued overseas will mature during April to December 2023; the outstanding balance of the structured notes issued overseas by the Group was RMB812 million, of which a total of RMB277 million of structured notes will mature during April to December 2023.

¹⁶ The calculation of the remaining life is based on the exercise date of the early redemption/sell-back option, and the debt securities with clauses which allow such securities to be terminated at any time are classified as less than 3 months (inclusive)

¹⁷ Including perpetual subordinated bonds with an outstanding balance of RMB16,400 million accounted as equity instruments

II. BOND ISSUANCE AND DURATION

(I) Enterprise bonds

During the Reporting Period, the Company had no enterprise bonds.

(II) Corporate bonds

1. Basic information of corporate bonds¹⁸

Unit: 100 million Yuan Currency: RMB

Bond name	Bond abbreviation	Bond code	Issuance date	Interest commencement date	Latest resale date after March 31, 2023	Maturity date	Balance	Interest rate(%)	Principal and interest payment method	Place for trading	Lead underwriter	Trust manager	Arrangement to ensure the suitability of investors	Applicable trading mechanism	Whether there is any risk of terminating listed trading or listing transfer and countermeasures
2020 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Qualified Investors (First Tranche) (Type I)	20CCCCG1	163361SH	2020/4/2	2020/4/3	2023/4/3	2026/4/3	15	2.89	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal	SSE	CTTC Securities and China Securities	CTTC Securities	Qualified Investors	Matching, one-click-order, price-enquiry, bidding and agreement trading	No
2021 Corporate Bonds of China International Capital Corporation Limited Non-publicly Issued to Professional Institutional Investors (Third Tranche) (Type II)	21CCCCF5	178338SH	2021/4/12	2021/4/13	2023/4/13	2024/4/13	10	3.43	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal	SSE	Huatai United Securities and China Securities	Huatai United Securities	Professional Institutional Investors	One-click-order, price-enquiry, bidding and agreement trading	No
2018 Subordinated Bonds of China International Capital Corporation Limited Non-publicly Issued (First Tranche)	18CCCCC1	150315SH	2018/4/19	2018/4/20	-	2023/4/20	10	5.30	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal	SSE	CTTC Securities and China Securities	CTTC Securities	Qualified Investors	One-click-order, price-enquiry, bidding and agreement trading	No

Bond name	Bond abbreviation	Bond code	Issuance date	Interest commencement date	Latest resale date after March 31, 2023	Maturity date	Balance	Interest rate(%)	Principal and interest payment method	Place for trading	Lead underwriter	Trust manager	Arrangement to ensure the suitability of investors	Applicable trading mechanism	Whether there is any risk of terminating listed trading or listing transfer and countermeasures
2020 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Qualified Investors (Second Tranche) (Type I)	20-CICC G3	163513SH	2020/4/30	2020/5/6	2023/5/6	2026/5/6	33	2.37	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal	SSE	CITIC Securities and Huatai United Securities	CITIC Securities	Qualified investors	Matching, one-click-order, price-equity, bidding and agreement trading	No
2020 Corporate Bonds of China International Capital Corporation Limited Non-publicly Issued (Second Tranche)	20-CICC F2	166857SH	2020/6/27	2020/5/28	2023/5/28	2025/5/28	30	2.95	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal	SSE	CITIC Securities and Huatai United Securities	CITIC Securities	Qualified institutional investors	One-click-order, price-equity, bidding and agreement trading	No
2020 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Qualified Investors (Third Tranche) (Type I)	20-CICC G5	163610SH	2020/6/19	2020/6/22	2023/6/22	2026/6/22	15	3.10	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal	SSE	CITIC Securities and Huatai United Securities	CITIC Securities	Qualified investors	Matching, one-click-order, price-equity, bidding and agreement trading	No
2020 Corporate Bonds of China International Capital Corporation Limited Non-publicly Issued (Third Tranche)	20-CICC F3	167287SH	2020/7/23	2020/7/24	2023/7/24	2025/7/24	30	3.80	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal	SSE	CITIC Securities and Huatai United Securities	CITIC Securities	Qualified institutional investors	One-click-order, price-equity, bidding and agreement trading	No
2020 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Fourth Tranche) (Type I)	20-CICC O7	175122SH	2020/9/9	2020/9/10	2023/9/10	2025/9/10	50	3.78	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal	SSE	CITIC Securities and Huatai United Securities	CITIC Securities	Professional investors	Matching, one-click-order, price-equity, bidding and agreement trading	No

Particulars of Bonds

Bond name	Bond abbreviation	Bond code	Issuance date	Interest commencement date	Latest resale date after March 31, 2023	Maturity date	Balance	Interest rate(%)	Principal and interest payment method	Place for trading	Lead underwriter	Trust manager	Arrangement to ensure the suitability of investors	Applicable trading mechanism	Whether there is any risk of terminating listed trading or listing transfer and countermeasures
2020 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Fifth Tranche) (Type I)	20-CICC-09	175190.SH	2020/09/22	2020/09/23	2023/09/23	2025/09/23	50	3.80	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal	SSE	CITIC Securities and Huatai United Securities	CITIC Securities	Professional Investors	Matching, one-click-order, price-enquiry, bidding and agreement trading	No
2020 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Sixth Tranche) (Type II)	20-CICC-12	175265.SH	2020/10/16	2020/10/19	2023/10/19	2025/10/19	25	3.74	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal	SSE	CITIC Securities and Huatai United Securities	CITIC Securities	Professional Investors	Matching, one-click-order, price-enquiry, bidding and agreement trading	No
2020 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Seventh Tranche) (Type II)	20-CICC-14	175326.SH	2020/10/27	2020/10/28	2023/10/28	2025/10/28	30	3.68	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal	SSE	CITIC Securities and Huatai United Securities	CITIC Securities	Professional Investors	Matching, one-click-order, price-enquiry, bidding and agreement trading	No
2020 Corporate Bonds of China International Capital Corporation Limited Non-publicly Issued to Professional Institutional Investors (Fourth Tranche) (Type II)	20-CICC-F5	177386.SH	2020/12/11	2020/12/14	2023/12/14	2025/12/14	25	4.09	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal	SSE	Huatai United Securities and China Securities	Huatai United Securities	Professional Institutional Investors	One-click-order, price-enquiry, bidding and agreement trading	No
2021 Corporate Bonds of China International Capital Corporation Limited Non-publicly Issued to Professional Institutional Investors (First Tranche) (Type II)	21-CICC-F2	177615.SH	2021/1/15	2021/1/18	2024/1/18	2026/1/18	25	3.75	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal	SSE	Huatai United Securities and China Securities	Huatai United Securities	Professional Institutional Investors	One-click-order, price-enquiry, bidding and agreement trading	No

Bond name	Bond abbreviation	Bond code	Issuance date	Interest commencement date	Latest resale date after March 31, 2023	Maturity date	Balance	Interest rate(%)	Principal and interest payment method	Place for trading	Lead underwriter	Trust manager	Arrangement to ensure the suitability of investors	Applicable trading mechanism	Whether there is any risk of terminating listed trading or listing transfer and countermeasures
2021 Subordinated Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (First Tranche) (Type I)	21-CICC-C1	175749.SH	2021/2/5	2021/2/8	-	2024/2/8	10	3.90	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal	SSE	CITIC Securities and Huatai United Securities	CITIC Securities	Professional Investors	Matching, one-click-order, price-enquiry, bidding and agreement trading	No
2021 Corporate Bonds of China International Capital Corporation Limited Non-publicly Issued to Professional Institutional Investors (Second Tranche) (Type II)	21-CICC-F4	178001.SH	2021/3/3	2021/3/4	2024/3/4	2026/3/4	20	3.82	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal	SSE	Huatai United Securities and China Securities	Huatai United Securities	Professional Institutional Investors	One-click-order, price-enquiry, bidding and agreement trading	No
2021 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (First Tranche) (Type I)	21-CICC-G1	175866.SH	2021/2/15	2021/3/16	2024/3/16	2026/3/16	20	3.58	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal	SSE	Huatai United Securities and Industrial Securities	Huatai United Securities	Professional Investors	Matching, one-click-order, price-enquiry, bidding and agreement trading	No
2021 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Second Tranche) (Type II)	21-CICC-G3	175905.SH	2021/2/24	2021/3/25	2024/3/25	2026/3/25	15	3.51	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal	SSE	Huatai United Securities and Industrial Securities	Huatai United Securities	Professional Investors	Matching, one-click-order, price-enquiry, bidding and agreement trading	No

Particulars of Bonds

Bond name	Bond abbreviation	Bond code	Issuance date	Interest commencement date	Latest resale date after March 31, 2023	Maturity date	Balance	Interest rate(%)	Principal and interest payment method	Place for trading	Lead underwriter	Trust manager	Arrangement to ensure the suitability of investors	Applicable trading mechanism	Whether there is any risk of terminating listed trading or listing transfer and countermeasures
2021 Corporate Bonds of China International Capital Corporation Limited Non-publicly issued to Professional Institutional Investors (Third Tranche) (Type II)	21-CICC F6	178339SH	2021/4/12	2021/4/13	2024/4/13	2026/4/13	35	3.70	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal	SSE	Huatai United Securities and China Securities	Huatai United Securities	Professional Institutional Investors	One-click-order, price-enquiry, bidding and agreement trading	No
2021 Corporate Bonds of China International Capital Corporation Limited Publicly issued to Professional Investors (Third Tranche) (Type I)	21-CICC G5	188575SH	2021/8/13	2021/8/16	2024/8/16	2026/8/16	10	3.04	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal	SSE	Huatai United Securities and Industrial Securities	Huatai United Securities	Professional Investors	Matching, one-click-order, price-enquiry, bidding and agreement trading	No
2019 Subordinated Bonds of China International Capital Corporation Limited Non-publicly issued (Second Tranche)	19-CICC C3	162273SH	2019/10/11	2019/10/14	-	2024/10/14	15	4.09	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal	SSE	CITIC Securities and Soochow Securities	CITIC Securities	Qualified Investors	One-click-order, price-enquiry, bidding and agreement trading	No
2019 Subordinated Bonds of China International Capital Corporation Limited Non-publicly issued (Third Tranche)	19-CICC C4	162470SH	2019/11/8	2019/11/11	-	2024/11/11	15	4.12	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal	SSE	CITIC Securities and Soochow Securities	CITIC Securities	Qualified Investors	One-click-order, price-enquiry, bidding and agreement trading	No
2019 Subordinated Bonds of China International Capital Corporation Limited Non-publicly issued (Fourth Tranche)	19-CICC C5	162645SH	2019/12/4	2019/12/5	-	2024/12/5	20	4.20	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal	SSE	CITIC Securities and Soochow Securities	CITIC Securities	Qualified Investors	One-click-order, price-enquiry, bidding and agreement trading	No

Bond name	Bond abbreviation	Bond code	Issuance date	Interest commencement date	Latest resale date after March 31, 2023	Maturity date	Balance	Interest rate(%)	Principal and interest payment method	Place for trading	Lead underwriter	Trust manager	Arrangement to ensure the suitability of investors	Applicable trading mechanism	Whether there is any risk of terminating listed trading or listing transfer and countermeasures
2021 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Fourth Tranche) (Type I)	21-CICCG1	185097.SH	2021/12/27	2021/12/28	-	2024/12/28	25	2.97	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal	SSE	Huatai United Securities and Industrial Securities	Huatai United Securities	Professional investors	Matching, one-click-order, price-enquiry, bidding and agreement trading	No
2022 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Second Tranche) (Type I)	22-CICCG3	138735.SH	2022/12/15	2022/12/16	2024/12/16	2025/12/16	10	3.36	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal	SSE	Huatai United Securities and Industrial Securities	Huatai United Securities	Professional investors	Matching, one-click-order, price-enquiry, bidding and agreement trading	No
2023 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Type I)	23-CICCG1	138841.SH	2023/1/16	2023/1/17	2025/1/17	2026/1/17	10	3.00	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal	SSE	Huatai United Securities and Industrial Securities	Huatai United Securities	Professional investors	Matching, one-click-order, price-enquiry, bidding and agreement trading	No
2020 Subordinated Bonds of China International Capital Corporation Limited Non-publicly Issued (First Tranche)	20-CICCG1	166869.SH	2020/2/14	2020/2/17	-	2025/2/17	15	3.85	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal	SSE	CITIC Securities and Soochow Securities	CITIC Securities	Qualified investors	One-click-order, price-enquiry, bidding and agreement trading	No
2020 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Qualified Investors (First Tranche) (Type II)	20-CICCG2	163362.SH	2020/4/2	2020/4/3	2025/4/3	2027/4/3	10	3.25	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal	SSE	CITIC Securities and China Securities	CITIC Securities	Qualified investors	Matching, one-click-order, price-enquiry, bidding and agreement trading	No

Particulars of Bonds

Bond name	Bond abbreviation	Bond code	Issuance date	Interest commencement date	Latest resale date after March 31, 2023	Maturity date	Balance	Interest rate(%)	Principal and interest payment method	Place for trading	Lead underwriter	Trust manager	Arrangement to ensure the suitability of investors	Applicable trading mechanism	Whether there is any risk of terminating listed trading or listing transfer and countermeasures
2020 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Qualified Investors (Second Tranche) (Type II)	20-CICC G4	163514SH	2020/04/30	2020/5/6	2025/5/6	2027/5/6	7	2.88	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last instalment shall be paid together with the principal	SSE	CITIC Securities and China Securities	CITIC Securities	Qualified investors	Matching, one-click-order, price-enquiry, bidding and agreement trading	No
2020 Perpetual Subordinated Bonds of China International Capital Corporation Limited Publicly Issued to Professional Institutional Investors (First Tranche)	20-CICC Y1	175075SH	2020/08/27	2020/8/28	-	-	50	4.64	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last instalment shall be paid together with the principal	SSE	Huatai United Securities	Huatai United Securities	Professional institutional investors	Matching, one-click-order, price-enquiry, bidding and agreement trading	No
2022 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (First Tranche) (Type I)	22-CICC G1	138664SH	2022/11/28	2022/11/29	2025/11/29	2027/11/29	25	2.94	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last instalment shall be paid together with the principal	SSE	Huatai United Securities and Industrial Securities	Huatai United Securities	Professional institutional investors	Matching, one-click-order, price-enquiry, bidding and agreement trading	No
2023 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (First Tranche) (Type II)	23-CICC G2	138642SH	2023/1/16	2023/1/17	2026/1/17	2028/1/17	30	3.18	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last instalment shall be paid together with the principal	SSE	Huatai United Securities and Industrial Securities	Huatai United Securities	Professional institutional investors	Matching, one-click-order, price-enquiry, bidding and agreement trading	No

Bond name	Bond abbreviation	Bond code	Issuance date	Interest commencement date	Latest resale date after March 31, 2023	Maturity date	Balance	Interest rate(%)	Principal and interest payment method	Place for trading	Lead underwriter	Trust manager	Arrangement to ensure the suitability of investors	Applicable trading mechanism	Whether there is any risk of terminating listed trading or listing transfer and countermeasures
2021 Perpetual Subordinated Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (First Tranche)	21-CICC-Y1	175720SH	2021/1/28	2021/1/29	-	-	15	4.68	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal	SSE	CITIC Securities and Huatai United Securities	CITIC Securities	Professional investors	Matching, one-click-order, price-enquiry, bidding and agreement trading	No
2021 Subordinated Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (First Tranche) (Type II)	21-CICC-C2	175750SH	2021/2/5	2021/2/8	-	2026/2/8	10	4.49	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal	SSE	CITIC Securities and Huatai United Securities	CITIC Securities	Professional investors	Matching, one-click-order, price-enquiry, bidding and agreement trading	No
2021 Perpetual Subordinated Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Second Tranche)	21-CICC-Y2	188054SH	2021/4/23	2021/4/26	-	-	20	4.20	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal	SSE	CITIC Securities and Huatai United Securities	CITIC Securities	Professional investors	Matching, one-click-order, price-enquiry, bidding and agreement trading	No
2021 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Third Tranche) (Type II)	21-CICC-G6	188576SH	2021/8/13	2021/8/16	2026/8/16	2028/8/16	15	3.39	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal	SSE	Huatai United Securities and Industrial Securities	Huatai United Securities	Professional investors	Matching, one-click-order, price-enquiry, bidding and agreement trading	No

Particulars of Bonds

Bond name	Bond abbreviation	Bond code	Issuance date	Interest commencement date	Latest resale date after March 31, 2023	Maturity date	Balance	Interest rate(%)	Principal and interest payment method	Place for trading	Lead underwriter	Trust manager	Arrangement to ensure the suitability of investors	Applicable trading mechanism	Whether there is any risk of terminating listed trading or listing transfer and countermeasures
2022 Perpetual Subordinated Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (First Tranche)	22-CICC-Y1	185245SH	2022/1/12	2022/1/13	-	-	39	3.60	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last instalment shall be paid together with the principal	SSE	CITIC Securities and Huatai United Securities	CITIC Securities	Professional investors	Matching, one-click-order, price-enquiry, bidding and agreement trading	No
2022 Perpetual Subordinated Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Second Tranche)	22-CICC-Y2	137871SH	2022/9/30	2022/10/10	-	-	40	3.35	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last instalment shall be paid together with the principal	SSE	CITIC Securities and Huatai United Securities	CITIC Securities	Professional investors	Matching, one-click-order, price-enquiry, bidding and agreement trading	No
2021 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (First Tranche) (Type II)	21-CICC-G2	175857SH	2021/8/15	2021/3/16	-	2031/3/16	20	4.10	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last instalment shall be paid together with the principal	SSE	Huatai United Securities and Industrial Securities	Huatai United Securities	Professional investors	Matching, one-click-order, price-enquiry, bidding and agreement trading	No
2021 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Second Tranche) (Type II)	21-CICC-G4	175965SH	2021/8/24	2021/3/25	-	2031/3/25	25	4.07	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last instalment shall be paid together with the principal	SSE	Huatai United Securities and Industrial Securities	Huatai United Securities	Professional investors	Matching, one-click-order, price-enquiry, bidding and agreement trading	No

Bond name	Bond abbreviation	Bond code	Issuance date	Interest commencement date	Latest resale date after March 31, 2023	Balance	Interest rate(%)	Principal and interest payment method	Place for trading	Lead underwriter	Trust manager	Arrangement to ensure the suitability of investors	Applicable trading mechanism	Whether there is any risk of terminating listed trading or listing transfer and countermeasures
2021 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Fourth Tranche) (Type II)	21-CICC-G8	185091.SH	2021/12/17	2021/12/18	-	10	3.68	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last instalment shall be paid together with the principal	SSE	Huatai United Securities and Industrial Securities	Huatai United Securities	Professional Investors	Matching, one-click-order, price-enquiry, bidding and agreement trading	No
2022 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (First Tranche) (Type II)	22-CICC-G2	138665.SH	2022/11/28	2022/11/29	-	20	3.52	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last instalment shall be paid together with the principal	SSE	Huatai United Securities and Industrial Securities	Huatai United Securities	Professional Investors	Matching, one-click-order, price-enquiry, bidding and agreement trading	No

Note: During the Reporting Period, the Company had no overdue outstanding bonds.

Particulars of Bonds

Interest payment for and redemption of bonds during the Reporting Period:

Name of Bond	Interest payment and redemption
2020 Corporate Bonds of China International Capital Corporation Limited Non-publicly Issued (Fourth Tranche) (Type I)	Paid in full as scheduled
2020 Corporate Bonds of China International Capital Corporation Limited Publicly Issued (Seventh Tranche) (Type I)	Paid in full as scheduled
2020 Corporate Bonds of China International Capital Corporation Limited Publicly Issued (Sixth Tranche) (Type I)	Paid in full as scheduled
2019 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Qualified Investors (First Tranche)	Paid in full as scheduled
2019 Subordinated Bonds of China International Capital Corporation Limited Non-publicly Issued (First Tranche)	Paid in full as scheduled
2017 Subordinated Bonds of China International Capital Corporation Limited Non-publicly Issued (Third Tranche)	Paid in full as scheduled
2017 Subordinated Bonds of China International Capital Corporation Limited Non-publicly Issued (Second Tranche)	Paid in full as scheduled
2017 Subordinated Bonds of China International Capital Corporation Limited Non-publicly Issued (First Tranche)	Paid in full as scheduled
2017 Corporate Bonds of China International Capital Corporation Limited Non-publicly Issued (Second Tranche) (Type II)	Paid in full as scheduled
2021 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Fourth Tranche) (Type I)	Payment of interest in full as scheduled
2021 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Fourth Tranche) (Type II)	Payment of interest in full as scheduled
2021 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Third Tranche) (Type I)	Payment of interest in full as scheduled
2021 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Third Tranche) (Type II)	Payment of interest in full as scheduled
2021 Perpetual Subordinated Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Second Tranche)	Payment of interest in full as scheduled
2021 Corporate Bonds of China International Capital Corporation Limited Non-publicly Issued to Professional Institutional Investors (Third Tranche) (Type I)	Payment of interest in full as scheduled
2021 Corporate Bonds of China International Capital Corporation Limited Non-publicly Issued to Professional Institutional Investors (Third Tranche) (Type II)	Payment of interest in full as scheduled

Name of Bond	Interest payment and redemption
2021 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Second Tranche) (Type I)	Payment of interest in full as scheduled
2021 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Second Tranche) (Type II)	Payment of interest in full as scheduled
2021 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (First Tranche) (Type I)	Payment of interest in full as scheduled
2021 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (First Tranche) (Type II)	Payment of interest in full as scheduled
2021 Corporate Bonds of China International Capital Corporation Limited Non-publicly Issued (Second Tranche) (Type I)	Payment of interest in full as scheduled
2021 Corporate Bonds of China International Capital Corporation Limited Non-publicly Issued to Professional Institutional Investors (Second Tranche) (Type II)	Payment of interest in full as scheduled
2021 Subordinated Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (First Tranche) (Type I)	Payment of interest in full as scheduled
2021 Subordinated Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (First Tranche) (Type II)	Payment of interest in full as scheduled
2021 Perpetual Subordinated Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (First Tranche)	Payment of interest in full as scheduled
2021 Corporate Bonds of China International Capital Corporation Limited Non-publicly Issued (First Tranche) (Type I)	Payment of interest in full as scheduled
2021 Corporate Bonds of China International Capital Corporation Limited Non-publicly Issued to Professional Institutional Investors (First Tranche) (Type II)	Payment of interest in full as scheduled
2020 Corporate Bonds of China International Capital Corporation Limited Non-publicly Issued to Professional Institutional Investors (Fourth Tranche) (Type II)	Payment of interest in full as scheduled
2020 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Seventh Tranche) (Type II)	Payment of interest in full as scheduled
2020 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Sixth Tranche) (Type II)	Payment of interest in full as scheduled
2020 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Fifth Tranche) (Type I)	Payment of interest in full as scheduled
2020 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Fourth Tranche) (Type I)	Payment of interest in full as scheduled
2020 Perpetual Subordinated Bonds of China International Capital Corporation Limited Publicly Issued to Professional Institutional Investors (First Tranche)	Payment of interest in full as scheduled
2020 Corporate Bonds of China International Capital Corporation Limited Non-publicly Issued (Third Tranche)	Payment of interest in full as scheduled
2020 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Qualified Investors (Third Tranche) (Type I)	Payment of interest in full as scheduled

Name of Bond	Interest payment and redemption
2020 Corporate Bonds of China International Capital Corporation Limited Non-publicly Issued (Second Tranche)	Payment of interest in full as scheduled
2020 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Qualified Investors (Second Tranche) (Type I)	Payment of interest in full as scheduled
2020 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Qualified Investors (Second Tranche) (Type II)	Payment of interest in full as scheduled
2020 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Qualified Investors (First Tranche) (Type I)	Payment of interest in full as scheduled
2020 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Qualified Investors (First Tranche) (Type II)	Payment of interest in full as scheduled
2020 Corporate Bonds of China International Capital Corporation Limited Non-publicly Issued (First Tranche)	Payment of interest in full as scheduled
2020 Subordinated Bonds of China International Capital Corporation Limited Non-publicly Issued (First Tranche)	Payment of interest in full as scheduled
2019 Subordinated Bonds of China International Capital Corporation Limited Non-publicly Issued (Fourth Tranche)	Payment of interest in full as scheduled
2019 Subordinated Bonds of China International Capital Corporation Limited Non-publicly Issued (Third Tranche)	Payment of interest in full as scheduled
2019 Subordinated Bonds of China International Capital Corporation Limited Non-publicly Issued (Second Tranche)	Payment of interest in full as scheduled
2018 Subordinated Bonds of China International Capital Corporation Limited Non-publicly Issued (First Tranche)	Payment of interest in full as scheduled

2. Triggering and implementation of the corporate bonds with option clauses during the Reporting Period

a. *The bonds that contain option to adjust coupon rate and option to sell back are as follows:*

Bond Code: 163019.SH, 166132.SH, 163361.SH, 163362.SH, 163513.SH, 163514.SH, 166857.SH, 163610.SH, 167287.SH, 175122.SH, 175190.SH, 175262.SH, 175263.SH, 175325.SH, 175326.SH, 177385.SH, 177386.SH, 177614.SH, 177615.SH, 178000.SH, 178001.SH, 175856.SH, 175905.SH, 178338.SH, 178339.SH, 188575.SH, 188576.SH, 138664.SH, 138735.SH, 138841.SH, 138842.SH

Bond Abbreviation: 19 CICC 04, 20 CICC F1, 20 CICC G1, 20 CICC G2, 20 CICC G3, 20 CICC G4, 20 CICC F2, 20 CICC G5, 20 CICC F3, 20 CICC 07, 20 CICC 09, 20 CICC 11, 20 CICC 12, 20 CICC 13, 20 CICC 14, 20 CICC F4, 20 CICC F5, 21 CICC F1, 21 CICC F2, 21 CICC F3, 21 CICC F4, 21 CICC G1, 21 CICC G3, 21 CICC F5, 21 CICC F6, 21 CICC G5, 21 CICC G6, 22 CICC G1, 22 CICC G3, 23 CICC G1, 23 CICC G2

Triggering and implementation of the option clauses:

“20 CICC 11”: The Company has the right to decide to adjust the coupon rate for the subsequent maturities of the bonds at the end of the second year of the life of the bonds, and holders of the bonds have the option to register during the announced investor resale registration period so as to sell back all or part of their bonds to the Company at par value. The Company announced on September 14, 2022 that the coupon rate would be adjusted at 1.30% on October 19, 2022. Investors of the bonds choose to redeem all of them to the Company via the auction trading system or the integrated electronic platform for fixed income securities of the Shanghai Stock Exchange within the resale registration period, and the Company does not resell the “20 CICC 11” redeemed, with the redemption amount of RMB2,500,000,000.00. Implementation of the option clauses has no impact on investors’ rights and interests.

“20 CICC 13”: The Company has the right to decide to adjust the coupon rate for the subsequent maturities of the bonds at the end of the second year of the life of the bonds, and holders of the bonds have the option to register during the announced investor resale registration period so as to sell back all or part of their bonds to the Company at par value. The Company announced on September 23, 2022 that the coupon rate would be adjusted at 1.30% on October 28, 2022. Investors of the bonds choose to redeem all of them to the Company via the auction trading system or the integrated electronic platform for fixed income securities of the Shanghai Stock Exchange within the resale registration period, and the Company does not resell the “20 CICC 13” redeemed, with the redemption amount of RMB2,000,000,000.00. Implementation of the option clauses has no impact on investors’ rights and interests.

“19 CICC 04”: The Company has the right to decide to adjust the coupon rate for the subsequent maturities of the bonds at the end of the third year of the life of the bonds, and holders of the bonds have the option to register during the announced investor resale registration period so as to sell back all or part of their bonds to the Company at par value. The Company announced on October 24, 2022 that the coupon rate would be adjusted at 1.80% on November 21, 2022. Investors of the bonds choose to redeem all of them to the Company via the auction trading system or the integrated electronic platform for fixed income securities of the Shanghai Stock Exchange within the resale registration period, and the Company does not resell the “19 CICC 04” redeemed, with the redemption amount of RMB1,500,000,000.00. Implementation of the option clauses has no impact on investors’ rights and interests.

“20 CICC F4”: The Company has the right to decide to adjust the coupon rate for the subsequent maturities of the bonds at the end of the second year of the life of the bonds, and holders of the bonds have the option to register during the announced investor resale registration period so as to sell back all or part of their bonds to the Company at par value. The Company announced on November 16, 2022 that the coupon rate would be adjusted at 1.60% on December 14, 2022. Investors of the bonds choose to redeem all of them to the Company via the trading system of the Shanghai Stock Exchange within the resale registration period, and the Company does not resell the “20 CICC F4” redeemed, with the redemption amount of RMB2,500,000,000.00. Implementation of the option clauses has no impact on investors’ rights and interests.

- b. *The bonds that contain option to redeem of the issuers who meet the specified conditions, deferred interest payment right, right of redemption and extension option are as follows:*

Bond Code: 175075.SH, 175720.SH, 188054.SH, 185245.SH, 137871.SH

Bond Abbreviation: 20 CICC Y1, 21 CICC Y1, 21 CICC Y2, 22 CICC Y1, 22 CICC Y2

Triggering and implementation of the option clauses: during the Reporting Period, the above-mentioned bonds did not reach the exercise period.

3. Triggering and implementation of the corporate bonds with investor protection clauses during the Reporting Period

Bond Code: 185097.SH, 185091.SH, 185245.SH, 137871.SH, 138664.SH, 138665.SH, 138735.SH, 138841.SH, 138842.SH

Bond Abbreviation: 21 CICC G7, 21 CICC G8, 22 CICC Y1, 22 CICC Y2, 22 CICC G1, 22 CICC G2, 22 CICC G3, 23 CICC G1, 23 CICC G2

Investor Protection Clauses Agreed in the Bonds:

(I) Credit maintenance commitment

1. The issuer undertakes that the following circumstances will not occur during the duration of the bonds: The issuer has reduced its capital by more than 20% of the original registered capital within a natural year, or has been separated or ordered to cease production and operations.
2. In the event the issuer violates the credit maintenance commitment stipulated in Article 1 above during the duration of the bonds, the issuer will take timely measures to restore relevant requirements of the commitment within half a year.
3. When the issuer violates the credit maintenance commitment or it occurs or is expected to occur related matters that will affect the solvency, the issuer will notify the trustee within 2 trading days and perform the obligation of information disclosure.
4. In the event the issuer violates the credit maintenance commitment and fails to restore the commitment within the time limit specified in Article 2 above, the holder is entitled to request the issuer to take negative matter relief measures in accordance with the relief measures.

(II) Relief measures

1. In the event the issuer violates relevant commitment requirements and fails to restore relevant commitment requirements or take relevant measures within the time limit specified in Article 2 of the credit maintenance commitment, the issuer will immediately take one of the following relief measures on the next day upon receipt of the request of holders who hold more than 30% of the bond, striving to reach a settlement with the bondholders on the breach of commitment through a bondholders' meeting and other means:
 - a. Increase the guarantee or other credit enhancement measures for the bonds within 30 natural days.
 - b. Provide and implement other settlement plans approved by the bondholders within 30 natural days.
2. If the holder requires the issuer to implement relief measures, the issuer shall notify the trustee within 2 trading days and perform the obligation of information disclosure, as well as disclose the implementation progress of relief measures in a timely manner.

Triggering and implementation of investor protection clauses: no investor protection clauses were triggered during the Reporting Period.

4. Intermediaries providing services for bond issuance and on-going business*(I) Accounting Firm issuing the Auditor's Report*

Name	Deloitte Touche Tohmatsu Certified Public Accountants LLP
Office address	30/F, No. 222 East Yan'an Road, Huangpu District, Shanghai
Contact person	Man Kai Sze (signing certified public accountant), Han Yunfei (signing certified public accountant)
Contact number	010-85207788

Name	KPMG Huazhen LLP
Office address	8/F, Tower E2, Oriental Plaza, 1 East Chang'an Avenue, Dongcheng District, Beijing
Contact person	Cheng Hailiang (signing certified public accountant), Xi Xia (signing certified public accountant)
Contact number	010-85085000

(II) Trustee/Debt agency

Bond Code	175075.SH, 177386.SH, 177615.SH, 178001.SH, 175857.SH, 175856. SH, 175906.SH, 175905.SH, 178339.SH, 178338.SH, 188576.SH, 188575.SH, 185091.SH, 185097.SH, 138665.SH, 138664.SH, 138735. SH, 138841.SH, 138842.SH
Bond Abbreviation	20 CICC Y1, 20 CICC F5, 21 CICC F2, 21 CICC F4, 21 CICC G2, 21 CICC G1, 21 CICC G4, 21 CICC G3, 21 CICC F6, 21 CICC F5, 21 CICC G6, 21 CICC G5, 21 CICC G8, 21 CICC G7, 22 CICC G2, 22 CICC G1, 22 CICC G3, 23 CICC G1, 23 CICC G2
Name	Huatai United Securities Co., Ltd.
Office address	Room 401, Block B7, Qianhai Shenzhen-Hong Kong Fund Town, No. 128 Guiwan 5th Road, Nanshan Sub-district, Qianhai Shenzhen-Hong Kong Cooperation Zone, Shenzhen
Contact person	Wang Chengcheng
Contact number	025-83389257

Bond Code	150315.SH, 162273.SH, 162470.SH, 162645.SH, 166069.SH, 163362. SH, 163361.SH, 163514.SH, 163513.SH, 166857.SH, 163610.SH, 167287.SH, 175122.SH, 175190.SH, 175263.SH, 175326.SH, 175720. SH, 175750.SH, 175749.SH, 188054.SH, 185245.SH, 137871.SH
Bond Abbreviation	18 CICC C1, 19 CICC C3, 19 CICC C4, 19 CICC C5, 20 CICC C1, 20 CICC G2, 20 CICC G1, 20 CICC G4, 20 CICC G3, 20 CICC F2, 20 CICC G5, 20 CICC F3, 20 CICC 07, 20 CICC 09, 20 CICC 12, 20 CICC 14, 21 CICC Y1, 21 CICC C2, 21 CICC C1, 21 CICC Y2, 22 CICC Y1, 22 CICC Y2
Name	CITIC Securities Company Limited
Office address	CITIC Securities Tower, No. 48 Liangmaqiao Road, Chaoyang District, Beijing
Contact person	Qi Jihua, Hu Fujie
Contact number	010-60833960

(III) Credit rating agency

Bond Code	163361.SH, 163362.SH, 163513.SH, 163514.SH, 163610.SH, 175075.SH, 175122.SH, 175190.SH, 175263.SH, 175326.SH, 175720.SH, 175749.SH, 175750.SH, 175856.SH, 175857.SH, 175905.SH, 175906.SH, 188054.SH, 188575.SH, 188576.SH, 185097.SH, 185091.SH, 185245.SH, 137871.SH, 138664.SH, 138665.SH, 138735.SH, 138841.SH, 138842.SH
Bond Abbreviation	20 CICC G1, 20 CICC G2, 20 CICC G3, 20 CICC G4, 20 CICC G5, 20 CICC Y1, 20 CICC 07, 20 CICC 09, 20 CICC 12, 20 CICC 14, 21 CICC Y1, 21 CICC C1, 21 CICC C2, 21 CICC G1, 21 CICC G2, 21 CICC G3, 21 CICC G4, 21 CICC Y2, 21 CICC G5, 21 CICC G6, 21 CICC G7, 21 CICC G8, 22 CICC Y1, 22 CICC Y2, 22 CICC G1, 22 CICC G2, 22 CICC G3, 23 CICC G1, 23 CICC G2
Name	China Chengxin International Credit Rating Co., Ltd.
Office address	Building 5, Galaxy SOHO, No.2 Nanzhugan Hutong, Chaoyangmennei Street, Dongcheng District, Beijing
Contact person	Qi Chu, Tan Jiaqing, Fan Qiaojing
Contact number	010-66428877

(IV) Underwriter

Bond Code	166857.SH, 167287.SH, 175075.SH, 175122.SH, 175190.SH, 175263.SH, 175326.SH, 177386.SH, 177615.SH, 175720.SH, 175750.SH, 175749.SH, 178001.SH, 175857.SH, 175856.SH, 175906.SH, 175905.SH, 178339.SH, 178338.SH, 188054.SH, 188576.SH, 188575.SH, 185091.SH, 185097.SH, 185245.SH, 137871.SH, 138665.SH, 138664.SH, 138735.SH, 138841.SH, 138842.SH
Bond Abbreviation	20 CICC F2, 20 CICC F3, 20 CICC Y1, 20 CICC 07, 20 CICC 09, 20 CICC 12, 20 CICC 14, 20 CICC F5, 21 CICC F2, 21 CICC Y1, 21 CICC C2, 21 CICC C1, 21 CICC F4, 21 CICC G2, 21 CICC G1, 21 CICC G4, 21 CICC G3, 21 CICC F6, 21 CICC F5, 21 CICC Y2, 21 CICC G6, 21 CICC G5, 21 CICC G8, 21 CICC G7, 22 CICC Y1, 22 CICC Y2, 22 CICC G2, 22 CICC G1, 22 CICC G3, 23 CICC G1, 23 CICC G2
Name	Huatai United Securities Co., Ltd.
Office address	Room 401, Block B7, Qianhai Shenzhen-Hong Kong Fund Town, No. 128 Guiwan 5th Road, Nanshan Sub-district, Qianhai Shenzhen-Hong Kong Cooperation Zone, Shenzhen
Contact person	Wang Chengcheng
Contact number	025-83389257

Particulars of Bonds

Bond Code	150315.SH, 162273.SH, 162470.SH, 162645.SH, 166069.SH, 163362.SH, 163361.SH, 163514.SH, 163513.SH, 166857.SH, 163610.SH, 167287.SH, 175122.SH, 175190.SH, 175263.SH, 175326.SH, 175720.SH, 175750.SH, 175749.SH, 188054.SH, 185245.SH, 137871.SH
Bond Abbreviation	18 CICC C1, 19 CICC C3, 19 CICC C4, 19 CICC C5, 20 CICC C1, 20 CICC G2, 20 CICC G1, 20 CICC G4, 20 CICC G3, 20 CICC F2, 20 CICC G5, 20 CICC F3, 20 CICC 07, 20 CICC 09, 20 CICC 12, 20 CICC 14, 21 CICC Y1, 21 CICC C2, 21 CICC C1, 21 CICC Y2, 22 CICC Y1, 22 CICC Y2
Name	CITIC Securities Company Limited
Office address	CITIC Securities Tower, No. 48 Liangmaqiao Road, Chaoyang District, Beijing
Contact person	Qi Jihua, Hu Fujie
Contact number	010-60833960
Bond Code	175857.SH, 175856.SH, 175906.SH, 175905.SH, 188576.SH, 188575.SH, 185091.SH, 185097.SH, 138665.SH, 138664.SH, 138735.SH, 138841.SH, 138842.SH
Bond Abbreviation	21 CICC G2, 21 CICC G1, 21 CICC G4, 21 CICC G3, 21 CICC G6, 21 CICC G5, 21 CICC G8, 21 CICC G7, 22 CICC G2, 22 CICC G1, 22 CICC G3, 23 CICC G1, 23 CICC G2
Name	Industrial Securities Co., Ltd.
Office address	6th Floor, Industrial Securities Building, No.36 Changliu Road, Pudong New District, Shanghai
Contact person	Yang Lingshan
Contact number	021-38565614
Bond Code	162273.SH, 162470.SH, 162645.SH, 166069.SH
Bond Abbreviation	19 CICC C3, 19 CICC C4, 19 CICC C5, 20 CICC C1
Name	Soochow Securities Co., Ltd.
Office address	No. 5 Xingyang Street, Suzhou Industrial Park Zone
Contact person	Hu Junhua
Contact number	0512-62938667

Bond Code	150315.SH, 163362.SH, 163361.SH, 163514.SH, 163513.SH, 163610.SH, 177386.SH, 177615.SH, 178001.SH, 178339.SH, 178338.SH
Bond Abbreviation	18 CICC C1, 20 CICC G2, 20 CICC G1, 20 CICC G4, 20 CICC G3, 20 CICC G5, 20 CICC F5, 21 CICC F2, 21 CICC F4, 21 CICC F6, 21 CICC F5
Name	CSC Financial Co., Ltd.
Office address	Building No.4, No.66 Anli Road, Chaoyang District, Beijing
Contact person	Wang Sen
Contact number	010-86451073

(V) Law firm

Bond Code	150315.SH, 162273.SH, 162470.SH, 162645.SH, 166069.SH, 163362.SH, 163361.SH, 163514.SH, 163513.SH, 166857.SH, 163610.SH, 167287.SH, 175075.SH, 175122.SH, 175190.SH, 175263.SH, 175326.SH, 177386.SH, 177615.SH, 175720.SH, 175750.SH, 175749.SH, 178001.SH, 175857.SH, 175856.SH, 175906.SH, 175905.SH, 178339.SH, 178338.SH, 188054.SH, 188576.SH, 188575.SH, 185091.SH, 185097.SH, 185245.SH, 137871.SH, 138665.SH, 138664.SH, 138735.SH, 138841.SH, 138842.SH
Bond Abbreviation	18 CICC C1, 19 CICC C3, 19 CICC C4, 19 CICC C5, 20 CICC C1, 20 CICC G2, 20 CICC G1, 20 CICC G4, 20 CICC G3, 20 CICC F2, 20 CICC G5, 20 CICC F3, 20 CICC Y1, 20 CICC 07, 20 CICC 09, 20 CICC 12, 20 CICC 14, 20 CICC F5, 21 CICC F2, 21 CICC Y1, 21 CICC C2, 21 CICC C1, 21 CICC F4, 21 CICC G2, 21 CICC G1, 21 CICC G4, 21 CICC G3, 21 CICC F6, 21 CICC F5, 21 CICC Y2, 21 CICC G6, 21 CICC G5, 21 CICC G8, 21 CICC G7, 22 CICC Y1, 22 CICC Y2, 22 CICC G2, 22 CICC G1, 22 CICC G3, 23 CICC G1, 23 CICC G2
Name	Haiwen & Partners
Office address	20/F, Fortune Financial Center, 5 Dong San Huan Central Road, Chaoyang District, Beijing
Contact person	Gao Wei, Wei Shuangjuan
Contact number	010-85606888

During the Reporting Period, no change has been made in the above-mentioned intermediary agencies of the Company.

5. The use of proceeds

During the Reporting Period and after the Reporting Period but prior to the date of approval of the financial statements, the use of proceeds raised from the bonds of the Company was as follows:

Unit: 100 million Yuan Currency: RMB

Bond abbreviation	Total proceeds raised	Utilized proceeds	Balance before the date of approval of the financial statements	The operating condition of the special account	Specified use of proceeds	Whether to adjust or modify the use of proceeds	Whether there was non-compliance utilization of proceeds	Whether the use of proceeds was in line with the debt administrative provisions of the local government	The actual use of proceeds as of the date of approval of the financial statements	Whether the use of proceeds is in compliance with that specified in the prospectus
22 CICC Y1	39	31	0	Normal	All raised proceeds from the Bonds after deducting issuance expenses will be proposed to repay and replace the matured corporate bonds.	No	No	N/A	All raised proceeds from the Bonds after deducting issuance expenses will be used to repay and replace the matured corporate bonds.	Yes
22 CICC Y2	40	40	0	Normal	All raised proceeds from the Bonds after deducting issuance expenses will be proposed to replenish the Company's working capital	No	No	N/A	All raised proceeds from the Bonds after deducting issuance expenses will be used to replenish the Company's working capital	Yes
22 CICC G1	25	25	0	Normal	All raised proceeds from the Bonds after deducting issuance expenses will be proposed to replenish the Company's working capital	No	No	N/A	All raised proceeds from the Bonds after deducting issuance expenses will be used to replenish the Company's working capital	Yes
22 CICC G2	20	20	0	Normal	All raised proceeds from the Bonds after deducting issuance expenses will be proposed to replenish the Company's working capital	No	No	N/A	All raised proceeds from the Bonds after deducting issuance expenses will be used to replenish the Company's working capital	Yes
22 CICC G3	10	10	0	Normal	All raised proceeds from the Bonds after deducting issuance expenses will be proposed to replenish the Company's working capital	No	No	N/A	All raised proceeds from the Bonds after deducting issuance expenses will be used to replenish the Company's working capital	Yes
23 CICC G1	10	10	0	Normal	All raised proceeds from the Bonds after deducting issuance expenses will be proposed to replenish the Company's working capital	No	No	N/A	All raised proceeds from the Bonds after deducting issuance expenses will be used to replenish the Company's working capital	Yes
23 CICC G2	30	30	0	Normal	All raised proceeds from the Bonds after deducting issuance expenses will be proposed to replenish the Company's working capital	No	No	N/A	All raised proceeds from the Bonds after deducting issuance expenses will be used to replenish the Company's working capital	Yes

Note: RMB800 million of the raised funds of 22 CICC Y1 (185245.SH) has been used in the year of 2021.

No change has been made in the use of proceeds raised from the above-mentioned bonds of the Company, and there was no use for construction projects.

As of the end of the Reporting Period, the use of proceeds raised from other outstanding bonds was as follows:

Unit: 100 million Yuan Currency: RMB

Bond abbreviation	Total proceeds raised	Utilized proceeds	Unutilized proceeds	The operating condition of the special account for the proceeds	Correction of non-compliance with the use of proceeds	Whether the use of proceeds is in compliance with the use, utilization plan and other agreements in the prospectus
18 CICC C1	10	10	0	Normal	N/A	Yes
19 CICC C3	15	15	0	Normal	N/A	Yes
19 CICC C4	15	15	0	Normal	N/A	Yes
19 CICC C5	20	20	0	Normal	N/A	Yes
20 CICC C1	15	15	0	Normal	N/A	Yes
20 CICC F1	40	40	0	Normal	N/A	Yes
20 CICC G1	15	15	0	Normal	N/A	Yes
20 CICC G2	10	10	0	Normal	N/A	Yes
20 CICC G3	33	33	0	Normal	N/A	Yes
20 CICC G4	7	7	0	Normal	N/A	Yes
20 CICC F2	30	30	0	Normal	N/A	Yes
20 CICC G5	15	15	0	Normal	N/A	Yes
20 CICC F3	30	30	0	Normal	N/A	Yes
20 CICC Y1	50	50	0	Normal	N/A	Yes
20 CICC 07	50	50	0	Normal	N/A	Yes
20 CICC 09	50	50	0	Normal	N/A	Yes
20 CICC 12	25	25	0	Normal	N/A	Yes
20 CICC 14	30	30	0	Normal	N/A	Yes
20 CICC F5	25	25	0	Normal	N/A	Yes
21 CICC F1	25	25	0	Normal	N/A	Yes
21 CICC F2	25	25	0	Normal	N/A	Yes
21 CICC Y1	15	15	0	Normal	N/A	Yes
21 CICC C1	10	10	0	Normal	N/A	Yes
21 CICC C2	10	10	0	Normal	N/A	Yes
21 CICC F3	15	15	0	Normal	N/A	Yes
21 CICC F4	20	20	0	Normal	N/A	Yes
21 CICC G1	20	20	0	Normal	N/A	Yes
21 CICC G2	20	20	0	Normal	N/A	Yes
21 CICC G3	15	15	0	Normal	N/A	Yes

Bond abbreviation	Total proceeds raised	Utilized proceeds	Unutilized proceeds	The operating condition of the special account for the proceeds	Correction of non-compliance with the use of proceeds	Whether the use of proceeds is in compliance with the use, utilization plan and other agreements in the prospectus
21 CICC G4	25	25	0	Normal	N/A	Yes
21 CICC F5	10	10	0	Normal	N/A	Yes
21 CICC F6	35	35	0	Normal	N/A	Yes
21 CICC Y2	20	20	0	Normal	N/A	Yes
21 CICC G5	10	10	0	Normal	N/A	Yes
21 CICC G6	15	15	0	Normal	N/A	Yes
21 CICC G7	25	25	0	Normal	N/A	Yes
21 CICC G8	10	10	0	Normal	N/A	Yes

No change has been made in the use of proceeds raised from the above-mentioned bonds of the Company, and there was no use for construction projects.

6. **During the Reporting Period, there was no adjustment to the Company's credit rating by domestic rating companies**
7. **Implementation, changes and their impacts of credit enhancement mechanism, debt repayment plan and other debt repayment guarantee measures during the Reporting Period**

Status Quo	Implementation Status	Changed or Not
The surviving corporate bonds of the Company have no credit enhancement measures, and the debt repayment plan is fulfilled as stipulated in the corporate bond prospectus. According to the stipulations in the prospectus, the Company's debt repayment guarantee measures include setting up a special repayment working group, making sure that the funds are used for special purposes, giving full play to the role of bond trustee, formulating rules for bondholders' meetings, strictly controlling information disclosure, etc.	During the Reporting Period, the Company strictly fulfilled the agreements on debt repayment plans and debt repayment guarantee measures in the prospectus, paid all bond interests and principals on time and in full, operated the special account in a standardized manner, and kept relevant plans and measures consistent with relevant commitments in the prospectus.	No

(III) Debt financing instruments of non-financial institutions in the inter-bank bond market

During the Reporting Period, the Company had no debt financing instruments of non-financial institutions in the inter-bank bond market.

(IV) Other matters to be disclosed in respect of certain types of bonds

1. The Company has not issued exchangeable bonds
2. The Company is a listed company and has not issued non-public convertible bonds
3. The Company has not issued green bonds
4. As of the approval date of the periodic report, the Company has the following perpetual subordinated bonds

Unit: 100 million Yuan Currency: RMB

Bond code	Bond abbreviation	Balance of bond	Renewal	Interest step-up	Interest deferral	Enforcement of interest payment	Whether they are still included in equity and corresponding accounting treatment or not	Other
20 CICC Y1	175075.SH	50	No	No	No	No	Yes	No
21 CICC Y1	175720.SH	15	No	No	No	No	Yes	No
21 CICC Y2	188054.SH	20	No	No	No	No	Yes	No
22 CICC Y1	185245.SH	39	No	No	No	No	Yes	No
22 CICC Y2	137871.SH	40	No	No	No	No	Yes	No

(V) Other description

During the Reporting Period, the Company had no convertible corporate bonds.

On the date of approval of the periodic report, the Company does not have bonds for ordinary investors.

During the Reporting Period, the Company had no loss representing more than 10% of net assets as at the end of last year on a consolidated basis, and did not violate any provisions of laws and regulations, self-regulatory rules, the *Articles of Association* and the *Policy on Information Disclosure Management*, nor any agreements or undertakings under the bond prospectus.

III. KEY ACCOUNTING DATA AND FINANCIAL INDICATORS FOR THE LAST TWO YEARS

Unit: RMB in million

Key indicators	December 31, 2022	December 31, 2021	% of change
Current ratio	1.8	1.8	(0.2%)
Quick ratio	1.8	1.8	(0.2%)
Gearing ratio	82.1%	84.6%	Decreased by 2.4 percentage points

Key indicators	2022	2021	% of change
Earnings before interest, tax, depreciation and amortization (EBITDA)	19,545.6	22,133.4	(11.7%)
EBITDA to total debts ratio	7.1%	8.7%	Decreased by 1.7 percentage points
Interest coverage ratio	2.0	2.6	(23.0%)
Cash interest coverage ratio	6.0	5.7	4.9%
EBITDA interest coverage ratio	2.2	2.8	(20.4%)
Loan repayment ratio	100.0%	100.0%	–
Interest repayment ratio	100.0%	100.0%	–

Note: The financial indicators above are calculated based on the consolidated financial statements prepared by the Group in accordance with CASs.

IV. DESCRIPTION OF OTHER FINANCING ACTIVITIES

In 2022, the Group completed 2,882 issuances of beneficiary certificates, with an aggregate principal amount of RMB81,906 million. As of December 31, 2022, the aggregate principal of the Group's outstanding beneficiary certificates amounted to RMB17,640 million.

In 2022, the Group completed 41 issuances of financing notes, with an aggregate principal amount of US\$262 million, RMB40 million, GBP1.18 million and HK\$40 million. As of December 31, 2022, the aggregate principals of the Group's outstanding financing notes in USD were US\$111 million.

As of December 31, 2022, the balance of bank borrowings of the Group's Hong Kong subsidiaries amounted to US\$3,080 million, and the overdraft amounted to US\$0.49.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of China International Capital Corporation Limited

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

OPINION

We have audited the consolidated financial statements of China International Capital Corporation Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 245 to 424, which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTERS *(continued)*

Key Audit Matter	How our audit addressed the key audit matter
<i>Valuation of financial instruments measured at Level III fair value</i>	
<p>We identified the valuation of financial instruments measured at Level III fair value as a key audit matter.</p> <p>As at 31 December 2022, the Group's financial instruments contained those financial instruments measured at Level III fair value, which were mainly private fund investments, unlisted equity investments, restricted stocks, etc.. The Group measured the fair value using valuation techniques that involve significant unobservable inputs, including liquidity discount, volatility, market multiplier, etc..</p> <p>For the valuation of these financial instruments measured at Level III fair value, the selection of valuation techniques, the key assumptions and unobservable inputs used in the valuation techniques involve significant estimation of management as disclosed in Note 4(a) and Note 56. We identified the valuation of financial instruments measured at Level III fair value as a key audit matter because the impact of financial instruments measured at Level III fair value on the consolidated financial statement could be significant and it involves significant estimation and judgement of management in determining the valuation of financial instruments measured at Level III fair value.</p> <p>As at 31 December 2022, the Group held financial assets of RMB14,076 million and financial liabilities of RMB1,961 million measured at Level III fair values as disclosed in Note 56.</p>	<p>Our procedures in relation to valuation of financial instruments measured at Level III fair value included:</p> <ul style="list-style-type: none"> • Understanding the Group's valuation models for financial instruments at Level III fair value and key controls over selection of valuation methods and determining the valuation of such financial instruments; • Involving our internal valuation specialists and selecting financial instruments measured at Level III fair value on a sample basis to perform the following procedures: <ul style="list-style-type: none"> – Reviewing the investment agreements to understand the relevant investment terms and identifying any conditions that were relevant to the valuation of the selected financial instruments; – Evaluating the appropriateness of the model adopted by management for the valuation of the selected financial instruments, based on our knowledge of current industry practice; – Evaluating the appropriateness of the unobservable and observable inputs used by management for measuring the fair value of the selected financial instruments with reference to relevant market data; • For the samples selected in above procedures, involving our internal valuation specialists to develop expected fair values and perform sensitivity analysis of the selected financial instruments, and investigating if the expected fair values are significantly deviated from the corresponding fair value adopted by the Group.

KEY AUDIT MATTERS *(continued)*

Key Audit Matter	How our audit addressed the key audit matter
<i>Consolidation of structured entities</i>	
<p>We identified the consolidation of structured entities as a key audit matter.</p> <p>The Group issues, manages and/or acquires various structured entities including asset management schemes, trust products, mutual funds, private equity funds, etc..</p> <p>As disclosed in Note 4(b) to the consolidated financial statements, in accordance with the principle of control in IFRS 10 Consolidated Financial Statements, to determine whether a structured entity should be consolidated, a combination of factors needs to be assessed by management to make a comprehensive judgment on whether the Group has controlled the structured entity based on the terms of the related contracts, including the purpose of establishment, the Group's power over the structured entity, all variable returns obtained including investment income and management remuneration, the ability to use power over the investees to affect the amount of returns, whether the Group is a principal or an agent, etc.. We identified the consolidation of structured entities as a key audit matter because the impact of consolidating a structured entity on the consolidated financial statement could be significant and it involves significant estimation and judgement of management in determining whether a structured entity is required to be consolidated by the Group.</p> <p>As disclosed in Note 53 to the consolidated financial statements, as at 31 December 2022, the carrying amount of interests held by the Group amounted to RMB18,593 million. As at 31 December 2022, the carrying amount of interests held by the Group in structured entities sponsored by third party and sponsored by the Group but not consolidated amounted to RMB107,008 million and RMB9,843 million respectively.</p>	<p>Our procedures in relation to consolidation of structured entities included:</p> <ul style="list-style-type: none"> • Evaluating the design and implementation of management's key controls over determining the consolidation of structured entities; • Reviewing, on a sample basis for each key product type of structured entity, the related investment contracts and service agreements of investments in structured entities to assess whether management has appropriately considered the following factors in determining the consolidation of structured entities: <ul style="list-style-type: none"> – The purpose of establishment, the major activities and decision-making process of these structured entities; – All variable returns entitled, primarily investment income, management remuneration, etc., by the Group; – The Group's substantive power over these structured entities and how it can affect the variable returns; and – Whether the Group makes investment decision as the principal. • Checking and evaluating, on a sample basis, management's quantitative analysis on the Group's exposure or right to variable returns with its economic interests in the structured entity and examining the data used in these calculations by reference to the related contracts.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's 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 consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Group'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 consolidated 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in the independent auditor's report is Mr. Ma Hing Fai.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong, China

31 March 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2022 (Expressed in Renminbi ("RMB"), unless otherwise stated)

	Notes	Year ended 31 December	
		2022	2021
Revenue:			
Fee and commission income	7	18,063,316,508	19,481,226,228
Interest income	8	8,153,338,967	7,276,478,630
Investment income	9	10,607,882,267	14,703,455,333
Total revenue		36,824,537,742	41,461,160,191
Other income/(losses), net	10	573,650,866	(496,738,413)
Total revenue and other income		37,398,188,608	40,964,421,778
Expenses:			
Fee and commission expenses	11	2,120,267,826	2,652,828,459
Interest expenses	12	9,176,520,147	8,266,695,757
Staff costs	13	11,927,245,245	13,326,531,000
Depreciation and amortisation expenses	16	1,645,116,754	1,182,680,073
Tax and surcharges		122,683,087	133,842,886
Other operating expenses and costs	17	3,367,838,687	2,979,325,247
Reversal of impairment losses under expected credit loss ("ECL") model	18	(20,928,922)	(408,034,310)
Total expenses		28,338,742,824	28,133,869,112
Operating profit		9,059,445,784	12,830,552,666
Share of (losses)/profits of associates and joint ventures		(3,467,784)	147,560,193
Profit before income tax		9,055,978,000	12,978,112,859
Less: Income tax expense	19	1,461,102,711	2,168,191,190
Profit for the year		7,594,875,289	10,809,921,669
Attributable to:			
Shareholders of the Company		7,597,501,992	10,777,713,147
Non-controlling interests		(2,626,703)	32,208,522
Basic earnings per share (in RMB per share)	20	1.46	2.16

The notes on pages 255 to 424 form part of these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2022 (Expressed in RMB, unless otherwise stated)

	Year ended 31 December	
	2022	2021
Profit for the year	7,594,875,289	10,809,921,669
Other comprehensive income for the year		
Items that may be reclassified to profit or loss in subsequent periods:		
Financial assets at fair value through other comprehensive income:		
– Net (losses)/gains from changes in fair value	(512,651,397)	194,218,652
– Provision for impairment losses under ECL model	53,343,535	608,115
– Tax effect	69,755,236	(42,264,905)
– Net losses/(gains) transferred to profit or loss on disposals	117,261,499	(60,742,856)
Foreign currency translation difference of financial statements of overseas subsidiaries	1,527,838,124	(323,183,113)
Others	4,383,791	(2,674,098)
Total other comprehensive income for the year, net of income tax	1,259,930,788	(234,038,205)
Total comprehensive income for the year	8,854,806,077	10,575,883,464
Attributable to:		
Shareholders of the Company	8,857,432,780	10,543,674,942
Non-controlling interests	(2,626,703)	32,208,522

The notes on pages 255 to 424 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022 (Expressed in RMB, unless otherwise stated)

	Notes	As at 31 December	
		2022	2021
Non-current assets:			
Property and equipment	21	1,560,431,199	1,131,867,523
Right-of-use assets	22	3,357,130,462	2,994,642,543
Goodwill	23	1,622,663,283	1,622,663,283
Intangible assets	24	803,866,789	432,742,712
Interests in associates and joint ventures	25	1,015,580,116	1,086,935,585
Financial assets at fair value through profit or loss	26	10,211,296,407	8,778,820,783
Financial assets held under resale agreements ("reverse REPOs")	27	3,497,861	347,738,411
Refundable deposits	28	12,600,106,686	12,631,912,764
Deferred tax assets	29	2,750,188,301	1,628,639,392
Other non-current assets	30	414,160,654	328,514,762
Total non-current assets		34,338,921,758	30,984,477,758
Current assets:			
Accounts receivable	31	41,769,493,225	45,742,880,588
Receivable from margin clients	32	31,626,190,461	39,479,056,714
Financial assets at fair value through other comprehensive income	33	66,689,432,031	43,009,969,681
Financial assets at fair value through profit or loss	26	259,185,685,152	292,395,394,321
Reverse REPOs	27	27,132,304,186	25,510,755,648
Derivative financial assets	34	17,791,355,263	14,564,228,663
Cash held on behalf of clients	35	83,016,936,855	91,037,390,313
Cash and bank balances	36	85,789,257,629	66,143,094,889
Other current assets		1,424,462,876	928,240,640
Total current assets		614,425,117,678	618,811,011,457
Total assets		648,764,039,436	649,795,489,215

Consolidated Statement of Financial Position

As at 31 December 2022 (Expressed in RMB, unless otherwise stated)

	Notes	As at 31 December	
		2022	2021
Current liabilities:			
Financial liabilities at fair value through profit or loss	39	45,203,291,777	38,926,786,684
Derivative financial liabilities	34	11,348,127,497	18,134,007,508
Accounts payable to brokerage clients	40	92,099,956,329	93,445,165,307
Placements from financial institutions	41	60,846,018,714	51,477,278,678
Short-term debt securities issued	42	18,551,991,957	22,989,857,489
Financial assets sold under repurchase agreements ("REPOs")	43	43,156,698,548	16,376,070,951
Employee benefits payable	44	7,976,579,342	10,507,201,308
Income tax payable		1,204,786,936	979,703,792
Long-term debt securities issued due within one year	46	64,710,844,840	34,753,251,574
Lease liabilities	47	933,215,663	725,687,814
Contract liabilities	48	407,792,261	412,950,874
Other current liabilities	45	112,290,341,815	147,853,683,990
Total current liabilities		458,729,645,679	436,581,645,969
Net current assets		155,695,471,999	182,229,365,488
Total assets less current liabilities		190,034,393,757	213,213,843,246
Non-current liabilities:			
Non-current employee benefits payable	44	729,690,666	661,663,772
Long-term debt securities issued	46	87,273,120,622	125,755,298,201
Deferred tax liabilities	29	718,765,065	431,655,234
Lease liabilities	47	1,489,613,185	1,277,207,612
Other non-current liabilities	49	348,508,396	357,182,000
Total non-current liabilities		90,559,697,934	128,483,006,819
Net assets		99,474,695,823	84,730,836,427

As at 31 December

	Notes	2022	2021
Equity:			
Share capital	50(a)	4,827,256,868	4,827,256,868
Other equity instruments	51	16,400,000,000	8,500,000,000
Reserves	50(b)	48,608,020,887	45,565,955,440
Retained profits		29,352,829,428	25,528,908,966
Total equity attributable to shareholders of the Company		99,188,107,183	84,422,121,274
Non-controlling interests		286,588,640	308,715,153
Total equity		99,474,695,823	84,730,836,427

The notes on pages 255 to 424 form part of these financial statements.

The consolidated financial statements on pages 245 to 424 were approved and authorised for issue by the board of directors on 31 March 2023.

Shen Rujun
Chairman of Board

Huang Zhaohui
Chief Executive Officer

Company chop

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2022 (Expressed in RMB, unless otherwise stated)

	Attributable to shareholders of the Company											
	Reserves										Non-controlling interests	Total equity
	Share capital (Note 50(a))	Other equity instruments (Note 51)	Capital reserve (Note 50(b)(i))	Surplus reserve (Note 50(b)(ii))	General reserves (Note 50(b)(iii))	Investment revaluation reserve (Note 50(b)(iv))	Foreign currency translation reserve (Note 50(b)(v))	Other reserve (Note 50(b)(vi))	Retained profits	Subtotal		
At 1 January 2022	4,827,256,868	8,500,000,000	39,531,886,525	1,392,448,797	5,470,061,175	129,746,422	(955,513,381)	(2,674,098)	25,528,908,966	84,422,121,274	308,715,153	84,730,836,427
Changes in equity for the year												
Profit for the year	-	-	-	-	-	-	-	-	7,597,501,992	7,597,501,992	(2,626,703)	7,594,875,289
Other comprehensive income for the year	-	-	-	-	-	(272,291,127)	1,527,838,124	4,383,791	-	1,259,930,788	-	1,259,930,788
Total comprehensive income for the year	-	-	-	-	-	(272,291,127)	1,527,838,124	4,383,791	7,597,501,992	8,857,432,780	(2,626,703)	8,854,806,077
Appropriation to surplus reserve	-	-	-	464,224,326	-	-	-	-	(464,224,326)	-	-	-
Appropriation to general reserves	-	-	-	-	1,334,580,144	-	-	-	(1,334,580,144)	-	-	-
Distributions to holders of perpetual subordinated bonds	-	-	-	-	-	-	-	-	(526,600,000)	(526,600,000)	-	(526,600,000)
Issuance of perpetual subordinated bonds	-	7,900,000,000	(16,669,811)	-	-	-	-	-	-	7,883,330,189	-	7,883,330,189
Dividends to shareholders	-	-	-	-	-	-	-	-	(1,448,177,060)	(1,448,177,060)	(19,500,000)	(1,467,677,060)
Contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	-	190	190
At 31 December 2022	4,827,256,868	16,400,000,000	39,515,216,714	1,856,673,123	6,804,641,319	(142,544,705)	572,324,743	1,709,693	29,352,829,428	99,188,107,183	286,588,640	99,474,695,823

	Attributable to shareholders of the Company											
	Reserves											Total equity
	Share capital (Note 50(a))	Other equity instruments (Note 51)	Capital reserve (Note 50(b)(i))	Surplus reserve (Note 50(b)(iii))	General reserves (Note 50(b)(iii))	Investment revaluation reserve (Note 50(b)(iv))	Foreign currency translation reserve (Note 50(b)(v))	Other reserve (Note 50(b)(vii))	Retained profits	Subtotal	Non-controlling interests	
At 1 January 2021	4,827,256,868	5,000,000,000	39,533,272,979	995,576,479	4,074,311,372	37,927,416	(632,330,268)	-	17,798,924,176	71,634,939,022	180,193,972	71,815,132,994
Changes in equity for the year												
Profit for the year	-	-	-	-	-	-	-	-	10,777,713,147	10,777,713,147	32,208,522	10,809,921,669
Other comprehensive income for the year	-	-	-	-	-	91,819,006	(323,183,113)	(2,674,098)	-	(234,038,205)	-	(234,038,205)
Total comprehensive income for the year	-	-	-	-	-	91,819,006	(323,183,113)	(2,674,098)	10,777,713,147	10,543,674,942	32,208,522	10,575,883,464
Appropriation to surplus reserve	-	-	-	396,872,318	-	-	-	-	(396,872,318)	-	-	-
Appropriation to general reserves	-	-	-	-	1,395,749,803	-	-	-	(1,395,749,803)	-	-	-
Distributions to holders of perpetual subordinated bonds	-	-	-	-	-	-	-	-	(386,200,000)	(386,200,000)	-	(386,200,000)
Issuance of perpetual subordinated bonds	-	3,500,000,000	-	-	-	-	-	-	-	3,500,000,000	-	3,500,000,000
Dividends to shareholders	-	-	-	-	-	-	-	-	(868,906,236)	(868,906,236)	(63,947,434)	(932,853,670)
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	173,080,789	173,080,789
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	(12,820,696)	(12,820,696)
Others	-	-	(1,386,454)	-	-	-	-	-	-	(1,386,454)	-	(1,386,454)
At 31 December 2021	4,827,256,868	8,500,000,000	39,531,886,525	1,392,448,797	5,470,061,175	129,746,422	(955,513,381)	(2,674,098)	25,528,908,966	84,422,121,274	308,715,153	84,730,836,427

The notes on pages 255 to 424 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2022 (Expressed in RMB, unless otherwise stated)

	Year ended 31 December	
	2022	2021
Cash flows from operating activities:		
Profit before income tax	9,055,978,000	12,978,112,859
Adjustments for:		
Net financing interest expenses	5,846,948,958	5,878,864,962
Depreciation and amortisation expenses	1,645,116,754	1,182,680,073
Reversal of impairment losses under ECL model	(20,928,922)	(408,034,310)
Net (gains)/losses on disposal of property, equipment and other long-term assets	(4,429,999)	4,623,401
Foreign exchange losses/(gains) from derivatives and from others	857,112,136	(982,224,939)
Losses/(gains) on changes in fair value of financial instruments at fair value through profit or loss	253,169,842	(12,644,407,721)
Interest income from financial assets at fair value through other comprehensive income	(1,432,341,079)	(1,177,075,057)
Dividend income from investments in financial assets and share of losses/(profits) of associates and joint ventures	(318,291,597)	(157,424,440)
Net gains on disposal of investments	(221,272,314)	(153,715,325)
Operating cash flows before movements in working capital	15,661,061,779	4,521,399,503
Decrease/(increase) in receivable from margin clients	7,878,389,844	(5,299,709,847)
Decrease/(increase) in accounts receivable, other receivables and prepayments	6,585,294,861	(3,630,819,089)
Increase in reverse REPOs	(1,318,980,558)	(7,155,609,294)
Decrease/(increase) in financial instruments at fair value through profit or loss	30,999,910,955	(50,021,784,852)
Decrease/(increase) in cash held on behalf of clients	8,018,747,490	(30,082,315,371)
Increase in restricted bank deposits	(122,658,005)	(408,055,900)
Decrease/(increase) in refundable deposits	31,558,087	(863,502,823)
(Decrease)/increase in accounts payable to brokerage clients	(1,343,503,010)	22,785,626,006
Increase/(decrease) in REPOs	26,721,536,188	(8,699,392,520)
(Decrease)/increase in other liabilities	(33,156,008,783)	82,746,054,211
Cash generated from operating activities, before income tax	59,955,348,848	3,891,890,024
Income tax paid	(1,994,460,008)	(2,024,488,670)
Net cash generated from operating activities	57,960,888,840	1,867,401,354

Year ended 31 December

	2022	2021
Cash flows from investing activities:		
Cash receipts from disposal of investments	109,602,237,964	42,432,404,748
Cash receipts of investment returns	1,844,869,628	1,607,630,359
Cash and cash equivalents from acquisition of a subsidiary	–	236,175,135
Proceeds from disposal of interest in associates and joint ventures	–	15,435,237
Proceeds from disposal of property, equipment and other long-term assets	5,474,554	–
Purchase of investments	(133,322,360,226)	(50,552,079,460)
Purchase of property, equipment and other long-term assets	(1,585,965,391)	(1,058,414,313)
Net cash inflows/(outflows) on disposal of subsidiaries	18,292,800	(11,629,041)
Net cash used in investing activities	(23,437,450,671)	(7,330,477,335)
Cash flows from financing activities:		
Proceeds from issuance of beneficiary certificates	77,677,628,455	47,872,317,839
Proceeds from issuance of corporate bonds	15,500,000,000	45,000,000,000
Proceeds from issuance of medium-term notes (“MTNs”)	8,478,975,000	9,727,050,000
Proceeds from issuance of perpetual subordinated bonds	7,900,000,000	3,500,000,000
Proceeds from issuance of subordinated bonds	2,000,000,000	7,000,000,000
Proceeds from issuance of structured notes	1,564,681,228	2,232,650,401
Proceeds from issuance of commercial papers	–	1,000,000,000
Capital contribution from non-controlling interests	190	–
Redemption of beneficiary certificates	(76,261,310,729)	(55,675,519,569)
Redemption of corporate bonds	(20,500,000,000)	(9,776,000,000)
Redemption of subordinated bonds	(9,900,000,000)	(5,000,000,000)
Redemption of MTNs	(6,567,200,000)	(7,271,702,400)
Redemption of structured notes	(2,652,600,909)	(6,268,914,105)
Redemption of financial bonds	(2,500,000,000)	–
Redemption of commercial papers	(1,000,000,000)	–
Cash paid for interest	(5,981,969,940)	(4,972,167,490)
Dividends paid to shareholders of the Company	(1,448,177,060)	(868,906,236)
Dividends paid to non-controlling interests	(83,447,434)	–
Repayment of lease liabilities	(880,537,910)	(694,738,032)
Distribution to holders of perpetual subordinated bonds	(386,200,000)	(232,000,000)
Cash outflows associated with other financing activities	(87,195,952)	(47,172,588)
Net cash (used in)/generated from financing activities	(15,127,355,061)	25,524,897,820

Consolidated Statement of Cash Flows

For the year ended 31 December 2022 (Expressed in RMB, unless otherwise stated)

	Notes	Year ended 31 December	
		2022	2021
Net increase in cash and cash equivalents		19,396,083,108	20,061,821,839
Cash and cash equivalents at the beginning of the year		65,192,946,724	46,662,433,555
Effect of exchange rate changes		89,221,562	(1,531,308,670)
Cash and cash equivalents at the end of the year	37	84,678,251,394	65,192,946,724
Net cash used in operating activities including:			
Interest received		10,980,377,204	8,991,936,481
Interest paid		(3,250,654,221)	(2,261,950,471)

The notes on pages 255 to 424 form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB, unless otherwise stated)

1. GENERAL INFORMATION

China International Capital Corporation Limited (中國國際金融股份有限公司) (the “Company”) was established on 25 June 1995 in the People’s Republic of China (“PRC”) as approved by the People’s Bank of China (“PBOC”). On 31 July 1995, it obtained the Business License for Enterprise Legal Person (Qi He Guo Zi No. 000599) issued by the State Administration for Industry and Commerce of the PRC.

Pursuant to a conversion completed on 1 June 2015, the Company was converted into a joint stock company with limited liability. The Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited on 9 November 2015 and was listed on the Shanghai Stock Exchange on 2 November 2020.

The Company’s unified social credit code is 91110000625909986U, and the registered address of the Company is the 27th and 28th Floor, China World Trade Centre 2, 1 Jian Guo Men Wai Avenue, Chaoyang District, Beijing, the PRC. As at 31 December 2022, the Company has 1 securities business office and 11 branches. Please refer to Note 61 for details of subsidiaries of the Company.

The Company and its subsidiaries (together “the Group”) are principally engaged in investment banking business, equities business, fixed-income, commodities and currency (“FICC”) business, asset management business, private equity business, wealth management business and other business activities.

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”)

2.1 Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to IFRSs issued by the International Accounting Standards (the “IASs”) Board (the “IASB”), for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2022 for the preparation of the consolidated financial statements:

Amendments to IFRS 3	<i>Reference to the Conceptual Framework</i>
Amendment to IFRS 16	<i>Covid-19-Related Rent Concessions beyond 30 June 2021</i>
Amendment to IAS 16	<i>Property, Plant and Equipment-Proceeds before Intended Use</i>
Amendments to IAS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract</i>
Amendments to IFRSs	<i>Annual Improvements to IFRSs 2018-2020</i>

The application of the amendments to IFRSs in the current year has had no material effect on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (continued)

2.2 New and Amendments to IFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to IFRSs that have been issued but are not yet effective:

IFRS 17 (including the June 2020 and December 2021 Amendments to IFRS 17)	<i>Insurance Contractsⁱ</i>
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Ventureⁱⁱ</i>
Amendments to IFRS 16	<i>Lease Liability in a Sale and Leasebackⁱⁱⁱ</i>
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-currentⁱⁱⁱ</i>
Amendments to IAS 1	<i>Non-current Liabilities with Covenantsⁱⁱⁱ</i>
Amendments to IAS 1 and IFRS Practice Statement 2	<i>Disclosure of Accounting Policiesⁱ</i>
Amendments to IAS 8	<i>Definition of Accounting Estimatesⁱ</i>
Amendments to IAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transactionⁱ</i>

- (i) Effective for annual periods beginning on or after 1 January 2023.
- (ii) Effective for annual periods beginning on or after a date to be determined.
- (iii) Effective for annual periods beginning on or after 1 January 2024.

Except for the new and amendments to IFRSs mentioned below, the directors of the Company anticipate that the application of all other new and amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies

IAS 1 is amended to replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

IFRS Practice Statement 2 *Making Materiality Judgements* (the “Practice Statement”) is also amended to illustrate how an entity applies the “four-step materiality process” to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments is not expected to have significant impact on the financial position or performance of the Group but may affect the disclosures of the Group’s significant accounting policies.

3. BASIC OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with IFRSs issued by the IASB. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosure provisions of the Rules Governing the Listing of Securities (“Listing Rules”) on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 *Share-based Payment*, leasing transactions that are accounted for in accordance with IFRS 16 *Leases* (“IFRS 16”), and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 *Inventories* or value in use in IAS 36 *Impairment of Assets*.

For financial instruments which are transacted at fair value and for which a valuation technique with unobservable inputs is to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equal the transaction price or investment cost.

3. BASIC OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.1 Basis of preparation of consolidated financial statements *(continued)*

In addition, for financial reporting purposes, fair value measurements are categorised into Level I, II or III based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level I inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level II inputs are inputs, other than quoted prices included within Level I, that are observable for the asset or liability, either directly or indirectly; and
- Level III inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

3.2 Significant accounting policies

(a) Basis of consolidation

(i) *Business combinations*

In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

Acquisitions of businesses, other than business combination under common control are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred, except if related to the issue of debt or equity securities.

3. BASIC OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.2 Significant accounting policies *(continued)*

(a) Basis of consolidation *(continued)*

(i) Business combinations *(continued)*

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 *Income Taxes* and IAS 19 *Employee Benefits* respectively;
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard; and
- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in IFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

3. BASIC OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.2 Significant accounting policies *(continued)*

(a) Basis of consolidation *(continued)*

(ii) *Subsidiaries and non-controlling interests*

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised gains arising from intra-group transactions are eliminated in full when preparing the financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Group, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between holders of non-controlling interests and shareholders of the Company.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised. Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

3. BASIC OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.2 Significant accounting policies *(continued)*

(a) Basis of consolidation *(continued)*

(ii) Subsidiaries and non-controlling interests (continued)

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary. Any gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owner of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see Note 3.2(e)) or, when appropriate, the cost on initial recognition of an investment in an associate or a joint venture (see Note 3.2(a)(iii)).

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see Note 3.2(k)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(iii) Associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

3. BASIC OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.2 Significant accounting policies *(continued)*

(a) Basis of consolidation *(continued)*

(iii) Associates and joint ventures *(continued)*

An investment in an associate or a joint venture is accounted for in the consolidated financial statements using the equity method of accounting, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

Unrealised profits and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

In all other cases, when the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence or joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see Note 3.2(e)).

3. BASIC OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.2 Significant accounting policies *(continued)*

(b) Goodwill

Goodwill represents the excess of:

- (i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over
- (ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("CGU"), or a group of CGUs, that is expected to benefit from the synergies of the combination, which represents the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A CGU (or a group of CGUs) to which goodwill has been allocated is tested for impairment annually or more frequently when there is an indication that the unit may be impaired.

On disposal of the relevant CGU, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal.

3. BASIC OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.2 Significant accounting policies *(continued)*

(c) Foreign currency

(i) Translation of foreign currencies

The financial statements are presented in RMB, which is the Company's functional and presentation currency.

When the Group receives capital in foreign currencies from investors, the capital is translated to RMB at the spot exchange rates ruling at the date of receipt. Other foreign currency transactions are, on initial recognition, translated to the respective functional currencies of the entities at the exchange rates that approximate the spot exchange rate ruling at the transaction dates.

A spot exchange rate is quoted by the PBOC, the State Administration of Foreign Exchange, or a cross rate determined based on quoted exchange rates. A rate that approximates the spot exchange rate is determined by a systematic and rational method, normally the average exchange rate of the current period.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currencies at the spot exchange rates ruling at the end of the year. Exchange gains and losses are recognised in profit or loss, except those arising from foreign currency used to hedge a net investment in a foreign operation that are recognised in other comprehensive income.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated to the functional currencies using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the functional currencies using the foreign exchange rates ruling at the dates the fair value is measured.

When a fair value gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is also recognised in profit or loss. When a fair value gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is also recognised in other comprehensive income.

3. BASIC OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.2 Significant accounting policies *(continued)*

(c) Foreign currency *(continued)*

(ii) Foreign operations

The results of foreign operations are translated to RMB at the exchange rates approximating the spot exchange rate ruling at the transaction dates. Statement of financial position items are translated to RMB at the closing foreign exchange rates at the end of the year. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the foreign currency translation reserve.

Upon disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

(d) Cash and cash equivalents

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

(e) Financial instruments

(i) Recognition and initial measurement

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

3. BASIC OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.2 Significant accounting policies *(continued)*

(e) Financial instruments *(continued)*

(i) Recognition and initial measurement *(continued)*

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost on initial recognition.

(ii) Classification and subsequent measurement

(1) Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("FVTOCI") (including debt investment and equity investment); or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

3. BASIC OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.2 Significant accounting policies *(continued)*

(e) Financial instruments *(continued)*

(ii) Classification and subsequent measurement *(continued)*

(1) Financial assets *(continued)*

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (“SPPI”).

A debt investment is measured at FVTOCI if it meets both of the following conditions and is not designated as at FVTPL:

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

On initial recognition of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 *Business Combinations* applies, the Group may irrevocably elect to present subsequent changes in the investment’s fair value in other comprehensive income (OCI). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

3. BASIC OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.2 Significant accounting policies *(continued)*

(e) Financial instruments *(continued)*

(ii) Classification and subsequent measurement *(continued)*

(1) Financial assets *(continued)*

Financial assets – Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

3. BASIC OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.2 Significant accounting policies *(continued)*

(e) Financial instruments *(continued)*

(ii) Classification and subsequent measurement *(continued)*

(1) Financial assets *(continued)*

Financial assets – The “SPPI” assessment

For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group’s claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

3. BASIC OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.2 Significant accounting policies *(continued)*

(e) Financial instruments *(continued)*

(ii) Classification and subsequent measurement *(continued)*

(1) Financial assets *(continued)*

Financial assets – Subsequent measurement and gains and losses

Financial assets classified as at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets classified as at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss. For purchased or originated credit-impaired financial assets, the Group recognises interest by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Debt investments classified as at FVTOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments classified as at FVTOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

3. BASIC OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.2 Significant accounting policies *(continued)*

(e) Financial instruments *(continued)*

(ii) Classification and subsequent measurement *(continued)*

(2) Impairment of financial assets

The Group performs impairment assessment under ECL model and correspondingly recognises loss allowances on the following items:

- financial assets measured at amortised cost (including cash and cash equivalents, receivable from margin clients, reverse REPOs, accounts receivable in accordance with IFRS 15 *Revenue from contracts with customers* ("IFRS 15") and loans to associates and joint ventures);
- debt investment measured at FVTOCI; and
- contract assets in accordance with IFRS 15.

The Group measures the loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

The Group always recognises lifetime ECL for trade receivable and contract assets that result from transactions that are within the scope of IFRS 15, and that do not contain a significant financing component in accordance with IFRS 15 (or when the group applies the practical expedient in accordance with IFRS 15). The ECL on these assets are assessed individually for debtors with significant balances and/or collectively using a provision matrix with appropriate groupings.

The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

3. BASIC OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.2 Significant accounting policies *(continued)*

(e) Financial instruments *(continued)*

(ii) Classification and subsequent measurement *(continued)*

(2) Impairment of financial assets *(continued)*

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- significant changes in external market indicators of credit risk for a particular financial instruments or similar financial instruments with the same expected life;
- an actual or expected significant deterioration in the financial instrument's external or internal (if available) credit rating;
- an actual or expected internal credit rating downgrade for the borrower;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations;
- significant deterioration in the value of the collateral supporting the obligation or the quality of third-party guarantees or credit enhancements;

3. BASIC OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.2 Significant accounting policies *(continued)*

(e) Financial instruments *(continued)*

(ii) Classification and subsequent measurement *(continued)*

(2) Impairment of financial assets *(continued)*

In particular, the following information is taken into account when assessing whether credit risk has increased significantly: *(Continued)*

- an actual or expected significant deterioration in the quality of credit enhancement;
- significant changes in the expected performance and behavior of the borrower.

Depending on the nature of the financial instruments, the Group identifies significant changes in credit risk on individual financial instruments or a group or sub-group of financial instruments. For purpose of determining significant increases in credit risk on a collective basis, the Group groups financial instruments on the basis of shared credit risk characteristics, which may include, past-due status and credit risk ratings.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

3. BASIC OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.2 Significant accounting policies *(continued)*

(e) Financial instruments *(continued)*

(ii) **Classification and subsequent measurement** *(continued)*

(2) *Impairment of financial assets (continued)*

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVTOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

3. BASIC OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.2 Significant accounting policies *(continued)*

(e) Financial instruments *(continued)*

(ii) Classification and subsequent measurement *(continued)*

(2) Impairment of financial assets *(continued)*

Credit-impaired financial assets *(continued)*

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being overdue;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for a security because of financial difficulties;
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Presentation of allowance for ECL in the statement of financial position

The allowances for ECL for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVTOCI, the allowance for ECL is charged to profit or loss and is recognised in OCI.

Write-off policy

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

3. BASIC OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.2 Significant accounting policies *(continued)*

(e) Financial instruments *(continued)*

(ii) Classification and subsequent measurement *(continued)*

(3) Financial liabilities and equity – Classification, subsequent measurement and gains and losses

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Perpetual instruments, which include no contractual obligation for the Group to deliver cash or other financial assets or of which the Group has the sole discretion to indefinitely defer payment for distribution or redemption are classified as equity instruments.

Repurchase of the Group's own equity instruments is recognised in and deducted directly from equity. No gain or loss is recognised in profit or loss for the purchase, sale, issue or cancellation of the Group's own equity instruments.

Financial liabilities

Financial liabilities are classified as measured at FVTPL or amortised cost.

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. For financial liabilities that are designated as at FVTPL, the amount of changes in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained profits upon derecognition of the financial liability.

Financial liabilities at amortised cost are subsequently measured at amortised cost using the effective interest method.

3. BASIC OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.2 Significant accounting policies *(continued)*

(e) Financial instruments *(continued)*

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows of the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled, or expired. The Group also derecognises a financial liability when the terms of the financial liability are substantially modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3. BASIC OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.2 Significant accounting policies *(continued)*

(e) Financial instruments *(continued)*

(v) Fair value measurement principles

If there is an active market for a financial asset or financial liability, the quoted market price without adjusting for transaction costs that may be incurred upon future disposal or settlement is used to establish the fair value of the financial asset or financial liability. For a financial asset held or a financial liability to be assumed, the quoted price is the current bid price. For a financial asset to be acquired or a financial liability assumed, the quoted price is the current asking price. Quoted prices from an active market are prices that are readily and regularly available from an exchange, dealer, broker, industry group or pricing service agency, and represent actual and regularly occurring market transactions on an arm's length basis.

If no active market exists for a financial instrument, a valuation technique is used to establish the fair value. Valuation techniques include using recent arm's length market transactions between knowledgeable willing parties, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. Where discounted cash flow technique is used, future cash flows are estimated based on management's best estimates and the discount rate used is the prevailing market rate applicable for instrument with similar terms and conditions at the end of the year. Where other pricing models are used, inputs are based on market data at the end of the year.

In estimating the fair value of a financial asset or financial liability, the Group considers all factors including, but not limited to, risk-free interest rate, credit risk, foreign exchange rate and market volatility, that are likely to affect the fair value of the financial asset or financial liability.

The Group obtains market data from the same market where the financial instrument was originated or purchased.

3. BASIC OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.2 Significant accounting policies *(continued)*

(e) Financial instruments *(continued)*

(vi) *Derivative financial instruments and hedge accounting*

(1) *Derivative financial instruments*

Derivative financial instruments are initially measured at fair value at the date a derivative contract is entered into and are subsequently measured at fair value. Changes in fair value of these derivative financial instruments other than those designated as hedging instrument are recognised in profit or loss. Fair values are obtained from quoted market prices in active market or are determined using valuation techniques, including discounted cash flow model and options pricing model as appropriate.

A derivative instrument is recognised as an asset when the fair value is positive and as a liability when the fair value is negative.

Derivatives embedded in hybrid contracts that contain financial asset hosts within the scope of IFRS 9 are not separated. The entire hybrid contract is classified and subsequently measured in its entirety as either amortised cost or fair value as appropriate.

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of IFRS 9 are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

3. BASIC OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.2 Significant accounting policies *(continued)*

(e) Financial instruments *(continued)*

(vi) Derivative financial instruments and hedge accounting *(continued)*

(2) Hedge accounting

The Group designates certain derivatives as hedging instruments for fair value hedges or hedges of net investments in foreign operations.

At the inception of the hedging relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group assesses whether the hedging instrument is highly effective in offsetting changes in fair values of the hedged item attributable to the hedged risk.

Certain derivative transactions, while providing effective economic hedges under the Group's risk management positions, do not qualify for hedge accounting and are therefore treated as derivatives held for trading with fair value gains or losses recognised in profit or loss.

Assessment of hedging relationship and effectiveness

For hedge effectiveness assessment, the Group considers whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

3. BASIC OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.2 Significant accounting policies *(continued)*

(e) Financial instruments *(continued)*

(vi) Derivative financial instruments and hedge accounting *(continued)*

(2) Hedge accounting *(continued)*

Assessment of hedging relationship and effectiveness (continued)

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

Hedges which meet the strict criteria for hedge accounting are accounted for in accordance with the Group's accounting policy as set out below.

(3) Fair value hedges

Fair value hedges are hedges of the Group's exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment, or an identified portion of such an asset, liability or unrecognised firm commitment, that is attributable to a particular risk and could affect the profit or loss. For fair value hedges, the carrying amount of the hedged item is adjusted for gains and losses attributable to the risk being hedged, the derivative is remeasured at fair value and the gains and losses from both are taken to profit or loss. For hedged items recorded at amortised cost, the difference between the carrying value of the hedged item and the face value is amortised over the remaining term of the original hedge using the effective interest rate method.

The Group discontinues fair value hedge accounting if the hedging instrument expires or is sold, terminated or exercised, the hedge no longer meets the criteria for hedge accounting. If the hedged items are derecognised, the unamortised fair value is recorded in profit or loss.

3. BASIC OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.2 Significant accounting policies *(continued)*

(e) Financial instruments *(continued)*

(vi) **Derivative financial instruments and hedge accounting** *(continued)*

(4) *Hedges of net investments in foreign operations*

Hedges of net investments in foreign operations are hedges of the foreign currency risk of net investments in foreign operations. The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income. The ineffective portion is recognised immediately in profit or loss and included in the statement of profit or loss. The cumulative gain or loss on the hedging instrument relating to the effective portion of the hedge that has been accumulated in equity are reclassified to profit or loss on the disposal or partial disposal of the foreign operation.

(f) **Financial assets held under resale agreements and financial assets sold under repurchase agreements**

Financial assets purchased under agreements to resell are reported not as purchases of the assets but as receivables and are carried in the statement of financial position at amortised cost.

Financial assets sold subject to a simultaneous agreement to repurchase these assets are retained in the statement of financial position and measured in accordance with their original measurement principles. The proceeds from the sale are reported as liabilities and are carried at amortised cost.

Interest earned on resale agreements and interest incurred on repurchase agreements are recognised respectively as interest income and interest expenses over the life of each agreement using the effective interest method.

3. BASIC OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.2 Significant accounting policies *(continued)*

(g) Property and equipment

(i) Recognition and measurement

Items of property and equipment are stated at cost less accumulated depreciation and impairment losses (Note 3.2(k)). Property and equipment under construction is stated at cost less impairment losses (Note 3.2(k)).

The cost of a purchased property and equipment asset comprises the purchase price, related taxes, and any expenditure directly attributable to bringing the asset into working condition for its intended use.

Costs of construction in progress include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing whether the related assets is functioning properly and, for qualifying assets, borrowing costs eligible for capitalisation.

(ii) Subsequent costs

The subsequent costs including the cost of replacing part of an item of property or equipment are recognised in the carrying amount of the item if the recognition criteria are satisfied, and the carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

3. BASIC OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.2 Significant accounting policies *(continued)*

(g) Property and equipment *(continued)*

(iii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of property and equipment. Where the individual component parts of an item of property and equipment have different useful lives or provide benefits to the Group in different patterns, each part is depreciated separately. The estimated useful lives and the rate of net residual values of each class of property and equipment are as follows:

	Estimated useful life	Estimated rate of net residual value
Buildings	20 – 35 years	3% – 5%
Office equipment	2 – 5 years	0% – 10%
Furniture and fixtures	3 – 5 years	0% – 10%
Motor vehicles	3 – 5 years	0% – 10%
Leasehold improvements	Benefit period	Nil

No depreciation is provided in respect of property and equipment under construction.

Depreciation methods, useful lives and net residual values are reassessed at the end of the reporting period.

(iv) Gains or losses from the retirement or disposal

Gains or losses arising from the retirement or disposal of property and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss on the date of disposal or retirement.

3. BASIC OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.2 Significant accounting policies *(continued)*

(h) Leases

(i) Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(ii) The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group also applies practical expedient not to separate non-lease components from lease component, and instead to account for the lease component and any associated non-lease components as a single lease component.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date (i.e. the date the underlying asset is available for use) and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Right-of-use assets

Except for short-term leases and leases of low value assets, the Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

3. BASIC OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.2 Significant accounting policies *(continued)*

(h) Leases *(continued)*

(ii) *The Group as a lessee* *(continued)*

Right-of-use assets *(continued)*

The cost of right-of-use assets includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

3. BASIC OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.2 Significant accounting policies *(continued)*

(h) Leases *(continued)*

(ii) *The Group as a lessee* *(continued)*

Lease liabilities *(continued)*

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise the options; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in an index or a change in expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

3. BASIC OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.2 Significant accounting policies *(continued)*

(h) Leases *(continued)*

(ii) *The Group as a lessee* *(continued)*

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, less any lease incentives receivable, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use assets. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Taxation

For the purposes of measuring deferred tax arising from the recognition of right-of-use assets and related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities. Temporary differences associated with right-of-use assets and lease liabilities are not recognised when the Group initially recognising the assets and liabilities and over the lease terms as a result of applying the initial recognition exemption of deferred tax under IAS 12 *Income Taxes*.

3. BASIC OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.2 Significant accounting policies *(continued)*

(i) Intangible assets

Intangible assets are stated in the statement of financial position at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (Note 3.2(k)).

Useful lives of intangible assets are determined as the period that the assets are expected to generate economic benefits for the Group, and when there is no foreseeable limit on the period of time over which the asset is expected to generate economic benefits for the Group, the intangible assets are regarded as having indefinite useful life.

Amortisation of an intangible asset with finite useful life is charged to profit or loss on a straight-line basis over its estimated useful life. Both the period and method of amortisation are reviewed annually.

Intangible assets are not amortised while their useful lives are assessed to be indefinite. Any conclusion that the useful life of an intangible asset is indefinite is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for prospectively from the date of change and in accordance with the policy for amortisation of intangible assets with finite lives as set out above.

The self-developed software and software acquired from third party shall be amortised over 1 to 10 years. The trade mark right and the securities trading seat rights in mainland China shall be amortised over 10 years.

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;

3. BASIC OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.2 Significant accounting policies *(continued)*

(i) Intangible assets *(continued)*

- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.

(j) Contract assets and contract liabilities

A contract asset is recognised when the Group recognises revenue (see Note 3.2(o)) before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for ECLs in accordance with the policy set out in Note 3.2(e)(ii)(2) and are reclassified to receivables when the right to the consideration has become unconditional.

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue (see Note 3.2(o)). A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised.

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis. When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see Note 3.2(o)(v)).

3. BASIC OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.2 Significant accounting policies *(continued)*

(k) Impairment of non-financial assets

Internal and external sources of information are reviewed at the end of year to identify indications that the following assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased:

- property and equipment (other than properties carried at revalued amounts);
- intangible assets;
- right-of-use assets;
- investments in subsidiaries, associates and joint ventures; and
- goodwill.

If any impairment indication exists, the asset's recoverable amount is estimated. In addition, for goodwill and intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amounts are estimated annually whether or not there is any indication of impairment.

- Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a CGU).

3. BASIC OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.2 Significant accounting policies *(continued)*

(k) Impairment of non-financial assets *(continued)*

- Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the CGU to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of CGU are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

- Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(l) Provisions and contingent liabilities

Provisions are recognised when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

A contingent liability is a present obligation arising from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

3. BASIC OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.2 Significant accounting policies *(continued)*

(l) Provisions and contingent liabilities *(continued)*

Where the Group is jointly and severally liable for an obligation, the part of the obligation that is expected to be met by other parties is treated as a contingent liability and it is not recognised in the consolidated financial statements.

The Group assesses continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the consolidated financial statements in the reporting period in which the change in probability occurs, except in the extremely rare circumstances where no reliable estimate can be made.

(m) Employee benefits

(i) *Short-term employee benefits and contributions to defined contribution retirement plans*

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the period in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

Pursuant to the relevant laws and regulations in the PRC, the Group participated in the social pension schemes for employees arranged by local government labour and security authorities. The Group makes contributions to the retirement schemes at the applicable rates based on the amount stipulated by the government. The contributions are charged to profit or loss on an accrual basis. When employees retire, the local labour and security authorities are responsible for the payment of the basic retirement benefits to the retired employees.

The Group also participates in the Mandatory Provident Fund Scheme (the “MPF Scheme”) for its employees in Hong Kong under the Mandatory Provident Fund Scheme Ordinance and there are no forfeited contributions that may be used by the Group to reduce the existing level of contributions.

3. BASIC OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.2 Significant accounting policies *(continued)*

(m) Employee benefits *(continued)*

(ii) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

(iii) Termination benefits

A liability for a termination benefit is recognised at the earlier of when the Group can no longer withdraw the offer of the termination benefit and when it recognises any related restructuring costs.

(n) Offsetting

Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions such as in the Group's trading activity.

(o) Revenue from contracts with customers and other income

Revenue from contracts with customers is recognised when control of the services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a service (or a bundle of services) that is distinct or a series of distinct services that are substantially the same and have the same pattern of transfer to the clients.

The Group accounts for a contract with a client only when all of the following criteria are met:

- the parties to the contract have approved the contract and are committed to perform their respective obligations;
- each party's rights regarding the services to be transferred can be identified;

3. BASIC OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.2 Significant accounting policies *(continued)*

(o) Revenue from contracts with customers and other income *(continued)*

- the payment terms for the services to be transferred can be identified;
- the contract has commercial substance; and
- it is probable that the consideration to which the Group is entitled in exchange for the services to be transferred to the clients will be collected.

When a contract with a client does not meet the criteria stated above and the Group receives consideration from the client, the Group recognises the consideration received as revenue only when the Group has no remaining obligations to transfer services to the client and all, or substantially all, of the consideration promised by the client has been received by the Group is non-refundable, or the contract has been terminated and the consideration received from the client is non-refundable and the consideration received from a client will be recognised as a contract liability.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the client simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the client controls as the Group performs;
or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the client obtains control of the distinct service.

3. BASIC OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.2 Significant accounting policies *(continued)*

(o) Revenue from contracts with customers and other income *(continued)*

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the promised services to the client. The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group updates the estimated transaction price to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

When another party is involved in providing services to a client, the Group determines whether the nature of its promise is a performance obligation to provide the specified services itself as a principal or to arrange, as an agent, for the other party to provide those services.

The Group is a principal if it controls the specified service before that service is transferred to a client.

The Group is an agent if its performance obligation is to arrange for the provision of the specified service by another party. In this case, the Group does not control the specified service provided by another party before that service is transferred to the client. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the other party to provide the specified services.

Where the contract contains a financing component which provides a significant financing benefit to the client for more than 12 months, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction with the client, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method. The Group takes advantage of the practical expedient in IFRS 15 and does not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

3. BASIC OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.2 Significant accounting policies *(continued)*

(o) Revenue from contracts with customers and other income *(continued)*

Further details of the Group's revenue and other income recognition policies are as follows:

(i) **Underwriting and sponsoring fees, financial advisory fees and investment advisory fees**

Underwriting and sponsoring fees are recognised when the Group has fulfilled its obligations under the underwriting and sponsoring contract.

Depending on the nature of the services and the contract terms, financial advisory fees and investment advisory fees are recognised in profit or loss over time using a method that depicts the Group's performance, or at a point in time when the service is completed.

(ii) **Asset management fees**

Asset management fees include periodic management fees calculated based on assets under management and performance-based fee. The fees are recognised progressively over time using a method that depicts the Group's performance, to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

(iii) **Brokerage commission income**

Brokerage commission income includes commission income from brokerage trading of securities and leasing out trading seats. Commission income from brokerage trading of securities is recognised on the trade date basis when the relevant transactions are executed. Commission income from leasing out trading seats is recognised when the related services are rendered.

(iv) **Dividend income**

Dividend income from investments is recognised when the rights to receive payment have been established.

3. BASIC OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.2 Significant accounting policies *(continued)*

(o) Revenue from contracts with customers and other income *(continued)*

(v) Interest income

Interest income is recognised in profit or loss by using the effective interest method. For financial assets measured at amortised cost or debt securities measured at FVTOCI that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of impairment loss allowance) of the asset.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the year. The effective interest rate is the rate that exactly discounts the estimated future cash receipts or payments through the expected life of the financial instrument or, when appropriate, a shorter period, to net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but does not consider future credit losses. The calculation of the effective interest rate includes all fees paid or received between parties to the contract, transaction costs, and all other discounts or premiums that are an integral part of the effective interest rate.

(p) Expenses recognition

(i) Interest expenses

Interest expenses are accrued on a time proportion basis with reference to the amortised cost and the applicable effective interest rate.

(ii) Fee and commission expenses

Fee and commission expenses are charged to profit or loss on an accrual basis.

(iii) Other expenses

Other expenses are recognised on an accrual basis.

3. BASIC OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.2 Significant accounting policies *(continued)*

(q) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(r) Income tax

Income tax expense comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amount of tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of year, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss related to the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

3. BASIC OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.2 Significant accounting policies *(continued)*

(r) Income tax *(continued)*

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The carrying amount of a deferred tax asset is reviewed at the end of year and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3. BASIC OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.2 Significant accounting policies *(continued)*

(s) Dividends appropriated to investors

Dividends or distributions of profits proposed in the profit appropriation plan which will be authorised and declared after the end of the year are not recognised as a liability at the end of the year but disclosed separately in the notes to the consolidated financial statements.

(t) Government grants

Government grants are recognised in the consolidated statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them.

Government grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Government grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

(u) Related parties

(i) A person, or a close member of that person's family, is related to the Group if that person:

- (1) has control or joint control over the Group;
- (2) has significant influence over the Group; or
- (3) is a member of the key management personnel of the Group or the Group's parent.

3. BASIC OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.2 Significant accounting policies *(continued)*

(u) Related parties *(continued)*

(ii) **An entity is related to the Group if any of the following conditions applies:**

- (1) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (2) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (3) Both entities are joint ventures of the same third party;
- (4) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (5) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- (6) The entity is controlled or jointly controlled by a person identified in Note 3.2(u)(i);
- (7) A person identified in Note 3.2(u)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

3. BASIC OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.2 Significant accounting policies *(continued)*

(v) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial statements provided regularly to the Group's senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various business lines and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of clients, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3.2, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(continued)*

(a) Fair value of financial instruments

Financial instruments without quotes from an active market require the use of valuation techniques to determine their fair values. Valuation techniques include the use of the latest market transaction information, reference to the current fair values of similar financial instruments, discounted cash flow method and option pricing model. Valuation techniques are subject to validation and adjustment before use to ensure that the valuation results reflect actual market conditions. The valuation models developed by the Group use market information as much as possible and information specific to the Group as little as possible. It should be noted that some of the information used in the valuation models requires management to make estimates (e.g. counterparty risk, risk correlation factors, etc.). The Group regularly reviews these estimates and assumptions and makes adjustments as necessary. Whilst the Group considers these valuations are the best estimates, inflationary environment and interest rates hike have resulted in greater market volatility and may affect the investees' or issuer' businesses, which have led to higher degree of uncertainties in respect of the valuations in the current and prior year.

(b) Determination of consolidation scope

All facts and circumstances must be taken into consideration in the assessment of whether the Group, as an investor, controls the investee. The principle of control includes three elements: (i) power over the investee; (ii) exposure, or rights, to variable returns from involvement with the investee; and (iii) the ability to use power over the investee to affect the amount of investor's returns. The Group reassesses whether it controls an investee when relevant facts and circumstances change to such an extent that there is a change in one or more of the three elements of control listed above.

For structured entities, the Group assesses whether the combination of investments it holds, if any, together with its remuneration creates exposure to variability of returns from the activities of the structured entities that is of such significance indicating that the Group is a principal. The structured entities shall be consolidated if the Group acts in the role of principal.

(c) Impairment of goodwill

The Group assesses the recoverable amount of the goodwill at the end of year and performs impairment test no matter whether there is indication that the unit may be impaired or not.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(continued)*

(c) Impairment of goodwill *(continued)*

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the CGU (or the group of CGUs) to which goodwill has been allocated, which is the higher of the value in use or fair value less costs of disposal. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the CGU (or the group of CGUs) and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash flows or upward revision of discount rate, a material impairment loss or further impairment loss may arise. Furthermore, the estimated cash flows and discount rate are subject to higher degree of estimation uncertainties due to uncertainty on how the volatility in financial or foreign currency markets may progress and evolve.

(d) Measurement and recognition of ECLs

The measurement of the ECL allowance for debt investments measured at amortised cost and FVTOCI is an area that requires the use of models and assumptions about future economic conditions and credit behavior of the client (such as the likelihood of clients defaulting and the resulting losses). A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Determining the number and relative weightings of forward-looking scenarios for the ECL of each type of product/market.

See Note 58(a) for more details on ECL.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(continued)*

(e) Income tax

Determining income tax provisions involves judgement on the future tax treatment of certain transactions. The Group carefully evaluates tax implications of transactions and tax provisions are made accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all tax legislations. Deferred tax assets are recognised for tax losses not yet used and temporary deductible differences. As disclosed in Note 29(b), the recognition of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future, which is a key source of estimation uncertainty especially the uncertainty on how the volatility in financial or foreign currency markets may progress and evolve. Management's assessment is constantly reviewed and additional deferred tax assets are recognised if it becomes probable that future taxable profits will allow the deferred tax assets to be recovered.

5. TAXATION

(a) Value-added tax ("VAT") and surcharges

The applicable tax rate is 6% for the years ended 31 December 2022 and 2021. The urban maintenance and construction tax, education surcharge and local education surcharge are charged at 7%, 3% and 2% of VAT respectively for the years ended 31 December 2022 and 2021.

(b) Income tax

The income tax rate applicable to the Company and its subsidiaries in mainland China is 25% for the years ended 31 December 2022 and 2021.

The profits tax rate applicable to the subsidiaries in Hong Kong Special Administrative Region ("Hong Kong SAR") is 16.5% for the years ended 31 December 2022 and 2021. Taxes of other offshore subsidiaries are charged at the relevant local rates.

6. SEGMENT REPORTING

Reportable segments are identified based on operating segments which are determined based on the Group's internal organisational structure, management requirements and internal reporting mechanisms. An operating segment is a component of the Group:

- that engages in business activities from which it may earn revenues and incur expenses;
- whose operating results are regularly reviewed by the Group's management for the purposes of resources allocation and performance evaluation; and
- for which discrete financial information is available.

Two or more operating segments may be aggregated into a single operating segment if the segments have similar economic characteristics in respect of:

- nature of the services;
- type or class of clients for the services;
- approaches to providing the services; and
- nature of the regulatory environment.

For management purposes, the Group's businesses are structured and managed separately according to the nature of their operations and the services that the Group provides. Each of the Group's operating segments represents a strategic business unit and offers services which are subject to risks and returns different from those to which the services offered by the other operating segments are subject. A summary of the operating segments is as follows:

- the Investment Banking segment provides investment banking services, including equity financing, debt and structured financing and financial advisory services to domestic and overseas corporations and institutional clients.

Notes to the Consolidated Financial Statements

(Expressed in RMB, unless otherwise stated)

6. SEGMENT REPORTING *(continued)*

- the Equities segment provides one-stop integrated financial services such as investment research, sales, trading, products and cross-border services to domestic and overseas professional investors, including institutional trading services and capital services such as primary brokerage, over-the-counter derivatives, capital introduction and market-making transactions.
- the FICC segment provides a package of services and supports in the areas of market making and financing to domestic and overseas institutional and corporate clients on fixed-income products such as interest rate, credit and structured products, as well as on overseas exchange and commodities.
- the Asset Management segment designs and provides a wide range of asset management products and services to domestic and overseas investors, including social security and annuity investment management business, institutional entrusted investment management business, overseas asset management business, retail and mutual fund business, etc..
- the Private Equity segment designs and provides integrated private equity fund products and services to domestic and overseas investors, mainly including corporate equity funds, Funds of Funds, dollar funds, real asset funds, infrastructure funds, etc..
- the Wealth Management segment provides a wide range of wealth management products and services, consisting of transactional services, capital services and product configuration services, to retail clients, families and corporate clients.
- the Others segment mainly comprises of other business departments, middle offices and back offices.

6. SEGMENT REPORTING (continued)

(a) Segment results

	Year ended 31 December 2022							
	Investment Banking	Equities	FICC	Asset Management	Private Equity	Wealth Management	Others	Total
Segment revenue								
– Fee and commission income (Note 1)	6,051,374,722	2,688,102,268	1,017,686,417	1,367,980,758	1,569,122,311	5,532,081,618	(163,031,586)	18,063,316,508
– Interest income	35,059,151	1,029,587,167	1,436,533,851	52,421,522	6,566,179	4,092,996,479	1,500,174,618	8,153,338,967
– Investment (losses)/income	(39,769,095)	5,617,889,462	3,159,787,413	(55,241,701)	906,728,303	408,716,116	609,771,769	10,607,882,267
– Other income/(losses), net	2,413,845	(696,502,656)	648,277,772	9,992,533	36,589,873	106,716,665	466,162,834	573,650,866
Segment revenue and other income	6,049,078,623	8,639,076,241	6,262,285,453	1,375,153,112	2,519,006,666	10,140,510,878	2,413,077,635	37,398,188,608
Segment expenses	4,256,288,764	3,925,649,505	4,257,633,708	1,087,691,347	1,317,245,409	8,095,892,993	5,398,341,098	28,338,742,824
Segment operating profit/(loss)	1,792,789,859	4,713,426,736	2,004,651,745	287,461,765	1,201,761,257	2,044,617,885	(2,985,263,463)	9,059,445,784
Share of profits/(losses) of associates and joint ventures	-	-	-	21,303,617	33,332,398	(58,000,022)	(103,777)	(3,467,784)
Profit/(loss) before income tax	1,792,789,859	4,713,426,736	2,004,651,745	308,765,382	1,235,093,655	1,986,617,863	(2,985,367,240)	9,055,978,000
Segment assets	7,200,091,313	219,498,996,220	144,434,182,269	4,090,150,174	7,514,083,760	129,582,769,986	133,693,577,413	646,013,851,135
Deferred tax assets								2,750,188,301
Total assets								648,764,039,436
Segment liabilities	7,499,827,908	210,544,219,911	125,828,236,895	3,376,219,112	3,536,880,438	112,722,403,694	85,062,790,590	548,570,578,548
Deferred tax liabilities								718,765,065
Total liabilities								549,289,343,613
Other segment information:								
Interest expenses (Note 2)	320,916,435	2,245,183,373	3,067,365,123	158,310,723	269,022,546	2,089,123,190	1,026,598,757	9,176,520,147
Depreciation and amortisation expenses	110,833,453	115,050,532	108,935,557	67,549,605	63,839,292	581,440,397	597,467,918	1,645,116,754
(Reversal of)/provision for impairment losses under ECL model	(4,381,847)	(82,989,935)	66,336,617	10,719,709	18,367,650	(29,715,804)	734,688	(20,928,922)

Notes to the Consolidated Financial Statements

(Expressed in RMB, unless otherwise stated)

6. SEGMENT REPORTING (continued)

(a) Segment results (continued)

	Year ended 31 December 2021							Total
	Investment Banking	Equities	FICC	Asset Management	Private Equity	Wealth Management	Others	
Segment revenue								
– Fee and commission income (Note 1)	6,029,414,530	3,652,103,796	964,451,035	1,451,307,261	1,516,753,482	6,005,064,578	(137,868,454)	19,481,226,228
– Interest income	83,805,899	836,375,326	1,268,727,913	82,219,323	10,291,128	4,316,521,155	678,537,886	7,276,478,630
– Investment income	665,526,723	6,324,957,860	4,323,086,108	20,123,905	961,904,333	812,127,406	1,595,728,998	14,703,455,333
– Other income/(losses), net	2,155,989	(446,992,035)	(180,776,704)	(1,976,999)	56,100,382	72,889,971	1,860,983	(496,738,413)
Segment revenue and other income	6,780,903,141	10,366,444,947	6,375,488,352	1,551,673,490	2,545,049,325	11,206,603,110	2,138,259,413	40,964,421,778
Segment expenses	4,327,159,461	3,310,707,017	4,137,599,903	1,072,299,036	1,260,660,690	8,349,242,670	5,676,200,335	28,133,869,112
Segment operating profit/(loss)	2,453,743,680	7,055,737,930	2,237,888,449	479,374,454	1,284,388,635	2,857,360,440	(3,537,940,922)	12,830,552,666
Share of profits/(losses) of associates and joint ventures	–	–	–	41,976,763	170,072,392	(64,510,727)	21,765	147,560,193
Profit/(loss) before income tax	2,453,743,680	7,055,737,930	2,237,888,449	521,351,217	1,454,461,027	2,792,849,713	(3,537,919,157)	12,978,112,859
Segment assets	17,135,821,322	228,408,848,666	117,869,897,456	4,338,697,107	6,786,640,301	150,898,930,293	122,728,014,678	648,166,849,823
Deferred tax assets								1,628,639,392
Total assets								649,795,489,215
Segment liabilities	16,848,020,822	219,005,468,387	99,815,856,866	3,098,769,889	3,848,007,560	135,685,090,086	86,331,783,944	564,632,997,554
Deferred tax liabilities								431,655,234
Total liabilities								565,064,652,788
Other segment information:								
Interest expenses (Note 2)	226,457,208	1,052,768,284	3,086,449,442	95,742,862	142,695,705	2,253,728,486	1,408,853,770	8,266,695,757
Depreciation and amortisation expenses	93,281,119	79,086,777	65,088,274	60,375,042	47,561,526	474,336,326	362,951,009	1,182,680,073
(Reversal of)/provision for impairment losses under ECL model	(157,491,079)	(49,262,546)	(2,735,538)	(3,185,520)	(2,861,434)	(193,653,589)	1,155,396	(408,034,310)

Note 1: Disaggregation of revenue was disclosed in Note 7. Brokerage commission income is mainly generated by Equities and Wealth Management segments; underwriting and sponsoring fees and financial advisory fees are mainly generated by Investment Banking segment; asset management fees are mainly generated by Asset Management, Private Equity and Wealth Management segments.

Note 2: The Group allocates interest expenses across the reportable segments based on the capital used during the reporting period for the purpose of measuring segment operating performance and improving efficiencies of capital management.

6. SEGMENT REPORTING *(continued)*

(b) Geographical information

The following table sets out the Group's revenue and other income from external clients and the Group's non-current assets (excluding financial assets at fair value through profit or loss, reverse REPOs, refundable deposits and deferred tax assets, the same as below) in terms of geographical locations. The geographical locations of the revenue and other income from external clients are identified based on the locations in which the services or the products are rendered. The geographical locations of the non-current assets are identified based on the place of incorporation of the business units under which the non-current assets are recorded.

	Revenue and other income from external clients	
	Year ended 31 December	
	2022	2021
Mainland China	30,155,072,095	32,647,239,421
Outside mainland China	7,243,116,513	8,317,182,357
Total	37,398,188,608	40,964,421,778

	Non-current assets	
	As at 31 December	
	2022	2021
Mainland China	7,817,387,171	6,610,534,969
Outside mainland China	956,445,332	986,831,439
Total	8,773,832,503	7,597,366,408

Reconciliation of segment non-current assets:

	Non-current assets	
	As at 31 December	
	2022	2021
Total non-current assets for segments	38,030,611,017	34,550,643,922
Elimination of inter-segment non-current assets	(29,256,778,514)	(26,953,277,514)
Total	8,773,832,503	7,597,366,408

(c) Major clients

The Group's client base is diversified and there was no case in which the revenue recognised from a single client exceeded 10% of the Group's revenue for the years ended 31 December 2022 and 2021.

Notes to the Consolidated Financial Statements

(Expressed in RMB, unless otherwise stated)

7. FEE AND COMMISSION INCOME

	Year ended 31 December	
	2022	2021
Brokerage commission income	6,724,619,393	8,175,013,657
Underwriting and sponsoring fees	6,401,818,894	6,155,083,342
Asset management fees	3,200,602,010	3,265,434,816
Financial advisory fees	945,633,406	1,168,263,233
Investment advisory fees	599,897,044	654,185,716
Others	190,745,761	63,245,464
Total	18,063,316,508	19,481,226,228

The remaining performance obligation is recognised as contract liabilities as at 31 December 2022 and 31 December 2021, and disclosed in Note 48. Except as stated in Note 48, there is no significant remaining performance obligation.

8. INTEREST INCOME

	Year ended 31 December	
	2022	2021
Interest income from financial institutions	2,845,497,853	2,131,342,257
Interest income from margin financing and securities lending	2,672,473,426	2,857,404,292
Interest income from financial assets at fair value through other comprehensive income	1,432,341,079	1,177,075,057
Interest income from reverse REPOs	885,366,459	976,184,479
Others	317,660,150	134,472,545
Total	8,153,338,967	7,276,478,630

9. INVESTMENT INCOME

	Year ended 31 December	
	2022	2021
Net (losses)/gains from disposal of financial assets at fair value through other comprehensive income	(117,261,499)	60,742,856
Net (losses)/gains from financial instruments at fair value through profit or loss	(9,447,532,252)	27,440,230,992
Net gains/(losses) from derivative financial instruments	20,170,066,615	(12,737,765,442)
Others	2,609,403	(59,753,073)
Total	10,607,882,267	14,703,455,333

10. OTHER INCOME/(LOSSES), NET

	Year ended 31 December	
	2022	2021
Refund for tax withholding and remittance	96,147,298	44,391,214
Government grants	85,966,731	112,633,477
Foreign exchange gains/(losses) from derivatives	706,044,802	(96,071,265)
Others (Note)	(314,507,965)	(557,691,839)
Total	573,650,866	(496,738,413)

Note: Others mainly consisted of gains and losses due to exchange rate fluctuations arising from foreign currency transactions other than foreign exchange derivative transactions.

11. FEE AND COMMISSION EXPENSES

	Year ended 31 December	
	2022	2021
Brokerage commission expenses	1,492,387,777	2,144,191,097
Underwriting and sponsoring expenses	341,426,448	287,052,839
Asset management expenses	286,334,365	221,580,804
Investment advisory expenses	119,236	–
Others	–	3,719
Total	2,120,267,826	2,652,828,459

Notes to the Consolidated Financial Statements

(Expressed in RMB, unless otherwise stated)

12. INTEREST EXPENSES

	Year ended 31 December	
	2022	2021
Interest expenses on:		
– Corporate bonds	3,787,039,946	3,467,593,358
– Placements from financial institutions	1,370,387,484	1,027,143,459
– Subordinated bonds	953,046,486	1,304,385,699
– REPOs	925,847,737	716,756,920
– Medium-term notes (“MTNs”)	624,195,135	493,946,229
– Accounts payable to brokerage clients	332,042,032	294,094,060
– Beneficiary certificates	290,616,325	411,578,311
– Lease liabilities	75,437,642	57,334,036
– Financial bonds	53,868,493	84,750,000
– Structured notes	16,949,947	51,808,887
– Commercial papers	3,912,329	2,235,616
– Others	743,176,591	355,069,182
Total	9,176,520,147	8,266,695,757

13. STAFF COSTS

	Year ended 31 December	
	2022	2021
Salaries, bonus and allowance	9,820,082,362	12,041,725,539
Retirement scheme contributions	767,242,688	529,110,488
Other social welfare	967,597,246	543,735,077
Other benefits	372,322,949	211,959,896
Total	11,927,245,245	13,326,531,000

The Group is required to participate in pension schemes in mainland China, Hong Kong SAR and other jurisdictions whereby the Group pays annual contributions for its employees at certain ratios of salaries. The Group also provides annuity schemes for employees in mainland China beyond the annual contributions described above. The contributions for annuity schemes are calculated based on a certain percentage of employees’ salaries.

14. DIRECTORS' AND SUPERVISORS' REMUNERATION

Directors' and supervisors' remuneration is as follows:

Name	Year ended 31 December 2022				Total
	Fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	
Executive Director					
Huang Zhaohui (ii)	-	1,706,470	1,638,734	138,957	3,484,161
Non-executive Director					
Shen Rujun	-	-	-	-	-
Zhu Hailin (vi)	-	-	-	-	-
Tan Lixia	-	-	-	-	-
Duan Wenwu	-	-	-	-	-
Independent Non-executive Director					
Liu Li	825,000	-	-	-	825,000
Siu Wai Keung (vii)	405,625	-	-	-	405,625
Ben Shenglin (vii)	398,604	-	-	-	398,604
Ng Kong Ping Albert (viii)	436,875	-	-	-	436,875
Lu Zhengfei (viii)	410,750	-	-	-	410,750
Peter Hugh Nolan (iv)	745,000	-	-	-	745,000
Supervisor					
Gao Tao (ii)	-	1,536,199	-	105,701	1,641,900
Jin Lizuo	395,000	-	-	-	395,000
Cui Zheng	-	-	-	-	-
Total	3,616,854	3,242,669	1,638,734	244,658	8,742,915

Notes to the Consolidated Financial Statements

(Expressed in RMB, unless otherwise stated)

14. DIRECTORS' AND SUPERVISORS' REMUNERATION (continued)

Directors' and supervisors' remuneration is as follows: (continued)

Name	Year ended 31 December 2021				Total
	Fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	
Executive Director					
Huang Zhaohui (ii)	-	1,666,769	4,981,415	132,089	6,780,273
Non-executive Director					
Shen Rujun	-	-	-	-	-
Xiong Lianhua (v)	-	-	-	-	-
Zhu Hailin (vi)	-	-	-	-	-
Tan Lixia	-	-	-	-	-
Duan Wenwu	-	-	-	-	-
Independent Non-executive Director					
Liu Li	835,000	-	-	-	835,000
Siu Wai Keung (vii)	860,000	-	-	-	860,000
Ben Shenglin (vii)	830,000	-	-	-	830,000
Peter Hugh Nolan (iv)	780,000	-	-	-	780,000
Supervisor					
Gao Tao (ii)	-	1,528,942	1,539,662	100,572	3,169,176
Jin Lizuo	385,000	-	-	-	385,000
Cui Zheng	-	-	-	-	-
Total	3,690,000	3,195,711	6,521,077	232,661	13,639,449

- (i) The amounts disclosed above in respect of the remuneration of directors and supervisors were accrued and confirmed to be distributed by the Company during the reporting period and presented before income tax.
- (ii) The remuneration of Mr. Huang Zhaohui includes the compensation for the services provided by Mr. Huang Zhaohui acting as the Chief Executive Officer of the Company. There is no compensation for Mr. Huang Zhaohui for the performance of the duties as a Director. The remuneration of Mr. Gao Tao includes the compensation for the services provided in the China CICC Wealth Management Securities Company Limited ("CICC Wealth Management", "CISC" or "CICC WMS"). There is no compensation for Mr. Gao Tao for the performance of the duties as a Supervisor.
- (iii) In addition to disclosed above, the pre-tax remuneration of Mr. Huang Zhaohui during his tenure, attributable to previous years and deferred to 2022 and 2021 amounted to RMB556 thousand and RMB1,173 thousand respectively. The pre-tax remuneration of Mr. Gao Tao during his tenure, attributable to previous years and deferred to 2022 and 2021 amounted to RMB2,703 thousand and RMB4,774 thousand respectively.
- (iv) Mr. Peter Hugh Nolan donated a total of RMB180 thousand to CICC Charity Foundation in 2022 (Year ended 31 December 2021: RMB180 thousand).
- (v) Resigned as non-executive Director in January 2021.
- (vi) Appointed as non-executive Director in September 2021 and resigned as non-executive Director in July 2022.
- (vii) Resigned as independent non-executive Director in June 2022.
- (viii) Appointed as independent non-executive Director in June 2022.

There were no amounts paid during the year to the directors and supervisors in connection with their retirement from employment or as compensation for loss of office with the Group, or as inducement to join. There was no other arrangement under which a director or a supervisor waived or agreed to waive any remuneration during the year.

15. INDIVIDUALS WITH HIGHEST EMOLUMENTS

None of the five individuals with the highest emoluments in 2022 and 2021 are directors or supervisors of the Company. The aggregate of the emoluments are as follows:

	Year ended 31 December	
	2022	2021
Salaries and other emoluments	9,844,656	9,822,091
Discretionary bonuses	54,238,921	74,276,967
Retirement scheme contributions	686,660	735,121
Total	64,770,237	84,834,179

The emoluments of these individuals with the highest emoluments are within the following bands:

	Number of individuals	
	2022	2021
From RMB12,500,001 to RMB13,000,000	3	–
From RMB13,000,001 to RMB13,500,000	2	–
From RMB13,500,001 to RMB14,000,000	–	–
From RMB14,000,001 to RMB14,500,000	–	–
From RMB14,500,001 to RMB15,000,000	–	–
From RMB15,000,001 to RMB15,500,000	–	–
From RMB15,500,001 to RMB16,000,000	–	–
From RMB16,000,001 to RMB16,500,000	–	–
From RMB16,500,001 to RMB17,000,000	–	3
From RMB17,000,001 to RMB17,500,000	–	2

No emoluments are paid or payable to these individuals in connection with their retirement from employment or as compensation for loss of office or inducement to join during the year.

Notes to the Consolidated Financial Statements

(Expressed in RMB, unless otherwise stated)

16. DEPRECIATION AND AMORTISATION EXPENSES

	Year ended 31 December	
	2022	2021
Depreciation of right-of-use assets	880,550,974	658,186,767
Depreciation of property and equipment	491,762,005	369,610,860
Amortisation of intangible assets	270,837,451	153,514,193
Others	1,966,324	1,368,253
Total	1,645,116,754	1,182,680,073

17. OTHER OPERATING EXPENSES AND COSTS

	Year ended 31 December	
	2022	2021
Business development expenses	1,102,900,944	1,054,482,439
Electronic equipment operating expenses	669,978,914	513,108,654
Professional service fees	337,017,774	298,000,168
Information technology expenses	244,460,723	191,429,269
Travelling and transportation expenses	230,909,036	312,333,243
Utilities and maintenance	112,956,103	101,770,914
Securities and futures investor protection funds	96,236,836	99,672,124
Auditors' remuneration	15,141,086	14,067,170
Others	558,237,271	394,461,266
Total	3,367,838,687	2,979,325,247

18. REVERSAL OF IMPAIRMENT LOSSES UNDER ECL MODEL

	Year ended 31 December	
	2022	2021
Impairment losses (reversed)/provided for:		
Accounts receivable and other assets	(41,632,694)	(201,248,299)
Receivable from margin clients	(20,238,152)	25,496,642
Reverse REPOs	(12,905,647)	(233,163,431)
Financial assets at fair value through other comprehensive income	53,017,651	769,369
Cash and bank balances	829,920	111,409
Total	(20,928,922)	(408,034,310)

19. INCOME TAX EXPENSE

(a) Taxation in the consolidated statement of profit or loss:

	Year ended 31 December	
	2022	2021
Current tax		
– Mainland China income tax	1,700,343,925	1,410,042,352
– Outside mainland China profits tax	519,199,227	698,291,402
Subtotal	2,219,543,152	2,108,333,754
Deferred tax	(758,440,441)	59,857,436
Total	1,461,102,711	2,168,191,190

(b) Reconciliation between income tax expense and accounting profit at applicable tax rates:

The income tax has been provided at the statutory rate of 25% in accordance with the relevant tax laws in mainland China during the period. Taxes on profits assessable outside mainland China have been calculated at the applicable tax rates prevailing in the countries/jurisdictions, in which the Group operates, based on the existing legislation, interpretations and practices. Reconciliation between income tax expense that would have resulted from applying the PRC statutory income tax rate to the Group's profit before income tax and the income tax expense in the consolidated statement of profit or loss is as follows:

	Year ended 31 December	
	2022	2021
Profit before income tax	9,055,978,000	12,978,112,859
Income tax calculated at the PRC statutory income tax rate	2,263,994,500	3,244,528,215
Effect of non-deductible expenses	41,538,441	37,367,219
Effect of non-taxable income	(548,102,163)	(510,699,925)
Effect of different applicable tax rates of the subsidiaries	(203,172,845)	(492,083,117)
Effect of deductible temporary differences or unused tax losses with no deferred tax asset recognised during the year	7,702,440	17,622,340
Effect of utilisation of the deductible temporary differences or unused tax losses with no deferred tax asset recognised in previous periods	(35,374,916)	(54,638,580)
Others	(65,482,746)	(73,904,962)
Total income tax expense	1,461,102,711	2,168,191,190

Notes to the Consolidated Financial Statements

(Expressed in RMB, unless otherwise stated)

20. BASIC EARNINGS PER SHARE

	Year ended 31 December	
	2022	2021
Profit attributable to shareholders of the Company	7,597,501,992	10,777,713,147
Interest for holders of perpetual subordinated bonds for the year	(552,455,342)	(354,349,041)
Total	7,045,046,650	10,423,364,106
Weighted average number of ordinary shares in issue	4,827,256,868	4,827,256,868
Basic earnings per share (in RMB per share)	1.46	2.16

Basic earnings per share was calculated as the profit for the period attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares in issue.

No diluted earnings per share has been presented for the years ended 31 December 2022 and 2021 as the Company had no potential ordinary shares in issue during the periods.

21. PROPERTY AND EQUIPMENT

	Buildings	Office equipment	Furniture and fixtures	Motor vehicles	Leasehold improvements	Construction in progress	Total
Cost							
As at 31 December 2021	92,721,687	1,890,744,489	123,413,502	10,395,805	895,039,173	189,436,852	3,201,751,508
Additions and transfer-in	-	471,054,492	52,813,399	-	232,486,012	261,573,016	1,017,926,919
Transfer-out	-	-	-	-	-	(87,577,428)	(87,577,428)
Disposals	-	(147,010,147)	(16,347,995)	(608,796)	(87,216,833)	-	(251,183,771)
Effect of changes in exchange rates	-	13,635,460	1,204,601	-	14,047,214	-	28,887,275
As at 31 December 2022	92,721,687	2,228,424,294	161,083,507	9,787,009	1,054,355,566	363,432,440	3,909,804,503
Accumulated depreciation							
As at 31 December 2021	(45,935,909)	(1,297,117,466)	(85,368,599)	(8,380,397)	(633,081,614)	-	(2,069,883,985)
Additions	(4,450,571)	(297,556,006)	(21,781,162)	(256,329)	(167,717,937)	-	(491,762,005)
Disposals	-	137,386,707	14,860,617	590,940	82,792,403	-	235,630,667
Effect of changes in exchange rates	-	(12,199,877)	(1,159,781)	-	(9,998,323)	-	(23,357,981)
As at 31 December 2022	(50,386,480)	(1,469,486,642)	(93,448,925)	(8,045,786)	(728,005,471)	-	(2,349,373,304)
Carrying amount							
As at 31 December 2022	42,335,207	758,937,652	67,634,582	1,741,223	326,350,095	363,432,440	1,560,431,199
As at 31 December 2021	46,785,778	593,627,023	38,044,903	2,015,408	261,957,559	189,436,852	1,131,867,523

Notes to the Consolidated Financial Statements

(Expressed in RMB, unless otherwise stated)

21. PROPERTY AND EQUIPMENT (continued)

	Buildings	Office equipment	Furniture and fixtures	Motor vehicles	Leasehold improvements	Construction in progress	Total
Cost							
As at 31 December 2020	92,721,687	1,600,593,892	105,571,362	21,250,345	811,121,887	37,337,284	2,668,596,457
Acquired on acquisition of a subsidiary	-	1,303,344	917,435	-	5,300,327	-	7,521,106
Additions and transfer-in	-	411,826,489	25,086,388	-	172,020,313	245,529,612	854,462,802
Transfer-out	-	-	-	-	-	(93,430,044)	(93,430,044)
Disposals	-	(118,562,250)	(6,854,388)	(10,854,540)	(88,585,163)	-	(224,856,341)
Effect of changes in exchange rates	-	(4,416,986)	(1,307,295)	-	(4,818,191)	-	(10,542,472)
As at 31 December 2021	92,721,687	1,890,744,489	123,413,502	10,395,805	895,039,173	189,436,852	3,201,751,508
Accumulated depreciation							
As at 31 December 2020	(41,485,338)	(1,167,366,201)	(78,923,235)	(17,163,812)	(615,259,547)	-	(1,920,198,133)
Acquired on acquisition of a subsidiary	-	(979,879)	(389,617)	-	(2,136,835)	-	(3,506,331)
Additions	(4,450,571)	(244,230,810)	(12,794,005)	(344,880)	(107,790,594)	-	(369,610,860)
Disposals	-	111,529,437	6,309,389	9,128,295	88,585,162	-	215,552,283
Effect of changes in exchange rates	-	3,929,987	428,869	-	3,520,200	-	7,879,056
As at 31 December 2021	(45,935,909)	(1,297,117,466)	(85,368,599)	(8,380,397)	(633,081,614)	-	(2,069,883,985)
Carrying amount							
As at 31 December 2021	46,785,778	593,627,023	38,044,903	2,015,408	261,957,559	189,436,852	1,131,867,523
As at 31 December 2020	51,236,349	433,227,691	26,648,127	4,086,533	195,862,340	37,337,284	748,398,324

22. RIGHT-OF-USE ASSETS

	Buildings	Leasehold land	Equipment	Total
Cost				
As at 31 December 2021	3,232,138,927	1,266,558,879	854,845	4,499,552,651
Increases	1,376,882,442	–	128,101	1,377,010,543
Decreases	(495,264,978)	–	(241,634)	(495,506,612)
Effect of changes in exchange rates	59,279,793	–	49,964	59,329,757
As at 31 December 2022	4,173,036,184	1,266,558,879	791,276	5,440,386,339
Accumulated depreciation				
As at 31 December 2021	(1,286,581,192)	(217,732,444)	(596,472)	(1,504,910,108)
Increases	(880,413,297)	(32,910,658)	(191,347)	(913,515,302)
Decreases	351,142,211	–	241,596	351,383,807
Effect of changes in exchange rates	(16,188,170)	–	(26,104)	(16,214,274)
As at 31 December 2022	(1,832,040,448)	(250,643,102)	(572,327)	(2,083,255,877)
Carrying amount				
As at 31 December 2022	2,340,995,736	1,015,915,777	218,949	3,357,130,462
As at 31 December 2021	1,945,557,735	1,048,826,435	258,373	2,994,642,543
Expense relating to leases of low-value assets and short-term leases				147,155,680
Total cash outflow for leases for the year				1,103,522,889

Notes to the Consolidated Financial Statements

(Expressed in RMB, unless otherwise stated)

22. RIGHT-OF-USE ASSETS (continued)

	Buildings	Leasehold land	Equipment	Total
Cost				
As at 31 December 2020	2,192,003,536	1,266,558,879	877,867	3,459,440,282
Acquired on acquisition of a subsidiary	58,017,322	–	–	58,017,322
Transfer-out due to disposals of subsidiaries	(2,066,509)	–	–	(2,066,509)
Increases	1,609,171,350	–	–	1,609,171,350
Decreases	(609,719,980)	–	–	(609,719,980)
Effect of changes in exchange rates	(15,266,792)	–	(23,022)	(15,289,814)
As at 31 December 2021	3,232,138,927	1,266,558,879	854,845	4,499,552,651
Accumulated depreciation				
As at 31 December 2020	(1,002,613,003)	(184,821,786)	(453,157)	(1,187,887,946)
Acquired on acquisition of a subsidiary	(30,620,253)	–	–	(30,620,253)
Transfer-out due to disposals of subsidiaries	1,606,446	–	–	1,606,446
Increases	(658,081,165)	(32,910,658)	(156,625)	(691,148,448)
Decreases	395,439,400	–	–	395,439,400
Effect of changes in exchange rates	7,687,383	–	13,310	7,700,693
As at 31 December 2021	(1,286,581,192)	(217,732,444)	(596,472)	(1,504,910,108)
Carrying amount				
As at 31 December 2021	1,945,557,735	1,048,826,435	258,373	2,994,642,543
As at 31 December 2020	1,189,390,533	1,081,737,093	424,710	2,271,552,336
Expense relating to leases of low-value assets and short-term leases				86,612,764
Total cash outflow for leases for the year				863,668,568

23. GOODWILL

(a) Changes in goodwill

Subsidiaries	As at 1 January 2022	Additions	Disposals	As at 31 December 2022	Less: Impairment loss allowance
CICC Wealth Management (Note 1)	1,582,678,646	-	-	1,582,678,646	-
Science & Technology Innovation (Note 2)	39,984,637	-	-	39,984,637	-
Total	1,622,663,283	-	-	1,622,663,283	-

Subsidiaries	As at 1 January 2021	Additions	Disposals	As at 31 December 2021	Less: Impairment loss allowance
CICC Wealth Management (Note 1)	1,582,678,646	-	-	1,582,678,646	-
Science & Technology Innovation (Note 2)	-	39,984,637	-	39,984,637	-
Total	1,582,678,646	39,984,637	-	1,622,663,283	-

Note 1: The Company acquired CICC Wealth Management in 2017 and paid, as the cost of the acquisition, the consideration of RMB16,700,695,000 in the form of share issuance. The difference between the consideration and the fair value of the identifiable net assets attributable to the Company amounted to RMB1,582,678,646 and was recognised as goodwill related to the CGU of Wealth Management.

Note 2: In 2021, CICC Capital Management Co., Ltd. ("CICC Capital"), a subsidiary of CICC, made a capital injection in cash of RMB220,129,947 into Beijing Science & Technology Innovation Investment Management Co., Ltd. ("Science & Technology Innovation") and acquired 51% equity interests of Science & Technology Innovation. The difference between the cash injection and the fair value of the identifiable net assets attributable to CICC Capital amounted to RMB39,984,637 and was recognised as goodwill.

(b) Impairment test

The recoverable amount of the CGU in respect of Wealth Management is determined based on the present value of expected future cash flows, which was determined based on the financial budgets (including budgeted income and profit margins based on the CGU's past performance and management's expectations for market development) approved by management covering a certain period, cash flows beyond the certain period are extrapolated using an estimated long-term growth rate of 3.00% (Year ended 31 December 2021: 3.00%). Pre-tax discount rates used by the Group was 11.84% (31 December 2021: 16.00%). As the goodwill arising from the acquisition of Science and Technology Innovation is not material, the details of the impairment analysis are not disclosed.

As at 31 December 2022 and 31 December 2021, the Group performed annual goodwill impairment tests. There was no impairment recognised for the goodwill related to the aforesaid CGUs since the recoverable amounts were greater than its carrying amounts individually.

Notes to the Consolidated Financial Statements

(Expressed in RMB, unless otherwise stated)

24. INTANGIBLE ASSETS

	Securities trading seat rights	Others (Note)	Total
Cost			
As at 31 December 2021	163,100,827	874,188,395	1,037,289,222
Additions	–	641,437,163	641,437,163
Disposals	–	(1,655,445)	(1,655,445)
Effect of changes in exchange rates	12,020	748,761	760,781
As at 31 December 2022	163,112,847	1,514,718,874	1,677,831,721
Accumulated amortisation			
As at 31 December 2021	(118,067,844)	(486,478,666)	(604,546,510)
Additions	(8,580,000)	(262,257,451)	(270,837,451)
Disposals	–	1,610,378	1,610,378
Effect of changes in exchange rates	–	(191,349)	(191,349)
As at 31 December 2022	(126,647,844)	(747,317,088)	(873,964,932)
Carrying amount			
As at 31 December 2022	36,465,003	767,401,786	803,866,789
As at 31 December 2021	45,032,983	387,709,729	432,742,712

24. INTANGIBLE ASSETS (continued)

	Securities trading seat rights	Others (Note)	Total
Cost			
As at 31 December 2020	163,112,847	603,671,526	766,784,373
Acquired on acquisition of a subsidiary	–	1,259,638	1,259,638
Additions	–	274,823,982	274,823,982
Disposals	–	(5,536,526)	(5,536,526)
Effect of changes in exchange rates	(12,020)	(30,225)	(42,245)
As at 31 December 2021	163,100,827	874,188,395	1,037,289,222
Accumulated amortisation			
As at 31 December 2020	(109,487,844)	(346,476,553)	(455,964,397)
Acquired on acquisition of a subsidiary	–	(315,970)	(315,970)
Additions	(8,580,000)	(144,934,193)	(153,514,193)
Disposals	–	5,228,358	5,228,358
Effect of changes in exchange rates	–	19,692	19,692
As at 31 December 2021	(118,067,844)	(486,478,666)	(604,546,510)
Carrying amount			
As at 31 December 2021	45,032,983	387,709,729	432,742,712
As at 31 December 2020	53,625,003	257,194,973	310,819,976

Note: As at 31 December 2022 and 2021, others mainly included computer software used by the Group.

Notes to the Consolidated Financial Statements

(Expressed in RMB, unless otherwise stated)

25. INTERESTS IN ASSOCIATES AND JOINT VENTURES

	As at 31 December	
	2022	2021
Share of net assets		
– Associates	515,367,663	497,800,566
– Joint ventures	500,212,453	589,135,019
Total	1,015,580,116	1,086,935,585

The following list contains only the particulars of the major associate and joint venture which are unlisted corporate entities of which quoted market prices are not available:

Name of an associate	Form of business structure	Place of incorporation operation	Particulars of issued and paid-in capital	Proportion of ownership interest			Principal activity
				Group's effective interest	Held by the Company	Held by a subsidiary	
Zheshang Jinhui Trust Co., Ltd. ("Zheshang Jinhui") (Note 1)	Incorporated	Hangzhou, PRC	RMB2,880,000,000	10.33%	10.33%	–	Trust business

Name of a joint venture	Form of business structure	Place of incorporation operation	Particulars of issued and paid-in capital	Proportion of ownership interest			Principal activity
				Group's effective interest	Held by the Company	Held by a subsidiary	
Jinteng Technology Information (Shenzhen) Co., Ltd. ("Jinteng Technology") (Note 2)	Incorporated	Shenzhen, PRC	RMB500,000,000	51.00%	51.00%	–	Information technology services

25. INTERESTS IN ASSOCIATES AND JOINT VENTURES *(continued)*

Note 1: The Company holds 10.33% equity interest of Zheshang Jinhui but has significant influence over Zheshang Jinhui as it can appoint members in Zheshang Jinhui's Board of Directors. Zheshang Jinhui is accounted for as an associate of the Company.

Note 2: The Company holds 51.00% equity interest of Jinteng Technology and jointly controls Jinteng Technology with a third party according to the contractual arrangement. Jinteng Technology is accounted for as a joint venture of the Company.

A summary of financial information of the Group's associates and joint ventures is presented below:

(a) Zheshang Jinhui

	Year ended 31 December	
	2022	2021
Financial information of the associate		
– Assets	4,545,314,257	4,526,101,883
– Liabilities	218,661,007	355,327,056
– Net assets	4,326,653,250	4,170,774,827
– Operating income	565,687,869	533,258,877
– Net profit	198,743,534	189,563,750
Reconciled to the Group's interests in the associate:		
Group's effective interest	10.33%	10.33%
Group's share of net assets of the associate	446,937,271	430,835,247
Carrying amount in the consolidated financial statements	446,937,271	430,835,247

Notes to the Consolidated Financial Statements

(Expressed in RMB, unless otherwise stated)

25. INTERESTS IN ASSOCIATES AND JOINT VENTURES *(continued)*

(b) Jinteng Technology

	Year ended 31 December	
	2022	2021
Financial information of the joint venture		
– Assets	183,794,037	189,865,289
– Liabilities	99,401,605	93,160,173
– Net assets	84,392,432	96,705,116
– Operating income	73,208,162	27,130,050
– Net loss	(112,312,684)	(125,562,552)
Reconciled to the Group's interests in the joint venture:		
Group's effective interest	51.00%	51.00%
Group's share of net assets of the joint venture	43,040,140	49,319,609
Carrying amount in the consolidated financial statements	43,040,140	49,319,609

(c) Other associates and joint ventures:

	Year ended 31 December	
	2022	2021
Aggregate carrying amount of Group's interests in other associates and joint ventures in the consolidated financial statements	525,602,705	606,780,729
Aggregate amounts of the Group's share of profit or loss and other comprehensive income of those associates and joint ventures		
– Profit for the year	33,281,754	178,629,729
– Total comprehensive income	33,281,754	178,629,729

26. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Non-current

	As at 31 December	
	2022	2021
Equity securities	10,151,094,560	8,778,820,783
Funds and other investments	60,201,847	–
Total	10,211,296,407	8,778,820,783

Current

	As at 31 December	
	2022	2021
Equity securities	114,998,892,630	118,970,508,810
Debt securities (Note)	81,519,145,732	82,090,098,250
Funds and other investments	62,667,646,790	91,334,787,261
Total	259,185,685,152	292,395,394,321

Note: As at 31 December 2022, the perpetual bonds included in debt securities amounted to RMB9,344,567,046 (31 December 2021: RMB10,422,322,751).

27. FINANCIAL ASSETS HELD UNDER RESALE AGREEMENTS (“REVERSE REPOS”)**(a) Analysed by collateral type:****Non-current**

	As at 31 December	
	2022	2021
Stocks	3,347,199	340,465,446
Accrued interests	150,662	7,538,312
Less: Impairment loss allowance	–	(265,347)
Total	3,497,861	347,738,411

Current

	As at 31 December	
	2022	2021
Stocks	5,406,022,435	7,843,426,753
Debt securities	21,636,860,479	17,543,357,356
Subtotal	27,042,882,914	25,386,784,109
Accrued interests	145,968,974	193,159,541
Less: Impairment loss allowance	(56,547,702)	(69,188,002)
Total	27,132,304,186	25,510,755,648

27. FINANCIAL ASSETS HELD UNDER RESALE AGREEMENTS (“REVERSE REPOS”) (continued)**(b) Analysed by market:****Non-current**

	As at 31 December	
	2022	2021
Stock exchanges	–	51,790,819
Over-the-counter market	3,497,861	295,947,592
Total	3,497,861	347,738,411

Current

	As at 31 December	
	2022	2021
Stock exchanges	14,161,084,252	19,235,585,288
Inter-bank market	8,113,368,183	5,625,905,902
Over-the-counter market	4,857,851,751	649,264,458
Total	27,132,304,186	25,510,755,648

The Group receives securities as collaterals in connection with reverse REPO business. The Group is allowed to sell or re-pledge the collaterals held in connection with bond outright REPO business in the absence of default of its counterparties. If the securities depreciate in value, the Group may, in certain circumstances, require additional collaterals. The Group has an obligation to return the collaterals to its counterparties at the expiration of the agreements.

As at 31 December 2022, the collaterals received by the Group in connection with reverse REPO business amounted to RMB40,832,263,654 (31 December 2021: RMB48,706,057,222).

Notes to the Consolidated Financial Statements

(Expressed in RMB, unless otherwise stated)

28. REFUNDABLE DEPOSITS

	As at 31 December	
	2022	2021
Trading deposits	12,199,625,163	12,189,337,311
Performance bonds	332,141,692	348,088,248
Credit deposits	67,951,747	93,851,130
Subtotal	12,599,718,602	12,631,276,689
Accrued interests	388,084	636,075
Total	12,600,106,686	12,631,912,764

Refundable deposits are mainly placed at stock exchanges and clearinghouses, futures and commodity exchanges, China Securities Finance Corporation Limited, Shanghai Clearing House, futures companies and other institutions.

29. DEFERRED TAX ASSETS/(LIABILITIES)

(a) Deferred tax assets and liabilities recognised

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

	As at 31 December 2022						
	As at 1 January 2022	(Charged)/ credited to profit or loss	Credited/ (charged) to equity	Effect of changes in exchange rates	Deferred tax, net	Deferred tax assets	Deferred tax liabilities
Deferred tax assets/(liabilities) before set-off:							
Staff cost	1,761,498,689	(146,312,878)	-	849,659	1,616,035,470	1,616,035,470	-
Unused tax losses	23,774,576	6,304,335	-	(65,942)	30,012,969	30,012,969	-
Depreciation and amortisation	(64,417,337)	(28,929,843)	-	41,548	(93,305,632)	151,618	(93,457,250)
Changes in fair values of financial instruments at fair value through profit or loss	(795,536,477)	869,388,792	-	(197,864)	73,654,451	744,313,835	(670,659,384)
Changes in fair values of financial assets at fair value through other comprehensive income	(46,804,645)	-	82,123,963	5,235,704	40,555,022	54,909,885	(14,354,863)
Impairment loss allowance	121,941,266	(1,977,063)	(12,368,727)	372,782	107,968,258	107,968,258	-
Fair value adjustment arising from acquisition of subsidiaries	(163,989,062)	2,758,067	-	-	(161,230,995)	-	(161,230,995)
Others	360,517,148	57,209,031	-	7,514	417,733,693	417,928,052	(194,359)
Subtotal	1,196,984,158	758,440,441	69,755,236	6,243,401	2,031,423,236	2,971,320,087	(939,896,851)
Set off						(221,131,786)	221,131,786
Deferred tax assets/(liabilities) recognised in the consolidated statement of financial position						2,750,188,301	(718,765,065)

Notes to the Consolidated Financial Statements

(Expressed in RMB, unless otherwise stated)

29. DEFERRED TAX ASSETS/(LIABILITIES) (continued)

(a) Deferred tax assets and liabilities recognised (continued)

	As at 31 December 2021							
	As at 1 January 2021	Credited/ (charged) to profit or loss	Charged to equity	Addition from acquisition of a subsidiary	Effect of changes in exchange rates	Deferred tax, net	Deferred tax assets	Deferred tax liabilities
Deferred tax assets/ (liabilities) before set-off:								
Staff cost	1,286,938,753	469,560,114	-	5,259,609	(259,787)	1,761,498,689	1,761,498,689	-
Unused tax losses	65,048,404	(55,693,352)	-	15,516,134	(1,096,610)	23,774,576	23,774,576	-
Depreciation and amortisation	(29,798,976)	(34,582,015)	-	-	(36,346)	(64,417,337)	1,966,994	(66,384,331)
Changes in fair values of financial instruments at fair value through profit or loss	(282,134,833)	(512,782,147)	-	(608,438)	(11,059)	(795,536,477)	37,931,705	(833,468,182)
Changes in fair values of financial assets at fair value through other comprehensive income	(4,795,623)	-	(42,162,889)	-	153,867	(46,804,645)	11,904,446	(58,709,091)
Impairment loss allowance	192,516,052	(69,759,884)	(444,878)	-	(370,024)	121,941,266	121,941,266	-
Fair value adjustment arising from acquisition of subsidiaries	(167,194,386)	3,252,243	-	(46,919)	-	(163,989,062)	-	(163,989,062)
Others	220,367,309	140,147,605	-	-	2,234	360,517,148	364,844,020	(4,326,872)
Subtotal	1,280,946,700	(59,857,436)	(42,607,767)	20,120,386	(1,617,725)	1,196,984,158	2,323,861,696	(1,126,877,538)
Set off							(695,222,304)	695,222,304
Deferred tax assets/ (liabilities) recognised in the consolidated statement of financial position							1,628,639,392	(431,655,234)

29. DEFERRED TAX ASSETS/(LIABILITIES) *(continued)*

(b) Deferred tax assets not recognised

As at 31 December 2022, the accumulated deductible temporary differences and unused tax losses with no deferred tax asset recognised of the Group amounted to RMB1,496 million (31 December 2021: RMB1,533 million).

Deferred tax assets not recognised in respect of cumulative tax losses are mainly attributable to certain overseas subsidiaries of the Group which were set up to strengthen the Group's cross-border service capabilities.

Deferred tax asset arising from unused tax losses is recognised only to the extent that an entity has sufficient taxable temporary differences or there is other convincing evidence that sufficient taxable profit will be available against which the unused tax losses can be utilised by the entity, when the entity has a history of recent losses. The directors of the Company review the financial performance of these overseas subsidiaries at the end of year to determine whether there is sufficient taxable profit to be available against the unused tax losses, and they are of the opinion that it is probable that sufficient future taxable profits against which the losses can be utilised may not be available in these overseas entities in the foreseeable future, given the current market conditions, and that further expenditures of these overseas subsidiaries are considered necessary for expanding the Group's overseas operations based on its business strategies.

30. OTHER NON-CURRENT ASSETS

	As at 31 December	
	2022	2021
Rental and other deposits	323,390,154	242,435,920
Others	90,770,500	87,378,935
Subtotal	414,160,654	329,814,855
Less: Impairment loss allowance	-	(1,300,093)
Total	414,160,654	328,514,762

Notes to the Consolidated Financial Statements

(Expressed in RMB, unless otherwise stated)

31. ACCOUNTS RECEIVABLE

(a) Analysed by nature:

	As at 31 December	
	2022	2021
Trade receivable (Note)	39,443,210,298	43,111,765,949
Underwriting and advisory fees receivable	1,198,056,753	1,178,055,128
Asset management fees receivable	1,175,179,962	1,448,802,510
Trading seat rental fees receivable	257,940,035	262,339,248
Others	217,430,264	319,639,028
Subtotal	42,291,817,312	46,320,601,863
Less: Impairment loss allowance	(522,324,087)	(577,721,275)
Total	41,769,493,225	45,742,880,588

Note: Trade receivable mainly consisted of receivables from brokers and clearinghouses for trade settlements and from counterparties in derivative transactions.

31. ACCOUNTS RECEIVABLE *(continued)***(b) Analysed by aging:**

	As at 31 December 2022			
	Gross amount		Impairment loss allowance	
	Amount	%	Amount	%
Within 1 year (inclusive)	41,266,496,575	97.57%	(113,741,294)	21.78%
1 – 2 years (inclusive)	366,056,402	0.87%	(61,513,367)	11.78%
2 – 3 years (inclusive)	225,157,237	0.53%	(55,650,414)	10.65%
More than 3 years	434,107,098	1.03%	(291,419,012)	55.79%
Total	42,291,817,312	100.00%	(522,324,087)	100.00%

	As at 31 December 2021			
	Gross amount		Impairment loss allowance	
	Amount	%	Amount	%
Within 1 year (inclusive)	45,024,675,488	97.21%	(218,683,813)	37.86%
1 – 2 years (inclusive)	770,316,421	1.66%	(63,912,118)	11.06%
2 – 3 years (inclusive)	227,291,657	0.49%	(105,037,551)	18.18%
More than 3 years	298,318,297	0.64%	(190,087,793)	32.90%
Total	46,320,601,863	100.00%	(577,721,275)	100.00%

Notes to the Consolidated Financial Statements

(Expressed in RMB, unless otherwise stated)

32. RECEIVABLE FROM MARGIN CLIENTS

(a) Analysed by nature:

	As at 31 December	
	2022	2021
Individuals	26,702,766,101	33,200,516,997
Institutions	4,058,477,725	5,439,116,673
Subtotal	30,761,243,826	38,639,633,670
Accrued interests	1,007,490,532	1,001,389,159
Less: Impairment loss allowance	(142,543,897)	(161,966,115)
Total	31,626,190,461	39,479,056,714

(b) Analysed by fair value of collaterals of margin financing and securities lending business:

	As at 31 December	
	2022	2021
Stocks	89,832,203,207	124,939,879,833
Funds	11,485,400,682	11,192,319,708
Cash	6,492,544,179	7,441,888,372
Debt securities	796,696,496	247,429,455
Total	108,606,844,564	143,821,517,368

33. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**(a) Analysed by type:**

	As at 31 December	
	2022	2021
Debt securities	66,689,432,031	43,009,969,681

(b) Analysed by listing status:

	As at 31 December	
	2022	2021
Listed		
– In Hong Kong, China	6,468,364,761	3,873,877,762
– Outside Hong Kong, China	60,221,067,270	39,136,091,919
Total	66,689,432,031	43,009,969,681

34. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

	As at 31 December 2022		
	Notional amount	Fair value	
		Assets	Liabilities
Hedging instruments (a)			
– Interest rate contracts	6,446,990,000	20,242,029	(18,923,185)
– Currency contracts	300,168,756	205,624	(6,455,102)
Non-hedging instruments			
– Interest rate contracts	307,349,542,866	946,604,138	(876,483,055)
– Currency contracts	280,398,800,779	2,435,675,338	(2,943,822,632)
– Equity contracts	345,281,312,153	13,772,752,581	(6,584,415,778)
– Credit contracts	10,178,039,800	180,067,812	(62,945,885)
– Other contracts (Note)	67,380,025,793	435,807,741	(855,081,860)
Total	1,017,334,880,147	17,791,355,263	(11,348,127,497)

Notes to the Consolidated Financial Statements

(Expressed in RMB, unless otherwise stated)

34. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES) (continued)

	As at 31 December 2021		
	Notional amount	Fair value	
		Assets	Liabilities
Hedging instruments (a)			
– Interest rate contracts	6,390,000,000	93,610,591	–
– Currency contracts	565,774,000	16,827,830	–
Non-hedging instruments			
– Interest rate contracts	242,441,578,342	1,144,350,810	(1,111,387,288)
– Currency contracts	190,415,232,394	1,304,156,273	(1,346,933,865)
– Equity contracts	434,621,453,927	11,666,573,674	(15,312,842,131)
– Credit contracts	3,335,399,000	28,522,231	(12,751,155)
– Other contracts (Note)	47,966,982,401	310,187,254	(350,093,069)
Total	925,736,420,064	14,564,228,663	(18,134,007,508)

Note: Other contracts mainly include commodity options and commodity futures.

Under a daily mark-to-market settlement arrangement, any gains or losses of the Group's positions in futures contracts in mainland China are settled on a daily basis. As at 31 December 2022, the fair value of those unexpired daily settled future contracts was a gain of RMB860,305,806 (31 December 2021: Gains of RMB72,360,866).

34. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES) *(continued)***(a) Hedging instruments****(i) Fair value hedges**

Fair value hedges are used by the Group to protect against changes in the fair value of financial liabilities due to movements in market interest rates. Interest rate swaps are used to hedge the interest rate risk of the selected long-term debt securities issued.

The gains of fair value hedges are presented as follows:

	Year ended 31 December	
	2022	2021
Gains arising from fair value hedges, net:		
Interest rate contracts	(18,539,345)	(3,871,167)
Hedged items attributable to the hedged risk	29,642,738	30,725,835
Total	11,103,393	26,854,668

The analysis on notional amounts of the items designated as hedging instruments in fair value hedges by tenure is presented as follows:

	As at 31 December 2022			Total
	Less than 6 months (inclusive)	6 months to 12 months (inclusive)	More than 12 months	
Hedging instruments-interest rate contracts	920,000,000	-	5,526,990,000	6,446,990,000

	As at 31 December 2021			Total
	Less than 6 months (inclusive)	6 months to 12 months (inclusive)	More than 12 months	
Hedging instruments-interest rate contracts	1,550,000,000	2,920,000,000	1,920,000,000	6,390,000,000

34. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES) *(continued)***(a) Hedging instruments** *(continued)***(i) Fair value hedges** *(continued)*

Details of the Group's hedged risk exposure in fair value hedges strategy are set out below:

Long-term debt securities issued	As at 31 December	
	2022	2021
Carrying amount of hedged items	6,546,764,966	6,559,631,222
Accumulated adjustments to the fair value of hedged items	18,341,250	122,669,430

(ii) Hedges of net investments in foreign operations

The Group's consolidated financial position is affected by the gain or loss through currency fluctuations as the Company and its subsidiaries have different functional currencies. The Group hedges such foreign exchange exposure in limited circumstances. The Group hedges exchange exposures using foreign exchange forward contracts for certain net investments in foreign operations. Under the hedging relationships, the Group separates the forward element and the spot element of a forward contract and designates only the change in the value of the spot element of the forward contract as the hedging instrument. There was no hedge ineffectiveness for the year ended 31 December 2022 and 2021.

For the year ended 31 December 2022, the net losses from the hedging instruments recognised in other comprehensive income amounted to RMB5,443,508 (Year ended 31 December 2021: the net gains amounted to RMB19,772,308). For the year ended 31 December 2022, the net gains associated with forward elements of forward contracts recognised in profit or loss were RMB1,030,898 (Year ended 31 December 2021: RMB14,572,332).

As at 31 December 2022, the notional amount of hedging instruments designated as hedges of net investments in foreign operations by the Group was RMB300,168,756 (31 December 2021: RMB565,774,000), and the tenure is within 6 months (31 December 2021: within 6 months).

35. CASH HELD ON BEHALF OF CLIENTS

The Group maintains segregated deposit accounts with banks and authorised institutions to hold client monies arising from its ordinary course of business. The Group has classified their client monies as cash held on behalf of clients under current assets of the consolidated statement of financial position and recognised the corresponding current liabilities, in particular, accounts payable to brokerage clients and accounts payable to underwriting clients, on the grounds that the Group is liable for any misappropriation of their clients' monies. In mainland China, clients' monies are restricted and governed by relevant third-party deposit regulations issued by the China Securities Regulatory Commission (the "CSRC"). In Hong Kong SAR, clients' monies are restricted and governed by the *Securities and Futures (Client Money) Rules* under the *Securities and Futures Ordinance*.

36. CASH AND BANK BALANCES

	As at 31 December	
	2022	2021
Cash on hand	134,435	146,897
Deposits with banks	75,437,843,953	59,655,004,412
Deposits with clearinghouses	10,198,036,303	6,372,900,707
Subtotal	85,636,014,691	66,028,052,016
Accrued interests	154,353,340	115,322,702
Less: Impairment loss allowance	(1,110,402)	(279,829)
Total	85,789,257,629	66,143,094,889

Notes to the Consolidated Financial Statements

(Expressed in RMB, unless otherwise stated)

37. CASH AND CASH EQUIVALENTS

	As at 31 December	
	2022	2021
Cash on hand	134,435	146,897
Deposits with banks	75,437,843,953	59,655,004,412
Deposits with clearinghouses	10,198,036,303	6,372,900,707
Subtotal	85,636,014,691	66,028,052,016
Less: Restricted bank deposits	(957,763,297)	(835,105,292)
Total	84,678,251,394	65,192,946,724

The restricted bank deposits mainly include the risk reserve deposits held for asset management business and temporary deposits held on behalf of non-brokerage clients.

38. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	As at 1 January 2022	Cash flows	Non-cash changes			As at 31 December 2022
			Transferred in/ (transferred out)	Interests, amortisation and effect of changes in exchange rates	Fair value changes	
Short-term debt securities issued	22,989,857,489	(4,992,814,922)	-	554,949,390	-	18,551,991,957
Long-term debt securities issued due within one year	34,753,251,574	(37,780,186,176)	63,778,253,059	3,961,463,815	(1,937,432)	64,710,844,840
Long-term debt securities issued	125,755,298,201	21,829,736,921	(63,778,253,059)	3,487,465,594	(21,127,035)	87,273,120,622
Other current liabilities (Note)	-	877,552,000	-	-	-	877,552,000
Total liabilities arising from financing activities	183,498,407,264	(20,065,712,177)	-	8,003,878,799	(23,064,467)	171,413,509,419

38. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (continued)

	As at 1 January 2021	Cash flows	Non-cash changes			As at 31 December 2021
			(Transferred out/ transferred in	Interests, amortisation and effect of changes in exchange rates	Fair value changes	
Short-term debt securities issued	26,492,570,465	(3,698,500,070)	(202,222,740)	398,009,834	-	22,989,857,489
Long-term debt securities issued due within one year	23,386,443,319	(26,679,555,965)	36,641,688,229	1,451,886,236	(47,210,245)	34,753,251,574
Long-term debt securities issued	104,614,517,533	54,304,293,617	(36,439,465,489)	3,256,521,153	19,431,387	125,755,298,201
Total liabilities arising from financing activities	154,493,531,317	23,926,237,582	-	5,106,417,223	(27,778,858)	183,498,407,264

Note: As at 31 December 2022, the Group received proceeds from issuance of beneficiary certificates but not yet interest-bearing amounted to RMB877,552,000.

39. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 December 2022		
	Financial liabilities held for trading	Financial liabilities designated as at fair value through profit or loss	Total
Equity securities	2,629,192,263	39,235,363,199	41,864,555,462
Debt securities	1,249,823,154	2,037,071,933	3,286,895,087
Funds and others	51,841,228	-	51,841,228
Total	3,930,856,645	41,272,435,132	45,203,291,777

Notes to the Consolidated Financial Statements

(Expressed in RMB, unless otherwise stated)

39. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

	As at 31 December 2021		
	Financial liabilities held for trading	Financial liabilities designated as at fair value through profit or loss	Total
Equity securities	2,755,876,401	34,162,624,317	36,918,500,718
Debt securities	823,345,819	526,215,128	1,349,560,947
Funds and others	658,725,019	–	658,725,019
Total	4,237,947,239	34,688,839,445	38,926,786,684

Note 1: As at 31 December 2022 and 31 December 2021, there were no significant changes in fair values of financial liabilities designated as at fair value through profit or loss as a result of changes in the credit risk of the Group.

Note 2: The Group's financial liabilities designated at fair value through profit or loss are mainly equity-linked instruments, and their fair values are linked to stocks, indices, etc..

40. ACCOUNTS PAYABLE TO BROKERAGE CLIENTS

	As at 31 December	
	2022	2021
Client deposits for brokerage trading	82,100,532,800	84,806,501,501
Client deposits for margin financing and securities lending	9,985,098,403	8,622,632,712
Subtotal	92,085,631,203	93,429,134,213
Accrued interests	14,325,126	16,031,094
Total	92,099,956,329	93,445,165,307

Accounts payable to brokerage clients represent the monies received from and repayable to brokerage clients, which are mainly held at banks and clearinghouses. Accounts payable to brokerage clients are interest-bearing at the prevailing interest rate.

The balance of the accounts payable includes certain margin deposits and cash collaterals received from clients for their margin financing and securities lending activities under ordinary course of business. Only the amounts in excess of the required amount of margin deposits and cash collaterals are repayable on demand.

41. PLACEMENTS FROM FINANCIAL INSTITUTIONS

(a) Analysed by funding source:

	As at 31 December	
	2022	2021
Placements from banks	60,019,982,479	50,516,199,330
Placements from China Securities Finance Corporation Limited	500,000,000	500,000,000
Placements from non-bank financial institution	–	200,000,000
Subtotal	60,519,982,479	51,216,199,330
Accrued interests	326,036,235	261,079,348
Total	60,846,018,714	51,477,278,678

(b) Analysed by residual maturity:

	As at 31 December			
	2022		2021	
	Book value	Range of interest rate	Book value	Range of interest rate
Within 1 month (inclusive)	42,249,812,576	0.42% – 6.15%	36,379,699,104	0.18% – 3.60%
1 – 3 months (inclusive)	9,837,911,541	2.09% – 6.20%	3,432,566,420	0.90% – 3.40%
3 months – 1 year (inclusive)	8,758,294,597	2.09% – 6.35%	11,665,013,154	1.05% – 3.20%
Total	60,846,018,714		51,477,278,678	

Notes to the Consolidated Financial Statements

(Expressed in RMB, unless otherwise stated)

42. SHORT-TERM DEBT SECURITIES ISSUED

	Notes	As at 31 December	
		2022	2021
Beneficiary certificates	(a)	15,660,243,596	15,121,477,870
Short-term corporate bonds	(b)	2,000,000,000	5,000,000,000
Structured notes	(c)	802,860,586	1,762,243,471
Commercial papers	(d)	–	1,000,000,000
Subtotal		18,463,104,182	22,883,721,341
Accrued interests:			
Beneficiary certificates		64,717,760	51,422,773
Short-term corporate bonds		14,722,316	40,963,789
Structured notes		9,447,699	11,513,970
Commercial papers		–	2,235,616
Total		18,551,991,957	22,989,857,489

(a) Beneficiary certificates:

Nominal interest rate	Book value as at 1 January 2022		Interest accrued, net of interest paid	Redemption	Reclassified to long-term debt securities issued (Note)	Book value as at 31 December 2022
	Issuance					
0.00% – 7.90%	15,172,900,643	76,800,076,455	13,294,987	(76,261,310,729)	–	15,724,961,356

Nominal interest rate	Book value as at 1 January 2021		Interest accrued, net of interest paid	Redemption	Reclassified to long-term debt securities issued (Note)	Book value as at 31 December 2021
	Issuance					
0.00% – 11.02%	19,775,706,657	47,872,317,839	(38,391,344)	(52,234,509,769)	(202,222,740)	15,172,900,643

Note: As at 31 December 2022, there was no beneficiary certificate reclassified to long-term debt securities issued as extension rights were exercised by the holders of these beneficiary certificates (31 December 2021: RMB202 million).

42. SHORT-TERM DEBT SECURITIES ISSUED *(continued)*

(a) Beneficiary certificates: *(continued)*

The Group has issued beneficiary certificates bearing nominal interest at:

- fixed rates, ranging from 1.38% to 7.90% per annum;
- a fixed rate plus a floating rate; or
- a floating rate.

The floating interest rate is calculated based on stock indices such as Shanghai & Shenzhen 300 Index and China Securities Index 500, individual stocks, prices of commodity products or United States dollar (“USD”) index. The yield rate of such beneficiary certificates is based on market performance of the underlying instruments in the contractual period, and the non-fixed income is recognised as derivative financial instruments.

(b) Short-term corporate bonds:

Name	Interest commencement		Principal	Nominal interest rate	Book value as		Interest accrued, net of		Amortisation and others	Book value as at 31	
	date	Maturity date			at 1 January	Issuance	interest paid	Redemption		December	2022
21 CISC WMS S1	09/08/2021	09/08/2022	2,000,000,000	2.68%	2,020,042,181	-	(20,042,181)	(2,000,000,000)	-	-	-
21 CISC WMS S2	24/09/2021	24/09/2022	3,000,000,000	2.85%	3,020,921,608	-	(20,921,608)	(3,000,000,000)	-	-	-
22 CISC WMS S1	11/08/2022	11/08/2023	2,000,000,000	2.04%	-	2,000,000,000	14,722,316	-	-	-	2,014,722,316
Total					5,040,963,789	2,000,000,000	(26,241,473)	(5,000,000,000)	-	-	2,014,722,316

Notes to the Consolidated Financial Statements

(Expressed in RMB, unless otherwise stated)

42. SHORT-TERM DEBT SECURITIES ISSUED (continued)

(b) Short-term corporate bonds: (continued)

Name	Interest commencement date	Maturity date	Principal	Nominal interest rate	Book value as at 1 January 2021	Issuance	Interest accrued, net of interest paid	Redemption	Amortisation and others	Book value as at 31 December 2021
21 CISC WMS S1	09/08/2021	09/08/2022	2,000,000,000	2.68%	-	2,000,000,000	20,042,181	-	-	2,020,042,181
21 CISC WMS S2	24/09/2021	24/09/2022	3,000,000,000	2.85%	-	3,000,000,000	20,921,608	-	-	3,020,921,608
Total					-	5,000,000,000	40,963,789	-	-	5,040,963,789

(c) Structured notes:

Name	Book value as at 1 January 2022	Issuance	Interest accrued, net of interest paid	Redemption	Exchange rate fluctuations and others	Book value as at 31 December 2022
Structured notes (i)	1,773,757,441	1,564,681,228	(2,066,271)	(2,652,600,909)	128,536,796	812,308,285

Name	Book value as at 1 January 2021	Issuance	Interest accrued, net of interest paid	Redemption	Exchange rate fluctuations and others	Book value as at 31 December 2021
Structured notes (i)	5,911,352,270	2,232,650,401	(15,568,973)	(6,268,914,105)	(85,762,152)	1,773,757,441

- (i) The notes were issued bearing nominal interest rates ranging from 0.21% to 5.05% per annum. The notes are for maturities of 14 days to 365 days.

42. SHORT-TERM DEBT SECURITIES ISSUED (continued)**(d) Commercial papers:**

Name	Interest commencement date	Maturity date	Principal	Nominal interest rate	Book value	Issuance	Interest		Amortisation and others	Book value
					as at 1 January 2022		accrued, net of interest paid	Redemption		as at 31 December 2022
21 CICC CP001	29/11/2021	25/02/2022	1,000,000,000	2.55%	1,002,235,616	-	(2,235,616)	(1,000,000,000)	-	-

Name	Interest commencement date	Maturity date	Principal	Nominal interest rate	Book value	Issuance	Interest		Amortisation and others	Book value
					as at 1 January 2021		accrued, net of interest paid	Redemption		as at 31 December 2021
21 CICC CP001	29/11/2021	25/02/2022	1,000,000,000	2.55%	-	1,000,000,000	2,235,616	-	-	1,002,235,616

43. FINANCIAL ASSETS SOLD UNDER REPURCHASE AGREEMENTS (“REPOS”)**(a) Analysed by collateral type:**

	As at 31 December	
	2022	2021
Debt securities	32,770,610,436	12,863,794,862
Others	10,321,946,584	3,507,225,970
Subtotal	43,092,557,020	16,371,020,832
Accrued interests	64,141,528	5,050,119
Total	43,156,698,548	16,376,070,951

Notes to the Consolidated Financial Statements

(Expressed in RMB, unless otherwise stated)

43. FINANCIAL ASSETS SOLD UNDER REPURCHASE AGREEMENTS (“REPOS”) (continued)

(b) Analysed by market:

	As at 31 December	
	2022	2021
Inter-bank market	28,871,469,503	9,477,194,594
Stock exchanges	4,799,719,735	1,960,221,642
Over-the-counter market	9,485,509,310	4,938,654,715
Total	43,156,698,548	16,376,070,951

As at 31 December 2022, the Group's pledged collateral in connection with its repurchase financing business amounted to RMB46,989,749,152 (31 December 2021: RMB17,706,662,301).

44. EMPLOYEE BENEFITS PAYABLE

	As at 31 December	
	2022	2021
Non-current		
Salaries, bonus and allowances	729,690,666	661,663,772
Current		
Salaries, bonus and allowances	7,715,893,921	10,352,150,340
Retirement scheme contribution	60,623,592	56,349,244
Other social welfare	58,148,347	39,276,663
Others	141,913,482	59,425,061
Subtotal	7,976,579,342	10,507,201,308
Total	8,706,270,008	11,168,865,080

45. OTHER CURRENT LIABILITIES

	As at 31 December	
	2022	2021
Trade payable	109,074,055,056	134,781,241,379
Accrued expenses	1,218,165,749	966,024,464
Sundry tax payable	598,482,036	617,465,786
Dividends payable (Note 1)	294,600,000	218,147,434
Payables to other investors of consolidated structured entities (Note 2)	38,109,053	2,843,550,185
Accounts payable to underwriting clients	–	7,304,310,900
Others	1,066,929,921	1,122,943,842
Total	112,290,341,815	147,853,683,990

Note 1: As at 31 December 2022, dividends payable included distribution to holders of perpetual subordinated bonds of RMB294,600,000 (31 December 2021: RMB154,200,000). As at 31 December 2021, dividends payable to non-controlling interests was RMB63,947,434.

Note 2: For each reporting period, the consolidation scope of structured entities varies due to the addition of structured entities which meet the consolidation criteria or due to the liquidation of the consolidated structured entities or changes in the Group's interests therein.

Notes to the Consolidated Financial Statements

(Expressed in RMB, unless otherwise stated)

46. LONG-TERM DEBT SECURITIES ISSUED

	Notes	As at 31 December	
		2022	2021
Due within one year			
– Corporate bonds	(a)	52,311,520,013	15,533,719,765
– MTNs	(b)	10,442,087,259	6,372,054,429
– Subordinated bonds	(c)	1,018,796,919	9,960,925,191
– Financial bonds	(d)	–	2,500,000,000
Subtotal		63,772,404,191	34,366,699,385
Due after one year			
– Corporate bonds	(a)	49,216,013,414	88,004,854,904
– MTNs	(b)	19,085,790,325	19,089,128,134
– Subordinated bonds	(c)	17,527,181,193	16,555,765,429
Subtotal		85,828,984,932	123,649,748,467
Accrued interests:			
– Corporate bonds		1,747,857,316	1,770,852,575
– MTNs		213,506,700	121,842,249
– Subordinated bonds		421,212,323	568,525,592
– Financial bonds		–	30,881,507
Subtotal		2,382,576,339	2,492,101,923
Total		151,983,965,462	160,508,549,775
Fair value		151,599,741,440	163,078,293,731

46. LONG-TERM DEBT SECURITIES ISSUED (continued)

(a) Corporate bonds:

Name	Interest commencement date	Maturity date	Interest payment	Principal	Nominal interest rate	Book value as at 1 January 2022	Issuance	Interest accrued, net of		Amortisation and others	Book value as at 31 December 2022
								interest paid	Redemption		
17 CICC 03	08/05/2017	08/05/2022	Annually	1,000,000,000	5.19%	1,030,720,703	-	(12,131,207)	(1,000,000,000)	(18,589,496)	-
19 CICC 04 (iii)	21/11/2019	21/11/2025	Annually	1,500,000,000	3.52%	1,505,930,959	-	(5,930,959)	(1,500,000,000)	-	-
20 CICC F1 (iv)	26/02/2020	26/02/2025	Annually	4,000,000,000	3.20%	4,108,361,644	-	(350,685)	-	-	4,108,010,959
20 CICC G1 (v)	03/04/2020	03/04/2026	Annually	1,500,000,000	2.89%	1,532,304,658	-	-	-	-	1,532,304,658
20 CICC G2 (vi)	03/04/2020	03/04/2027	Annually	1,000,000,000	3.25%	1,024,219,178	-	-	-	-	1,024,219,178
20 CICC G3 (vii)	06/05/2020	06/05/2026	Annually	3,300,000,000	2.37%	3,351,211,479	-	-	-	-	3,351,211,479
20 CICC G4 (viii)	06/05/2020	06/05/2027	Annually	700,000,000	2.88%	713,200,658	-	-	-	-	713,200,658
20 CICC F2 (ix)	28/05/2020	28/05/2025	Annually	3,000,000,000	2.95%	3,052,615,069	-	-	-	-	3,052,615,069
20 CICC G5 (x)	22/06/2020	22/06/2026	Annually	1,500,000,000	3.10%	1,524,460,274	-	-	-	-	1,524,460,274
20 CICC F3 (xi)	24/07/2020	24/07/2025	Annually	3,000,000,000	3.80%	3,049,972,603	-	-	-	-	3,049,972,603
20 CICC 07 (xii)	10/09/2020	10/09/2025	Annually	5,000,000,000	3.78%	5,057,476,712	-	517,808	-	-	5,057,994,520
20 CICC 09 (xiii)	23/09/2020	23/09/2025	Annually	5,000,000,000	3.80%	5,051,013,699	-	520,548	-	-	5,051,534,247
20 CICC 11 (xiv)	19/10/2020	19/10/2023	Annually	2,500,000,000	3.50%	2,517,500,000	-	(17,500,000)	(2,500,000,000)	-	-
20 CICC 12 (xv)	19/10/2020	19/10/2025	Annually	2,500,000,000	3.74%	2,518,700,000	-	-	-	-	2,518,700,000
20 CICC 13 (xvi)	28/10/2020	28/10/2023	Annually	2,000,000,000	3.48%	2,012,203,836	-	(12,203,836)	(2,000,000,000)	-	-
20 CICC 14 (xvii)	28/10/2020	28/10/2025	Annually	3,000,000,000	3.68%	3,019,357,808	-	-	-	-	3,019,357,808
20 CICC F4 (xviii)	14/12/2020	14/12/2023	Annually	2,500,000,000	3.85%	2,504,482,877	-	(4,482,877)	(2,500,000,000)	-	-
20 CICC F5 (xix)	14/12/2020	14/12/2025	Annually	2,500,000,000	4.09%	2,504,762,329	-	-	-	-	2,504,762,329
21 CICC F1 (xx)	18/01/2021	18/01/2024	Annually	2,500,000,000	3.55%	2,584,373,288	-	-	-	-	2,584,373,288
21 CICC F2 (xxi)	18/01/2021	18/01/2026	Annually	2,500,000,000	3.75%	2,589,126,712	-	-	-	-	2,589,126,712
21 CICC F3 (xxii)	04/03/2021	04/03/2024	Annually	1,500,000,000	3.60%	1,544,679,452	-	-	-	-	1,544,679,452
21 CICC F4 (xxiii)	04/03/2021	04/03/2026	Annually	2,000,000,000	3.82%	2,063,213,151	-	-	-	-	2,063,213,151
21 CICC G1 (xxiv)	16/03/2021	16/03/2026	Annually	2,000,000,000	3.58%	2,056,887,671	-	-	-	-	2,056,887,671
21 CICC G2	16/03/2021	16/03/2031	Annually	2,000,000,000	4.10%	2,065,150,685	-	-	-	-	2,065,150,685
21 CICC G3 (xxv)	25/03/2021	25/03/2026	Annually	1,500,000,000	3.51%	1,540,533,288	-	-	-	-	1,540,533,288

Notes to the Consolidated Financial Statements

(Expressed in RMB, unless otherwise stated)

46. LONG-TERM DEBT SECURITIES ISSUED (continued)

(a) Corporate bonds: (continued)

Name	Interest commencement date	Maturity date	Interest payment	Principal	Nominal interest rate	Book value		Interest accrued, net of		Amortisation and others	Book value
						as at 1 January 2022	Issuance	interest paid	Redemption		as at 31 December 2022
21 CICC G4	25/03/2021	25/03/2031	Annually	2,500,000,000	4.07%	2,578,333,562	-	-	-	-	2,578,333,562
21 CICC F5 (xxvi)	13/04/2021	13/04/2024	Annually	1,000,000,000	3.43%	1,024,620,822	-	-	-	-	1,024,620,822
21 CICC F6 (xxvii)	13/04/2021	13/04/2026	Annually	3,500,000,000	3.70%	3,592,601,370	-	354,794	-	-	3,592,956,164
21 CICC G5 (xxviii)	16/08/2021	16/08/2026	Annually	1,000,000,000	3.04%	1,011,410,411	-	-	-	-	1,011,410,411
21 CICC G6 (xxix)	16/08/2021	16/08/2028	Annually	1,500,000,000	3.39%	1,519,086,164	-	-	-	-	1,519,086,164
21 CICC G7	08/12/2021	08/12/2024	Annually	2,500,000,000	2.97%	2,504,678,767	-	-	-	-	2,504,678,767
21 CICC G8	08/12/2021	08/12/2031	Annually	1,000,000,000	3.68%	1,002,318,904	-	-	-	-	1,002,318,904
22 CICC G1 (xli)	29/11/2022	29/11/2027	Annually	2,500,000,000	2.94%	-	2,500,000,000	6,443,835	-	-	2,506,443,835
22 CICC G2	29/11/2022	29/11/2032	Annually	2,000,000,000	3.52%	-	2,000,000,000	6,172,054	-	-	2,006,172,054
22 CICC G3 (xlii)	16/12/2022	16/12/2025	Annually	1,000,000,000	3.36%	-	1,000,000,000	1,380,822	-	-	1,001,380,822
17 CISC F2	18/07/2017	18/07/2022	Annually	1,000,000,000	5.10%	1,023,334,247	-	(23,334,247)	(1,000,000,000)	-	-
19 CISC 01	22/04/2019	22/04/2022	Annually	2,000,000,000	4.22%	2,058,692,682	-	(58,733,149)	(2,000,000,000)	40,467	-
19 CICC	16/10/2019	16/10/2024	Annually	3,000,000,000	3.58%	3,020,468,577	-	(22,656,985)	(3,000,000,000)	2,188,408	-
WMS 01 (xxx)											
20 CICC	16/01/2020	16/01/2025	Annually	2,000,000,000	3.44%	2,064,489,835	-	(3,245)	-	473,703	2,064,960,293
WMS G1 (xxxii)											
20 CICC	09/04/2020	09/04/2025	Annually	3,000,000,000	3.17%	3,067,665,617	-	-	-	560,642	3,068,226,259
WMS F1 (xxxiii)											
20 CICC WMS F2	28/07/2020	28/07/2023	Annually	2,000,000,000	3.80%	2,031,676,085	-	-	-	639,051	2,032,315,136
20 CICC	21/10/2020	21/10/2025	Annually	2,000,000,000	3.77%	2,013,595,069	-	-	-	318,555	2,013,913,624
WMS G2 (xxxiiii)											
20 CICC WMS G3	21/10/2020	21/10/2025	Annually	1,000,000,000	4.20%	1,007,644,244	-	-	-	158,668	1,007,802,912
20 CICC	24/11/2020	24/11/2025	Annually	1,000,000,000	3.98%	1,003,542,799	-	-	-	145,410	1,003,688,209
WMS G5 (xxxv)											
20 CICC	15/12/2020	15/12/2025	Annually	1,000,000,000	3.85%	1,001,184,587	-	-	-	145,270	1,001,329,857
WMS G6 (xxxvi)											

46. LONG-TERM DEBT SECURITIES ISSUED (continued)**(a) Corporate bonds:** (continued)

Name	Interest	Maturity date	Interest payment	Principal	Nominal interest rate	Book value	Issuance	Interest	Redemption	Amortisation and others	Book value
	commencement date					as at 1 January 2022		accrued, net of interest paid			as at 31 December 2022
21 CICC WMS G1 (xxxvi)	26/03/2021	26/03/2024	Annually	2,000,000,000	3.44%	2,050,763,623	-	-	-	966,648	2,051,730,271
21 CICC WMS G2 (xxxvii)	26/03/2021	26/03/2026	Annually	3,000,000,000	3.65%	3,082,964,938	-	-	-	297,231	3,083,262,169
21 CICC WMS G3 (xxxviii)	22/04/2021	22/04/2026	Annually	3,000,000,000	3.55%	3,072,756,153	-	-	-	296,835	3,073,052,988
21 CICC WMS G4	22/04/2021	22/04/2026	Annually	2,000,000,000	3.84%	2,050,893,827	-	-	-	555,312	2,051,449,139
21 CICC WMS G5 (xxxix)	09/12/2021	09/12/2026	Annually	3,000,000,000	3.06%	3,004,246,228	-	-	-	293,086	3,004,539,314
22 CICC WMS G1	08/03/2022	08/03/2025	Annually	1,500,000,000	3.07%	-	1,500,000,000	36,916,547	-	198,738	1,537,115,285
22 CICC WMS G2	08/03/2022	08/03/2027	Annually	500,000,000	3.49%	-	500,000,000	14,025,790	-	48,894	514,074,684
22 CICC WMS G3	18/07/2022	18/07/2025	Annually	2,000,000,000	2.83%	-	2,000,000,000	25,204,614	-	101,744	2,025,306,358
22 CICC WMS G4	18/07/2022	18/07/2027	Annually	1,000,000,000	3.20%	-	1,000,000,000	14,295,184	-	29,402	1,014,324,586
22 CICC WMS G5	29/08/2022	29/08/2025	Annually	1,500,000,000	2.69%	-	1,500,000,000	13,299,625	-	57,130	1,513,356,755
22 CICC WMS G6	29/08/2022	29/08/2027	Annually	1,500,000,000	3.06%	-	1,500,000,000	15,200,310	-	33,060	1,515,233,370
Total						105,309,427,244	13,500,000,000	(22,995,259)	(15,500,000,000)	(11,041,242)	103,275,390,743

Notes to the Consolidated Financial Statements

(Expressed in RMB, unless otherwise stated)

46. LONG-TERM DEBT SECURITIES ISSUED (continued)

(a) Corporate bonds: (continued)

Name	Interest commencement date	Maturity date	Interest payment	Principal	Nominal interest rate	Book value		Interest accrued, net of interest paid	Redemption	Amortisation and others	Book value
						1 January 2021	as at Issuance				as at 31 December 2021
16 CICC 01	18/07/2016	18/07/2021	Annually	3,000,000,000	3.58%	2,923,108,092	-	(47,108,092)	(2,876,000,000)	-	-
16 CICC 02 (i)	18/07/2016	18/07/2023	Annually	1,000,000,000	3.29%	1,015,052,877	-	(15,052,877)	(1,000,000,000)	-	-
16 CICC 04 (ii)	27/10/2016	27/10/2023	Annually	900,000,000	3.13%	905,093,753	-	(5,093,753)	(900,000,000)	-	-
17 CICC 03	08/05/2017	08/05/2022	Annually	1,000,000,000	5.19%	1,039,819,840	-	5,070,214	-	(14,169,351)	1,030,720,703
18 CICC 02	26/01/2018	26/01/2021	Annually	1,000,000,000	5.70%	1,053,487,398	-	(37,421,339)	(1,000,000,000)	(16,066,059)	-
18 CICC 04	24/04/2018	24/04/2021	Annually	1,000,000,000	4.94%	1,034,778,011	-	(21,214,544)	(1,000,000,000)	(13,563,467)	-
18 CICC 06	28/06/2018	28/06/2021	Annually	1,000,000,000	5.30%	1,026,731,144	-	(18,438,798)	(1,000,000,000)	(8,292,346)	-
19 CICC 04 (iii)	21/11/2019	21/11/2025	Annually	1,500,000,000	3.52%	1,505,930,959	-	-	-	-	1,505,930,959
20 CICC F1 (iv)	26/02/2020	26/02/2025	Annually	4,000,000,000	3.20%	4,108,361,644	-	-	-	-	4,108,361,644
20 CICC G1 (v)	03/04/2020	03/04/2026	Annually	1,500,000,000	2.89%	1,532,304,658	-	-	-	-	1,532,304,658
20 CICC G2 (vi)	03/04/2020	03/04/2027	Annually	1,000,000,000	3.25%	1,024,219,178	-	-	-	-	1,024,219,178
20 CICC G3 (vii)	06/05/2020	06/05/2026	Annually	3,300,000,000	2.37%	3,351,211,479	-	-	-	-	3,351,211,479
20 CICC G4 (viii)	06/05/2020	06/05/2027	Annually	700,000,000	2.88%	713,200,658	-	-	-	-	713,200,658
20 CICC F2 (ix)	28/05/2020	28/05/2025	Annually	3,000,000,000	2.95%	3,052,615,069	-	-	-	-	3,052,615,069
20 CICC G5 (x)	22/06/2020	22/06/2026	Annually	1,500,000,000	3.10%	1,524,460,274	-	-	-	-	1,524,460,274
20 CICC F3 (xi)	24/07/2020	24/07/2025	Annually	3,000,000,000	3.80%	3,049,972,603	-	-	-	-	3,049,972,603
20 CICC 07 (xii)	10/09/2020	10/09/2025	Annually	5,000,000,000	3.78%	5,057,476,712	-	-	-	-	5,057,476,712
20 CICC 09 (xiii)	23/09/2020	23/09/2025	Annually	5,000,000,000	3.80%	5,051,013,699	-	-	-	-	5,051,013,699
20 CICC 11 (xiv)	19/10/2020	19/10/2023	Annually	2,500,000,000	3.50%	2,517,500,000	-	-	-	-	2,517,500,000
20 CICC 12 (xv)	19/10/2020	19/10/2025	Annually	2,500,000,000	3.74%	2,518,700,000	-	-	-	-	2,518,700,000
20 CICC 13 (xvi)	28/10/2020	28/10/2023	Annually	2,000,000,000	3.48%	2,012,203,836	-	-	-	-	2,012,203,836
20 CICC 14 (xvii)	28/10/2020	28/10/2025	Annually	3,000,000,000	3.68%	3,019,357,808	-	-	-	-	3,019,357,808
20 CICC F4 (xviii)	14/12/2020	14/12/2023	Annually	2,500,000,000	3.85%	2,504,482,877	-	-	-	-	2,504,482,877
20 CICC F5 (xix)	14/12/2020	14/12/2025	Annually	2,500,000,000	4.09%	2,504,762,329	-	-	-	-	2,504,762,329
21 CICC F1 (xx)	18/01/2021	18/01/2024	Annually	2,500,000,000	3.55%	-	2,500,000,000	84,373,288	-	-	2,584,373,288
21 CICC F2 (xxi)	18/01/2021	18/01/2026	Annually	2,500,000,000	3.75%	-	2,500,000,000	89,126,712	-	-	2,589,126,712

46. LONG-TERM DEBT SECURITIES ISSUED (continued)

(a) Corporate bonds: (continued)

Name	Interest commencement date	Maturity date	Interest payment	Principal	Nominal interest rate	Book value		Interest accrued, net of interest paid	Redemption	Amortisation and others	Book value
						as at 1 January 2021	Issuance				as at 31 December 2021
21 CICC F3 (xxvii)	04/03/2021	04/03/2024	Annually	1,500,000,000	3.60%	-	1,500,000,000	44,679,452	-	-	1,544,679,452
21 CICC F4 (xxviii)	04/03/2021	04/03/2026	Annually	2,000,000,000	3.82%	-	2,000,000,000	63,213,151	-	-	2,063,213,151
21 CICC G1 (xxiv)	16/03/2021	16/03/2026	Annually	2,000,000,000	3.58%	-	2,000,000,000	56,887,671	-	-	2,056,887,671
21 CICC G2	16/03/2021	16/03/2031	Annually	2,000,000,000	4.10%	-	2,000,000,000	65,150,685	-	-	2,065,150,685
21 CICC G3 (xxv)	25/03/2021	25/03/2026	Annually	1,500,000,000	3.51%	-	1,500,000,000	40,533,288	-	-	1,540,533,288
21 CICC G4	25/03/2021	25/03/2031	Annually	2,500,000,000	4.07%	-	2,500,000,000	78,333,562	-	-	2,578,333,562
21 CICC F5 (xxvi)	13/04/2021	13/04/2024	Annually	1,000,000,000	3.43%	-	1,000,000,000	24,620,822	-	-	1,024,620,822
21 CICC F6 (xxvii)	13/04/2021	13/04/2026	Annually	3,500,000,000	3.70%	-	3,500,000,000	92,601,370	-	-	3,592,601,370
21 CICC G5 (xxviii)	16/08/2021	16/08/2026	Annually	1,000,000,000	3.04%	-	1,000,000,000	11,410,411	-	-	1,011,410,411
21 CICC G6 (xxix)	16/08/2021	16/08/2028	Annually	1,500,000,000	3.39%	-	1,500,000,000	19,086,164	-	-	1,519,086,164
21 CICC G7	08/12/2021	08/12/2024	Annually	2,500,000,000	2.97%	-	2,500,000,000	4,678,767	-	-	2,504,678,767
21 CICC G8	08/12/2021	08/12/2031	Annually	1,000,000,000	3.68%	-	1,000,000,000	2,318,904	-	-	1,002,318,904
17 CISC F2	18/07/2017	18/07/2022	Annually	1,000,000,000	5.10%	1,023,334,247	-	(2,407)	-	2,407	1,023,334,247
18 CISC 01	23/03/2018	23/03/2021	Annually	1,000,000,000	5.95%	1,046,280,749	-	(46,345,867)	(1,000,000,000)	65,118	-
18 CISC 03	21/09/2018	21/09/2021	Annually	1,000,000,000	4.99%	1,013,896,731	-	(13,994,182)	(1,000,000,000)	97,451	-
19 CISC 01	22/04/2019	22/04/2022	Annually	2,000,000,000	4.22%	2,058,563,227	-	(3,981)	-	133,436	2,058,692,682
19 CICC WMS 01	16/10/2019	16/10/2024	Annually	3,000,000,000	3.58%	3,020,477,755	-	(948,462)	-	939,284	3,020,468,577
(xxx)											
20 CICC WMS G1	16/01/2020	16/01/2025	Annually	2,000,000,000	3.44%	2,065,594,368	-	(1,897,763)	-	793,230	2,064,489,835
(xxxi)											
20 CICC WMS F1	09/04/2020	09/04/2025	Annually	3,000,000,000	3.17%	3,069,566,301	-	(2,834,675)	-	933,991	3,067,665,617
(xxxii)											
20 CICC WMS F2	28/07/2020	28/07/2023	Annually	2,000,000,000	3.80%	2,032,690,411	-	(1,890,377)	-	876,051	2,031,676,085
20 CICC WMS G2	21/10/2020	21/10/2025	Annually	2,000,000,000	3.77%	2,014,873,425	-	(1,647,802)	-	369,446	2,013,595,069
(xxxiii)											
20 CICC WMS G3	21/10/2020	21/10/2025	Annually	1,000,000,000	4.20%	1,008,284,932	-	(824,057)	-	183,369	1,007,644,244

Notes to the Consolidated Financial Statements

(Expressed in RMB, unless otherwise stated)

46. LONG-TERM DEBT SECURITIES ISSUED (continued)

(a) Corporate bonds: (continued)

Name	Interest commencement date	Maturity date	Interest payment	Principal	Nominal interest rate	Book value as at 1 January 2021	Issuance	Interest accrued, net of interest paid	Redemption	Amortisation and others	Book value as at 31 December 2021
20 CICC WMS G5 (xxxiv)	24/11/2020	24/11/2025	Annually	1,000,000,000	3.98%	1,004,143,562	-	(756,594)	-	155,831	1,003,542,799
20 CICC WMS G6 (xxxv)	15/12/2020	15/12/2025	Annually	1,000,000,000	3.85%	1,001,793,151	-	(756,533)	-	147,969	1,001,184,587
21 CICC WMS G1 (xxxvi)	26/03/2021	26/03/2024	Annually	2,000,000,000	3.44%	-	2,000,000,000	50,004,311	-	759,312	2,050,763,623
21 CICC WMS G2 (xxxvii)	26/03/2021	26/03/2026	Annually	3,000,000,000	3.65%	-	3,000,000,000	82,686,792	-	278,146	3,082,964,938
21 CICC WMS G3 (xxxviii)	22/04/2021	22/04/2026	Annually	3,000,000,000	3.55%	-	3,000,000,000	72,499,121	-	257,032	3,072,756,153
21 CICC WMS G4	22/04/2021	22/04/2026	Annually	2,000,000,000	3.84%	-	2,000,000,000	50,482,119	-	411,708	2,050,893,827
21 CICC WMS G5 (xxxix)	09/12/2021	09/12/2026	Annually	3,000,000,000	3.06%	-	3,000,000,000	4,171,450	-	74,778	3,004,246,228
Total						74,405,343,757	40,000,000,000	725,696,151	(9,776,000,000)	(45,612,664)	105,309,427,244

46. LONG-TERM DEBT SECURITIES ISSUED *(continued)*

(a) Corporate bonds: *(continued)*

- (i) The Company has an option to redeem the bonds on 18 July 2021. If the redemption option is not exercised, the Company will have an option to increase the nominal interest rate and an obligation to redeem the bonds when requested by the investors accordingly. The Company redeemed the bonds on 19 July 2021.
- (ii) The Company has an option to redeem the bonds on 27 October 2021. If the redemption option is not exercised, the Company will have an option to increase the nominal interest rate and an obligation to redeem the bonds when requested by the investors accordingly. The Company redeemed the bonds on 27 October 2021.
- (iii) The Company has an option to adjust the nominal interest rate on 21 November 2022, and an obligation to redeem the bonds when requested by the investors as a result of the nominal interest rate adjustment. After the Company announced the adjustment of the nominal interest rate on 24 October 2022, the investor exercised the put option, resulting in a full redemption of the bonds. The Company repaid the principal and the corresponding interest on 21 November 2022.
- (iv) The Company has an option to adjust the nominal interest rate on 26 February 2023 and an obligation to redeem the bonds when requested by the investors accordingly.
- (v) The Company has an option to adjust the nominal interest rate on 3 April 2023 and an obligation to redeem the bonds when requested by the investors accordingly.
- (vi) The Company has an option to adjust the nominal interest rate on 3 April 2025 and an obligation to redeem the bonds when requested by the investors accordingly.
- (vii) The Company has an option to adjust the nominal interest rate on 6 May 2023 and an obligation to redeem the bonds when requested by the investors accordingly.
- (viii) The Company has an option to adjust the nominal interest rate on 6 May 2025 and an obligation to redeem the bonds when requested by the investors accordingly.
- (ix) The Company has an option to adjust the nominal interest rate on 28 May 2023 and an obligation to redeem the bonds when requested by the investors accordingly.
- (x) The Company has an option to adjust the nominal interest rate on 22 June 2023 and an obligation to redeem the bonds when requested by the investors accordingly.
- (xi) The Company has an option to adjust the nominal interest rate on 24 July 2023 and an obligation to redeem the bonds when requested by the investors accordingly.

46. LONG-TERM DEBT SECURITIES ISSUED *(continued)*

(a) Corporate bonds: *(continued)*

- (xii) The Company has an option to adjust the nominal interest rate on 10 September 2023 and an obligation to redeem the bonds when requested by the investors accordingly.
- (xiii) The Company has an option to adjust the nominal interest rate on 23 September 2023 and an obligation to redeem the bonds when requested by the investors accordingly.
- (xiv) The Company has an option to adjust the nominal interest rate on 19 October 2022, and an obligation to redeem the bonds when requested by the investors as a result of the nominal interest rate adjustment. After the Company announced the adjustment of the nominal interest rate on 14 September 2022, the investor exercised the put option, resulting in a full redemption of the bonds. The Company repaid the principal and the corresponding interest on 19 October 2022.
- (xv) The Company has an option to adjust the nominal interest rate on 19 October 2023 and an obligation to redeem the bonds when requested by the investors accordingly.
- (xvi) The Company has an option to adjust the nominal interest rate on 28 October 2022, and an obligation to redeem the bonds when requested by the investors as a result of the nominal interest rate adjustment. After the Company announced the adjustment of the nominal interest rate on 23 September 2022, the investor exercised the put option, resulting in a full redemption of the bonds. The Company repaid the principal and the corresponding interest on 28 October 2022.
- (xvii) The Company has an option to adjust the nominal interest rate on 28 October 2023 and an obligation to redeem the bonds when requested by the investors accordingly.
- (xviii) The Company has an option to adjust the nominal interest rate on 14 December 2022, and an obligation to redeem the bonds when requested by the investors as a result of the nominal interest rate adjustment. After the Company announced the adjustment of the nominal interest rate on 16 November 2022, the investor exercised the put option, resulting in a full redemption of the bonds. The Company repaid the principal and the corresponding interest on 14 December 2022.
- (xix) The Company has an option to adjust the nominal interest rate on 14 December 2023 and an obligation to redeem the bonds when requested by the investors accordingly.
- (xx) The Company has an option to adjust the nominal interest rate on 18 January 2023 and an obligation to redeem the bonds when requested by the investors accordingly.
- (xxi) The Company has an option to adjust the nominal interest rate on 18 January 2024 and an obligation to redeem the bonds when requested by the investors accordingly.

46. LONG-TERM DEBT SECURITIES ISSUED *(continued)*

(a) Corporate bonds: *(continued)*

- (xxii) The Company has an option to adjust the nominal interest rate on 4 March 2023 and an obligation to redeem the bonds when requested by the investors accordingly.
- (xxiii) The Company has an option to adjust the nominal interest rate on 4 March 2024 and an obligation to redeem the bonds when requested by the investors accordingly.
- (xxiv) The Company has an option to adjust the nominal interest rate on 16 March 2024 and an obligation to redeem the bonds when requested by the investors accordingly.
- (xxv) The Company has an option to adjust the nominal interest rate on 25 March 2024 and an obligation to redeem the bonds when requested by the investors accordingly.
- (xxvi) The Company has an option to adjust the nominal interest rate on 13 April 2023 and an obligation to redeem the bonds when requested by the investors accordingly.
- (xxvii) The Company has an option to adjust the nominal interest rate on 13 April 2024 and an obligation to redeem the bonds when requested by the investors accordingly.
- (xxviii) The Company has an option to adjust the nominal interest rate on 16 August 2024 and an obligation to redeem the bonds when requested by the investors accordingly.
- (xxix) The Company has an option to adjust the nominal interest rate on 16 August 2026 and an obligation to redeem the bonds when requested by the investors accordingly.
- (xxx) CICC Wealth Management has an option to redeem the bonds on 16 October 2022. If the redemption option is not exercised, CICC Wealth Management will have an option to adjust the nominal interest rate and an obligation to redeem the bonds when requested by the investors accordingly. CICC Wealth Management redeemed the bonds on 17 October 2022.
- (xxxi) CICC Wealth Management has an option to redeem the bonds on 16 January 2023. If the redemption option is not exercised, CICC Wealth Management will have an option to adjust the nominal interest rate and an obligation to redeem the bonds when requested by the investors accordingly.
- (xxxii) CICC Wealth Management has an option to adjust the nominal interest rate on 9 April 2023 and an obligation to redeem the bonds when requested by the investors accordingly.
- (xxxiii) CICC Wealth Management has an option to adjust the nominal interest rate on 21 October 2023 and an obligation to redeem the bonds when requested by the investors accordingly.

Notes to the Consolidated Financial Statements

(Expressed in RMB, unless otherwise stated)

46. LONG-TERM DEBT SECURITIES ISSUED *(continued)*

(a) Corporate bonds: *(continued)*

(xxxiv) CICC Wealth Management has an option to adjust the nominal interest rate on 24 November 2023 and an obligation to redeem the bonds when requested by the investors accordingly.

(xxxv) CICC Wealth Management has an option to adjust the nominal interest rate on 15 December 2023 and an obligation to redeem the bonds when requested by the investors accordingly.

(xxxvi) CICC Wealth Management has an option to adjust the nominal interest rate on 26 March 2023 and an obligation to redeem the bonds when requested by the investors accordingly.

(xxxvii) CICC Wealth Management has an option to adjust the nominal interest rate on 26 March 2024 and an obligation to redeem the bonds when requested by the investors accordingly.

(xxxviii) CICC Wealth Management has an option to adjust the nominal interest rate on 22 April 2024 and an obligation to redeem the bonds when requested by the investors accordingly.

(xxxix) CICC Wealth Management has an option to adjust the nominal interest rate on 9 December 2024 and an obligation to redeem the bonds when requested by the investors accordingly.

(xl) The Company has an option to adjust the nominal interest rate on 29 November 2025 and an obligation to redeem the bonds when requested by the investors accordingly.

(xli) The Company has an option to adjust the nominal interest rate on 16 December 2024 and an obligation to redeem the bonds when requested by the investors accordingly.

46. LONG-TERM DEBT SECURITIES ISSUED (continued)

(b) MTNs:

Name	Interest commencement date	Maturity date	Interest payment	Principal	Nominal interest rate	Book value as at 1 January 2022	Issuance	Interest accrued, net of		Amortisation and others	Book value as at 31 December 2022
								interest paid	Redemption		
MTN	03/05/2019	03/05/2022	Quarterly	USD700 million	3M LIBOR plus 1.175%	4,469,976,363	-	(9,450,866)	(4,597,040,000)	136,514,503	-
MTN	03/05/2019	03/05/2022	Semi-annually	USD300 million	3.375%	1,921,749,977	-	(10,221,045)	(1,970,160,000)	58,631,068	-
MTN	18/02/2020	18/02/2023	Quarterly	USD1,000 million	3M LIBOR plus 0.90%	6,376,848,366	-	39,171,864	-	595,153,927	7,011,174,157
MTN	10/08/2020	10/08/2023	Semi-annually	USD500 million	1.75%	3,200,440,688	-	2,216,115	-	300,016,442	3,502,673,245
MTN	26/01/2021	26/01/2024	Semi-annually	USD1,000 million	1.625%	6,406,973,741	-	5,658,971	-	594,491,690	7,007,124,402
MTN	26/01/2021	26/01/2026	Semi-annually	USD500 million	2.00%	3,207,035,677	-	3,309,386	-	295,828,530	3,506,173,593
MTN	21/03/2022	21/03/2025	Semi-annually	USD600 million	2.875%	-	3,820,620,000	33,717,486	-	333,692,830	4,188,030,316
MTN	22/11/2022	22/11/2025	Semi-annually	USD650 million	5.42%	-	4,658,355,000	27,262,540	-	(159,408,969)	4,526,208,571
Total						25,583,024,812	8,478,975,000	91,664,451	(6,567,200,000)	2,154,920,021	29,741,384,284

Name	Interest commencement date	Maturity date	Interest payment	Principal	Nominal interest rate	Book value as at 1 January 2021	Issuance	Interest accrued, net of		Amortisation and others	Book value as at 31 December 2021
								interest paid	Redemption		
MTN	25/04/2018	25/04/2021	Quarterly	USD600 million	3M LIBOR plus 1.20%	3,923,367,904	-	(10,263,951)	(3,894,780,000)	(18,323,953)	-
MTN	11/09/2018	11/09/2021	Quarterly	USD400 million	3M LIBOR plus 1.20%	2,609,690,057	-	(2,024,642)	(2,579,880,000)	(27,785,415)	-
MTN	03/05/2019	03/05/2022	Quarterly	USD700 million	3M LIBOR plus 1.175%	4,569,141,336	-	(636,040)	-	(98,528,933)	4,469,976,363
MTN	03/05/2019	03/05/2022	Semi-annually	USD300 million	3.375%	1,963,183,847	-	(239,186)	-	(41,194,684)	1,921,749,977
MTN	18/02/2020	18/02/2023	Quarterly	USD1,000 million	3M LIBOR plus 0.90%	6,519,649,063	-	(509,910)	-	(142,290,787)	6,376,848,366
MTN	10/08/2020	10/08/2023	Semi-annually	USD500 million	1.75%	3,269,428,314	-	(201,391)	-	(68,786,235)	3,200,440,688
MTN	26/01/2021	26/01/2024	Semi-annually	USD1,000 million	1.625%	-	6,484,700,000	44,347,244	-	(122,073,503)	6,406,973,741
MTN	26/01/2021	26/01/2026	Semi-annually	USD500 million	2.00%	-	3,242,350,000	27,450,931	-	(62,765,254)	3,207,035,677
Total						22,854,460,521	9,727,050,000	57,923,055	(6,474,660,000)	(581,748,764)	25,583,024,812

(i) The maturity date of floating-rate MTN is the interest payment date falling on or nearest to the date listed above.

Notes to the Consolidated Financial Statements

(Expressed in RMB, unless otherwise stated)

46. LONG-TERM DEBT SECURITIES ISSUED (continued)

(c) Subordinated bonds:

Name	Interest commencement date	Maturity date	Interest payment	Principal	Nominal interest rate	Book value as at 1 January 2022	Issuance	Interest accrued, net of		Amortisation and others	Book value as at 31 December 2022
								interest paid	Redemption		
17 CICC C1	22/05/2017	22/05/2022	Annually	600,000,000	5.39%	618,319,699	-	(6,742,553)	(600,000,000)	(11,577,146)	-
17 CICC C2	24/07/2017	24/07/2022	Annually	1,500,000,000	4.98%	1,528,932,820	-	(6,513,310)	(1,500,000,000)	(22,419,510)	-
17 CICC C3	16/11/2017	16/11/2022	Annually	1,500,000,000	5.50%	1,496,418,005	-	30,986,622	(1,500,000,000)	(27,404,627)	-
18 CICC C1	20/04/2018	20/04/2023	Annually	1,000,000,000	5.30%	1,044,136,555	-	615,431	-	(8,515,705)	1,036,236,281
19 CICC C1	19/04/2019	19/04/2022	Annually	1,500,000,000	4.20%	1,544,358,904	-	(44,358,904)	(1,500,000,000)	-	-
19 CICC C3	14/10/2019	14/10/2024	Annually	1,500,000,000	4.09%	1,513,110,411	-	-	-	-	1,513,110,411
19 CICC C4	11/11/2019	11/11/2024	Annually	1,500,000,000	4.12%	1,508,465,753	-	-	-	-	1,508,465,753
19 CICC C5	05/12/2019	05/12/2024	Annually	2,000,000,000	4.20%	2,005,983,562	-	-	-	-	2,005,983,562
20 CICC C1	17/02/2020	17/02/2025	Annually	1,500,000,000	3.85%	1,550,155,479	-	-	-	-	1,550,155,479
21 CICC C1	08/02/2021	08/02/2024	Annually	1,000,000,000	3.90%	1,042,432,613	-	(3,193,526)	-	(645,769)	1,038,593,318
21 CICC C2	08/02/2021	08/02/2026	Annually	1,000,000,000	4.49%	1,053,681,347	-	(2,994,871)	-	(2,386,396)	1,048,300,080
17 CISC 02	23/02/2017	23/02/2022	Annually	1,800,000,000	5.00%	1,876,820,331	-	(77,020,658)	(1,800,000,000)	200,327	-
19 CISC C1	25/04/2019	25/04/2022	Annually	3,000,000,000	4.50%	3,092,460,087	-	(92,835,616)	(3,000,000,000)	375,529	-
20 CICC WMS C1	17/04/2020	17/04/2025	Annually	2,000,000,000	3.80%	2,052,390,656	-	-	-	447,177	2,052,837,833
21 CICC WMS C1	09/03/2021	09/03/2024	Annually	1,000,000,000	3.98%	1,031,726,681	-	(1,877)	-	345,061	1,032,069,865
21 CICC WMS C2	09/03/2021	09/03/2026	Annually	1,000,000,000	4.58%	1,036,508,737	-	(2,160)	-	198,305	1,036,704,882
21 CICC WMS C3	09/04/2021	09/04/2024	Annually	2,000,000,000	3.94%	2,056,846,818	-	-	-	342,077	2,057,188,895
21 CICC WMS C4	09/04/2021	09/04/2026	Annually	1,000,000,000	4.50%	1,032,467,754	-	-	-	97,812	1,032,565,566
22 CICC WMS C1	24/03/2022	24/03/2025	Annually	1,500,000,000	3.50%	-	1,500,000,000	39,927,177	-	193,360	1,540,120,537
22 CICC WMS C2	24/03/2022	24/03/2027	Annually	500,000,000	3.89%	-	500,000,000	14,820,976	-	36,997	514,857,973
Total						27,085,216,212	2,000,000,000	(147,313,269)	(9,900,000,000)	(70,712,508)	18,967,190,435

46. LONG-TERM DEBT SECURITIES ISSUED (continued)**(c) Subordinated bonds:** (continued)

Name	Interest commencement date	Maturity date	Interest payment	Principal	Nominal interest rate	Book value		Interest		Amortisation and others	Book value
						as at 1 January 2021	Issuance	accrued, net of interest paid	Redemption		as at 31 December 2021
16 CICC C2	15/12/2016	15/12/2021	Annually	3,400,000,000	4.60%	3,406,855,890	-	(6,855,890)	(3,400,000,000)	-	-
16 CICC Futures (i)	16/12/2016	16/12/2024	Annually	100,000,000	5.00%	100,219,178	-	(219,178)	(100,000,000)	-	-
17 CICC C1	22/05/2017	22/05/2022	Annually	600,000,000	5.39%	624,072,690	-	1,721,543	-	(7,474,534)	618,319,699
17 CICC C2	24/07/2017	24/07/2022	Annually	1,500,000,000	4.98%	1,541,393,843	-	632,098	-	(13,093,121)	1,528,932,820
17 CICC C3	16/11/2017	16/11/2022	Annually	1,500,000,000	5.50%	1,514,165,601	-	(2,327,379)	-	(15,420,217)	1,496,418,005
18 CICC C1	20/04/2018	20/04/2023	Annually	1,000,000,000	5.30%	1,051,682,141	-	(3,478,752)	-	(4,066,834)	1,044,136,555
18 CICC C2	29/08/2018	29/08/2021	Annually	1,500,000,000	4.70%	1,522,573,405	-	(13,883,743)	(1,500,000,000)	(8,689,662)	-
19 CICC C1	19/04/2019	19/04/2022	Annually	1,500,000,000	4.20%	1,544,358,904	-	-	-	-	1,544,358,904
19 CICC C3	14/10/2019	14/10/2024	Annually	1,500,000,000	4.09%	1,513,110,411	-	-	-	-	1,513,110,411
19 CICC C4	11/11/2019	11/11/2024	Annually	1,500,000,000	4.12%	1,508,465,753	-	-	-	-	1,508,465,753
19 CICC C5	05/12/2019	05/12/2024	Annually	2,000,000,000	4.20%	2,005,983,562	-	-	-	-	2,005,983,562
20 CICC C1	17/02/2020	17/02/2025	Annually	1,500,000,000	3.85%	1,550,155,479	-	-	-	-	1,550,155,479
21 CICC C1	08/02/2021	08/02/2024	Annually	1,000,000,000	3.90%	-	1,000,000,000	33,609,951	-	8,822,662	1,042,432,613
21 CICC C2	08/02/2021	08/02/2026	Annually	1,000,000,000	4.49%	-	1,000,000,000	39,005,787	-	14,675,560	1,053,681,347
17 CISC 02	23/02/2017	23/02/2022	Annually	1,800,000,000	5.00%	1,876,112,521	-	(39,952)	-	747,762	1,876,820,331
19 CISC C1	25/04/2019	25/04/2022	Annually	3,000,000,000	4.50%	3,091,333,871	-	(6,367)	-	1,132,583	3,092,460,087
20 CICC WMS C1	17/04/2020	17/04/2025	Annually	2,000,000,000	3.80%	2,051,965,880	-	(3,585)	-	428,361	2,052,390,656
21 CICC WMS C1	09/03/2021	09/03/2024	Annually	1,000,000,000	3.98%	-	1,000,000,000	31,437,643	-	289,038	1,031,726,681
21 CICC WMS C2	09/03/2021	09/03/2026	Annually	1,000,000,000	4.58%	-	1,000,000,000	36,336,272	-	172,465	1,036,508,737
21 CICC WMS C3	09/04/2021	09/04/2024	Annually	2,000,000,000	3.94%	-	2,000,000,000	56,567,267	-	279,551	2,056,846,818
21 CICC WMS C4	09/04/2021	09/04/2026	Annually	1,000,000,000	4.50%	-	1,000,000,000	32,380,072	-	87,682	1,032,467,754
Total						24,902,449,129	7,000,000,000	204,875,787	(5,000,000,000)	(22,108,704)	27,085,216,212

- (i) CICC Futures Co., Ltd has an option to redeem the bonds on 16 December 2021. If the redemption option is not exercised, the nominal interest rate will increase to 8.00% for next 3 years. CICC Futures Co., Ltd redeemed the bonds on 16 December 2021.

Notes to the Consolidated Financial Statements

(Expressed in RMB, unless otherwise stated)

46. LONG-TERM DEBT SECURITIES ISSUED (continued)

(d) Financial bonds:

Name	Interest commencement date	Maturity date	Interest payment	Principal	Nominal interest rate	Book value	Issuance	Interest		Amortisation and others	Book value
						as at 1 January 2022		accrued, net of interest paid	Redemption		as at 31 December 2022
19 CICC Financial Bond 01	22/08/2019	22/08/2022	Annually	2,500,000,000	3.39%	2,530,881,507	-	(30,881,507)	(2,500,000,000)	-	-

Name	Interest commencement date	Maturity date	Interest payment	Principal	Nominal interest rate	Book value	Issuance	Interest		Amortisation and others	Book value
						as at 1 January 2021		accrued, net of interest paid	Redemption		as at 31 December 2021
19 CICC Financial Bond 01	22/08/2019	22/08/2022	Annually	2,500,000,000	3.39%	2,530,881,507	-	-	-	-	2,530,881,507

47. LEASE LIABILITIES

	As at 31 December	
	2022	2021
Buildings	2,422,609,899	2,002,637,088
Equipment	218,949	258,338
Subtotal	2,422,828,848	2,002,895,426
Less: Amount due for settlement within 12 months shown under current liabilities	933,215,663	725,687,814
Amount due for settlement after 12 months shown under non-current liabilities	1,489,613,185	1,277,207,612

For the year ended 31 December 2022, the weighted average incremental borrowing rate applied to lease liabilities is 3.59% (Year ended 31 December 2021: 3.60%).

47. LEASE LIABILITIES *(continued)***(a) Leases committed**

As at 31 December 2022, the Group entered into new leases that are not yet commenced, with average non-cancellable period ranged from 3 to 7 years (31 December 2021: from 3 to 6 years). The total future undiscounted cash flows over the non-cancellable period amounted to RMB131,798,890 (31 December 2021: RMB507,150,934).

Details of the lease maturity analysis of lease liabilities are disclosed in Note 58(b).

48. CONTRACT LIABILITIES

	As at 31 December	
	2022	2021
Investment banking services	201,244,078	200,707,492
Asset management services	183,005,070	192,423,929
Others	23,543,113	19,819,453
Total	407,792,261	412,950,874

49. OTHER NON-CURRENT LIABILITIES

	As at 31 December	
	2022	2021
Payables to other investors of consolidated structured entities	199,394,424	200,000,000
Deferred income	146,982,000	146,982,000
Long-term borrowings	–	10,200,000
Others	2,131,972	–
Total	348,508,396	357,182,000

Notes to the Consolidated Financial Statements

(Expressed in RMB, unless otherwise stated)

50. CAPITAL, RESERVES AND DIVIDENDS

(a) Share capital

The Company's number of shares and nominal value are as follows:

	As at 31 December	
	2022	2021
Ordinary shares of RMB1 each, issued and fully paid		
A shares	2,923,542,440	2,923,542,440
H shares	1,903,714,428	1,903,714,428
Total	4,827,256,868	4,827,256,868
Share capital		
A shares	2,923,542,440	2,923,542,440
H shares	1,903,714,428	1,903,714,428
Total	4,827,256,868	4,827,256,868

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares in issue confer identical rights in respect of the Company's residual assets.

50. CAPITAL, RESERVES AND DIVIDENDS (continued)**(b) Reserves****(i) Capital reserve*****The Group***

	As at 31 December	
	2022	2021
Share premium (Note)	39,469,868,340	39,486,538,151
Others	45,348,374	45,348,374
Total	39,515,216,714	39,531,886,525

The Company

	As at 31 December	
	2022	2021
Share premium (Note)	41,661,299,767	41,677,969,578
Others	20,322,467	20,322,467
Total	41,681,622,234	41,698,292,045

Note: The premium arising from the Company's share issuance (see Note 50(a)), net of expenses which met the capitalisation criteria and by underwriting fees arising from the issuance of perpetual subordinated bonds classified as equity instruments (see Note 51), was recorded in share premium.

50. CAPITAL, RESERVES AND DIVIDENDS *(continued)*

(b) Reserves *(continued)*

(ii) Surplus reserve

The surplus reserve represents statutory surplus reserve. According to the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China ("MOF") and other relevant requirements, the Company is required to appropriate 10% of its net profit, after offsetting prior year's accumulated losses, to the statutory surplus reserve until the reserve balance reaches 50% of its registered capital. Subject to the approval of the shareholders, the statutory surplus reserve may be used to offset accumulated losses, or converted into capital of the Company provided that the balance of the statutory surplus reserve after such capitalisation is not less than 25% of the registered capital immediately before the capitalisation.

The Company makes the appropriation to surplus reserve at the end of each year.

(iii) General reserves

General reserves include general risk reserve and trading risk reserve.

In accordance with the Financial Rules for Financial Enterprises (Order of the MOF No. 42) and the application guidance (Cai Jin [2007] No. 23) issued by the MOF, and the Guideline of Supervision of Annual Report of Securities Companies issued by the CSRC, the Company is required to appropriate an amount equivalent to 10% of the net profit to the general risk reserve.

In addition, the Company as the mutual fund custodian shall accrue general risk reserve at a proportion of no less than 2.5% of custodian fee income. The accrument could be suspended on condition that the ending balance of risk reserve reached 0.25% of the aggregate of net asset values of the mutual funds under custody at the end of last quarter.

In accordance with the Guideline of Supervision of Annual Report of Securities Companies issued by the CSRC, the Company is required to appropriate an amount equivalent to 10% of the net profit to the trading risk reserve.

In accordance with the Guidelines for the Large Collective Asset Management Business of Securities Companies on implementing the Guiding Opinions for Regulating the Asset Management Business of Financial Institutions, securities companies shall be analogically governed by relevant laws and requirements of mutual funds to manage and operate large collective products. Accordingly, the Company accrued general risk reserves for large collective asset management business in accordance with relevant regulations on mutual funds.

General reserves for the Company's subsidiaries are appropriated if relevant requirements are in place.

50. CAPITAL, RESERVES AND DIVIDENDS *(continued)*

(b) Reserves *(continued)*

(iv) Investment revaluation reserve

The investment revaluation reserve mainly represents the fair value changes of financial assets at FVTOCI.

(v) Foreign currency translation reserve

The foreign currency translation reserve comprises foreign exchange differences arising from translation of the financial statements of the Group entities from their respective reporting currencies to RMB.

(vi) Other reserve

Other reserve represents the costs of hedging of the Group's hedges of net investments in foreign operations.

(c) Dividends

On 31 March 2023, the 2022 profit distribution plan was approved by the Board of Directors. For details, please refer to Note 63(d).

The Company's Annual General Meeting approved the 2021 profit distribution plan on 23 June 2022. The distribution of cash dividends amounting to RMB1,448,177,060 was made in August 2022.

Dividends proposed by the directors are not deducted from equity, until approved by the Annual General Meeting. After being approved and declared, the dividends are recognised as a liability.

51. OTHER EQUITY INSTRUMENTS

At initial recognition, the Group classifies perpetual subordinated bonds issued as financial liabilities or equity instruments based on their contractual terms and their economic substance after considering the definition of financial liabilities and equity instruments.

Perpetual subordinated bonds issued that should be classified as equity instruments are recognised in equity at the actual amount received. Any distribution of dividends or interests during the instruments' duration is treated as profit distribution. When the perpetual subordinated bonds are redeemed pursuant to the contractual terms, the redemption price is charged to equity.

51. OTHER EQUITY INSTRUMENTS *(continued)*

Contractual terms related to the above perpetual subordinated bonds are as follows:

- The bonds bear interest at a fixed rate;
- The nominal interest rate of the first five interest-bearing years is determined by book building and will remain unchanged. The nominal interest rate resets every five years since the sixth interest-bearing year;
- The Company has an option to defer interest payment, except in the event of mandatory interest payments, so that at each interest payment date, the issuer may choose to defer to the next interest payment date the payment for the interest for the current period as well as all the accreted interests as a result of exercising the interest payment deferral option. There is no limitation on number of times that the Company exercises the deferral option. Exercising the interest payment deferral option shall not be deemed as the issuer's failure to pay the interest in full as agreed. Mandatory interest payment events are limited to dividend distributions to ordinary shareholders and reductions of registered capital in the 12 months before the interest payment date.

The Company does not have any contractual obligation to deliver cash or other financial assets to redeem the above issued perpetual subordinated bonds. The redemption of the perpetual subordinated bonds is solely at the discretion of the Company.

- (a) The Company issued 20 CICC Y1 with an aggregate principal amount of RMB5.0 billion and the interest commencement date is 28 August 2020, with the nominal interest rate of 4.64%.
- (b) The Company issued 21 CICC Y1 with an aggregate principal amount of RMB1.5 billion and the interest commencement date is 29 January 2021, with the nominal interest rate of 4.68% and issued 21 CICC Y2 with an aggregate principal amount of RMB2.0 billion and the interest commencement date is 26 April 2021, with the nominal interest rate of 4.20%.
- (c) The Company issued 22 CICC Y1 with an aggregate principal amount of RMB3.9 billion and the interest commencement date is 13 January 2022, with the nominal interest rate of 3.60% and issued 22 CICC Y2 with an aggregate principal amount of RMB4.0 billion and the interest commencement date is 10 October 2022, with the nominal interest rate of 3.35%.

52. COMMITMENTS

(a) Capital commitments

As at 31 December 2022 and 31 December 2021, the capital commitments contracted but not provided for in the financial statements were as follows:

	As at 31 December	
	2022	2021
Contracted, but not provided for	4,748,772,645	3,927,668,725

(b) Underwriting commitments

According to the relevant tendering documents, there was no underwriting commitment taken but not provided for at 31 December 2022 for the Group (31 December 2021: RMB285,714,286).

53. INTERESTS IN STRUCTURED ENTITIES

(a) Interests in structured entities consolidated by the Group

When considering the power over structured entities, the Group determines whether the Group is a principal or an agent based on a combination of factors such as the Group's decision-making scope, the power of other investees and the exposure to variable returns, etc.. The structured entities in which the Group exercises investment decision-making power as a principal and in which the Group's entitled variable return accounts for a relatively large portion of the total return of the structured entities shall be consolidated.

As at 31 December 2022, the total assets of the consolidated structured entities amounted to RMB34,692,090,052 (31 December 2021: RMB60,543,962,370), and the carrying amount of interests held by the Group in the consolidated structured entities amounted to RMB18,593,234,732 (31 December 2021: RMB28,605,810,011).

53. INTERESTS IN STRUCTURED ENTITIES (continued)**(b) Interests in structured entities sponsored by third party institutions**

The types of structured entities that the Group does not consolidate but holds an interest in include wealth management products, asset management schemes, mutual funds, trust products, and other vehicles issued by other financial institutions. The Group's exposure to the variable returns in these structured entities is not significant and the maximum exposure to losses is limited to the carrying amount of the interests held by the Group in these structured entities.

	As at 31 December	
	2022	2021
Carrying amount of interests held by the Group		
– Financial assets at fair value through profit or loss	107,007,554,074	132,554,971,825

(c) Interests in structured entities sponsored by the Group but not consolidated

Structured entities in which the Group serves as a general partner or a manager, and therefore over which the Group has a power during the reporting period include private equity funds, mutual funds and asset management products. These structured entities are mainly financed through issuing units to investors.

	As at 31 December	
	2022	2021
Carrying amount of interests held by the Group		
– Financial assets at fair value through profit or loss	8,639,188,097	8,699,907,953
– Accounts receivable	1,175,179,962	1,448,802,510
– Interests in associates and joint ventures	28,557,379	44,863,002

For the year ended 31 December 2022, the management fee and performance fee obtained from these structured entities amounted to RMB3,200,602,010 (Year ended 31 December 2021: RMB3,265,434,816).

Except for those which have been consolidated by the Group as set out in Note 53(a), the Group's exposure to the variable returns in the rest of these structured entities is not significant. The maximum exposure to losses is limited to the carrying amount of the interests held by the Group in these structured entities.

During the year, the Group did not provide financial support to these unconsolidated structured entities and has no intention of providing material financial or other support in the future.

54. TRANSFERS OF FINANCIAL ASSETS

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

(a) Repurchase agreements

Sales and repurchase agreements are transactions in which the Group sells a financial asset and simultaneously agrees to repurchase it (or an asset that is substantially the same) at an agreed date and price. The repurchase price is fixed and the Group is still exposed to substantially all risks and rewards of the financial asset transferred. The financial asset is not derecognised from the consolidated financial statements but is regarded as “collateral” for any secured borrowing arrangements because the Group retains substantially all the risks and rewards of the financial asset. A financial liability is recognised for cash received under the borrowing arrangements. In this kind of transactions, the recourse of counterparties against the Group is not limited to the transferred financial assets.

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

As at 31 December 2022	Financial assets measured at fair value through profit or loss	Financial assets measured at fair value through other comprehensive income	Total
Carrying amount of transferred assets	8,741,236,023	1,612,959,659	10,354,195,682
Carrying amount of associated liabilities	(8,049,434,208)	(1,436,075,103)	(9,485,509,311)
Net position	691,801,815	176,884,556	868,686,371

54. TRANSFERS OF FINANCIAL ASSETS (continued)**(a) Repurchase agreements** (continued)

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

As at 31 December 2021	Financial assets measured at fair value through profit or loss	Financial assets measured at fair value through other comprehensive income	Total
Carrying amount of transferred assets	3,598,214,479	1,843,575,006	5,441,789,485
Carrying amount of associated liabilities	(3,237,655,794)	(1,700,998,923)	(4,938,654,717)
Net position	360,558,685	142,576,083	503,134,768

(b) Securities lending arrangement

The Group enters into securities lending agreements with clients under which it lend out its financial assets measured at fair value through profit or loss that are secured by clients' securities and deposits held as collateral. As at 31 December 2022, the equity securities and ETFs which were lent out by the Group amounted to RMB1,898,856,092 (31 December 2021: RMB2,753,557,470). Pursuant to the securities lending agreements, the Group lent its own securities to clients. In view of this, the Group determined that it retains substantially all the risks and rewards of ownership of these securities and therefore did not derecognise these securities in the consolidated financial statements.

55. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS**(a) The controlling shareholder of the Company – Central Huijin Investment Ltd. (“Huijin”)**

As at 31 December 2022, Huijin owned 40.17% of the equity interest of the Company (31 December 2021: 40.17%) directly and indirectly.

Huijin does not carry out any other commercial business activities, nor does it interfere with the daily operations of the state-owned key financial enterprises it controls. The Group's daily business transactions with Huijin and Huijin's affiliates are conducted on normal commercial terms.

55. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (continued)**(a) The controlling shareholder of the Company – Central Huijin Investment Ltd. (“Huijin”)**

(continued)

(i) Related party transactions with Huijin and Huijin’s affiliates

	Year ended 31 December	
	2022	2021
Brokerage commission income	15,997,975	45,400,929
Underwriting and sponsoring fees	258,307,223	57,380,913
Asset management fees	9,805,524	10,410,595
Investment advisory fees	–	566,038
Interest income	1,413,825,763	1,404,036,967
Net gains from financial instruments at fair value through profit or loss	303,642,832	211,944,336
Net (losses)/gains from derivative financial instruments	(528,461,017)	669,045,692
Other income, net	118,651,821	88,033,291
Brokerage commission expenses	68,363,840	61,637,544
Underwriting and sponsoring expenses	557,250	114,749
Asset management expenses	30,696,132	27,385,012
Interest expenses	526,117,119	431,472,648
Other operating expenses and costs	13,752,837	9,977,364
Provision for impairment losses under ECL model	56,000	–

Notes to the Consolidated Financial Statements

(Expressed in RMB, unless otherwise stated)

55. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

(a) The controlling shareholder of the Company – Central Huijin Investment Ltd. (“Huijin”)

(continued)

(ii) The balances of transactions with Huijin and Huijin’s affiliates

	As at 31 December	
	2022	2021
Right-of-use assets	14,870,314	–
Accounts receivable	773,576,853	103,906,491
Financial assets at fair value through other comprehensive income	10,670,507,867	4,721,292,896
Financial assets at fair value through profit or loss	10,355,449,141	8,909,393,809
Refundable deposits	49,135,470	31,593,102
Derivative financial assets	735,881,955	808,971,579
Cash and bank balances (Note)	75,302,944,391	60,132,857,289
Other non-current assets	1,655,188	3,526,859
Financial liabilities at fair value through profit or loss	76,386,224	40,332,880
Derivative financial liabilities	749,968,830	336,215,231
Accounts payable to brokerage clients	6,624,108	6,895,535
Placements from financial institutions	13,562,299,014	14,550,235,866
REPOs	14,561,941,740	3,160,809,973
Short-term debt securities issued	–	19,701,000
Long-term debt securities issued	1,661,883,806	2,157,387,672
Lease Liabilities	14,603,714	–
Other current liabilities	382,329,337	818,859,662

Note: Balances of deposits at Huijin’s affiliates include self-owned cash and bank balances and cash held on behalf of clients.

55. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (continued)**(b) Related party transactions with key management personnel**

The key management personnel are those who have the authority and responsibility to plan, direct and control directly or indirectly, the activities of the Group, including members of the Board of Directors and the supervisory board, and other senior executives. Remuneration for key management personnel of the Group is as follows:

	Year ended 31 December	
	2022	2021
Salaries, allowances and benefits in kind	34,058,019	27,850,320
Discretionary bonuses	26,705,282	67,174,595
Retirement scheme contributions	1,768,813	1,488,691
Total	62,532,114	96,513,606

(c) Related party transactions with other shareholders holding 5% or more shares of the Company**(i) Related party transactions with other shareholders holding 5% or more shares of the Company**

	Year ended 31 December	
	2022	2021
Brokerage commission income	1,136,856	–
Investment advisory fees	341,020	–
Interest expenses	33,703	444

(ii) The balances of transactions with other shareholders holding 5% or more shares of the Company

	As at 31 December	
	2022	2021
Other current assets	4,363	3,996
Accounts payable to brokerage clients	23,536	47

55. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)***(d) Related party transactions with the Group's associates and joint ventures****(i) Related party transactions with associates and joint ventures and their affiliates**

	Year ended 31 December	
	2022	2021
Brokerage commission income	17,676,162	16,952,485
Investment advisory fees	28,379,201	17,145,824
Asset management expenses	22,687,547	400,000
Interest income	5,515,864	4,342,408
Interest expenses	19,690	27,220
Other fee and commission income	20,276,060	–
Other operating expenses and costs	34,191,939	250,000
Reversal of impairment losses under ECL model	–	(61,638)

(ii) The balances of transactions with associates and joint ventures and their affiliates

	As at 31 December	
	2022	2021
Accounts receivable	46,903,260	19,576,095
Financial assets at fair value through profit or loss	498,031,820	–
Other non-current assets	131,127,748	184,365,488
Accounts payable to brokerage clients	8,305	448,379
Other current liabilities	14,206,604	12,480,000

(e) Applicability of the Listing Rules relating to connected transactions

The related party transactions above do not constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules. The disclosures required by Chapter 14A of the Listing Rules are provided in the Directors' Reports.

55. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

(f) Directors' and supervisors' interests in contracts and service contracts

At any time during the year, none of the Group's directors or supervisors had any interest, whether directly or indirectly, in any contract (excluding service contracts) of significance in relation to the Company's business to which the Company, or its associated companies, is a party. None of the directors and supervisors has entered into a service contract with the Company that cannot be terminated by the Company within one year without payment of compensation (other than statutory compensation).

56. FAIR VALUE INFORMATION

The Group adopts the following methods and assumptions when evaluating fair values:

- (i) Financial assets including cash and bank balances, cash held on behalf of clients and reverse REPOs and financial liabilities including short-term placements from financial institutions and REPOs, are mainly instruments with floating interest rates or for short-term financing. Accordingly, the carrying amounts approximate their fair values.
- (ii) Financial instruments at fair value through profit or loss or through other comprehensive income and derivatives are stated at fair value. For financial instruments traded in active markets, the Group uses market prices as the best estimate for their fair values. For financial instruments without any market price, the Group determines their fair values using discounted cash flows or other valuation techniques.
- (iii) The fair values of short-term and long-term debt securities issued are determined with reference to the available market prices or quotes from brokers or agents. If there is no quoted market price in an active market, the Group estimates the fair values using discounted cash flows or other valuation techniques with reference to the yields of financial instruments with similar characteristics such as similar credit risk and maturity. The fair values of long-term debt securities issued are disclosed in Note 46. The carrying amounts of short-term debt securities issued approximate their fair values.
- (iv) Accounts receivable and accounts payable to brokerage clients are mainly due within one year. Accordingly, the carrying amounts approximate their fair values.

56. FAIR VALUE INFORMATION *(continued)*

(a) Financial assets and liabilities measured at fair value

The Group uses the following hierarchy for determining and disclosing the fair values of financial instruments:

- Level I: Fair value measured using only Level I inputs (i.e. unadjusted quoted prices in active markets for identical assets or liabilities) at the measurement date.
- Level II: Fair value measured using Level II inputs (i.e. observable inputs which are unqualified as Level I inputs), and no significant unobservable inputs. Unobservable inputs are the inputs for which market data are not available.
- Level III: Fair value measured using significant unobservable inputs.

If there is a reliable market quote for a financial instrument, the fair value of the financial instrument is measured based on quoted market price. If a reliable quoted market price is not available, the fair value of the financial instrument is estimated using valuation techniques. For the fair value of financial instruments categorised within Level II, the valuation techniques applied include discounted cash flow analysis and option pricing models. The significant observable inputs to the valuation techniques used for Level II include future cash flows estimated based on contractual terms, risk-free and benchmark interest rates, credit spreads and foreign exchange rates. For the fair value of financial instruments categorised within Level III, the valuation techniques and significant unobservable inputs are disclosed in Note 56(a)(ii).

56. FAIR VALUE INFORMATION (continued)**(a) Financial assets and liabilities measured at fair value** (continued)

The following table presents the analysis of financial instruments measured at fair value at the end of the year on the basis of the fair value hierarchy:

	As at 31 December 2022			
	Level I	Level II	Level III	Total
Assets				
Financial assets at fair value through profit or loss				
– Equity securities	111,763,953,576	255,413,381	13,130,620,233	125,149,987,190
– Debt securities	1,816,364,313	79,435,549,123	267,232,296	81,519,145,732
– Funds and other investments	14,228,715,788	47,838,245,952	660,886,897	62,727,848,637
Derivative financial assets	135,403,143	17,638,430,306	17,521,814	17,791,355,263
Financial assets at fair value through other comprehensive income				
– Debt securities	3,039,925,241	63,649,506,790	–	66,689,432,031
Total	130,984,362,061	208,817,145,552	14,076,261,240	353,877,768,853
Liabilities				
Financial liabilities at fair value through profit or loss				
Financial liabilities held for trading				
– Equity securities	(2,604,104,754)	(25,087,509)	–	(2,629,192,263)
– Debt securities	–	(1,249,823,154)	–	(1,249,823,154)
– Funds and others	(47,205,621)	(4,635,607)	–	(51,841,228)
Financial liabilities designated as at fair value through profit or loss				
– Equity securities	–	(37,276,547,523)	(1,958,815,676)	(39,235,363,199)
– Debt securities	–	(2,037,071,933)	–	(2,037,071,933)
Derivative financial liabilities	(160,682,271)	(11,185,564,076)	(1,881,150)	(11,348,127,497)
Total	(2,811,992,646)	(51,778,729,802)	(1,960,696,826)	(56,551,419,274)

Notes to the Consolidated Financial Statements

(Expressed in RMB, unless otherwise stated)

56. FAIR VALUE INFORMATION (continued)

(a) Financial assets and liabilities measured at fair value (continued)

The following table presents the analysis of financial instruments measured at fair value at the end of the year on the basis of the fair value hierarchy (continued):

	As at 31 December 2021			
	Level I	Level II	Level III	Total
Assets				
Financial assets at fair value through profit or loss				
– Equity securities	112,422,691,042	672,818,230	14,653,820,321	127,749,329,593
– Debt securities	1,150,817,250	80,606,354,975	332,926,025	82,090,098,250
– Funds and other investments	13,326,241,884	76,623,979,003	1,384,566,374	91,334,787,261
Derivative financial assets	268,377,960	14,295,850,703	–	14,564,228,663
Financial assets at fair value through other comprehensive income				
– Debt securities	–	43,009,969,681	–	43,009,969,681
Total	127,168,128,136	215,208,972,592	16,371,312,720	358,748,413,448
Liabilities				
Financial liabilities at fair value through profit or loss				
Financial liabilities held for trading				
– Equity securities	(2,755,627,220)	(249,181)	–	(2,755,876,401)
– Debt securities	–	(823,345,819)	–	(823,345,819)
– Funds and others	(658,725,019)	–	–	(658,725,019)
Financial liabilities designated as at fair value through profit or loss				
– Equity securities	–	(34,162,624,317)	–	(34,162,624,317)
– Debt securities	–	(526,215,128)	–	(526,215,128)
Derivative financial liabilities	(224,649,958)	(17,909,357,550)	–	(18,134,007,508)
Total	(3,639,002,197)	(53,421,791,995)	–	(57,060,794,192)

56. FAIR VALUE INFORMATION *(continued)*

(a) Financial assets and liabilities measured at fair value *(continued)*

(i) Transfer between levels

As of 31 December 2022, the Group's investments in suspended stocks of RMB225 million (31 December 2021: RMB1 million) were transferred from Level I to Level II, as the quoted prices of these stocks were no longer regularly available.

As of 31 December 2022, the Group's investments in equity securities of RMB9 million (31 December 2021: RMB107 million) were transferred from Level I or II to Level III, as the fair values of these investments were determined with the use of valuation techniques instead of quoted prices, due to events such as delisting, etc..

As of 31 December 2022, the Group had no investments in debt securities transferred from Level II to Level III, as the fair values of these investments were determined with the use of valuation techniques instead of quoted prices, due to events such as potential credit risk in existence, etc. (31 December 2021: RMB30 million).

As of 31 December 2022, the Group's investments in fund and other securities of RMB46 million (31 December 2021: RMB181 million) were transferred from Level II to Level III, as the fair values of these investments were determined with the use of valuation techniques instead of quoted prices, due to events such as potential credit risk in existence, etc..

As of 31 December 2022, the Group's investments at FVTPL of RMB177 million (31 December 2021: RMB647 million) were transferred from Level III to Level I or II, as the fair values of these investments were determined with the use of quoted prices instead of valuation techniques, due to events such as expiration of lock-up period in equity and fund, etc..

Apart from the transfers above, for the years ended 31 December 2022 and 2021, there was no other significant transfer among Level I, Level II and Level III for the Group's financial assets and liabilities measured at fair value. In accordance with its accounting policies, the Group recognises transfers among the levels as at the end of the reporting period in which such transfers occur.

There is no significant change for the Group's applied fair value valuation techniques in 2022 and 2021.

Notes to the Consolidated Financial Statements

(Expressed in RMB, unless otherwise stated)

56. FAIR VALUE INFORMATION (continued)

(a) Financial assets and liabilities measured at fair value (continued)

(ii) Information about Level III fair value measurements

The following table presents reconciliation from the beginning balances to the ending balances of financial assets measured at Level III:

	As at 1 January 2022	Gains/ (losses) for the year	Purchases	Issuance	Disposals and settlement	Transfer into Level III	Transfer out of Level III	As at 31 December 2022	Net gains/ (losses) for the year included in profit or loss for assets held
Assets									
Financial assets at fair value through profit or loss	16,371,312,720	423,081,320	4,556,000,957	-	(7,169,389,791)	54,725,109	(176,990,889)	14,058,739,426	555,018,291
Derivative financial assets	-	17,521,814	-	-	-	-	-	17,521,814	17,521,814
Total	16,371,312,720	440,603,134	4,556,000,957	-	(7,169,389,791)	54,725,109	(176,990,889)	14,076,261,240	572,540,105
Liabilities									
Financial liabilities at fair value through profit or loss									
Financial liabilities designated as at fair value through profit or loss	-	99,770,009	-	(2,058,585,685)	-	-	-	(1,958,815,676)	99,770,009
Derivative financial liabilities	-	(1,881,150)	-	-	-	-	-	(1,881,150)	(1,881,150)
Total	-	97,888,859	-	(2,058,585,685)	-	-	-	(1,960,696,826)	97,888,859

	As at 1 January 2021	Gains for the year	Purchases	Disposals and settlement	Transfer into Level III	Transfer out of Level III	As at 31 December 2021	Net gains for the year included in profit or loss for assets held
Assets								
Financial assets at fair value through profit or loss	18,333,501,301	1,487,733,359	8,064,703,195	(11,185,602,711)	318,388,093	(647,410,517)	16,371,312,720	1,799,435,471

56. FAIR VALUE INFORMATION *(continued)*

(a) Financial assets and liabilities measured at fair value *(continued)*

(ii) Information about Level III fair value measurements *(continued)*

For financial instruments measured at Level III, fair values are determined based on the reports on capital account for these instruments obtained by management or determined by using valuation techniques such as discounted cash flow model, market comparable company analysis and recent financing price method. Key determinant to categorise fair value as Level III is the significance of the unobservable inputs to the overall fair value measurement. The following table presents the valuation techniques and inputs used in the valuation of the major financial instruments measured at Level III. As of 31 December 2022 and 31 December 2021, the fair value of the financial instruments measured at Level III is not significantly sensitive to a reasonable change in these unobservable inputs.

Financial instruments	Fair value hierarchy	Valuation technique(s)	Significant unobservable input(s)	Relationship of unobservable input(s) to fair value
Financial assets at fair value through profit or loss				
– Debt securities	Level III	Discounted cash flow models	Estimated future cash flows, discount rate (Note 1)	The higher the estimated future cash flows, the higher the fair value The higher the discount, the lower the fair value
– Equity securities	Level III	Option pricing models	Volatility (Note 2)	The higher the volatility, the lower the fair value
– Equity securities	Level III	Market approach	Valuation multiples (Such as P/E, P/B, P/S), liquidity discount (Note 3)	The higher the valuation multiples, the higher the fair value The higher the discount, the lower the fair value
Derivative financial instruments				
– OTC options	Level III	Option pricing models	Volatility (Note 2)	The higher the volatility, the greater impact on the fair value
Financial liabilities at fair value through profit or loss				
– Structured products	Level III	Option pricing models	Volatility (Note 2)	The higher the volatility, the greater impact on the fair value

Note 1: Discount rate, ranging from 2.95% to 5.55% (31 December 2021: 2.48% to 5.42%).

Note 2: Volatility, ranging from 16.05% to 83.75% (31 December 2021: 17.85% to 88.40%).

Note 3: Liquidity discount, ranging from 10.00% to 60.00% (31 December 2021: 20.00% to 60.00%).

56. FAIR VALUE INFORMATION *(continued)*

(b) Fair value of financial assets and liabilities carried at other than fair value

The fair values of long-term debt securities issued have been determined in accordance with generally accepted pricing models based on discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of the Group. The fair values of long-term debt securities issued are classified as Level II and disclosed in Note 46.

Except for the above, the directors of the Company consider that the carrying amounts of financial assets and financial liabilities carried at amortised cost in the Group's consolidated statement of financial position approximate their fair values.

57. OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

When there is a current legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously, the relevant financial assets and liabilities:

- are offset in the consolidated statement of financial position of the Group; and
- are subject to an enforceable master netting agreement or similar agreement, irrespective of whether they are offset in the consolidated statement of financial position of the Group.

The table below presents the amount of account receivables and payables which are settled on the same settlement date and for the same currency on a net basis with the same overseas clearing house.

57. OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

	As at 31 December 2022					
	Gross amounts of recognised financial liabilities set off in the consolidated statement of financial position	Gross amounts of recognised financial assets set off in the consolidated statement of financial position	Net amounts of financial assets presented in the consolidated statement of financial position	Related amounts not set off in the consolidated statement of financial position		Net amount
				Financial instruments	Cash collateral	
Accounts receivable from clearinghouse	2,212,605,319	(1,605,037,682)	607,567,637	(144,795,764)	-	462,771,873

	As at 31 December 2022					
	Gross amounts of recognised financial assets set off in the consolidated statement of financial position	Gross amounts of recognised financial liabilities set off in the consolidated statement of financial position	Net amounts of financial liabilities presented in the consolidated statement of financial position	Related amounts not set off in the consolidated statement of financial position		Net amount
				Financial instruments	Cash collateral	
Accounts payable to clearinghouse	1,749,833,446	(1,605,037,682)	144,795,764	(144,795,764)	-	-

Notes to the Consolidated Financial Statements

(Expressed in RMB, unless otherwise stated)

57. OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

	As at 31 December 2021					
	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities set off in the consolidated statement of financial position	Net amounts of financial assets presented in the consolidated statement of financial position	Related amounts not set off in the consolidated statement of financial position		Net amount
				Financial instruments	Cash collateral	
Accounts receivable from clearinghouse	5,499,891,478	(4,778,010,534)	721,880,944	(153,445,591)	-	568,435,353

	As at 31 December 2021					
	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets set off in the consolidated statement of financial position	Net amounts of financial liabilities presented in the consolidated statement of financial position	Related amounts not set off in the consolidated statement of financial position		Net amount
				Financial instruments	Cash collateral	
Accounts payable to clearinghouse	4,931,456,125	(4,778,010,534)	153,445,591	(153,445,591)	-	-

58. FINANCIAL RISK MANAGEMENT

The Group's risk management aims to effectively allocate risk-based capital, limit risks to a controllable level, maximise the corporate value and constantly solidify the foundation for a steady and sustainable development of the Group. The Group monitors and controls different types of risk exposures, such as credit risk, liquidity risk and market risk which incurred from Group's holdings on various financial instruments.

(a) Credit risk

Credit risk refers to the risk caused by deterioration in creditworthiness or default losses of counterparties, borrowers and securities issuers.

The exposure to credit risk of the Group arises mainly from: (1) credit risk from default or bankruptcy of debtors, including the loss due to default of intermediary institutions (such as brokers or custodian banks), in which case the risk exposure is the total value of outstanding debts; (2) counterparty risk in terms of failure to fulfill obligations under contracts or deterioration in creditworthiness of counterparties in the over-the-counter ("OTC") derivative transactions (such as forward, swap or option transactions), in which case the risk exposure depends on current exposure and potential future exposure of the derivatives; (3) credit risk caused by the deterioration in creditworthiness or default losses of securities issuers.

At the end of the reporting period, the Group's maximum credit risk exposure is the net carrying amount of financial assets without taking account of any collateral or other credit enhancements.

Measurement of ECL

The Group recognises an impairment loss allowance for financial assets measured at amortised cost (including receivable from margin clients, reverse REPOs, etc.) and debt securities measured at FVTOCI via ECL model. The measurement of the ECL is based on the Probability of Default ("PD"), Loss Given Default ("LGD") and Exposure at Default ("EAD").

A default is that a client, a financier or issuer of investment products fails to fulfil the contract. PD is an estimate of the likelihood of default over a given time horizon. The Group estimates the PD based on its internal rating model, integrating factors such as external rating information, macroeconomic environment and changes in quantitative and qualitative indicators of the counterparties or bonds issuers. LGD is an estimate of the loss bore by the Group on the exposure at default. In the determination of LGD, the Group estimates the recoverable cash flow from disposing underlying assets and collaterals by taking their liquidity and relevant historical market data into full consideration, and estimates LGD based on the difference between the recoverable and the contracted cash flows. EAD is the amount that shall be repaid to the Group when a default occurs. When measuring the ECL, the Group classifies the assets into different risk stages based on whether the credit risk of each asset has increased significantly since the initial recognition. Accordingly, the Group measures the loss allowance on either a 12-month or the lifetime basis for the investments at different risk stages.

58. FINANCIAL RISK MANAGEMENT *(continued)*

(a) Credit risk *(continued)*

Provision method of ECL

The Group recognises impairment allowance based on ECL for businesses such as debt securities investment and margin financing. For the financial instruments for which the ECL measurement is used, the Group classifies these financial instruments into different risk stages based on whether the credit risk of each instrument has increased significantly since the initial recognition. The financial instruments with low credit risk on the balance sheet date or of which the credit risk has not increased significantly since the initial recognition will be classified into "Stage 1"; the financial instruments of which the credit risk has increased significantly since the initial recognition will be classified into "Stage 2"; and the financial instruments that have been credit-impaired will be transferred into "Stage 3". The Group measures ECL based on the parameters such as PD, LGD, EAD and forward looking information, and regularly tests and updates ECL models and assumptions.

The criteria of significant increase in credit risk ("SICR")

The Group considers a financial instrument experiencing SICR when one or more of the following quantitative and qualitative criteria have been met: (1) for debt securities investment business: the latest external or internal ratings of the bond issuer or the debt securities per se decline substantially compared with their ratings on the initial recognition, or there are adverse changes in business, financial or external conditions of the bond issuer and these adverse changes are expected to cause a significant decrease in the bond issuer's ability to meet its obligations; (2) for margin financing business: the performance guarantee ratio is lower than or equal to the predetermined liquidation line but above 100%, or when contractual payments are less than or equal to 30 days past due.

The criteria of credit-impaired assets

The Group considers that a financial instrument has been credit-impaired when (1) for debt securities investment business: the circumstances in which a bond issuer can be regarded as in default include failure to perform the payment obligations as agreed, having other bond defaults or having significant financial difficulties; (2) for margin financing business: the performance guarantee ratio is lower than or equal to 100%, or when contractual payments are more than 30 days past due.

Forward-looking information

The Group measures ECL using forward looking information without undue costs or efforts. In order to adjust the default rates to incorporate forward-looking information, the Group, using forecasted year-on-year growth rates on GDP (cumulatively accounted) and broad measure of money supply (M2) as the basis, establishes relationship between the two macroeconomic indicators and default rates with the use of statistical models and sets different scenario weightings. The Group determined the forecasted values of the two macroeconomic indicators to be 5.11% and 9.65% as at 31 December 2022 based on publicly available forecasts of third parties. The tuning parameter was determined with the use of weighted average of the values under optimistic, neutral and pessimistic hypothetical scenarios in combination with qualitative analysis method.

Debt securities (including debt securities measured at FVTPL and at FVTOCI)

The Group emphasizes the diversification level of the fixed income credit products and the credit products invested are those predominantly with relatively high credit ratings. The Group controls its market risk and credit risk exposures by various initiatives, such as setting up limits on investment size, product types, credit ratings and concentrations, and carrying out forward-looking risk assessment, as well as closely monitoring and tracking bond issuers' business performance and credit profiles so as to constantly evaluate and warn any credit deterioration.

58. FINANCIAL RISK MANAGEMENT *(continued)***(a) Credit risk** *(continued)***Debt securities (including debt securities measured at FVTPL and at FVTOCI)** *(continued)*

The carrying amount of the Group's debt securities is presented as follows:

	As at 31 December	
	2022	2021
Financial assets at fair value through profit or loss	81,519,145,732	82,090,098,250
Financial assets at fair value through other comprehensive income	66,689,432,031	43,009,969,681
Total	148,208,577,763	125,100,067,931

- (i) The exposure to credit risk for debt securities at FVTPL and FVTOCI by the location of issuer is presented as follows:

	As at 31 December	
	2022	2021
Mainland China	144,346,405,471	124,997,230,937
Outside mainland China	3,862,172,292	102,836,994
Total	148,208,577,763	125,100,067,931

Notes to the Consolidated Financial Statements

(Expressed in RMB, unless otherwise stated)

58. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk (continued)

Debt securities (including debt securities measured at FVTPL and at FVTOCI) (continued)

(ii) The following table presents an analysis of credit quality of the debt securities at FVTPL and FVTOCI.

Credit rating	As at 31 December					2021			
	2022		FVTOCI			2021		FVTOCI	
	FVTPL	12-month ECL	Lifetime ECL- not credit impaired	Lifetime ECL- credit impaired	Total	FVTPL	12-month ECL	Lifetime ECL- not credit impaired	Total
Outside mainland China (by international rating agencies)									
- AAA	554,654,023	699,554,058	-	-	699,554,058	12,640	-	-	-
- From AA- to AA+	201,589,170	-	-	-	-	19,036,790	-	-	-
- From A- to A+	1,872,545,268	5,284,259,911	-	-	5,284,259,911	1,000,030,827	3,365,289,987	-	3,365,289,987
- BBB- to BBB+	493,000,331	2,340,635,952	-	-	2,340,635,952	928,226,673	1,930,855,974	-	1,930,855,974
- Below BBB-	77,334,167	10,113,684	12,229,144	8,060,436	30,403,264	756,779,413	210,557,746	11,200,033	221,757,779
- NR	1,705,776,963	57,374,675	-	3,097,160	60,471,835	7,083,813,495	99,266,975	-	99,266,975
Subtotal	4,904,899,922	8,391,938,280	12,229,144	11,157,596	8,415,325,020	9,787,899,838	5,605,970,682	11,200,033	5,617,170,715
Mainland China (by domestic rating agencies)									
- AAA	51,766,218,155	26,593,401,609	-	-	26,593,401,609	41,383,207,132	26,236,935,997	-	26,236,935,997
- From AA- to AA+	5,662,940,365	3,247,429,162	-	-	3,247,429,162	5,164,263,554	1,449,602,872	-	1,449,602,872
- From A- to A+	1,113,108,590	-	-	-	-	1,125,912,041	-	-	-
- Below A-	543,441,168	-	-	-	-	942,942,839	-	-	-
Subtotal	59,085,708,278	29,840,830,771	-	-	29,840,830,771	48,616,325,566	27,686,538,869	-	27,686,538,869
Non-rated I (Note 1)	10,013,311,736	28,312,671,668	-	-	28,312,671,668	8,454,699,987	9,685,899,037	-	9,685,899,037
Non-rated II (Note 2)	7,515,225,796	120,604,572	-	-	120,604,572	15,231,172,859	20,361,060	-	20,361,060
Total	81,519,145,732	66,666,045,291	12,229,144	11,157,596	66,689,432,031	82,090,098,250	42,998,769,648	11,200,033	43,009,969,681
Impairment loss allowance		(59,605,095)	(379,607)	(12,133,870)	(72,118,572)		(18,216,690)	(558,347)	(18,775,037)

Note 1: These non-rated financial assets mainly include government bonds and policy financial bonds.

Note 2: These non-rated financial assets are mainly other debt securities and trading securities with no ratings provided by independent rating agencies.

58. FINANCIAL RISK MANAGEMENT (continued)**(a) Credit risk** (continued)**Debt securities (including debt securities measured at FVTPL and at FVTOCI)** (continued)**(iii) Movement of impairment loss allowance**

The movement in impairment loss allowance for debt investments at FVTOCI during the year was as follows:

	Year ended 31 December						
	2022				2021		
	12-month ECL	Lifetime ECL- not credit impaired	Lifetime ECL-credit impaired	Total	12-month ECL	Lifetime ECL- not credit impaired	Total
As at 1 January 2022	18,216,690	558,347	-	18,775,037	18,166,922	-	18,166,922
Changes due to financial instruments recognised as at 1 January 2022:							
- Transfer to lifetime ECL-credit impaired	(154,516)	-	154,516	-	-	-	-
- Transfer to lifetime ECL-not credit impaired	(106,370)	106,370	-	-	(121,271)	121,271	-
- Impairment losses recognised	4,427,664	304,644	7,743,726	12,476,034	249,948	239,858	489,806
- Impairment losses reversed	(1,115,336)	-	-	(1,115,336)	(750,527)	-	(750,527)
New financial assets originated or purchased	49,185,977	-	2,769,695	51,955,672	14,717,219	180,871	14,898,090
Financial assets derecognised (including written-offs)	(9,918,200)	(380,519)	-	(10,298,719)	(13,868,000)	-	(13,868,000)
Others	(930,814)	(209,235)	1,465,933	325,884	(177,601)	16,347	(161,254)
As at 31 December 2022	59,605,095	379,607	12,133,870	72,118,572	18,216,690	558,347	18,775,037

As at 31 December 2021, there was no credit-impaired debt investment held by the Group.

58. FINANCIAL RISK MANAGEMENT *(continued)***(a) Credit risk** *(continued)***Other non-derivative financial investments (other than debt securities)**

The Group has adopted the following measures to manage credit risk in capital businesses including margin financing and securities lending business and stock-based lending business: vetting counterparties; determining credit ratings and setting lending limits; managing collaterals (via haircut rates, liquidity and concentration) and closely monitoring margin ratios and/or collateral ratios; establishing and implementing margin call and mandatory liquidation policy.

- (i)* The exposure to credit risk for financial assets other than debt securities at the reporting date by geographic region was as follows:

	As at 31 December	
	2022	2021
Mainland China	199,484,725,031	205,458,656,185
Outside mainland China	83,406,308,229	76,293,494,356
Total	282,891,033,260	281,752,150,541

(ii) Movement of impairment loss allowance

The movement in impairment loss allowance for other financial instruments (other than debt investments) at amortised cost during the year was as follows:

58. FINANCIAL RISK MANAGEMENT (continued)**(a) Credit risk** (continued)**Other non-derivative financial investments (other than debt securities)** (continued)**(ii) Movement of impairment loss allowance** (continued)

(1) Financial assets held under resale agreements

	Year ended 31 December 2022			
	12-month ECL	Lifetime ECL- not credit impaired	Lifetime ECL- credit impaired	Total
As at 1 January 2022	41,204,100	-	28,249,249	69,453,349
Changes due to financial instruments recognised as at 1 January 2022				
- Transfer to lifetime ECL-credit impaired	-	-	-	-
- Transfer to lifetime ECL-not credit impaired	-	-	-	-
- Transfer to 12m ECL	-	-	-	-
- Impairment losses recognised	216,699	-	-	216,699
- Impairment losses reversed	(2,572,194)	-	-	(2,572,194)
New financial assets originated or purchased	7,335,882	-	-	7,335,882
Financial assets derecognised (including written-offs)	(17,886,034)	-	-	(17,886,034)
Others	-	-	-	-
Impairment loss allowance as at 31 December 2022	28,298,453	-	28,249,249	56,547,702
Gross carrying amount as at 31 December 2022	27,143,473,151	-	48,876,598	27,192,349,749

Notes to the Consolidated Financial Statements

(Expressed in RMB, unless otherwise stated)

58. FINANCIAL RISK MANAGEMENT *(continued)*

(a) Credit risk *(continued)*

Other non-derivative financial investments (other than debt securities) *(continued)*

(ii) Movement of impairment loss allowance *(continued)*

(1) Financial assets held under resale agreements *(continued)*

	Year ended 31 December 2021			Total
	12-month ECL	Lifetime ECL– not credit impaired	Lifetime ECL– credit impaired	
As at 1 January 2021	41,298,123	7,386,813	253,931,844	302,616,780
Changes due to financial instruments recognised as at 1 January 2021				
– Transfer to lifetime ECL-credit impaired	–	–	–	–
– Transfer to lifetime ECL-not credit impaired	–	–	–	–
– Transfer to 12m ECL	4,685,542	(4,685,542)	–	–
– Impairment losses recognised	56,298	–	–	56,298
– Impairment losses reversed	(5,067,213)	–	(2,500,000)	(7,567,213)
New financial assets originated or purchased	18,504,105	–	–	18,504,105
Financial assets derecognised (including written-offs)	(18,272,755)	(2,701,271)	(223,182,595)	(244,156,621)
Others	–	–	–	–
Impairment loss allowance as at 31 December 2021	41,204,100	–	28,249,249	69,453,349
Gross carrying amount as at 31 December 2021	25,879,070,810	–	48,876,598	25,927,947,408

58. FINANCIAL RISK MANAGEMENT (continued)**(a) Credit risk** (continued)**Other non-derivative financial investments (other than debt securities)** (continued)**(ii) Movement of impairment loss allowance** (continued)

(2) Receivable from margin clients

	Year ended 31 December 2022			Total
	12-month ECL	Lifetime ECL- not credit impaired	Lifetime ECL- credit impaired	
As at 1 January 2022	161,966,115	-	-	161,966,115
Changes due to financial instruments recognised as at 1 January 2022:				
- Transfer to lifetime ECL-credit impaired	-	-	-	-
- Transfer to lifetime ECL-not credit impaired	(59,116)	59,116	-	-
- Transfer to 12m ECL	-	-	-	-
- Impairment losses recognised	26,076,693	389,136	-	26,465,829
- Impairment losses reversed	(37,761,156)	(52)	-	(37,761,208)
New financial assets originated or purchased	22,521,408	34	-	22,521,442
Financial assets derecognised (including written-offs)	(31,464,215)	-	-	(31,464,215)
Others	815,934	-	-	815,934
Impairment loss allowance as at 31 December 2022	142,095,663	448,234	-	142,543,897
Gross carrying amount as at 31 December 2022	31,756,190,011	12,544,347	-	31,768,734,358

Notes to the Consolidated Financial Statements

(Expressed in RMB, unless otherwise stated)

58. FINANCIAL RISK MANAGEMENT *(continued)*

(a) Credit risk *(continued)*

Other non-derivative financial investments (other than debt securities) *(continued)*

(ii) Movement of impairment loss allowance *(continued)*

(2) Receivable from margin clients *(continued)*

	Year ended 31 December 2021			Total
	12-month ECL	Lifetime ECL– not credit impaired	Lifetime ECL– credit impaired	
As at 1 January 2021	131,830,972	4,832,093	140,371	136,803,436
Changes due to financial instruments recognised as at 1 January 2021:				
– Transfer to lifetime ECL-credit impaired	–	–	–	–
– Transfer to lifetime ECL-not credit impaired	–	–	–	–
– Transfer to 12m ECL	4,007,761	(3,874,349)	(133,412)	–
– Impairment losses recognised	36,671,817	–	–	36,671,817
– Impairment losses reversed	(23,225,981)	–	–	(23,225,981)
New financial assets originated or purchased	34,454,141	–	–	34,454,141
Financial assets derecognised (including written-offs)	(21,446,732)	(949,644)	(6,959)	(22,403,335)
Others	(325,863)	(8,100)	–	(333,963)
Impairment loss allowance as at 31 December 2021	161,966,115	–	–	161,966,115
Gross carrying amount as at 31 December 2021	39,641,022,829	–	–	39,641,022,829

58. FINANCIAL RISK MANAGEMENT (continued)**(a) Credit risk** (continued)**Other non-derivative financial investments (other than debt securities)** (continued)**(ii) Movement of impairment loss allowance** (continued)

(3) Other financial instruments at amortised cost

	Year ended 31 December 2022			
	12-month ECL	Lifetime ECL- not credit impaired	Lifetime ECL- credit impaired	Total
As at 1 January 2022	206,022,189	59,967,972	329,587,043	595,577,204
Changes due to financial instruments recognised as at 1 January 2022:				
– Transfer to lifetime ECL-credit impaired	(80,327)	(4,369)	84,696	–
– Transfer to lifetime ECL-not credit impaired	(34,605)	34,605	–	–
– Transfer to 12m ECL	–	–	–	–
– Impairment losses recognised	6,803,834	27,843,924	87,924,743	122,572,501
– Impairment losses reversed	(160,646,560)	(3,498,444)	(19,837,369)	(183,982,373)
New financial assets originated or purchased	79,265,432	8,502,290	–	87,767,722
Financial assets derecognised (including written-offs)	(19,476,499)	(34,605)	(73,204,599)	(92,715,703)
Others	10,020,555	(10,301,781)	3,963,774	3,682,548
Impairment loss allowance as at 31 December 2022	121,874,019	82,509,592	328,518,288	532,901,899
Gross carrying amount as at 31 December 2022	186,298,776,073	2,614,717,582	360,803,852	189,274,297,507

Notes to the Consolidated Financial Statements

(Expressed in RMB, unless otherwise stated)

58. FINANCIAL RISK MANAGEMENT *(continued)*

(a) Credit risk *(continued)*

Other non-derivative financial investments (other than debt securities) *(continued)*

(ii) Movement of impairment loss allowance *(continued)*

(3) Other financial instruments at amortised cost *(continued)*

	Year ended 31 December 2021			Total
	12-month ECL	Lifetime ECL– not credit impaired	Lifetime ECL– credit impaired	
As at 1 January 2021	246,164,910	66,698,100	488,887,781	801,750,791
Changes due to financial instruments recognised as at 1 January 2021:				
– Transfer to lifetime ECL-credit impaired	(101,000)	(4,802)	105,802	–
– Transfer to lifetime ECL-not credit impaired	(4,290)	4,290	–	–
– Transfer to 12m ECL	3,995,533	(3,282,621)	(712,912)	–
– Impairment losses recognised	2,305,977	4,736,550	72,799,222	79,841,749
– Impairment losses reversed	(196,289,709)	(17,703,439)	(23,275,507)	(237,268,655)
New financial assets originated or purchased	166,163,264	8,320,114	2,482	174,485,860
Financial assets derecognised (including written-offs)	(12,014,672)	(41,677)	(206,291,184)	(218,347,533)
Others	(4,197,824)	1,241,457	(1,928,641)	(4,885,008)
Impairment loss allowance as at 31 December 2021	206,022,189	59,967,972	329,587,043	595,577,204
Gross carrying amount as at 31 December 2021	178,938,564,809	2,940,057,310	382,606,641	182,261,228,760

Other financial instruments at amortised cost mainly include accounts receivable, other receivables and deposits with banks.

58. FINANCIAL RISK MANAGEMENT *(continued)*

(a) Credit risk *(continued)*

Derivatives

Regarding the counterparty credit risk of the OTC derivatives business, the Group has established a counterparty credit rating system. Through a combination of qualitative and quantitative methods, it comprehensively evaluates counterparty qualifications and determines credit ratings accordingly. On the basis of credit ratings, the Group sets a corresponding limit of credit risk exposure for each counterparty, and manages counterparty credit risk by signing OTC derivatives trading master agreements and performance guarantee agreements, and by requiring performance guarantees. The Group calculates the minimum amount required as collateral and credit risk exposure for an OTC derivative counterparty by establishing dynamic scenarios combined with stress test, and measures and monitors the minimum collateral value and credit risk exposure through the system on a daily basis. In view of this, the Group maintains the credit risk exposure of derivatives transactions within an acceptable range.

(b) Liquidity risk

Liquidity risk refers to the risks arising from the Group's inability to obtain sufficient funds at reasonable costs in a timely manner to meet its debt obligations, fulfill other payment obligations, and satisfy the funding needs in conducting ordinary business operations.

The Group implements vertical and centralised management on liquidity risks of all domestic and overseas branches and subsidiaries. The Group has adopted the following measures to manage liquidity risk: closely monitoring balance sheets of the Group and of its branches and subsidiaries, and managing liquidity gaps between assets and liabilities; setting liquidity risk limits based on the Group's overall situation and regulatory requirement; conducting cash flow forecast and liquidity risk stress test on a regular and irregular basis to analyse and assess the Group's liquidity risk level; maintaining adequate high-quality liquid assets and establishing contingency plan for potential liquidity crisis situation.

Notes to the Consolidated Financial Statements

(Expressed in RMB, unless otherwise stated)

58. FINANCIAL RISK MANAGEMENT *(continued)*

(b) Liquidity risk *(continued)*

At the end of the reporting period, the contractual undiscounted cash flows (including the principal and interests) of the Group's non-derivative financial liabilities are analysed according to the maturity dates. The derivative financial liabilities stated at the fair values and presented at the expected maturity dates or possible termination dates are as follows:

	As at 31 December 2022				
	Overdue/ repayable on demand	Within 1 year (inclusive)	1 – 5 years (inclusive)	More than 5 years	Total
Financial liabilities					
Financial liabilities at fair value through profit or loss	-	32,927,293,384	12,289,891,023	-	45,217,184,407
Derivative financial liabilities	-	10,788,110,525	554,698,678	5,318,294	11,348,127,497
Accounts payable to brokerage clients	92,099,956,329	-	-	-	92,099,956,329
Placements from financial institutions	-	61,105,591,236	-	-	61,105,591,236
Short-term debt securities issued	-	17,197,339,150	1,451,940,735	-	18,649,279,885
REPOs	-	43,163,696,612	-	-	43,163,696,612
Long-term debt securities issued	-	68,737,303,607	84,513,906,898	8,734,200,000	161,985,410,505
Lease liabilities	-	1,002,434,782	1,474,245,776	100,436,202	2,577,116,760
Others	98,672,572,220	13,241,169,494	6,592,406	34,518	111,920,368,638
Total	190,772,528,549	248,162,938,790	100,291,275,516	8,839,989,014	548,066,731,869

58. FINANCIAL RISK MANAGEMENT (continued)**(b) Liquidity risk** (continued)

	As at 31 December 2021				Total
	Overdue/ repayable on demand	Within 1 year (inclusive)	1 – 5 years (inclusive)	More than 5 years	
Financial liabilities					
Financial liabilities at fair value through profit or loss	–	38,925,007,061	2,252,774	–	38,927,259,835
Derivative financial liabilities	–	16,982,247,611	1,143,550,424	8,209,473	18,134,007,508
Accounts payable to brokerage clients	93,445,165,307	–	–	–	93,445,165,307
Placements from financial institutions	–	51,678,428,196	–	–	51,678,428,196
Short-term debt securities issued	–	21,653,617,895	1,507,907,732	–	23,161,525,627
REPOs	–	16,379,116,195	–	–	16,379,116,195
Long-term debt securities issued	–	28,091,584,553	139,400,410,022	9,957,110,000	177,449,104,575
Lease liabilities	–	768,435,057	1,235,827,786	76,094,482	2,080,357,325
Others	90,791,707,443	56,806,142,292	14,780,088	–	147,612,629,823
Total	184,236,872,750	231,284,578,860	143,304,728,826	10,041,413,955	568,867,594,391

(c) Market risk

Market risk is the risk of loss of the Group's income and value of financial instruments arising from unfavourable market conditions such as adverse changes in interest rates, stock prices and exchange rates. The objectives of market risk management are to monitor the market risk and control it within the acceptable range and to maximise the risk-adjusted return. The Group conducts stress test on a regular basis and calculates risk control indicators and operating indicators under different scenarios. The Group monitors the market risk for investment portfolios and non-trading portfolios separately.

58. FINANCIAL RISK MANAGEMENT *(continued)*

(c) Market risk *(continued)*

(i) Market risk of investment portfolios

Investment portfolio includes financial assets at FVTPL and at FVTOCI, derivative financial assets, financial liabilities at FVTPL, derivative financial liabilities. The risk exposures are measured and monitored against limits on principal, stop loss limit, etc., and are maintained within the established limits. The Group adopts various kinds of methods (such as Value-at-Risk ("VaR") analysis, sensitivity limit analysis, investment concentration limit analysis, scenario analysis and stress test) to manage market risk. The VaR analysis is a major tool used by the Group to measure and monitor market risk of the investment portfolios.

VaR is a technique with the use of which the Group estimates the potential losses that could incur on its risk position under the unfavourable market condition over a specified time horizon and at a given level of confidence. The independent risk management personnel of the Group computes VaR using historical simulation method and implements relevant controls over the market risk accordingly. The historical simulation method is used to estimate future profit or loss based on observed historical market risk factors movements and sensitivity of the current investment portfolio to those risk factors.

Based on three-year historically observed market risk factors movements, the Group has adopted the historical simulation method at the 95% confidence level to compute its daily VaR. The 95% daily VaR indicates that the expected one-day loss of the Group's portfolio will not exceed this VaR at 95% chance, if the portfolio were held constant for one day. Although VaR is an important tool for measuring market risk, the assumptions on which the model is based do have some limitations, including the following:

- When there is severe market illiquidity for a prolonged period, the realisable value of the Group's investment portfolio in a trade day may vary from the estimate due to the one-day time horizon of VaR;
- The 95% confidence level does not reflect losses that may occur beyond this level. Under the model currently in use, the loss in portfolio value would have been exceeded with a frequency of 5%;
- VaR is calculated on an end-of-day basis and does not take into account intraday trading; and
- Historical changes in market risk factors may not be accurate predictors of future market conditions, especially in terms of fully incorporating the risk of extreme market events.

58. FINANCIAL RISK MANAGEMENT (continued)**(c) Market risk** (continued)**(i) Market risk of investment portfolios** (continued)

The following tables set forth the Group computed VaRs by risk categories as of the dates and for the years of 2022 and 2021 respectively:

	As at 31	Year ended 31 December 2022		
	December 2022	Average	Highest	Lowest
Equity prices	108,007,525	130,815,489	187,269,394	96,869,449
Interest rates	71,728,794	69,936,712	82,950,114	50,930,928
Currency rates	42,049,313	34,952,518	48,527,145	20,805,584
Commodity prices	698,524	1,080,381	2,673,152	469,105
Diversification effect	(90,401,787)	(87,254,104)		
Total portfolio	132,082,369	149,530,996	186,055,582	126,055,341

	As at 31	Year ended 31 December 2021		
	December 2021	Average	Highest	Lowest
Equity prices	185,696,707	180,086,116	215,684,592	132,532,882
Interest rates	51,739,456	54,591,702	79,273,858	35,761,912
Currency rates	39,091,828	33,845,476	44,258,664	18,989,510
Commodity prices	953,532	559,318	1,548,226	116,233
Diversification effect	(97,190,940)	(83,694,087)		
Total portfolio	180,290,583	185,388,525	220,752,094	151,260,280

58. FINANCIAL RISK MANAGEMENT *(continued)***(c) Market risk** *(continued)***(ii) Market risk of non-trading portfolios****(1) Interest rate risk**

The non-trading portfolios of the Group are subject to the risk of interest rate fluctuations. Except for the financial assets and liabilities managed through VaR, the Group's major interest-earning assets in its non-trading portfolios include deposits with banks and with clearinghouses, receivable from margin clients and reverse REPOs; and its interest-bearing liabilities mainly include short-term debt securities issued, placements from financial institutions, REPOs and long-term debt securities issued.

The Group adopts sensitivity analysis to measure the interest rate risk of non-trading portfolios. Assuming all other variables remain constant, interest rate sensitivity analysis is as follows:

Sensitivity of net profit		
Year ended 31 December		
	2022	2021
Changes in basis points (bps)		
Increase by 50 bps	(328,607,802)	(294,941,100)
Decrease by 50 bps or decrease to 0	381,121,039	371,242,196

Sensitivity of equity		
As at 31 December		
	2022	2021
Changes in bps		
Increase by 50 bps	(328,607,802)	(294,941,100)
Decrease by 50 bps or decrease to 0	381,121,039	371,242,196

58. FINANCIAL RISK MANAGEMENT *(continued)*

(c) Market risk *(continued)*

(ii) Market risk of non-trading portfolios *(continued)*

(1) Interest rate risk *(continued)*

The sensitivity analysis is based on the static rate risk profile of the Group's assets and liabilities. The sensitivity analysis measures the impact of changes of interest rates in terms of how annualised net profit or loss and equity would have been affected by repricing of the Group's assets and liabilities over the next 12 months. The sensitivity analysis is based on the following assumptions that:

- The 50-bp changes of interest rates at the end of the reporting periods apply to all of the Group's non-trading financial instruments in the next 12 months;
- The shift in the yield curve is parallel with the changes of interest rate;
- There are no changes in the assets and liabilities portfolios;
- Other variables (including exchange rates) remain unchanged; and
- Risk management measures undertaken by the Group are not considered.

As the actual situation in relation with interest rate changes can differ from the above assumptions, the impact of the interest rate changes on the Group's net profit and equity may vary from the estimated results of the sensitivity analysis.

58. FINANCIAL RISK MANAGEMENT *(continued)***(c) Market risk** *(continued)***(ii) Market risk of non-trading portfolios** *(continued)***(2) Currency risk**

Currency risk is the risk arising from fluctuations of foreign exchange rates. The table below presents the exchange rate sensitivity analysis of the Group's major currency risk exposures, which calculates the impact of reasonably possible changes in the foreign exchange rate on equity where all other variables are held constant. This analysis does not take into account any foreign exchange correlations or changes in fair values of financial instruments denominated in foreign currencies, nor does it take into account any measures (for instance use of currency derivatives) that the Group may take to address the adverse impact of foreign exchange exposure on equity.

Currency	Changes in exchange rates	Sensitivity of equity	
		As at 31 December	
		2022	2021
USD	1%	(282,026,183)	(257,894,315)
Hong Kong dollar ("HKD")	1%	45,047,240	82,566,111
Others	1%	2,873,905	14,302,180

While the table above indicates the impact on equity of 1% appreciation of USD, HKD and other foreign currencies, there will be an opposite effect with the same amount if the currencies depreciate by the same percentage.

The table below presents the Group's exposure to foreign exchange risk as at 31 December 2022 and 31 December 2021. The Group's exposure to RMB is presented in the tables below for comparison purposes. Included in the table are the carrying amounts of the assets and liabilities of the Group in RMB equivalent, categorized by the original currencies.

58. FINANCIAL RISK MANAGEMENT *(continued)***(c) Market risk** *(continued)***(ii) Market risk of non-trading portfolios** *(continued)***(2) Currency risk** *(continued)*

	As at 31 December 2022				
	RMB	USD in RMB equivalent	HKD in RMB equivalent	Other in RMB equivalent	Total
Net exposure in the consolidated statement of financial position	108,689,729,567	(23,640,115,079)	13,409,946,855	1,015,134,480	99,474,695,823

	As at 31 December 2021				
	RMB	USD in RMB equivalent	HKD in RMB equivalent	Other in RMB equivalent	Total
Net exposure in the consolidated statement of financial position	117,757,949,422	(41,430,626,148)	6,358,529,794	2,044,983,359	84,730,836,427

59. CAPITAL MANAGEMENT

The Group's capital management policy is to maintain an adequate capital base, so as to retain the confidence of the investors, the creditors and the counterparties and to ensure the sound development of future business. The objective of the Group's capital management is to meet legal and regulatory requirements, while maintaining adequate capital and maximising returns. Based on its strategic plan, its business development needs and the tendency in its risk exposure, the Group carries out the forecast, planning and management of its regulatory capital through scenario analysis and stress testing.

Notes to the Consolidated Financial Statements

(Expressed in RMB, unless otherwise stated)

59. CAPITAL MANAGEMENT *(continued)*

The Group calculates its regulatory capital in accordance with relevant regulations applicable in the local jurisdiction and which may vary from jurisdictions. The Company calculates regulatory capital in accordance with the Provisions on the Calculation Basis for Risk Control Indicators of Securities Companies (CSRC Announcement [2020] No. 10) issued by the CSRC on 23 January 2020.

In accordance with CSRC Announcement [2020] No. 10, the Company is required to meet the following standards for risk control indicators on a continual basis:

- (i) Risk Coverage Ratio (Net capital/Total risk capital reserves \times 100%) shall be no less than 100% ("Ratio i");
- (ii) Capital Leverage Ratio (Core net capital/Total on-and-off-balance-sheet assets \times 100%) shall be no less than 8% ("Ratio ii");
- (iii) Liquidity Coverage Ratio (High quality liquid assets/Total net cash outflows over the next 30 days \times 100%) shall be no less than 100% ("Ratio iii");
- (iv) Net Stable Funding Ratio (Stable funding available/Stable funding required \times 100%) shall be no less than 100% ("Ratio iv");
- (v) The ratio of net capital divided by net assets shall be no less than 20% ("Ratio v");
- (vi) The ratio of net capital divided by liabilities shall be no less than 8% ("Ratio vi");
- (vii) The ratio of net assets divided by liabilities shall be no less than 10% ("Ratio vii");

59. CAPITAL MANAGEMENT *(continued)*

- (viii) The ratio of equity securities and related derivatives held divided by net capital shall not exceed 100% (“Ratio viii”);
- (ix) The ratio of non-equity securities and related derivatives held divided by net capital shall not exceed 500% (“Ratio ix”).

As at 31 December 2022 and 2021, the above risk control indicators of the Company were as follows:

	As at 31 December	
	2022	2021
Net Capital	45,336,902,147	48,228,680,303
Ratio i	182.42%	151.62%
Ratio ii	11.24%	12.81%
Ratio iii	239.71%	316.68%
Ratio iv	154.27%	136.45%
Ratio v	58.80%	72.35%
Ratio vi	18.10%	19.67%
Ratio vii	30.79%	27.19%
Ratio viii	57.48%	58.01%
Ratio ix	339.50%	306.44%

Similar to the Company, certain subsidiaries of the Group are also subject to capital requirements imposed by their local regulators, including the CSRC, the Hong Kong Securities and Futures Commission, etc..

The above risk control indicators are calculated based on the financial information prepared in accordance with China Accounting Standards for Business Enterprises.

Notes to the Consolidated Financial Statements

(Expressed in RMB, unless otherwise stated)

60. STATEMENT OF FINANCIAL POSITION AND CHANGES IN EQUITY OF THE COMPANY

(a) The Company's statement of financial position

	Note	As at 31 December	
		2022	2021
Non-current assets:			
Property and equipment		637,959,429	545,111,929
Right-of-use assets		789,148,071	558,563,929
Intangible assets		480,269,740	227,366,712
Interests in subsidiaries	61	29,256,778,514	26,953,277,514
Interests in associates and joint ventures		516,742,492	507,023,713
Financial assets at fair value through profit or loss		10,356,000	–
Reverse REPOs		–	51,790,820
Refundable deposits		1,783,321,395	1,184,105,034
Deferred tax assets		1,747,928,233	1,027,518,156
Other non-current assets		313,490,774	130,438,831
Total non-current assets		35,535,994,648	31,185,196,638
Current assets:			
Accounts receivable		17,948,183,904	38,074,249,428
Receivable from margin clients		1,756,125,267	3,001,822,335
Financial assets at fair value through other comprehensive income		44,126,298,315	25,515,241,608
Financial assets at fair value through profit or loss		150,420,784,047	148,144,757,401
Derivative financial assets		12,468,902,246	12,348,351,195
Reverse REPOs		18,939,685,842	21,318,427,115
Cash held on behalf of clients		12,350,866,107	18,308,909,816
Cash and bank balances		42,712,021,919	30,293,487,155
Other current assets		3,730,367,947	2,170,979,257
Total current assets		304,453,235,594	299,176,225,310
Total assets		339,989,230,242	330,361,421,948

60. STATEMENT OF FINANCIAL POSITION AND CHANGES IN EQUITY OF THE COMPANY*(continued)***(a) The Company's statement of financial position** *(continued)*

	As at 31 December	
	2022	2021
Current liabilities:		
Financial liabilities at fair value through profit or loss	14,986,691,382	530,502,335
Derivative financial liabilities	13,637,251,734	14,133,736,779
Accounts payable to brokerage clients	12,466,179,735	11,205,854,169
Placements from financial institutions	34,112,499,168	31,203,985,700
Short-term debt securities issued	9,015,084,426	9,518,576,154
REPOs	21,255,464,068	4,271,897,912
Employee benefits payable	5,214,843,785	6,606,898,709
Income tax payable	429,498,493	6,127,631
Long-term debt securities issued due within one year	40,960,833,789	17,289,749,310
Lease liabilities	427,549,275	319,100,902
Contract liabilities	146,978,121	117,421,490
Other current liabilities	71,132,350,398	93,792,029,672
Total current liabilities	223,785,224,374	188,995,880,763
Net current assets	80,668,011,220	110,180,344,547
Total assets less current liabilities	116,204,005,868	141,365,541,185
Non-current liabilities:		
Non-current employee benefits payable	272,873,745	548,478,233
Long-term debt securities issued	38,439,720,629	73,902,636,078
Lease liabilities	384,307,553	257,820,654
Total non-current liabilities	39,096,901,927	74,708,934,965
Net assets	77,107,103,941	66,656,606,220

Notes to the Consolidated Financial Statements

(Expressed in RMB, unless otherwise stated)

60. STATEMENT OF FINANCIAL POSITION AND CHANGES IN EQUITY OF THE COMPANY

(continued)

(a) The Company's statement of financial position (continued)

	Notes	As at 31 December	
		2022	2021
Equity:			
Share capital	50(a)	4,827,256,868	4,827,256,868
Other equity instruments	51	16,400,000,000	8,500,000,000
Reserves	50(b)	48,399,339,182	47,117,371,591
Retained profits		7,480,507,891	6,211,977,761
Total equity		77,107,103,941	66,656,606,220

(b) Statement of changes in equity of the Company

	Reserves							Retained profits	Total equity
	Share capital	Other equity instruments	Capital reserve	Surplus reserve	General reserves	Investment revaluation reserve	Subtotal		
At 1 January 2022	4,827,256,868	8,500,000,000	41,698,292,045	1,392,448,797	3,919,804,534	106,826,215	47,117,371,591	6,211,977,761	66,656,606,220
Changes in equity for the year									
Profit for the year	-	-	-	-	-	-	-	4,642,243,256	4,642,243,256
Other comprehensive income for the year	-	-	-	-	-	(100,298,664)	(100,298,664)	-	(100,298,664)
Total comprehensive income for the year	-	-	-	-	-	(100,298,664)	(100,298,664)	4,642,243,256	4,541,944,592
Appropriation to surplus reserve	-	-	-	464,224,326	-	-	464,224,326	(464,224,326)	-
Appropriation to general reserves	-	-	-	-	934,711,740	-	934,711,740	(934,711,740)	-
Distributions to holders of perpetual subordinated bonds	-	-	-	-	-	-	-	(526,600,000)	(526,600,000)
Issuance of perpetual subordinated bonds	-	7,900,000,000	(16,669,811)	-	-	-	(16,669,811)	-	7,883,330,189
Dividends to shareholders	-	-	-	-	-	-	-	(1,448,177,060)	(1,448,177,060)
At 31 December 2022	4,827,256,868	16,400,000,000	41,681,622,234	1,856,673,123	4,854,516,274	6,527,551	48,399,339,182	7,480,507,891	77,107,103,941

60. STATEMENT OF FINANCIAL POSITION AND CHANGES IN EQUITY OF THE COMPANY*(continued)***(b) Statement of changes in equity of the Company** *(continued)*

	Reserves							Retained profits	Total equity
	Share capital	Other equity instruments	Capital reserve	Surplus reserve	General reserves	Investment revaluation reserve	Subtotal		
At 1 January 2021	4,827,256,868	5,000,000,000	41,699,678,499	995,576,479	3,118,978,079	(17,519,696)	45,796,713,361	4,696,059,588	60,320,029,817
Changes in equity for the year									
Profit for the year	-	-	-	-	-	-	-	3,968,723,182	3,968,723,182
Other comprehensive income for the year	-	-	-	-	-	124,345,911	124,345,911	-	124,345,911
Total comprehensive income for the year	-	-	-	-	-	124,345,911	124,345,911	3,968,723,182	4,093,069,093
Appropriation to surplus reserve	-	-	-	396,872,318	-	-	396,872,318	(396,872,318)	-
Appropriation to general reserves	-	-	-	-	800,826,455	-	800,826,455	(800,826,455)	-
Distributions to holders of perpetual subordinated bonds	-	-	-	-	-	-	-	(386,200,000)	(386,200,000)
Issuance of perpetual subordinated bonds	-	3,500,000,000	-	-	-	-	-	-	3,500,000,000
Dividends to shareholders	-	-	-	-	-	-	-	(868,906,236)	(868,906,236)
Others	-	-	(1,386,454)	-	-	-	(1,386,454)	-	(1,386,454)
At 31 December 2021	4,827,256,868	8,500,000,000	41,698,292,045	1,392,448,797	3,919,804,534	106,826,215	47,117,371,591	6,211,977,761	66,656,606,220

61. INTERESTS IN SUBSIDIARIES

	As at 31 December	
	2022	2021
Unlisted shares, at cost or deemed cost	29,256,778,514	26,953,277,514

Notes to the Consolidated Financial Statements

(Expressed in RMB, unless otherwise stated)

61. INTERESTS IN SUBSIDIARIES (continued)

(a) Particulars of the Company's principal subsidiaries are as follows:

Name of company	Place of incorporation and operation	Kind of legal entity	Particulars of issued and paid-in capital	Equity interest held by the Company as at 31 December		Principal activity	Auditor ⁽¹⁾
				2022	2021		
China International Capital Corporation (International) Limited (Formerly known as China International Capital Corporation (Hong Kong) Limited)	Hong Kong SAR	Company limited by shares	HKD 6,000,000,000	100%	100%	Overseas investment holding business	DTT
CICC Wealth Management	Shenzhen, PRC	Limited liability company	RMB 8,000,000,000	100%	100%	Wealth management and securities brokerage business	DTT PRC
CICC Capital	Beijing, PRC	Limited liability company	RMB 922,804,807	100%	100%	Private equity investment business	DTT PRC
CICC Pucheng Investment Co., Ltd.	Shanghai, PRC	Limited liability company	RMB 3,500,000,000	100%	100%	Alternative investment business: financial products, equity, etc.	DTT PRC
CICC Fund Management Co., Ltd.	Beijing, PRC	Limited liability company	RMB 500,000,000	100%	100%	Management of funds business	DTT PRC
CICC Futures Co., Ltd.	Xining, PRC	Limited liability company	RMB 350,000,000	100%	100%	Futures brokerage and asset management business	DTT PRC
CICC Private Equity Management Co., Ltd.	Shanghai, PRC	Limited liability company	RMB 99,500,000	100%	100%	Private equity investment business	DTT PRC
CICC Financial Trading Limited ⁽²⁾	Hong Kong SAR	Company limited by shares	HKD1	100%	100%	Securities trading business	DTT

Notes:

(1) Statutory auditors of the respective subsidiaries of the Group are as follows:

- DTT PRC represents Deloitte Touche Tohmatsu Certified Public Accountants LLP, 德勤華永會計師事務所(特殊普通合夥), a firm of certified public accountants registered in the PRC;
- DTT represents Deloitte Touche Tohmatsu, 德勤關黃陳方會計師行(香港), a firm of certified public accountants registered in Hong Kong;

(2) The equity interest of the subsidiary was indirectly held by the Company.

62. CONTINGENCIES

The Group is exposed to the risk of economic benefit outflows due to litigations, arbitrations or regulatory investigations in the course of operations. The Group, after having assessed in accordance with the IAS, believes that the economic benefit outflows of such risk do not meet the recognition of provisions. The Group had no outstanding litigations, arbitration or regulatory investigations which had a material impact on its consolidated financial position or operating results as at 31 December 2022.

63. SUBSEQUENT EVENTS

(a) Corporate bonds

On 17 January 2023, the Group issued the first tranche of public corporate bonds, with type I named as 23 CICC G1 and type II named as 23 CICC G2. The total principal amount of 23 CICC G1 is RMB1.0 billion with duration of 3 years and the interest rate is 3.00% per annum, with an issuer's option to adjust the nominal interest rate at the end of second year and an obligation to redeem the bonds when requested by investors. The total principal amount of 23 CICC G2 is RMB3.0 billion with duration of 5 years and the interest rate is 3.18% per annum, with an issuer's option to adjust the nominal interest rate at the end of third year and an obligation to redeem the bonds when requested by investors.

The Group fully exercised the call option on the 20 CICC WMS G1 with an aggregate principal amount of RMB2.0 billion on 16 January 2023. The Group completed the fully redemption, as the option writer, of the 21 CICC F1 with an aggregate principal amount of RMB2.5 billion on 18 January 2023, of the 20 CICC F1 with an aggregate principal amount of RMB4.0 billion on 27 February 2023, of the 21 CICC F3 with an aggregate principal amount of RMB1.5 billion on 6 March 2023 and of the 21 CICC WMS G1 with an aggregate principal amount of RMB2.0 billion on 27 March 2023.

63. SUBSEQUENT EVENTS *(continued)*

(b) Subordinated bonds

On 13 February 2023, the Group issued the first tranche of public subordinated bonds, with type I named as 23 CICC WMS C1 and type II named as 23 CICC WMS C2. The total principal amount of 23 CICC WMS C1 is RMB2.5 billion with duration of 3 years and the interest rate is 3.80% per annum. The total principal amount of 23 CICC WMS C2 is RMB0.5 billion with duration of 5 years and the interest rate is 4.17% per annum.

(c) MTNs

The Group issued a tranche of 3-year MTN with an aggregate principal amount of USD1.25 billion on 1 March 2023 and the interest rate is 5.493% per annum.

The Group redeemed the 3-year floating rate MTN with an aggregate principal amount of USD1.0 billion on 21 February 2023.

(d) Proposed profit distribution after the reporting period

In accordance with the 2022 profit distribution plan approved by the Board of Directors on 31 March 2023, the Company will adopt the method of cash dividends for its 2022 profit distribution. The total of proposed cash dividends to be distributed is RMB868,906,236 (tax inclusive). On the basis of 4,827,256,868 shares in issue as at the date of approval of the financial statements of the Company, a cash dividend of RMB1.80 (tax inclusive) for every ten shares will be distributed. The 2022 profit distribution plan is subject to approval of the related resolution by the annual general meeting. The cash dividends will be recognized as liabilities after the approval and declaration by the annual general meeting.



INDEX OF DOCUMENTS FOR INSPECTION

- I. Financial statements carrying the signature of the Company's Chairman of Board and Chief Executive Officer and the seal of the Company.
- II. The original audit report carrying the signature of the certified public accountant.
- III. The original copies of all documents and announcements of the Company made public during the Reporting Period.
- IV. Annual reports published in other securities markets.

INFORMATION DISCLOSURE OF SECURITIES COMPANIES

MAJOR ADMINISTRATIVE APPROVALS OF THE COMPANY

During the Reporting Period, the Company did not receive any major administrative approval.

During the Reporting Period, the administrative approval matters of CICC Wealth Management are as follows:

Date of approval	Headings of approval	No. of approval
June 8, 2022	Reply on Approving China CICC Wealth Management Securities Company Limited to Reduce Securities Underwriting and Sponsorship Business	Zheng Jian Xu Ke [2022] No. 1201

Note: According to the business integration plan between the Company and CICC Wealth Management, upon the completion of the relevant business integration, the Company as the parent company, will carry out investment banking business, equities business, FICC business, asset management business, and private equity business, and CICC Wealth Management as the subsidiary, will conduct wealth management business. The above approval does not affect the Company's normal securities underwriting and sponsorship business.

APPENDIX I: COMPANY'S MAIN BUSINESS QUALIFICATIONS

- (1) In 1995, obtained license for operating foreign exchange business, the State Administration of Foreign Exchange (replaced by license of securities business in foreign currency in 2015)
- (2) In 1996, qualification of member of the Shanghai Stock Exchange, the Shanghai Stock Exchange
- (3) In 1997, qualification of member of the Shenzhen Stock Exchange, the Shenzhen Stock Exchange
- (4) In 1999, qualification for underwriting business, proprietary trading and brokerage business for domestic and overseas government bonds, corporate bonds and enterprise bonds, the CSRC
- (5) In 1999, obtained approval to enter the national interbank market, the PBOC
- (6) In 2000, qualification of member of National Debt Association of China, the National Debt Association of China
- (7) In 2001, qualification for RMB ordinary equities brokerage business, the CSRC
- (8) In 2002, qualification for securities investment advisory business, the CSRC
- (9) In 2002, qualification for entrusted investment management business, the CSRC
- (10) In 2004, obtained approval to become one of the first batch of sponsor institutions, the CSRC
- (11) In 2004, qualification for internet securities entrustment business, the CSRC
- (12) In 2004, qualification of sales agent for open-ended securities investment funds, the CSRC
- (13) In 2004, securities firm engaging in innovative activities, the SAC
- (14) In 2004, qualification of NSSF investment manager, the National Council for Social Security Fund
- (15) In 2005, obtained approval to set up collective asset management plans for CICC's short-term bonds, the CSRC
- (16) In 2005, qualification for underwriting business of short-term commercial papers, the PBOC
- (17) In 2005, qualification for bond forward transactions business in the national interbank bond market, the PBOC
- (18) In 2005, qualification of bilateral market maker for block transactions of bonds, the Shanghai Stock Exchange
- (19) In 2005, qualification for warrant trading business, the Shanghai Stock Exchange

Appendix I: Company's Main Business Qualifications

- (20) In 2005, qualification of corporate annuity fund manager, the Ministry of Human Resources and Social Security of the People's Republic of China
- (21) In 2005, qualification for foreign exchange asset management business, the SAC
- (22) In 2006, qualification of first-class dealer for SSE 180 Trading Open-ended Index Securities Investment Fund (i.e. ETF), the Shanghai Stock Exchange
- (23) In 2006, qualification of NSSF offshore investment manager, the National Council for Social Security Fund
- (24) In 2006, qualification of Participant of China Securities Depository and Clearing Corporation, the China Securities Depository and Clearing Co., Ltd
- (25) In 2007, approved the proposal of third party custodian for settlement funds of client transactions, the Beijing Office of the CSRC
- (26) In 2007, qualification of dealer on Integrated Electronic Platform of Fixed-income Securities of the Shanghai Stock Exchange, the Shanghai Stock Exchange
- (27) In 2007, engaged in offshore securities investment management business as a QDII, the CSRC
- (28) In 2007, qualification for the business of SSE Fund Connect (上證基金通), the Shanghai Stock Exchange
- (29) In 2007, obtained approval to commence direct investment business (through the promotion and establishment of a wholly-owned direct investment company), the CSRC
- (30) In 2007, qualification to engage in interbank market interest rate swap business, the CSRC
- (31) In 2008, qualification of Class A Clearing Participant of China Securities Depository and Clearing Corporation, the China Securities Depository and Clearing Co., Ltd
- (32) In 2008, qualification for lead underwriting business of short-term commercial paper, the PBOC
- (33) In 2008, obtained approval to set up collective asset management plan for gains from CICC's enhanced bonds, the CSRC
- (34) In 2009, qualification of member of the Tianjin Climate Exchange, the Tianjin Climate Exchange
- (35) In 2010, qualification to commence RMB ordinary equities proprietary trading, the CSRC
- (36) In 2010, qualification to provide introducing brokerage business to futures companies, the CSRC

- (37) In 2010, qualification of market maker in the national interbank bond market, the PBOC
- (38) In 2010, qualification to commence offshore securities investment specific asset management business, the CSRC
- (39) In 2010, qualification of ordinary clearing member of the Interbank Market Clearing House Co., Ltd., the Interbank Market Clearing House Co., Ltd.
- (40) In 2010, qualification for margin financing and securities lending business, the CSRC
- (41) In 2011, qualification for business of Nominated Advisers & Brokers on the Third Board (Agency Share Transfer System), the SAC
- (42) In 2011, obtained approval to increase agency sale institutions for collective asset management plan for gains from CICC's enhanced bonds and collective asset management plans for CICC's selective funds, the Beijing Office of the CSRC
- (43) In 2011, qualification of member of book-entry government bond underwriting syndicates from 2012-2014, the Ministry of Finance of China, the PBOC and the CSRC
- (44) In 2011, obtained approval to launch and set up investment funds for strategic emerging industries, the National Development and Reform Commission of China
- (45) In 2012, qualification to commence placing business for SME bonds, the SAC
- (46) In 2012, qualification for bond pledged quotation and repo transaction, the CSRC
- (47) In 2012, qualification of insurance funds investment manager, the CIRC
- (48) In 2012, authorization for trading in securities under repurchase agreements, the Shanghai Stock Exchange
- (49) In 2012, qualification to provide refinancing for margin financing and securities lending business, the CSF
- (50) In 2012, expanded the financing investment of bond pledged quotation and repo transaction, the Shanghai Stock Exchange
- (51) In 2012, qualification to establish a professional subsidiary for commencing real estate direct investment fund business, the CSRC
- (52) In 2013, qualification for over-the-counter trading business, the SAC

Appendix I: Company's Main Business Qualifications

- (53) In 2013, authorization for stock pledged repo transaction, the Shanghai Stock Exchange and the Shenzhen Stock Exchange
- (54) In 2013, qualification for equities swap transaction business, the SAC
- (55) In 2013, qualification for agency business of financial products, the CSRC Beijing Bureau
- (56) In 2013, qualification for sponsor, brokerage business on the National Equities Exchange and Quotations (NEEQ), NEEQ
- (57) In 2013, qualification for witnessing account opening business, the CSDC
- (58) In 2013, qualification for split conversion and merger conversion business of funds, the CSDC
- (59) In 2013, qualification of advisory service for military industry and confidential business (renewed in 2017), the State Administration for Science, Technology and Industry for National Defense
- (60) In 2013, authorization for trading in securities under repurchase agreement, the Shenzhen Stock Exchange
- (61) In 2014, qualification for mutual funds business (through the promotion and establishment of a wholly-owned fund company), the CSRC
- (62) In 2014, business for special institutional customers of insurance institutions, the China Insurance Regulatory Commission
- (63) In 2014, qualification for internet account opening business, the CSDC
- (64) In 2014, qualification for market-making business on the National Equities Exchange and Quotations (NEEQ), NEEQ
- (65) In 2014, qualification for Southbound Trading (Shanghai-Hong Kong Stock Connect), the Shanghai Stock Exchange
- (66) In 2014, qualification for over-the-counter issuance of beneficiary certificates business, the China Securities Internet System Co., Ltd.
- (67) In 2015, qualifications for stock options brokerage business and proprietary trading business, the Shanghai Stock Exchange and the Shenzhen Stock Exchange
- (68) In 2015, qualification of internet finance business, the CSRC
- (69) In 2015, qualification of integrated custodian business for private funds, the China Securities Investor Protection Fund Corporation Limited

- (70) In 2015, qualification of security agency business for long-distance pledge and registration, the CSDC
- (71) In 2015, qualifications for spot precious metals agency business and spot gold proprietary trading business and member of the Shanghai Gold Exchange, the CSRC and the Shanghai Gold Exchange
- (72) In 2015, qualification of custodian business for securities investment funds, the CSRC
- (73) In 2016, qualification of standard bond futures centralized settlement business with Shanghai Clearing House, the Interbank Market Clearing House Co., Ltd.
- (74) In 2016, qualification for Southbound Trading (Shenzhen-Hong Kong Stock Connect), the Shenzhen Stock Exchange
- (75) In 2017, qualification for the northbound trading quotation bureau under bond connect granted by the National Interbank Funding Center, the China Foreign Exchange Trade System
- (76) In 2017, replaced the original permit to operate securities business with the permit to operate securities and futures business, the CSRC
- (77) In 2018, qualification for conducting pilot cross-border businesses, the CSRC
- (78) In 2018, qualification of first-class dealer for OTC options, the CSRC
- (79) In 2019, qualification of core dealer for Credit Protection Contract, the Shanghai Stock Exchange
- (80) In 2019, pilot qualification of financing business through exercising incentive share options of listed companies, the Shenzhen Stock Exchange
- (81) In 2019, qualification of private fund services (including qualifications for quota registration business service and valuation and accounting business service), the Asset Management Association
- (82) In 2019, qualification of core dealer for Credit Protection Contract, the Shenzhen Stock Exchange
- (83) In 2019, qualification for main market maker business of listed funds, the Shanghai Stock Exchange
- (84) In 2019, qualification of member of China Banking Association, the China Banking Association
- (85) In 2019, qualification for conducting margin financing business on the science and technology innovation board, the CSF
- (86) In 2019, qualification for conducting market making business of commodity options, the CSRC

Appendix I: Company's Main Business Qualifications

- (87) In 2019, authorization for trading in stock options business, the Shenzhen Stock Exchange
- (88) In 2019, qualification of the Credit Protection Certificate Creation Agency granted by the Shanghai Stock Exchange, the Shanghai Stock Exchange
- (89) In 2020, commenced interest rate option business on a pilot basis, the China Foreign Exchange Trade System
- (90) In 2020, pilot qualification of fund investment advisory business, the CSRC
- (91) In 2020, qualification of market maker for hot rolled coils futures, the Shanghai Futures Exchange
- (92) In 2020, filing of foreign exchange business on behalf of customers (to conduct the settlement and sale of foreign exchange for customers (including themselves) engaged in cross-border investment and financing transactions in compliance with laws and regulations; RMB structured products (QUANTO); foreign exchange trading business on behalf of customers), the State Administration of Foreign Exchange
- (93) In 2020, qualification to independently carry out the lead underwriting business for the debt financing instruments of non-financial enterprises, the National Association of Financial Market Institutional Investors
- (94) In 2020, qualification to conduct foreign exchange settlement and sales business, the State Administration of Foreign Exchange
- (95) In 2020, qualification of member of inter-bank foreign exchange market, the China Foreign Exchange Trade System
- (96) In 2020, qualification of the Credit Protection Certificate Creation Agency granted by the Shenzhen Stock Exchange, the Shenzhen Stock Exchange
- (97) In 2021, qualification for conducting market making business of commodity futures, the CSRC
- (98) In 2021, qualification for the stock options market making business, the CSRC
- (99) In 2021, qualification of member of the Beijing Stock Exchange, the Beijing Stock Exchange
- (100) In 2021, qualification for conducting southbound trading ("Southbound Trading") business under the bond market connect between the Mainland and Hong Kong, the PBOC
- (101) In 2021, qualification for conducting market making business of government bond futures, the CSRC
- (102) In 2021, qualification for non-bank financial institutions to carry out the pilot business of the settlement and sale of foreign exchange on behalf of customers, the State Administration of Foreign Exchange

- (103) In 2022, qualification of general market maker for the Shenzhen Stock Exchange CSI 300 ETF options, the Shenzhen Stock Exchange
- (104) In 2022, qualification of general market maker for the Shanghai Stock Exchange SSE 50 ETF options and CSI 300 ETF options, the Shanghai Stock Exchange
- (105) In 2022, qualification of physical delivery business on Shanghai Futures Exchange for special unit customers, the Shanghai Futures Exchange
- (106) In 2022, qualification of general market maker for the Shanghai Stock Exchange CSI 500 ETF options, the Shanghai Stock Exchange
- (107) In 2022, qualification of market maker for industrial silicon options, the Guangzhou Futures Exchange
- (108) In 2023, qualification for stock index options market making business, the CSRC
- (109) In 2023, qualification for conducting proprietary carbon emission permit trading business, the CSRC
- (110) In 2023, qualification of margin financing and securities lending business of the Beijing Stock Exchange, the Beijing Stock Exchange

APPENDIX II: ESTABLISHMENT, CHANGE AND DISPOSAL OF SECURITIES BUSINESS OFFICES

1. NEWLY-ESTABLISHED SECURITIES BUSINESS OFFICES

No.	Name of the newly-established securities business offices	Address of the newly-established securities business offices	Date of establishment
1	Linyi Yimeng North Road Securities Business Office of CICC Wealth Management Securities	Room 301, Building H, Phase III, Yigao Shanghai Street, Liuqing Street, Lanshan District, Linyi, Shandong	September 23, 2022
2	Yantai Huanghai Road Securities Business Office of CICC Wealth Management Securities	No. 403, Building 1, No. 9 Huanghai Road, Laishan District, Yantai, Shandong	December 19, 2022

2. CHANGE OF NAME OF SECURITIES BUSINESS OFFICES

No.	Name of securities business offices before name change	Name of securities business offices after name change	Date of name change
1	Hangzhou Global Center Securities Business Office of CICC Wealth Management Securities	Hangzhou Jianghehui Securities Business Office of CICC Wealth Management Securities	January 10, 2022
2	Tianjin Nanma Road Securities Business Office of CICC Wealth Management Securities	Tianjin Nanjing Road Securities Business Office of CICC Wealth Management Securities	March 16, 2022
3	Huzhou Longxi North Road Securities Business Office of CICC Wealth Management Securities	Huzhou Renhuangshan Securities Business Office of CICC Wealth Management Securities	March 18, 2022
4	Beijing Zhongguancun South Street Securities Business Office of CICC Wealth Management Securities	Beijing Wanliu Middle Road Securities Business Office of CICC Wealth Management Securities	March 23, 2022
5	Wuxi Qingyang Road Securities Business Office of CICC Wealth Management Securities	Wuxi Branch of CICC Wealth Management Securities	May 19, 2022
6	Guangzhou Huadu Fenghuang North Road Securities Business Office of CICC Wealth Management Securities	Guangzhou Huadu Poly Financial Center Securities Business Office of CICC Wealth Management Securities	May 25, 2022
7	Ningbo Jiangdong North Road Securities Business Office of CICC Wealth Management Securities	Ningbo Shizi Street Securities Business Office of CICC Wealth Management Securities	June 14, 2022
8	Beijing Wangjing Street Securities Business Office of CICC Wealth Management Securities	Beijing Wangjing Qiyang Road Securities Business Office of CICC Wealth Management Securities	June 30, 2022
9	Yangzhou Longcheng Road Securities Business Office of CICC Wealth Management Securities	Yangzhou Wenchang East Road Securities Business Office of CICC Wealth Management Securities	August 12, 2022

No.	Name of securities business offices before name change	Name of securities business offices after name change	Date of name change
10	Wujiang Shengze Shunxin Middle Road Securities Business Office of CICC Wealth Management Securities	Suzhou Shengze Dunhuang Road Securities Business Office of CICC Wealth Management Securities	September 6, 2022
11	Shenzhen Kerry Plaza Securities Business Office of CICC Wealth Management Securities	Shenzhen OCT Securities Business Office of CICC Wealth Management Securities	September 28, 2022
12	Hefei Changjiang Middle Road Securities Business Office of CICC Wealth Management Securities	Hefei Huangshan Road Securities Business Office of CICC Wealth Management Securities	October 17, 2022
13	Chongqing Honghu West Road Securities Business Office of CICC Wealth Management Securities	Chongqing Liangjiang New Area Securities Business Office of CICC Wealth Management Securities	October 17, 2022
14	Dalian Renmin Road Securities Business Office of CICC Wealth Management Securities	Dalian Xinghai Square Securities Business Office of CICC Wealth Management Securities	October 27, 2022
15	Xiamen Lianyue Road Securities Business Office of CICC Wealth Management Securities	Xiamen Branch of CICC Wealth Management Securities	October 31, 2022
16	Qingdao Yanji Road Securities Business Office of CICC Wealth Management Securities	Qingdao Shangshi Center Securities Business Office of CICC Wealth Management Securities	November 11, 2022
17	Haikou Longhua Road Securities Business Office of CICC Wealth Management Securities	Hainan Branch of CICC Wealth Management Securities	November 25, 2022
18	Kunming Huancheng West Road Securities Business Office of CICC Wealth Management Securities	Kunming Dongfeng East Road Securities Business Office of CICC Wealth Management Securities	December 27, 2022

Appendix II: Establishment, Change and Disposal of Securities Business Offices

3. RELOCATION OF SECURITIES BUSINESS OFFICES

No.	Name of securities business offices before relocation	Name of securities business offices after relocation	New address	Date of relocation
1	Hangzhou Global Center Securities Business Office of CICC Wealth Management Securities	Hangzhou Jianghehui Securities Business Office of CICC Wealth Management Securities	Rooms 1111 and 1112, 11F, Zhongtian Qiantang Ginza, No. 1300 Zhijiang Road, Shangcheng District, Hangzhou, Zhejiang	January 10, 2022
2	Foshan Branch of CICC Wealth Management Securities	Foshan Branch of CICC Wealth Management Securities	Rooms 3101, 3102, 3103 and 3104, Block 4, Poly Business Center, No.3 Guotai South Road, Dehe Community Neighborhood Committee, Daliang Sub-district Office, Shunde District, Foshan, Guangdong	February 25, 2022
3	Tianjin Nanma Road Securities Business Office of CICC Wealth Management Securities	Tianjin Nanjing Road Securities Business Office of CICC Wealth Management Securities	Rooms 1001 & 1006, Tianjin Huanmao Business Center, No.219 Nanjing Road, Nanyingmen Street, Heping District, Tianjin	March 16, 2022
4	Guangdong Branch of CICC Wealth Management Securities	Guangdong Branch of CICC Wealth Management Securities	Rooms 2804, 2805, 2806, 2807, 2808, 28/F, Kaihua International Center, No. 5 Xiancun Road, Zhujiang New Town, Tianhe District, Guangzhou, Guangdong	March 18, 2022
5	Huzhou Longxi North Road Securities Business Office of CICC Wealth Management Securities	Huzhou Renhuangshan Securities Business Office of CICC Wealth Management Securities	Rooms 501, 514, 515, 518 and 519, Husheng Building, Huzhou, Zhejiang	March 18, 2022
6	Beijing Zhongguancun South Street Securities Business Office of CICC Wealth Management Securities	Beijing Wanliu Middle Road Securities Business Office of CICC Wealth Management Securities	Room 201, 1/F, Building 2, Wanliu Fengniao Home, Haidian District, Beijing	March 23, 2022
7	Jinan Long'ao West Road Securities Business Office of CICC Wealth Management Securities	Jinan Long'ao West Road Securities Business Office of CICC Wealth Management Securities	Room 704, 7/F, Block D, Yinfeng Fortune Plaza, No.1 Long'ao West Road, Lixia District, Jinan, Shandong	May 5, 2022
8	Guangzhou Huadu Fenghuang North Road Securities Business Office of CICC Wealth Management Securities	Guangzhou Huadu Poly Financial Center Securities Business Office of CICC Wealth Management Securities	No.103 Tiangui Road, Blocks 9, 10, 11 and 15, Poly Financial Center, Huadu District, Guangzhou, Guangdong	May 25, 2022

No.	Name of securities business offices before relocation	Name of securities business offices after relocation	New address	Date of relocation
9	Ningbo Jiangdong North Road Securities Business Office of CICC Wealth Management Securities	Ningbo Shizi Street Securities Business Office of CICC Wealth Management Securities	Room 1003, No. 777 Lingqiao Road, Haishu District, Ningbo, Zhejiang	June 14, 2022
10	Dengfeng Dayu Road Securities Business Office of CICC Wealth Management Securities	Dengfeng Dayu Road Securities Business Office of CICC Wealth Management Securities	50 meters north of the intersection of Dayu Road and Shaoshi Road, Songyang Street, Dengfeng, Zhengzhou, Henan	June 23, 2022
11	Beijing Wangjing Street Securities Business Office of CICC Wealth Management Securities	Beijing Wangjing Qiyang Road Securities Business Office of CICC Wealth Management Securities	Room 1401-08, 14/F, Building 6, District 4, Wangjing East Garden, Chaoyang District, Beijing	June 30, 2022
12	Yangzhou Longcheng Road Securities Business Office of CICC Wealth Management Securities	Yangzhou Wenchang East Road Securities Business Office of CICC Wealth Management Securities	Room 101, Building 31, Plot B, Phase II, Jiayuan Centurial City, No. 1169 Wenchang East Road, Xiannv Town, Jiangdu District, Yangzhou, Jiangsu	August 12, 2022
13	Guangzhou Binjiang East Road Securities Business Office of CICC Wealth Management Securities	Guangzhou Binjiang East Road Securities Business Office of CICC Wealth Management Securities	Shop 301, No. 837 Binjiang East Road, Haizhu District, Guangzhou, Guangdong	August 17, 2022
14	Wujiang Shengze Shunxin Middle Road Securities Business Office of CICC Wealth Management Securities	Suzhou Shengze Dunhuang Road Securities Business Office of CICC Wealth Management Securities	113 Nanhua Building, No. 588 Dunhuang Road, Shengze Town, Wujiang District, Suzhou, Jiangsu	September 6, 2022
15	Anhui Branch of CICC Wealth Management Securities	Anhui Branch of CICC Wealth Management Securities	24/F, Block A, CR Building, No. 111 Qianshan Road, Shushan District, Hefei, Anhui	September 20, 2022
16	Shenzhen Kerry Plaza Securities Business Office of CICC Wealth Management Securities	Shenzhen OCT Securities Business Office of CICC Wealth Management Securities	Rooms 2401, 2402 and 2412, Block A, OCT Tower, No. 9018 Shennan Avenue, Zhongxin Street Community, Shahe Street, Nanshan District, Shenzhen, Guangdong	September 28, 2022
17	Chengdu Tianfu Avenue Securities Business Office of CICC Wealth Management Securities	Chengdu Tianfu Avenue Securities Business Office of CICC Wealth Management Securities	No. 2901, 2902, 2903, 2904, 2905 and 2909, 29/F, Building 3, No. 1199 North Section of Tianfu Avenue, Chengdu Hi-tech Zone, China (Sichuan) Pilot Free Trade Zone	October 8, 2022

Appendix II: Establishment, Change and Disposal of Securities Business Offices

No.	Name of securities business offices before relocation	Name of securities business offices after relocation	New address	Date of relocation
18	Zhejiang Branch of CICC Wealth Management Securities	Zhejiang Branch of CICC Wealth Management Securities	Rooms 1807, 1808, 1809, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308 and 2309, Building 2, Raffles Center, Shangcheng District, Hangzhou, Zhejiang	October 14, 2022
19	Hefei Changjiang Middle Road Securities Business Office of CICC Wealth Management Securities	Hefei Huangshan Road Securities Business Office of CICC Wealth Management Securities	3/F, Shengjing Building, No. 463 Huangshan Road, Shushan District, Hefei, Anhui	October 17, 2022
20	Shaanxi Branch of CICC Wealth Management Securities	Shaanxi Branch of CICC Wealth Management Securities	Room 11401, Building 1, Qujiang Wanzhong International, No. 1 Qujiangchi East Road, Qujiang New District, Xi'an	October 17, 2022
21	Shenzhen Branch of CICC Wealth Management Securities	Shenzhen Branch of CICC Wealth Management Securities	Rooms 701, 702, 703, 704, 903, 904, Suite T3, Block 3, Kerry Plaza, No. 1-1 Zhongxin Forth Road, Fu'an Community, Futian Street, Futian District, Shenzhen, Guangdong	October 20, 2022
22	Dalian Renmin Road Securities Business Office of CICC Wealth Management Securities	Dalian Xinghai Square Securities Business Office of CICC Wealth Management Securities	Unit 05-07, 32/F, Nuode Building, No. 22 Titan Road and Unit 01, 1/F, No. 16 Titan Road, Shahekou District, Dalian, Liaoning	October 27, 2022
23	Guangzhou Zhujiang New Town Securities Business Office of CICC Wealth Management Securities	Guangzhou Zhujiang New Town Securities Business Office of CICC Wealth Management Securities	Rooms 2901, 2902, 2903, 2904, 2907, 2908, 2909, 2910, 2911, 2912, 29/F, Kaihua International Center, No. 5 Xiancun Road, Zhujiang New Town, Tianhe District, Guangzhou, Guangdong	October 27, 2022
24	Shanghai Huangpu District Hubin Road Securities Business Office of CICC Wealth Management Securities	Shanghai Huangpu District Hubin Road Securities Business Office of CICC Wealth Management Securities	Rooms 1802-1808, 18/F, No. 168 Hubin Road, Huangpu District, Shanghai	October 28, 2022
25	Xiamen Hubin East Road Securities Business Office of CICC Wealth Management Securities	Xiamen Hubin East Road Securities Business Office of CICC Wealth Management Securities	Units 3001-1, 3003, Building A, CR Building, No. 93 Hubin East Road, Siming District, Xiamen, Fujian	October 31, 2022

No.	Name of securities business offices before relocation	Name of securities business offices after relocation	New address	Date of relocation
26	Qingdao Yanji Road Securities Business Office of CICC Wealth Management Securities	Qingdao Shangshi Center Securities Business Office of CICC Wealth Management Securities	Units 1401 and 1402, T8-SDHS Building, Shangshi Center, No. 195 Hong Kong East Road, Laoshan District, Qingdao, Shandong	November 11, 2022
27	Nanjing Hanzhong Road Securities Business Office of CICC Wealth Management Securities	Nanjing Hanzhong Road Securities Business Office of CICC Wealth Management Securities	28/F, Asia Pacific Business Building, No. 2 Hanzhong Road, Gulou District, Nanjing, Jiangsu	December 7, 2022
28	Jiangsu Branch of CICC Wealth Management Securities	Jiangsu Branch of CICC Wealth Management Securities	Rooms 2309 (i.e. the pre-sale contract address), 2607 and 2608, 26/F, Phase II, Sunny World Center, No. 168 Lushan Road, Jianye District, Nanjing, Jiangsu	December 8, 2022
29	Kunming Huancheng West Road Securities Business Office of CICC Wealth Management Securities	Kunming Dongfeng East Road Securities Business Office of CICC Wealth Management Securities	Units 2507, 2508 and 2509, 25/F, Office Building, Spring City 66, No. 23 Dongfeng East Road, Panlong District, Kunming, Yunnan	December 27, 2022

4. CANCELLATION OF SECURITIES BUSINESS OFFICES

No.	Name of cancelled securities business offices	Address of cancelled securities business offices	Date of cancellation
1	Yangzhou Gaoyou Wenyou Middle Road Securities Business Office of CICC Wealth Management Securities	Shop 19, Jiahe City Garden, Gaoyou, Yangzhou, Jiangsu	July 13, 2022
2	Chengdu Dayi Dadong Street Securities Business Office of CICC Wealth Management Securities	No. 329-331, 1/F, Building 1, Dadong Street, Jinyuan Town, Dayi County, Chengdu, Sichuan	July 14, 2022
3	Suining Pengxi Xihu Road Securities Business Office of CICC Wealth Management Securities	Room 4, 1/F, Building 4, Huanxiya Zhixifang, No. 283 Xihu Road, Chicheng Town, Pengxi County, Suining, Sichuan	July 18, 2022
4	Jilin Songjiang Middle Road Securities Business Office of CICC Wealth Management Securities	Commercial Outlet 1, Building 5, Cuijiang Jinyuan, Songjiang Middle Road, Chuanying District, Jilin, Jilin	August 8, 2022
5	Ningbo Lingqiao Road Securities Business Office of CICC Wealth Management Securities	Rooms 803, 804, China Life Building, No. 777 Lingqiao Road, Haishu District, Ningbo, Zhejiang	December 7, 2022
6	Shanghai Huangpu District Hubin Road Securities Business Office of CICC	Unit 1804B, No. 168 Hubin Road, Huangpu District, Shanghai	September 26, 2022
7	Shenzhen Yitian Road Securities Business Office of CICC	Unit 02, 72/F, Ping An Finance Center, No. 5033 Yitian Road, Fu'an Community, Futian Street, Futian District, Shenzhen	October 10, 2022
8	Shanghai Pudong New District Century Avenue Securities Business Office of CICC	Room 4609-14, 46/F, Office Building (Phase II), Shanghai International Financial Tower, No. 8 Century Avenue, China (Shanghai) Pilot Free Trade Zone	November 9, 2022

5. TRANSFER OF SECURITIES BUSINESS OFFICES (NO TRANSFER OF SECURITIES BUSINESS OFFICES IN 2022)

Note: The relevant dates in Appendix II are all business license dates.