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**國泰君安證券股份有限公司**  
**GUOTAI JUNAN SECURITIES CO., LTD.**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 02611)**

**INTERIM RESULTS ANNOUNCEMENT FOR**  
**THE SIX MONTHS ENDED 30 JUNE 2023**

The board of directors (the “**Board**”) of Guotai Junan Securities Co., Ltd. (the “**Company**”) hereby announces the unaudited interim results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2023. This announcement sets out the full text of 2023 Interim Report and complies with the relevant requirements of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited in relation to information to accompany the preliminary announcement of interim results.

This interim results announcement will be published on the website of Hong Kong Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.gtja.com](http://www.gtja.com).

The 2023 Interim Report will be dispatched to holders of the Company’s H Shares in due course and will be published on the aforesaid websites of Hong Kong Stock Exchange and the Company.

By order of the Board  
**Guotai Junan Securities Co., Ltd.**  
**HE Qing**  
*Chairman*

Shanghai, the PRC  
29 August 2023

*As at the date of this announcement, the executive directors of the Company are Mr. HE Qing, Mr. WANG Song and Mr. YU Jian; the non-executive directors of the Company are Mr. LIU Xinyi, Ms. GUAN Wei, Mr. ZHONG Maojun, Mr. CHEN Hua, Mr. WANG Wenjie, Mr. ZHANG Zhan, Mr. ZHANG Yipeng and Mr. AN Hongjun; and the independent non-executive directors of the Company are Mr. DING Wei, Mr. LI Renjie, Mr. BAI Wei, Mr. LEE Conway Kong Wai, Mr WANG Guogang and Mr. YIM, Chi Hung Henry.*

## Important Notice

The Board, the Supervisory Committee, Directors, Supervisors and senior management of the Company warrant that the contents of the interim results announcement (this “Interim Results Announcement”) are true, accurate and complete, without any misrepresentation, misleading statement or material omission, and severally and jointly bear the legal responsibilities thereof.

This Interim Results Announcement has been considered and approved by the tenth meeting of the sixth session of the Board.

### The Absent Directors

<b>Positions held by the absent directors</b>	<b>Names of the absent directors</b>	<b>Reasons given by the absent directors</b>	<b>Names of proxies</b>
Non-executive Director	GUAN Wei	Business engagement	LIU Xinyi
Non-executive Director	CHEN Hua	Business engagement	LIU Xinyi
Non-executive Director	WANG Wenjie	Business engagement	ZHANG Zhan

The Audit Committee has reviewed and confirmed the interim results of the Group for the six months ended 30 June 2023, and has not raised any objection to the accounting policies and practices adopted by the Group.

The 2023 interim financial report of the Group prepared in accordance with the International Accounting Standards has not been audited but has been reviewed by KPMG.

HE Qing, the person in charge of the Company, NIE Xiaogang, the person in charge of the accounting affairs, and DONG Boyang, the person in charge of the accounting department (head of the accounting department) of the Company, warrant the truthfulness, accuracy and completeness of the interim condensed consolidated financial statements.

The profit distribution proposal or the proposal on transfer of the capital reserve fund into share capital, within the Reporting Period, was approved by the Board

Nil

### Statement of the risks involved in forward-looking statements

Applicable  Not applicable

Forward-looking statements included in this Interim Results Announcement, including future plans and development strategies, do not constitute a substantial commitment of the Company to investors. Investors and persons concerned shall be fully aware of the risks and understand the difference between plans, estimates and commitments.

### Was there any appropriation of funds on a non-operating basis by controlling shareholders of the Company or their related parties?

No

## Important Notice

**Did the Company provide any external guarantees in violation of the prescribed decision-making procedures?**

No

**Whether more than half of the Directors were not able to assure the truthfulness, accuracy and completeness of the Interim Results Announcement disclosed by the Company?**

No

### MAJOR RISK WARNING

The risks faced by the Company in its operations mainly include: market risk, credit risk, liquidity risk, operational risk and reputational risk, which are specifically embodied as the risk of possible loss to the Company due to unfavorable changes of market prices; risk of loss to the Company due to failures to perform their obligations stipulated in relevant contracts by securities issuer, counterparties and debtors or the changes of market value of the debts caused by the changes of credit rating or contract performance capacity; risk of not being able to obtain sufficient funds in time at reasonable costs to repay debts that are due, fulfil other payment obligations and satisfy the funding requirements for ordinary business operation; risk of possible loss caused by the failures of internal systems and procedures, improper employee behaviors, IT risks and the influence of external events; and risk of negative evaluation of the Company's reputation due to the Company's operation, management and other behaviors or external events.

The Company has established an effective internal control system, compliance management system and a dynamic regulatory system based on risk control indicators to enable the operations of the Company are conducted within an extent of predictable, controllable and tolerable risks.

Investors are advised to read "Section III Discussion and Analysis of the Board of Directors" as set out in this Interim Results Announcement carefully for risks related to the operations of the Company.

### Others

Applicable     Not applicable

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## Section I Definitions

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

### Definitions of frequently-used terms

the Company/Company/Guotai Junan	Guotai Junan Securities Co., Ltd.
the Group/Group	Guotai Junan Securities Co., Ltd. and its subsidiaries
Articles of Association	the articles of association of Guotai Junan Securities Co., Ltd.
Share(s)	ordinary shares in the capital of the Company with a nominal value of RMB1 each, comprising A Shares and H Shares
Shareholder(s)	holder(s) of the Share(s) of the Company
Board/Board of Directors	the board of Directors of the Company
Director(s)	director(s) of the Company
Supervisory Committee	the Supervisory Committee of the Company
Supervisor(s)	the supervisor(s) of the Company
CSRC	China Securities Regulatory Commission (中國證券監督管理委員會)
Shanghai Bureau of the CSRC	Shanghai Office of the China Securities Regulatory Commission (中國證券監督管理委員會上海監管局)
SAC	Securities Association of China (中國證券業協會)
SSE/Shanghai Stock Exchange	Shanghai Stock Exchange
SZSE/Shenzhen Stock Exchange	Shenzhen Stock Exchange
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
International Group	Shanghai International Group Co., Ltd. (上海國際集團有限公司)
Shanghai SA	Shanghai State-owned Assets Management Co., Ltd. (上海國有資產經營有限公司)
Shenzhen Investment Holdings	Shenzhen Investment Holdings Co., Ltd. (深圳市投資控股有限公司)
Guotai Junan Asset Management	Shanghai Guotai Junan Securities Asset Management Co., Ltd. (上海國泰君安證券資產管理有限公司)
Guotai Junan Futures	Guotai Junan Futures Co., Ltd. (國泰君安期貨有限公司)
Guotai Junan Financial Holdings	Guotai Junan Financial Holdings Co., Ltd. (國泰君安金融控股有限公司)
Hong Kong Subsidiaries	Guotai Junan Financial Holdings Co., Ltd. and its controlled subsidiaries
Guotai Junan International	Guotai Junan International Holdings Limited (國泰君安國際控股有限公司), controlled by Guotai Junan Financial Holdings Co., Ltd. and a public company listed on the Hong Kong Stock Exchange (stock code:1788)
Guotai Junan Innovation Investment	Guotai Junan Innovation Investment Co., Ltd. (國泰君安創新投資有限公司)
Guotai Junan Zhengyu	Guotai Junan Zhengyu Investment Co., Ltd. (國泰君安證裕投資有限公司)

## Section I Definitions

HuaAn Funds	HuaAn Funds Management Co., Ltd. (華安基金管理有限公司)
Shanghai Securities	Shanghai Securities Co., Ltd. (上海證券有限責任公司)
Guoxiang Properties	Shanghai Guoxiang Properties Co., Ltd. (上海國翔置業有限公司)
SPD Bank	Shanghai Pudong Development Bank Co., Ltd. (上海浦東發展銀行股份有限公司)
Shanghai Rural Commercial Bank	Shanghai Rural Commercial Bank Co., Ltd. (上海農村商業銀行股份有限公司)
Convertible Corporate Bonds/Convertible Bonds/A Share Convertible Bonds	the convertible corporate bonds (which can be converted into the Company's A Shares) amounting to RMB7 billion issued by the Company on 7 July 2017 and listed on SSE on 24 July 2017
Company Law	the Company Law of the PRC
Securities Law	the Securities Law of the PRC
SSE Listing Rules	The Rules Governing the Listing of Stocks on the Shanghai Stock Exchange
Hong Kong Listing Rules	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
Model Code	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Hong Kong Listing Rules
Corporate Governance Code	the Corporate Governance Code as set out in Appendix 14 to the Hong Kong Listing Rules
SFO	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
Reporting Period	the first half of 2023
Yuan	RMB Yuan
A Shares	domestic shares of the Company, with a nominal value of RMB1 each, which are listed on the Shanghai Stock Exchange and traded in RMB
H Shares	overseas listed foreign shares of the Company, with a nominal value of RMB1 each, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars
FICC	Fixed Income, Currencies and Commodities
Daohe APP	APP serving institutional customers
Jun Hong APP	APP serving retail customers

## Section II Company Profile and Key Financial Indicators

### I. PROFILE

Name in Chinese	國泰君安證券股份有限公司
Abbreviation in Chinese	國泰君安、國泰君安證券
Name in English	Guotai Junan Securities Co., Ltd.
Abbreviation in English	GTJA、Guotai Junan Securities
Legal Representative	HE Qing
President	WANG Song

### Registered Capital and Net Capital

	<i>Unit: yuan Currency: RMB</i>	
	<b>At the end of the Reporting Period</b>	<b>At the end of the last year</b>
Registered Capital <sup>Note1</sup>	<b>8,906,671,631</b>	8,906,671,631
Net Capital	<b>94,501,984,642</b>	92,874,565,553
Share Capital <sup>Note2</sup>	<b><u>8,904,539,706</u></b>	<b><u>8,906,672,636</u></b>

Note 1: On 9 August 2023, upon the completion of industrial and commercial registration for the change of the registered capital, the Company's registered capital was changed from RMB8,906,671,631 to RMB8,904,610,816.

Note 2: In the first half of 2023, the cumulative number of Shares converted from the A Share Convertible Bonds of the Company was 23,817 shares, and with the repurchase and cancellation of 2,156,747 restricted A Shares, the share capital of the Company changed to 8,904,539,706 shares accordingly. From 1 July 2023 to 6 July 2023, the cumulative number of Shares converted from the A Share Convertible Bonds of the Company was 71,110 shares, the share capital of the Company increased to RMB8,904,610,816 accordingly.

## Section II Company Profile and Key Financial Indicators

### Business Qualifications for Each Individual Business of the Company

√ Applicable    □ Not applicable

#### 1. Individual Business Qualifications of the Company

No.	Approval Department	Qualification Name/Membership
1	The People's Bank of China	Interbank Borrowing Qualification (Yin Huo Zheng [2000] No. 122, Yin Zong Bu Han [2016] No. 22) Participation of Gold Trading on Shanghai Gold Exchange as an Institutional Dealer (Yin Shi Huang Jin Bei [2014] No. 143) Free Trade Accounting Business (August 2015) Participating in Southbound Trading Link Business (December 2021)
2	CSRC and its local branches	Operation license of securities businesses: securities brokerage; securities investment advisory; securities transaction and securities investment related financial advisory; securities underwriting and sponsorship; securities proprietary trading; margin financing and securities lending; agency sale of securities investment fund; agency sale of financial products; stock option market making. (Number: 10270000) Online Agency Securities Trading (Zheng Jian Xin Xi Zi [2001] No. 3) Agency Sale Business of Open-ended Securities Investment Fund (Zheng Jian Ji Jin Zi [2002] No. 31) Provision of Intermediary Introduction Business for Futures Companies (Zheng Jian Xu Ke [2008] No. 124, Hu Zheng Jian Ji Gou Zi [2010] No. 103) Participating in Stock Index Futures Transaction (Hu Zheng Jian Ji Gou Zi [2010] No. 253) Bond-pledged Quotation and Repurchase Business (Ji Gou Bu Bu Han [2011] No. 573, Shang Zheng Han [2013] No. 257) Agreed Repurchase Securities Trading Business (Ji Gou Bu Bu Han [2012] No. 250) Integrated Financial Services (Ji Gou Bu Bu Han [2012] No. 555) Margin Financing and Securities Lending Business (Zheng Jian Xu Ke [2013] No. 311) Agency Sale of Financial Products (Hu Zheng Jian Ji Gou Zi [2013] No. 56)



## Section II Company Profile and Key Financial Indicators

No.	Approval Department	Qualification Name/Membership
		Pilot of Agency Services for Gold and Other Precious Metal Spot Contracts and Proprietary Business for Gold Spot Contracts (Ji Gou Bu Bu Han [2014] No. 121)
		Qualification for Securities Investment Fund Custody Business (Zheng Jian Xu Ke [2014] No. 511)
		Foreign Exchange Business such as Proprietary Foreign Exchange Trading and Foreign Exchange Settlement and Sale on behalf of Customers, Proprietary Foreign Exchange Trading and Foreign Exchange Trading on behalf of Customers (Zheng Quan Ji Jin Ji Gou Jian Guan Bu Bu Han [2014] No. 1614)
		Stock Options Market Making Business (Zheng Jian Xu Ke [2015] No. 154)
		Proprietary Participation in Carbon Emissions Trading (Ji Gou Bu Han [2015] No. 862)
		Conducting Cross-border Business at Pilot (Ji Gou Bu Han [2017] No. 3002)
		Qualification for First-class Dealer for Over-the-counter Options (Ji Gou Bu Han [2018] No. 1789)
		Qualifications to Conduct Credit Derivative Business (Ji Gou Bu Han [2018] No. 2545)
		Stock Index Options Market Making Business (Zheng Jian Hui Ji Gou Bu Han [2019] No. 3066)
		Conducting Fund Investment Advisory Business at Pilot (Ji Gou Bu Han [2020] No. 385)
		Account Management Function Optimization Pilot Business (Ji Gou Bu Han [2021] No. 3750)
		Treasury Futures Market Making Business (Ji Gou Bu Han [2021] No. 4029)
		Listed Securities Market Making Business (Zheng Jian Xu Ke [2022] No. 2453)
		Individual Pension Fund Sales Agency (November 2022)
3	SAC	Qualification for Participating in Related Innovation Activities (February 2005)
		Pilot of Underwriting Business of SME Private Placement Bonds (Zhong Zheng Xie Han [2012] No. 378)
		OTC Trading Business (Zhong Zheng Xie Han [2012] No. 825)
		Financial Derivatives Business (Zhong Zheng Xie Han [2013] No. 1224)

## Section II Company Profile and Key Financial Indicators

No.	Approval Department	Qualification Name/Membership
4	China Securities Depository and Clearing Corporation Limited	Agency Registration Business (April 2002) Clearing Participant (Zhong Guo Jie Suan Han Zi [2006] No. 67) Class A Clearing Participant (Zhong Guo Jie Suan Han Zi [2008] No. 24) Qualified Institution Establishment for Credit Protection Bond Pledge Repo Business (Zhong Guo Jie Suan Han Zi [2021] No. 200)
5	China Securities Finance Corporation Limited	Pilot Margin and Securities Refinancing Business (Zhong Zheng Jin Han [2012] No. 116) Pilot Securities Refinancing Business (Zhong Zheng Jin Han [2013] No. 45) Science and Technology Innovation Board Securities Refinancing Business (Zhong Zheng Jin Han [2019] No. 130) Science and Technology Innovation Board Market Making and Bond Lending Business (Zhong Zheng Jin Han [2022] No. 272)
6	Shanghai Stock Exchange/ Shenzhen Stock Exchange	Treasury Bonds Outright Repo Business (December 2004) Carrying out the Business of "SSE Fund Connect (上證基金通)" (July 2005) First-class Dealer for SSE 180 Trading Open-ended Index Securities Investment Fund (March 2006) Trader of Integrated Electronic Platform for Fixed Income Securities (Shang Zheng Hui Han [2007] No. 90) Qualified Investor of Block Trade System (No. A00001) Stock Pledge Repo Business (Shang Zheng Hui Zi [2013] No. 64, Shen Zheng Hui [2013] No. 58) Financing Business Pilot for Exercise of Options under Share Options Incentive Schemes of Listed Companies (Shen Zheng Han [2015] No. 15) Participant for Trading of Stock Options (Shang Zheng Han [2015] No. 66) SSE 50ETF Options Market Maker (Shang Zheng Han [2015] No. 212, Shang Zheng Gong Gao [2015] No. 4) Southbound Business (Shang Zheng Han [2014] No. 654, Shen Zheng Hui [2016] No. 326) Core Dealer of Credit Protection Contract (Shang Zheng Han [2019] No. 205)

## Section II Company Profile and Key Financial Indicators

No.	Approval Department	Qualification Name/Membership
		<p>Business Qualification as Lead Market Maker of Listed Funds (Shang Zheng Han [2019] No. 1288)</p> <p>Credit Protection Certificate Creation Agency (Shang Zheng Han [2019] No. 2253)</p> <p>Stock Option Business (Shen Zheng Hui [2019] No. 470)</p> <p>CSI 300ETF Options Lead Market Maker (Shang Zheng Han [2019] No. 2303, Shen Zheng Hui [2019] No. 483)</p> <p>CSI 500 ETF Options Lead Market Maker (Shang Zheng Han [2022] No. 1626, Shen Zheng Hui [2022] No. 313)</p> <p>SSE Fund Connect Platform Market Maker (February 2022)</p> <p>GEM ETF Options Lead Market Maker (Shen Zheng Hui [2022] No. 313)</p> <p>SZSE 100ETF Options Lead Market Maker (Shen Zheng Hui [2022] No. 421)</p> <p>SSE Bonds Lead Market Maker, SZSE Bonds Lead Market Maker (February 2023)</p> <p>China AMC STAR 50ETF Options Lead Market Maker (Shang Zheng Gong Gao [2023] No.25)</p> <p>efunds STAR 50ETF Options Lead Market Maker (Shang Zheng Gong Gao [2023] No.26)</p> <p>Qualification of SZSE Fund Liquidity Service Provider (2023)</p>
7	State Administration of Foreign Exchange	<p>Securities Brokerage and Underwriting Business of Foreign Currency (Hui Zi Zi No. SC201221)</p> <p>Transactions of Spot Sale and Purchase of Foreign Exchange, RMB and Foreign Exchange Related Derivative Business and Qualified Domestic Institutional Investor for Sale and Purchase of Foreign Exchange (Hui Fu [2014] No. 325)</p> <p>Businesses, such as Quanto Product Settlement and Sale, Foreign Exchange Settlement and Sale for QFII Custody Customer, Foreign Exchange Trading on behalf of Customers (Hui Zong Bian Han [2016] No. 505)</p> <p>Handling the Sale and Purchase of Foreign Exchange for the customers engaging in cross-border investment and financing transactions (Hui Zong Bian Han [2020] No. 469)</p> <p>Pilot Business for Sale and Purchase of Foreign Exchange on Behalf of Customers (Hui Zi Bian Han [2021] No. 238)</p>

## Section II Company Profile and Key Financial Indicators

No.	Approval Department	Qualification Name/Membership
8	National Association of Financial Market Institutional Investors	<p>Main Underwriting Business of Debt Financing Instruments for Non-Financial Businesses (Announcement of National Association of Financial Market Institutional Investors [2012] No. 19)</p> <p>Core Dealer of Credit Risk Mitigation Instruments (December 2016)</p> <p>Creator of Credit Risk Mitigation Warrants (2017)</p> <p>Creator of Credit-linked Notes (2017)</p> <p>Independently carrying out the Main Underwriting Business of Debt Financing Instruments for Non – Financial Businesses (Zhong Shi Xie Fa [2022] No. 155)</p>
9	Shanghai Gold Exchange	<p>Special Membership (Certificate No. T002)</p> <p>International Membership (Class A) (Certificate No. IM0046)</p> <p>Qualification for Proprietary Gold Trading (Shang Jin Jiao Fa [2013] No. 107)</p> <p>Interbank Gold Price Inquiries Business (Shang Jin Jiao Fa [2014] No. 114)</p> <p>Pilot Member of Implied Volatility Curve Quotation Group for Gold Inquiry Options (November 2017)</p>
10	National Equities Exchange and Quotations	<p>Sponsoring Broker-dealers Market Making Business (Gu Zhuan Xi Tong Han [2013] No. 58, [2014] No. 706)</p>
11	China Foreign Exchange Trading Center	<p>China Interbank FX Market Membership (Zhong Hui Jiao Fa [2015] No. 3)</p> <p>China Interbank FX Market Derivatives Membership (Zhong Hui Jiao Fa [2015] No. 59)</p> <p>Northbound Trading Link Business under “Bond Connect” (July 2017)</p> <p>Inter-bank Foreign Currency Market Membership (Zhong Hui Jiao Fa [2018] No. 412)</p> <p>Interbank Interest Rate Exchange Fixing (Closing) Curve Quote Agency (November 2019)</p> <p>Inter-Bank Bond Market Spot Bond Market Maker (Comprehensive Type) (March 2021)</p> <p>Pilot Institution for Automated Market-making Services in the Inter – Bank Bond Market (November 2021)</p> <p>Interest Rate Swap Exclusive Market Maker (November 2022)</p>

## Section II Company Profile and Key Financial Indicators

No.	Approval Department	Qualification Name/Membership
12	Interbank Market Clearing House Company Limited	Central Clearing Transaction of Shipping and Commodities Derivatives (Zhun Zi [2015] No. 016 for Membership of Clearing House) Business of Liquidation Agency of RMB Interest Rate Swap (2018 Bian Han No. 8, Qing Suan Suo Fa [2018] No. 30) Business of Central Clearing for Credit Default Swap (2018 Bian Han No. 29) Comprehensive Clearing Member for the Business of Central Clearing of Standard Bond Forwards (Qing Suan Suo Fa [2018] No. 193) General Clearing Member of Credit Default Swap Centralized Clearing Business (2021 Bian Han No. 183)
13	Shanghai Futures Exchange	Physical Delivery Business (September 2021)
14	Shanghai International Energy Exchange	Crude Oil Futures Market Maker (October 2018) Physical Delivery Business (September 2021)
15	Asset Management Association of China	Private Equity Outsourcing Institutions (Filing No. A00005)
16	China Financial Futures Exchange	CSI 300 Stock Index Options Market Maker (December 2019) Treasury Bonds Futures Market Maker (January 2022) CSI 1000 Stock Index Options Market Maker (July 2022) SSE 50 Stock Index Options Market Maker (December 2022)
17	Shanghai Commercial Paper Exchange Corporation Ltd	Access into the Chinese commercial paper trading system (July 2020)

## Section II Company Profile and Key Financial Indicators

### 2. Individual Business Qualifications of the Controlled Subsidiaries

No.	Name of subsidiary	Qualification Name/Membership
1	Hong Kong Subsidiaries	<p>Issued by the Securities and Futures Commission of Hong Kong</p> <ul style="list-style-type: none"> <li>Type 1 (dealing in securities) (1 April 2003)</li> <li>Type 2 (dealing in futures contracts) (1 April 2003)</li> <li>Type 3 (leveraged foreign exchange trading) (21 October 2010)</li> <li>Type 4 (advising on securities) (1 April 2003)</li> <li>Type 5 (advising on futures contracts) (26 November 2010)</li> <li>Type 6 (advising on corporate finance) (1 April 2003)</li> <li>Type 9 (asset management) (1 April 2003)</li> <li>Custodian of open-ended fund companies (30 June 2022)</li> </ul> <p>Issued by The Stock Exchange of Hong Kong Limited</p> <ul style="list-style-type: none"> <li>Exchange Trading Right Certificate (July 2000)</li> <li>Exchange Participant Certificate (13 August 2001)</li> <li>China Connect Exchange Participant (10 November 2014)</li> <li>Hong Kong Options Market Maker (2 October 2019)</li> <li>Issuer of Structured Products Listed in Hong Kong (31 October 2019)</li> <li>SPAC Exchange Participant (17 March 2022)</li> <li>Options Market Product Trading Rights (25 April 2022)</li> <li>HKD-RMB Dual Counter Maker (19 June 2023)</li> </ul> <p>Issued by Hong Kong Securities Clearing Company Limited Direct Clearing Participant, China Connect Clearing Participant (10 November 2014)</p> <p>Issued by Hong Kong Futures Exchange Limited Exchange Participant Certificate and Exchange Trading Right Certificate (6 March 2000)</p> <p>Issued by HKFE Clearing Corporation Limited Participant Certificate of Future Clearing Company (6 March 2000)</p> <p>Issued by the Hong Kong Mandatory Provident Fund Schemes Authority Principal Intermediary Qualification (20 December 2012)</p> <p>Issued by Insurance Authority General and long-term business (including related long-term insurance membership) (23 September 2019)</p>

## Section II Company Profile and Key Financial Indicators

No.	Name of subsidiary	Qualification Name/Membership
		<p>Issued by China Securities Regulatory Commission</p> <p>Qualified Overseas Institutional Investors (21 February 2013)</p> <p>RMB Qualified Overseas Institutional Investors (11 August 2014)</p> <p>Permit for Securities and Futures Operation Business (December 2017)</p> <p>Issued by the Shanghai headquarters of the People’s Bank of China “Bond Connect” Overseas Investors Business (2017)</p> <p>Issued by Shanghai International Gold Exchange Class B International Membership (2020)</p> <p>Issued by Shanghai Gold Exchange International Membership (Class B) Qualification (2020)</p> <p>Issued by Monetary Authority of Singapore</p> <p>Trading Capital Market Products (13 February 2018)</p> <p>License for Fund Management (7 July 2020)</p> <p>Issued by Vietnam Securities Regulatory Commission</p> <p>Securities Brokerage License (28 August 2007)</p> <p>Proprietary Trading License (28 August 2007)</p> <p>Securities Investment Advisory License (28 August 2007)</p> <p>Securities Depository Service License (28 August 2007)</p> <p>Securities Underwriting Service License (22 November 2021)</p> <p>Approved by Monetary Authority of Macao</p> <p>Provision of securities trading, wealth management and financing services arising from investment in financial instruments (7 March 2023)</p>
2	Guotai Junan Asset Management	<p>Operation permit of securities business: securities asset management business. (No. 10278001)</p> <p>Qualified Domestic Institutional Investor Participating in Administration of Overseas Securities Investment (Zheng Jian Ji Gou Zi [2010] No. 631)</p> <p>Asset Management Business Participating in the Trading of Stock Index Futures (Hu Zheng Jian Ji Gou Zi [2011] No. 38)</p> <p>Pilot of Cash Management Products (Zheng Jian Xu Ke [2012] No. 828)</p> <p>Qualification for Publicly Offered Securities Investment Fund Management Business (Zheng Jian Xu Ke [2020] No. 3681)</p>

## Section II Company Profile and Key Financial Indicators

No.	Name of subsidiary	Qualification Name/Membership
3	Guotai Junan Futures and its subsidiaries	<p>Permit for Securities and Futures Operation Business (No.91310000100020711)</p> <p>Comprehensive Settlement Business for Financial Futures (Zheng Jian Qi Huo Zi [2007] No. 148)</p> <p>Qualification for Futures Investment Consulting Business (Zheng Jian Xu Ke [2011] No. 1449)</p> <p>Asset Management Business (Zheng Jian Xu Ke [2012] No. 1506)</p> <p>Financing Contracts Services, Basis Trading, Cooperation, Hedge Pricing Services (Zhong Qi Xie Bei Zi [2015] No. 67)</p> <p>Membership Qualification of Shanghai International Energy Exchange (Shang Neng Pi Fu [2017] No. 105)</p> <p>Participant for Trading of SSE Stock Options (Shang Zheng Han [2018] No. 63)</p> <p>Market Making Business (Zhong Qi Xie Bei Zi [2018] No. 41)</p> <p>Individual Stock Over-the-counter Derivatives Business (August 2018)</p> <p>Commodity Exchange Business (Da Shang Suo Fa [2018] No. 494)</p> <p>Stock Options Business (Shen Zheng Han [2019] No. 722)</p> <p>Copper Options Market Maker, Gold Futures Market Makers, Corn Options Market Maker, No. 20 Rubber Futures Market Maker, Tin Futures Market Maker, Gold Options Market Maker, PTA Options Market Maker, Methanol Options Market Maker (2019)</p> <p>Styrene Futures Market Maker,, Linear Low Density Polyethylene Options Market Maker, Polyvinyl Chloride Options Market Maker, Polypropylene Options Market Maker, Deformed Steel Bar Futures Market Maker, Natural Rubber Futures Market Maker, Soy Oil Futures Market Maker, Palm Oil Futures Market Maker, Japonica Rice Futures Market Maker, Low Sulphur Fuel Oil Futures Market Maker, International Copper Futures Market Maker, Soybean Meal Futures Market Maker (2020)</p> <p>Hot Rolled Coil Futures Market Maker, Crude Oil Options Market Maker, Ethylene Glycol Futures Market Maker, Iron Ore Futures Market Maker, Polypropylene Futures Market Maker, Corn Futures Market Maker (2021)</p>



## Section II Company Profile and Key Financial Indicators

No.	Name of subsidiary	Qualification Name/Membership
		<p>Crude Oil Futures Market Maker, SZSE Harvest CSI 300ETF Options General Market Maker, Nickel Futures Market Maker, SZSE CSI 500ETF Options General Market Maker, SZSE 100ETF Options General Market Maker, SZSE GEM ETF Options General Market Maker, 2, 5, 10-Year Treasury Bond Futures General Market Maker, Hog Futures Market Maker, Egg Futures Market Maker, Industrial Silicon Futures Market Maker, Deformed Steel Bar Futures Market Maker, Yellow Soybean No. 1 Futures Market Maker (2022)</p> <p>Fuel Oil Futures Market Maker, 30-Year Treasury Bond Futures General Market Maker, SSE CSI 500ETF Options Lead Market Maker, SSE CSI 300ETF Options General Market Maker, SSE 50ETF Options General Market Maker, CICC CSI 300 Stock Index Options General Market Maker, CICC CSI 1000 Stock Index Options General Market Maker (2023)</p> <p>Capital Markets Services (CMS) license (25 November 2022) issued by Monetary Authority of Singapore</p>
4	HuaAn Funds and its subsidiaries	<p>Permit for Securities and Futures Operation Business (No. 91310000630888761K)</p> <p>Qualified Domestic Institutional Investors (QDII) (Zheng Jian Ji Jin Zi [2007] No. 250)</p> <p>Business Qualification for Management of Assets of Specific Clients (Zheng Jian Xu Ke [2008] No. 304)</p> <p>Pilot Business for Publicly Offered Funds Investment Consultation (Ji Gou Bu Han [2021] No. 1707)</p> <p>Qualifications for Fund Subsidiaries to Engage in Asset Management Business for Specific Clients (91310000080024263K) Issued by Hong Kong Securities and Futures Commission</p> <p>Type 1 license (dealing in securities) (19 January 2022)</p> <p>Type 4 license (advising on securities) (1 December 2010)</p> <p>Type 9 license (provision of asset management) (1 December 2010)</p> <p>RMB Qualified Foreign Institutional Investor (RQFII) (Zheng Jian Xu Ke [2011] No. 2050)</p> <p>Qualification for Investment and Consultation of Stocks in Hong Kong (Institution filing code: H21007)</p>
5	Guotai Junan Innovation Investment	<p>Qualification for Private Equity Fund Manager (No. PT2600011780)</p>

## Section II Company Profile and Key Financial Indicators

### II. CONTACT PERSONS AND CONTACT METHODS

	Secretary to the Board	Securities Affairs Representative
Name	YU Jian	LIANG Jing
Contact address	No. 768 Nanjing West Road, Jingan District, Shanghai	No. 768 Nanjing West Road, Jingan District, Shanghai
Telephone	021-38676798	021-38676798
Facsimile	021-38670798	021-38670798
E-mail	dshbgs@gtjas.com	dshbgs@gtjas.com

### III. CHANGE IN BASIC INFORMATION

Registered address of the Company	No. 618 Shangcheng Road, China (Shanghai) Pilot Free-Trade Zone, Shanghai, PRC
Historical change in registered address of the Company	Not applicable
Office address of the Company	No. 768 Nanjing West Road, Jingan District, Shanghai
Postal code of office address of the Company	200041
Company website	<a href="http://www.gtja.com/">http://www.gtja.com/</a>
Email	dshbgs@gtjas.com

### IV. INFORMATION DISCLOSURE AND UPDATE ON LOCATION FOR INSPECTION OF DOCUMENTS

Name of newspapers selected by the Company for information disclosure	China Securities Journal	<a href="http://www.cs.com.cn/">http://www.cs.com.cn/</a> ;
	Shanghai Securities News	<a href="http://www.cnstock.com/">http://www.cnstock.com/</a> ;
	Securities Times	<a href="http://www.stcn.com/">http://www.stcn.com/</a> ;
	Securities Daily	<a href="http://www.zqrb.cn/">http://www.zqrb.cn/</a>
Website for publication of interim report	<a href="http://www.sse.com.cn/">http://www.sse.com.cn/</a> ;	<a href="http://www.hkexnews.hk/">http://www.hkexnews.hk/</a>
Location for inspection of interim report of the Company	No. 768 Nanjing West Road, Jingan District, Shanghai	

### V. SHARES OF THE COMPANY

Type of share	Listing venue	Stock name	Stock code	Stock name before change
A Share	Shanghai Stock Exchange	國泰君安	601211	Not applicable
H Share	Hong Kong Stock Exchange	GTJA	02611	Not applicable

## Section II Company Profile and Key Financial Indicators

### VI. OTHER INFORMATION OF THE COMPANY

Applicable  Not applicable

### VII. KEY ACCOUNTING DATA AND FINANCIAL INDICATORS OF THE COMPANY

#### (I) Key accounting data

*Unit: thousand yuan Currency: RMB*

Key accounting data	Reporting Period (January to June)	Corresponding period of last year		Movement during the Reporting Period compared with the corresponding period of last year (%)
		After the adjustment	Before the adjustment	
Total revenue and other income	26,170,739	26,288,076	26,288,076	-0.45
Operating profit	7,348,700	7,743,271	7,743,271	-5.10
Profit before income tax	7,543,318	8,129,556	8,129,556	-7.21
Profit for the period attributable to equity holders of the Company	5,741,577	6,371,882	6,372,794	-9.89
Net cash generated from operating activities	277,621	14,080,607	14,080,607	-98.03
Basic earnings per share (RMB/share)	0.61	0.69	0.69	-11.59
Diluted earnings per share (RMB/share)	0.60	0.68	0.68	-11.76
Weighted average return on net assets (%)	3.75	4.39	4.39	Decreased by 0.64 percentage point

## Section II Company Profile and Key Financial Indicators

	At the end of the Reporting Period	At the end of last year		Movement at the end of the Reporting Period compared with the end of last year (%)
		After the adjustment	Before the adjustment	
Total assets	924,164,121	860,707,917	860,688,547	7.37
Total liabilities	754,188,837	696,862,458	696,862,458	8.23
Equity attributable to equity holders of the Company	163,695,848	157,718,338	157,698,968	3.79
Share capital	8,904,540	8,906,673	8,906,673	-0.02
Net assets per share attributable to equity holders of the Company	18.38	17.71	17.71	3.78
Gearing ratio (%)	76.30	75.36	75.36	Increased by 0.94 percentage point

Note 1: Gearing ratio = (total liabilities – accounts payable to brokerage customers – Proceeds from underwriting securities received on behalf of customers)/(total assets – accounts payable to brokerage customers – Proceeds from underwriting securities received on behalf of customers).

Note 2: As of 30 June 2023, the equity attributable to equity holders of the Company was RMB163.696 billion, the share capital was 8.905 billion shares, and net assets per share of the Company amounted to RMB18.38 as calculated by the formula “net assets per share = equity attributable to equity holders of the Company/share capital”.

## Section II Company Profile and Key Financial Indicators

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

Unit: thousand yuan Currency: RMB

Item	At the end of the Reporting Period	At the end of last year
Net capital	<b>94,501,985</b>	92,874,566
Net assets	<b>143,314,076</b>	139,072,642
Risk coverage ratio (%)	<b>202.11</b>	186.44
Capital leverage ratio (%)	<b>16.60</b>	17.62
Liquidity coverage ratio (%)	<b>331.57</b>	277.32
Net stable funding ratio (%)	<b>130.51</b>	130.09
Net capital/Net assets (%)	<b>65.94</b>	66.78
Net capital/Liabilities (%)	<b>21.47</b>	22.52
Net assets/Liabilities (%)	<b>32.55</b>	33.72
Equity securities and derivatives held/Net capital (%)	<b>37.08</b>	35.52
Non-equity securities and derivatives held/Net capital (%)	<b>310.88</b>	342.28

### VIII. DIFFERENCES OF ACCOUNTING DATA UNDER DOMESTIC AND OVERSEAS ACCOUNTING STANDARDS

Applicable  Not applicable

### IX. OTHERS

Applicable  Not applicable

## Section III Discussion and Analysis of the Board of Directors

### I. DESCRIPTION OF INDUSTRY CONDITIONS AND PRINCIPAL BUSINESSES OF THE COMPANY DURING THE REPORTING PERIOD

#### (I) Principal business and operating model of the Company

Driven by customer demand, the Group has established a retail, institutional and corporate customer service system, forming the business segments covering wealth management business, investment banking business, institutional and trading business, investment management business and international business. The Group generates fee and commissions income and interest income mainly through the provision of financial products or services to clients and receives investment gains through securities or equity investments.

In terms of specific businesses:

Our wealth management business mainly provides securities and futures brokerage, financial products, investment advisory, margin financing, stock pledging and securities lending, agreed securities repurchase and other services to clients;

Our investment banking business mainly provides listing sponsorship, equity underwriting, debt underwriting, structured debt financing, M&A financial advisory and diversified corporate solutions to corporate and governmental clients;

Our institutional and trading business mainly consists of research, institutional brokerage, trading and investment and equity investment, among which, institutional brokerage mainly provides prime brokers, seat leasing, custody outsourcing, QFII and other services to institutional clients; our trading and investment business mainly includes investment transactions in stocks, fixed income, foreign exchange, large commodities and their derivative financial instruments, as well as providing integrated financial solutions for clients' investment, financing and risk management;

Our investment management business provides asset management and fund management services to institutions and individuals;

In respect of international business, the Group built an international business platform around Guotai Junan Financial Holdings, and conducts brokerage, corporate finance, asset management, loans and financing services, as well as financial products, market making and investment businesses mainly through Guotai Junan International in Hong Kong, and has expanded its business presence into the United States, Europe, Southeast Asia and other regions.

In the first half of 2023, the Group recorded total revenue and other income of RMB26.171 billion, representing a decrease of 0.45% compared with the same period of last year; and profit for the period attributable to equity holders of the Company was RMB5.742 billion, representing a decrease of 9.89% compared with the same period of last year.

## Section III Discussion and Analysis of the Board of Directors

### The Group's business composition and income drivers for the first half of 2023

Principal business category	Total revenue and other income (RMB'000)	Increase compared with the same period of last year (%)	Contribution to total revenue and other income (%)
Wealth management	9,135,509	-11.22	34.91
Investment banking	1,514,167	-25.40	5.78
Institutional and trading	10,432,243	-10.19	39.86
Investment management	2,448,644	310.70	9.36
International business	2,075,766	106.90	7.93
Other	564,410	-24.96	2.16
<b>Total</b>	<b>26,170,739</b>	<b>-0.45</b>	<b>100.00</b>

### Significant changes in the Company's major assets during the Reporting Period

As at 30 June 2023, total assets of the Group amounted to RMB924.164 billion, representing an increase of 7.37% compared with the end of last year. Among our total assets, financial assets at fair value through profit or loss amounted to RMB363.585 billion, representing an increase of 9.71% compared with the end of last year, mainly due to the adjustment by the Group of the trading and investment structure; property and equipment amounted to RMB4.249 billion, representing an increase of 33.73% compared with the end of last year, mainly due to the increase in property for business operation in order to meet the development needs of the Greater Bay Area.

Including: offshore assets amounted to RMB129.008 billion, and accounted for 13.96% of our total assets.

## (II) Description of the status of the industry

Over the past three decades, with the development of the PRC securities market, the PRC securities industry has continued to standardize and expand. The securities companies have gradually accelerated their pace of innovation, expanded their business scope, increased their scale of assets, improved their profitability and enhanced their risk resistance capacity. Meanwhile, the profitability of the PRC securities industry is driven by brokerage, proprietary trading, underwriting, margin trading and asset management businesses. This leads to the revenue and profits of the industry being more dependent on the trends of the securities market. Along with the change in the booming cycle of the securities market, the profit level of the PRC securities industry also demonstrates the characteristics of cyclical fluctuations. In respect of the changes in profitability in recent years, the industry has achieved profit growth for three consecutive years from 2019 to 2021 and recorded a decrease in profit in 2022.

## Section III Discussion and Analysis of the Board of Directors

Since 2023, focusing on “improving the functions of capital market and increasing the proportion of direct financing”, in order to deepen the pace of reform and opening up of capital market, coordinate and promote the reform of investment and financing, the stock issuance registration system has been successfully and fully implemented, the overseas listing filing management system has been implemented and the Regulations on the Supervision and Administration of Private Equity Investment Funds has been officially promulgated. Since the Sci-Tech Innovation 50ETF option and 30-year treasury bond futures were successively introduced, the basic system construction has been improved and the market ecology has been optimized continuously. Especially in July, it was clearly stated that “activating capital market and boosting investor confidence”, capital market is expected to show a positive trend. Meanwhile, a series of industry regulations such as the “Administrative Measures for the Private Asset Management Business of Securities and Futures Institutions(《證券期貨經營機構私募資產管理業務管理辦法》)” and “Administrative Measures for Securities Brokerage Business (《證券經紀業務管理辦法》)” have been promulgated and the reform of the comprehensive fee rate of public funds has been gradually implemented, which will accelerate the transformation and upgrading of the industry and reshape the industry’s competitive landscape. According to the parent company statistical caliber of the SAC, in the first half of 2023, the PRC securities industry recorded an operating revenue of RMB224.5 billion and a net profit of RMB85.0 billion, representing an increase of 9% and 5%, respectively, compared with the corresponding period of last year; as of 30 June 2023, the total assets, net assets and net capital of the PRC securities industry amounted to RMB11.65 trillion, RMB2.86 trillion and RMB2.13 trillion, respectively, representing an increase of 5.3%, 2.7% and 2.1%, respectively, compared with the end of last year.

In the long run, with the accelerated establishment of a new development pattern of domestic circulation and domestic and international dual circulation and the rising status of the capital market hub, the PRC securities industry is still in the historic period which offers opportunities for rapid development. The development of the capital market and the reform and opening-up of the financial system will provide the industry with broader development room. Driven by the reform of the comprehensive registration system, the construction of multi-level capital market has become clearer, the shortcomings of basic system of the capital market have been continuously remedied, and the capacity building on the investment side has accelerated. Business opportunities for retail, institutional and corporate customers will emerge in an all-round way, and the securities industry will show a development trend of service integration, differentiated developments, international competition and operation digitalization, laying solid foundation for the high-quality development of the industry.

### (III) Position of the Company in the industry

Since its inception, the comprehensive strength of the Group has been standing at the top of the industry. According to the parent company statistical caliber of the SAC, the Company ranked second, fourth, second, third and fifth in the industry, respectively, in terms of total assets, net assets, net capital, operating revenue and net profit in the first half of 2023.



## Section III Discussion and Analysis of the Board of Directors

### II. ANALYSIS OF CORE COMPETITIVENESS DURING THE REPORTING PERIOD

√ Applicable    □ Not applicable

The Group is a long-term, consistent and across-the-board leader in the PRC securities industry, providing integrated financial services. The Group has experienced the entire history and multiple cycles of the development of the PRC capital market and has stood at the forefront of the capital market through trials and hardships. It has maintained its leading position in the industry in terms of capital scale, profitability, business strength and risk management capabilities. During the long development process, the Group has gradually developed and continuously strengthened three core competitive advantages of integrated service platform, leading digital technology and sound compliance culture, which have played an irreplaceable pillar role in the long-term sustainable and stable development of the Group.

#### (I) Integrated service platform

The Group has all the required licences and a comprehensive business scope, with nationwide layout and overseas presence. Its main business ranks among the top in the industry, with strong comprehensive service capabilities. Since its establishment by way of merger, the Group has always adhered to the concept of integrated services and provided customers with integrated services, so that its competitiveness has continued to rise, operating performance has maintained growth and leading position has been consolidated. In 1999, faced with the mission of full consolidation and deep integration, the Group proposed the development direction of “adhering to customer-centric” integrated services. After its A-share listing in 2015, the Group actively capitalized on the advantages of resource endowments and explored and promoted synergy. Since 2020, in response to new changes in customer demand and market landscape, the Group actively seized the opportunity of the comprehensive reform of state-owned assets and state-owned enterprises, further promoted integrated services, and set up three collaborative development committees for retail, institutional and corporate customers, and a cross-border business collaborative development committee, optimized and improved the supporting guarantee mechanism for collaborative business development, resulting in closer coordination and cooperation between the head office and subsidiaries and the various business lines, thereby gradually improving the advantages of the Group’s comprehensive financial service platform. In recent years, the Company further clarified the goals, methods and tasks of building an “integrated service platform”, promoted cross-line and cross-divisional collaboration at home and abroad, upgraded and built a Synergy 2.0 model. The “wealth management + asset management” and “institutional services + corporate services” coordination mechanisms continued to deepen, the “investment bank +” ecological construction became more mature, and cross-border integration made steady progress. While making breakthroughs in key collaborative businesses, we deepened reform and innovation in organizational management, strived to strengthen regional collaborative development, set up the Guangdong-Hong Kong-Macao Greater Bay Area Collaborative Development Committee and put it into rapid operation, resulting in gradual improvement of the “customer-centric” integrated service system.

## Section III Discussion and Analysis of the Board of Directors

### (II) Leading digital technology

The Group places great emphasis on strategic investment in technology and continuously promotes proprietary financial technology innovation. The Group is a pioneer in the application of financial technology in the securities industry, and its investment in information technology has always been at the forefront of the industry. In 2003, in response to the industry's large-scale and intensive development trend, the Group took the lead in building a centralized trading system for large-scale application. In 2014, the Group built the industry's first high-level, large-capacity and park-type green data center, which effectively guaranteed the stable operation of the system under extreme market conditions in 2015. Since 2020, in the face of the new development trend of accelerated integration and deep mutual embedding between the securities industry and digital technology, the Group has creatively put forward the comprehensive digital transformation vision of building a "SMART investment bank" and the ecological development concept of "open securities" for the first time in the industry, commenced the construction of projects such as the group management cockpit and cross-sector financial technology laboratory successively and became the first company in the industry to complete the full conversion of the new generation of core trading system for information technology application and innovation, leading the development of digital technology in the industry, and the continuous investment in digital technology plays an increasingly important role in enhancing customer experience, promoting business development and improving management capabilities. Since its establishment by way of merger, the Group has won 21 science and technology awards in China's securities and futures industry. Levels and numbers of awards ranked the first in the industry. During the Reporting Period, taking the platform construction as the starting point, the Group further promoted the comprehensive digital transformation to continue to improve the intelligence level of Jun Hong APP and the comprehensive service capability of Daohe APP and launched the investment banking digital intelligence platform to enhance the business synergy efficiency of "investment bank +", thus maintaining the industry-leading technological innovation capability. At the end of the Reporting Period, Jun Hong APP ranked the second in the industry in terms of average monthly active users, with mobile terminal users of 39.90 million, representing an increase of 2.3% as compared with the end of previous year. The accumulated number of users of the Daohe platform was 68,600, with a coverage of 8,593 institutional and corporate customers, representing an increase of 8.2% and 6.8% respectively as compared with the end of last year.

## Section III Discussion and Analysis of the Board of Directors

### (III) Sound compliance culture

The Group firmly believes that risk management is the primary core competitiveness of securities companies. Since its establishment, the Group has committed to the business values of soundness and compliance, adhered to the corporate culture of soundness and compliance, and established a comprehensive and effective risk management and internal control system. In addition, the Group has accurately identified and effectively managed risks through a sound risk management system, scientific risk management models and methods and advanced risk management methods, which has promoted the long-term sustainable and comprehensive development of the Group. At the beginning of its establishment by way of merger in 1999, the Company proposed to focus on the main business and “earn profits under the sun”. During the integrated management period of the industry from 2004 to 2007, the Company pioneered the third-party custody model and successfully passed through the industry cycle. In 2015, in the face of abnormal fluctuations in the stock market, the Company took the lead in making counter-cyclical adjustment in respect of its margin financing and securities lending business, which maximized the safety of customer assets. In recent years, in the face of the new environment of the implementation of the new securities law and the increasingly stricter compliance and risk control, the Company has established a group audit center to consolidate the foundation of a group-based unified risk management system, strived to build three lines of defense, namely “business units, compliance risk control and audit”, promoted the formation of a complete set of scientific, complete, efficient, intensive and professional group-based comprehensive risk control management system and comprehensively built a lifeline for high-quality development. On this basis, the Group constantly strengthened its comprehensive risk pre-warning and response capabilities, continuously improved the refined level of compliance risk management, and steadily propelled its risk management to shift from post-mortem to forward-looking judgment, from passive management to active empowerment, ensuring the stable and healthy development of the Group. So far, the Company has attained the Grade AA rating in Class A from the CSRC for 15 consecutive years and has been awarded the highest rating in the securities industry cultural construction practice evaluation for three consecutive years.

## Section III Discussion and Analysis of the Board of Directors

### III. DISCUSSION AND ANALYSIS OF OPERATION CONDITION

#### (I) Overall operation condition

Year 2023 is the first year of the “second three-year” along the strategic pathway of “Nine-Year Strategic Plan in 3 Three-Year Steps” of the Group. Facing the new changes and new conditions in the capital market, the Company adhered to the general tone of seeking progress while maintaining stability. On the basis of continuing to “laying the foundation and making up for the shortcomings”, the Company fully implemented the requirements of “enhancing our abilities and developing our advantages”, steadily promoted platform-based development and solidly nurtured distinctive strengths including the “sci-tech innovation finance, inclusive finance, regional finance, green finance, and cross-border finance”. Steady progress was made in various key tasks of operation and management, and the core capabilities of the main businesses have steadily improved, achieving a good start to the “second three-year”. In respect of wealth management business, the Company comprehensively promoted the construction of the “three forces” mechanism of “driving force from headquarters, penetration force from policies and supporting force from branches”, and the foundation for transformation was continuously consolidated; in respect of investment banking business, the reform of its divisional system was further deepened, and the industrial service capabilities were gradually enhanced; in respect of the institutional and trading business, the Company firmly transformed it to customer demand-oriented business, and the transaction pricing and customer service capabilities were steadily improved; in respect of investment management business, the Company consolidated the core capabilities of active management, and the scale of assets under management grew steadily; in respect of international business, the overseas layout and cross-border integration were promoted, and the cross-border collaboration started to yield results.

During the Reporting Period, the Group focused on the construction of service systems for retail, institutional and corporate customers, improved the “customer-centric” integrated service system and strengthened the collaboration among various business lines, which has continued to strengthen the advantages of integrated service platform; accelerated the platform-based development and comprehensive digital transformation, which has increasingly shown the empowering effect on businesses, and therefore maintained leading digital technology capabilities; formulated and issued the Action Plan for the Construction of Shanghai Science and Technology Innovation Center (《服務上海科創中心建設行動方案》) to increase investment and financing services in the field of science and innovation; formulated and implemented the promotion plan of personal pension products, steadily promoted the issuance of pension FOF, and improved the inclusive financial service capability; established Qingdao Branch Office and Xiamen Branch Office to strengthen organizational innovation in key regions such as the Yangtze River Delta, Guangdong-Hong Kong-Macao Greater Bay Area and Beijing-Tianjin-Hebei; consolidated the leading edge in carbon finance, and carried out ESG-related investment and financing business in an orderly manner; established subsidiaries in Macao and the United Kingdom, and continued to promote cross-border integration of investment banking and cross-border exchange of talents; steadily promoted centralized operation 2.0 model, and continued to strengthen the operation management capabilities at group level. The Company maintained international credit ratings at BBB+ by Standard & Poor and Baa1 by Moody.

## Section III Discussion and Analysis of the Board of Directors

### (II) Analysis of principal businesses

#### 1. Wealth management business

##### (1) Retail brokerage and wealth management

According to the statistics of SSE and SZSE, in the first half of 2023, the trading volume of stock and fund market in SSE and SZSE was RMB124.70 trillion, representing an increase of 0.1% compared with the corresponding period of last year and the offering size of new mutual funds was RMB522.066 billion, representing a decrease of 25.0% compared with the corresponding period of last year.

In the first half of 2023, in respect of wealth management business, the Group further promoted the construction of “three forces” mechanism and accelerated the establishment of the wealth management 2.0 model driven by “investment advisory and empowered by technology”, the competitiveness of product sales and investment advisory businesses improved continuously, and the retail brokerage business continued to maintain its leading position in the industry. During the Reporting Period, the Group adhered to the direction of high-quality customer expansion to consolidate retail customer base continuously; focused on the management of retail customer groups to strengthen the construction of the “Jun Hong Xing Service (君弘星服務)” system; optimized the quantitative trading platform to enhance professional trading service capabilities; established a product strategy center at the headquarters to improve the “Selection 100 (甄選100)” financial product value system and steadily improve its asset allocation capability; continued to promote the construction of investment advisory teams to strengthen market and product research, to build a buy-side investment advisory service brand; and created an intelligent wealth management technology platform to enhance digitalization operation capacity. At the end of the Reporting Period, there were 39.8987 million users of Jun Hong APP, representing an increase of 2.3% from the end of last year, and average monthly active users<sup>1</sup> amounted to 7.7491 million, representing an increase of 11.8% from the corresponding period of last year. The number of personal fund accounts was 17.1589 million, representing an increase of 9.8% compared with the end of last year, including 360,200 affluent customers and high-net-worth customers, representing an increase of 6.3% compared with the end of last year. A total of 3,582 persons were qualified as investment consultants, representing an increase of 1.0% from the end of last year, ranking the fourth in the industry. The asset of “Jun Xiang Tou (君享投)” investment advisory business clients was RMB9.909 billion, representing an increase of 73.2% compared with the end of the previous year. During the Reporting Period, the sales of financial products amounted to RMB381.9 billion, representing an increase of 7.5% from the corresponding period of last year, and the monthly average size of financial products was RMB229.8 billion, representing an increase of 14.8% from the corresponding period of last year. The share of domestic stocks and funds transactions was 4.36%, representing an increase of 0.16 percentage point as compared with the previous year. According to the statistics of the SAC calculated on the basis of parent company, the Company had a market share of 5.36% in terms of net revenue from the securities brokerage business, and continued to rank the top in the industry.

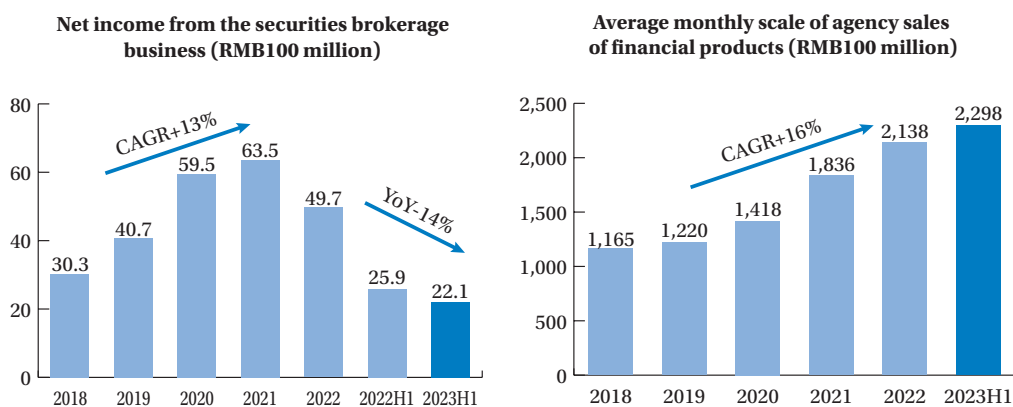
<sup>1</sup> Data of monthly active users is sourced from Qianfan.tech (易觀千帆)

## Section III Discussion and Analysis of the Board of Directors

Change in the scale of the Group's securities brokerage business in the first half of 2023  
(Unit: RMB100 million)

	Item	Reporting Period	Corresponding period of last year
Stocks	Trading amount	<b>101,952</b>	99,839
	Market share	<b>4.57%</b>	4.36%
Securities investment funds	Trading amount	<b>6,771</b>	4,452
	Market share	<b>2.56%</b>	2.19%
Bonds	Trading amount	<b>293,301</b>	248,713
	Market share	<b>6.00%</b>	6.78%

Source: SSE, SZSE. Bonds include spot and repurchase.



Source: the Company's business data. The net income from the securities brokerage business calculated on the parent-company statistical caliber.

## Section III Discussion and Analysis of the Board of Directors

### **(2) Futures brokerage**

According to the statistics of China Futures Association, on unilateral basis, in the first half of 2023, the cumulative trading volume of futures market was RMB262.13 trillion, representing an increase of 1.8% compared with the corresponding period of last year, among which the cumulative trading volume of commodity futures was RMB199.82 trillion, representing an increase of 1.0% compared with the corresponding period of last year and the cumulative trading volume of financial futures was RMB62.30 trillion, representing an increase of 4.4% compared with the corresponding period of last year.

In the first half of 2023, Guotai Junan Futures continued to improve its customer service system and was fully incorporated into the Group's integrated platform. It also focused on financial institutions and industrial customers to strengthen comprehensive financial services, resulting in the continuous increase in the transaction share and customer rights and interests. The Singapore subsidiary of Guotai Junan Futures commenced operation and its cross-border business grew rapidly. During the Reporting Period, the futures transaction amount of Guotai Junan Futures increased by 33.1% compared with the corresponding period of last year, with a market share of 7.22%, representing an increase of 1.22 percentage points from the last year, among which, the market share of transaction amount of financial futures was 11.52%, representing an increase of 1.68 percentage points from the last year, ranking the third in the industry, and the market share of transaction amount of commodity futures was 5.88%, representing an increase of 1.15 percentage points from the last year, ranking fifth, third and fourth in terms of market share of transaction amount on the Shanghai Futures Exchange, Dalian Commodity Exchange and Zhengzhou Commodity Exchange, respectively. As at the end of the Reporting Period, the scale of customer equity was RMB114.1 billion, representing an increase of 7.1% from the end of last year, and continued to rank the second in the industry.

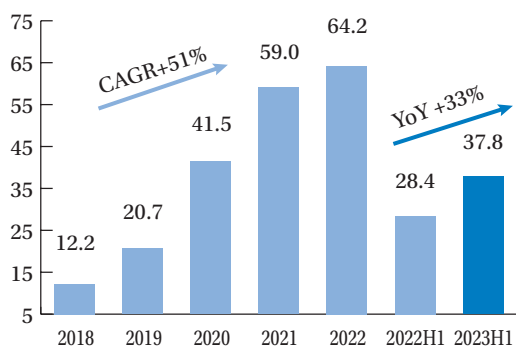
## Section III Discussion and Analysis of the Board of Directors

### Major business indicators of Guotai Junan Futures in the first half of 2023

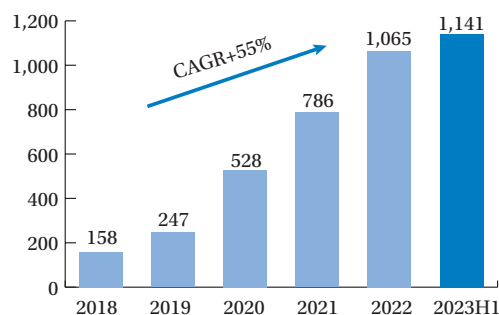
Item	Reporting Period	Corresponding period of last year
	At the end of the Reporting Period	At the end of last year
Transaction amount (RMB trillion)	<b>37.84</b>	28.43
Number of board lots (100 million)	<b>4.96</b>	2.75
Cumulative effective accounts opened (unit)	<b>194,213</b>	180,970
Customer equity at the end of the period (RMB100 million)	<b>1,141</b>	1,065

Source: the Company's business data.

**Transaction amount of Guotai Junan Futures (RMB trillion)**



**Customer equity of Guotai Junan Futures as at the end of the period (RMB100 million)**



Source: the Company's business data.



## Section III Discussion and Analysis of the Board of Directors

### ***(3) Margin financing and securities lending business***

According to the statistics of Wind, as at the end of June 2023, the balance of margin financing and securities lending in the market amounted to RMB1,588.498 billion, representing an increase of 3.1% from the end of last year, in which, the balance of margin financing amounted to RMB1,495.500 billion, representing an increase of 3.5% from the end of last year and the balance of securities lending amounted to RMB92.997 billion, representing a decrease of 3.0% from the end of last year.

In the first half of 2023, in respect of margin financing and securities lending business, the Group continued to optimize the pricing mechanism and risk control mechanism on the basis of improving the classification and grading service system, strengthened the comprehensive financial services for institutional customers and high-net-worth customers, leading to a continued growth in the balance of institutional margin financing and securities lending; it deepened the cooperation in securities source with public funds and legal person shareholders and optimized the functions of the Quanyuantong (券源通) system, resulting a growing market share of securities lending. At the end of the Reporting Period, the balance of the Group's margin financing and securities lending amounted to RMB90.264 billion, an increase of 3.6% from the end of last year, with a market share of 5.68%, keeping stable with a trend of steady growth. It maintained margin ratio at 293.7%. Among which, the balance of margin financing amounted to RMB82.077 billion, with a market share of 5.49%, and the balance of securities lending amounted to RMB8.187 billion, with a market share of 8.80%, an increase of 1.82 percentage points from the end of last year. The balance of the margin financing and securities lending from institutional customers amounted to RMB26.926 billion, an increase of 3.7% compared with the same period of last year, accounting for 29.8% of the balance of the margin financing and securities lending of the Group.

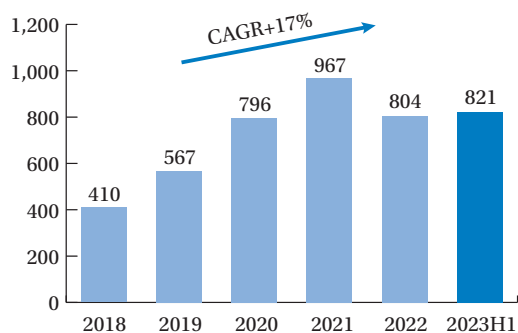
## Section III Discussion and Analysis of the Board of Directors

Scale of the Group's margin financing and securities lending business as at the end of June 2023 (Unit: RMB100 million)

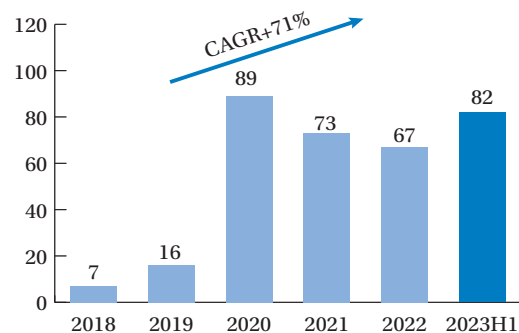
Item	At the end of the Reporting Period	At the end of last year
Balance of margin loans	<b>820.77</b>	804.42
Market value of securities lending	<b>81.87</b>	66.97
Balance of margin refinancing	<b>10.00</b>	40.00
Balance of securities refinancing	<b>102.49</b>	73.12

Source: the Company's business data.

Balance of margin loans (RMB100 million)



Balance of market value of securities lending (RMB100 million)



Source: the Company's business data.

## Section III Discussion and Analysis of the Board of Directors

### (4) Stock pledging business

According to the statistics of the SAC, at the end of June 2023, the margin loans for stock pledged financing in the securities industry was RMB203.536 billion, a decrease of 4.2% from the end of last year.

In the first half of 2023, in respect of stock pledging business, on the basis of adhering to the prudent and steady development strategy of “diversification and low leverage”, the Group strengthened the introduction of high-quality customers, continued to optimise its business structure, continuously improved its professional service capabilities and explored comprehensive business opportunities, so as to create a healthy business format featuring high-quality customers and matched returns and risks. At the end of the Reporting Period, the outstanding balance of the stock pledging business was RMB26.080 billion, a decrease of 0.6% from the end of last year, among which the balance of margin loans was RMB25.794 billion, and the average collateral coverage ratio was 272.1%; and the scale of stock pledged financing, an asset management product managed by the Group, was RMB0.286 billion. The outstanding balance of sell-buy back transactions was RMB2.305 billion, a decrease of 1.6% from the end of last year.

#### Scale of the Group’s stock pledging and sell-buy back transactions business as at the end of June 2023 (Unit: RMB100 million)

Item	At the end of the Reporting Period	At the end of last year
Outstanding balance of the stock pledging business	<b>260.80</b>	262.46
Including: Margin loans for stock pledged financing	<b>257.94</b>	259.60
Outstanding balance of sell-buy back transactions	<b>23.05</b>	23.43

Source: the Company’s business data.

## Section III Discussion and Analysis of the Board of Directors

### 2. Investment banking business

According to Wind and other statistics, in the first half of 2023, the total financing amount<sup>2</sup> underwritten by securities companies was RMB4,952.346 billion, representing an increase of 10.3% compared with the same period of last year. In particular, the total equity financing amount was RMB531.308 billion, representing a decrease of 12.0% compared with the same period of last year. The total debt financing underwritten by securities companies was RMB4,421.038 billion, representing an increase of 13.8% compared with the same period of last year. The amount of M&A transactions as approved by the CSRC and stock exchanges was RMB60.506 billion, representing a decrease of 32.7% compared with the same period of last year.

In the first half of 2023, the Company's investment banking business further deepened the reform of the division system, and focused on building "an industrial investment bank, a comprehensive investment bank and a digital investment bank". The Company focused on key industries and key businesses, optimized the organizational structure, and established secondary departments such as the Financial Consultancy Business Department, the Advanced Manufacturing Department and the New Energy Department II. The Company increased the coverage of key industries and enhanced its industrial service capabilities; strengthened business synergy and enhanced comprehensive financial service capabilities, and made positive progress in building the "investment bank +" ecosystem; it launched a comprehensive service platform for enterprise customers, promoted the construction of CRM system, and continued to improve its digital capabilities; the Company strengthened its financial services for science and technology innovation, completed equity financing services for 14 science and technology enterprises, underwritten science and innovation bonds of RMB11.098 billion, representing an increase of 317.2% compared with the same period of last year, and completed an inquiry and transfer business on the Science and Technology Innovation Board. During the Reporting Period, the Group's lead underwriting amount of securities was RMB343.806 billion, representing a decrease of 1.8% compared with the same period of last year, up in the ranking of the fourth in the industry. In particular, the lead underwriting amount of equity interest was RMB21.528 billion, representing a decrease of 26.9% compared with the same period of last year, ranking the sixth in the industry. Among them, the lead underwriting amount of IPO was RMB10.891 billion, representing a decrease of 35.8% compared with the same period of last year, with a market share of 4.98%. At the end of the period, there were 53 sponsored projects under review for IPO, ranking the fourth in the industry. The lead underwriting amount of bonds was RMB322.280 billion, representing an increase of 0.5% compared with the same period of last year, up in the ranking of the third in the industry. Among them, the lead underwriting amount of corporate bonds was RMB133.389 billion, an increase of 21.4% compared with the same period of last year, ranking third in the industry. The M&A and restructuring projects as approved by the CSRC and stock exchanges involved a transaction amount of RMB3.337 billion.

<sup>2</sup> The underwriting amount excluded local government bonds

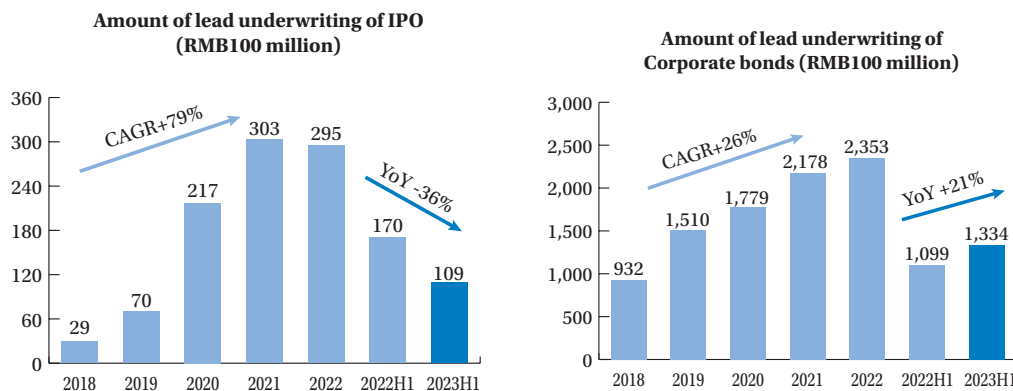
## Section III Discussion and Analysis of the Board of Directors

### Scale of the Group's investment banking business in the first half of 2023

	Item	Reporting Period	Corresponding period of last year
IPO	Number of lead underwritings	8	14
	Amount of lead underwritings (RMB100 million)	108.91	169.76
Refinancing	Number of lead underwritings	11	14
	Amount of lead underwritings (RMB100 million)	106.37	124.86
Enterprise bonds	Number of lead underwritings	14	19
	Amount of lead underwritings (RMB100 million)	57.30	134.51
Corporate bonds	Number of lead underwritings	353	273
	Amount of lead underwritings (RMB100 million)	1,333.89	1,098.89
Financial bonds	Number of lead underwritings	59	65
	Amount of lead underwritings (RMB100 million)	749.38	1,042.75
Other bonds	Number of lead underwritings	408	323
	Amount of lead underwritings (RMB100 million)	1,082.23	930.48

Source: Wind, the Company's business data.

Note: Refinancing includes convertible bonds but excluding preferred shares; corporate bonds do not include government-backed agency bonds; other bonds include non-financial corporate debt financing instruments, asset securitization products, standardized bills and exchangeable bonds.



Source: Wind, the Company's business data.

## Section III Discussion and Analysis of the Board of Directors

### 3. Institution and transaction business

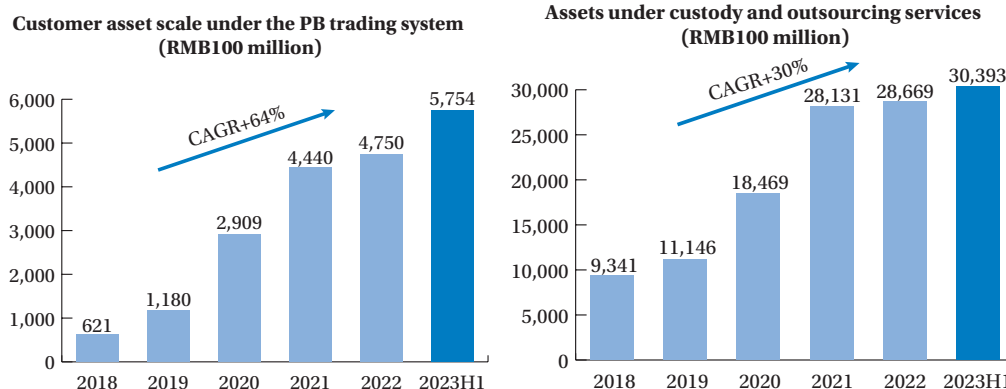
#### (1) *Research Business*

In the first half of 2023, in respect of the research business, the Group continued to improve the construction of the research system, strengthened the research work in the areas of regional economy, ESG and asset allocation, comprehensively enhanced the research services for various institutional customers, and carried out key services for core customers, with the market influence gradually increased. During the Reporting Period, a total of 4,135 research reports were completed; 906 teleconferences were held; and 21,044 institutional customers participated in our roadshows.

#### (2) *Institution brokerage business*

In the first half of 2023, the Group's institutional business focused on the comprehensive needs of key customers, improved the classified and hierarchical management mechanism of institutional customers and the "1+N" comprehensive service system, strengthened the construction of Daohe platform and quantitative trading system, and improved the comprehensive service capabilities for key customers with steady increase in the share of stocks and funds transactions of institutional customers, consistent growth of quantitative transactions, QFII, brokerage settlement and other businesses, and custody outsourcing business continuing to maintain a leading position in the industry. During the Reporting Period, the stocks and funds transaction volume of institutional customers amounted to RMB5.50 trillion, representing an increase of 15.3% compared with the same period of last year. It recorded a market share of 2.20%, representing an increase of 0.29 percentage point compared with the same period of last year. The total transaction volume through Daohe-Xiaoshoutong platform was RMB85.652 billion, and the balance at the end of the period was RMB29.383 billion, representing an increase of 144.4% as compared with the end of the previous year. At the end of the Reporting Period, there were 61,000 institutional customers, representing an increase of 4.4% as compared with the end of last year; the customer asset size of PB (prime brokers) trading system amounted to RMB575.414 billion, representing an increase of 21.1% compared with the end of last year. there were 20,654 products of various type under the custodian business, representing an increase of 8.7% compared with the end of last year; while there were 20,262 products of various type under the outsourcing business, representing an increase of 9.0% compared with the end of last year, and the asset size of custody and outsourcing businesses reached RMB3,039.3 billion, representing an increase of 6.0% compared with the end of last year. Among such business section, the number of products of private funds under custody continued to rank the second in the securities industry and the assets under our custody from mutual funds amounted to RMB208.1 billion, representing an increase of 4.6% compared with the end of last year, still ranking the first in the securities industry.

## Section III Discussion and Analysis of the Board of Directors



Source: the Company's business data.

### (3) Trading and investment business

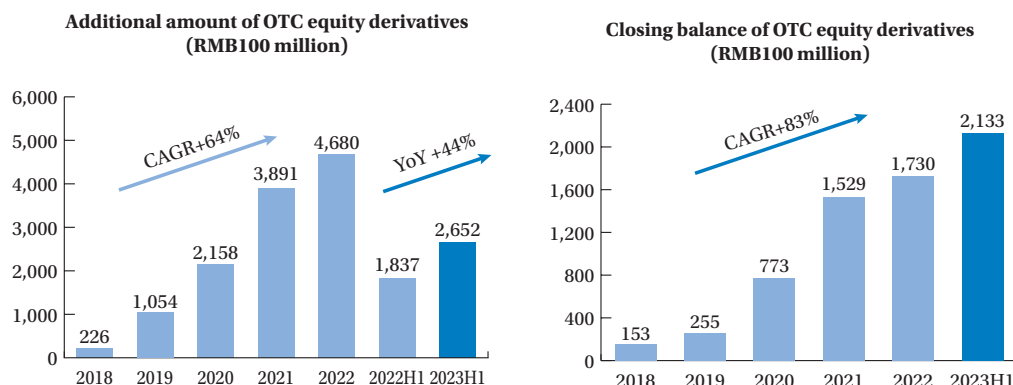
According to statistics of Wind, in the first half of 2023, CSI 300 Index declined by 0.75% and ChinaBond Total Net Price (Total Value) Index rose by 0.99%, the exchange rate of USD against RMB increased by 4.47%, and Nanhua Commodity Index dropped by 3.49%.

In respect of trading and investment business, the Group continued to focus on becoming an “outstanding financial asset trader”, actively developed the customer demand-oriented business, firmly transformed itself to low risk and non-directional businesses, and steadily enhanced the transaction pricing ability and the customer service ability.

In respect of the equity business, the Group adhered to a value investment strategy for equity investment and continued to optimize asset allocation, resulting in steady returns from the relative return strategy. For the market-making business, the Group obtained the qualification as the main market maker of STAR 50ETF options, with the scale of on-exchange options market-making continuing to lead the industry. The variety and scale of ETF market-making have been comprehensively improved and the number of target stocks for market-making on the Science and Technology Innovation Board has increased significantly. For the OTC derivatives business, the Group focused on improving comprehensive service capabilities and product innovation capabilities, and actively developed customer demand-driven trading and product businesses. The long-short income swap business was operating stably, the scale of cross-border business continued to grow rapidly, and the scale of transactions in the field of private placement maintained an industry-leading position. In the first half of 2023, the cumulative amount of additional nominal principal<sup>3</sup> of OTC equity derivatives amounted to RMB265.156 billion, representing an increase of 44.3% compared with the same period of last year. The closing balance of existing nominal principal amounted to RMB213.305 billion, representing an increase of 23.6% compared with the end of last year. Among which, the cumulative amount of additional nominal principal for cross-border business was RMB140.750 billion, representing an increase of 57.1% compared with the same period of last year; the balance of nominal principal at the end of the Reporting Period was RMB98.245 billion, representing an increase of 65.0% compared with the end of last year.

<sup>3</sup> Two-way caliber statistics

## Section III Discussion and Analysis of the Board of Directors



Source: the Company's business data.

In respect of the FICC business, the Group enhanced the multi-asset and multi-strategy investment and research capabilities for fixed-income investment, effectively grasped the market allocation and volatility trading opportunities in domestic and overseas markets, and achieved better investment returns. In the first half of 2023, the volume of spot bond transactions in the inter-bank bond market was RMB3.47 trillion and the market-making target of REITs grew rapidly. The Group ranked first in the industry in terms of net bond settlement transaction volume and comprehensively ranked third in the industry in terms of “Bond Connect” business, and obtained the qualification of the first batch of bond market makers on the Shanghai and Shenzhen Stock Exchange and the first batch of bidders on the “Northbound Swap Connect”, therefore its market-making influence was further enhanced. In respect of the customer demand-oriented business, the Group enriched product offerings, expanded Index product line and enhanced its customer transaction capabilities. As the varieties and scale of cross-border business grew rapidly, the balance of cross-border FICC notional principal at the end of the period reached RMB22.397 billion, an increase of 61.1% compared with the end of last year. The cumulative transaction nominal principal of interest rate swaps was RMB0.76 trillion, with a market share of approximately 6%; the scale of credit derivatives business increased by RMB5.735 billion. In respect of the foreign exchange business, the Group steadily carried out proprietary trading of RMB foreign exchange and foreign currency pairs, with increasingly diversified trading strategies and steady growth in scale, promoted the exchange rate hedging business under cross-border investment and financing, and actively expanded the counterparties of foreign exchange OTC options. In respect of the commodities business, the Group steadily promoted the proprietary trading of precious metals and bulk commodities, explored cross-temporal, cross-species and cross-market arbitrage opportunities, optimized profit model, and steadily carried out trend trading and asset



## Section III Discussion and Analysis of the Board of Directors

management investment business; the Group continued to promote the development of cross-border OTC derivatives trading business and maintained the diversity and stability of its business models. The cross-border commodity revenue swap business grew rapidly. In respect of carbon finance business, the Group actively participated in the carbon emission allowance (CEA) trading model in the national market with its trading volume of approximately 2.40 million tons in the first half of 2023. The Group explored and developed customer-to-customer business in the form of carbon neutral offset and buy-out repurchase, and tried a variety of green financial customer-to-customer business models.

### (4) Equity investment business

In the first half of 2023, Guotai Junan Zhengyu steadily promoted its strategic investment business, deepened organizational synergy and achieved effective result from its proactive investment layout. During the Reporting Period, there were 11 new investment projects with additional investment in amount of RMB0.672 billion and there were 2 projects which were divested. As of the end of the Reporting Period, there were 65 investment projects with an investment amount of RMB4.514 billion, of which, during the Reporting Period, there were 3 new co-investment projects on the Science and Technology Innovation Board, with an investment amount of RMB169 million; there were 22 co-investment projects with the co-investment amount of RMB1.284 billion at the end of the Reporting Period.

#### Overview of equity investment business of Guotai Junan Zhengyu as at the end of June 2023

	At the end of the Reporting Period	At the end of last year
Number of investment projects at the end of the period (unit)	65	56
Including: number of co-investment projects (unit)	22	21
Amount of investment projects at the end of the period (RMB100 million)	45.14	38.43
Including: amount of co-investment (RMB100 million)	12.84	11.78

Source: the Company's business data.

## Section III Discussion and Analysis of the Board of Directors

### 4. Investment management business

#### (1) Asset management

According to the statistics of the SAC, as of the end of June 2023, assets under management of securities companies were RMB9.16 trillion in aggregate, representing a decrease of 6.1% compared with the end of last year.

In the first half of 2023, Guotai Junan Asset Management optimized its organizational structure, improved the buy-side investment and research system, continued to improve its investment and research capabilities, accelerated the establishment of public and private products, strengthened the innovation of ABS and other products, continued to increase the scale of assets under management, and achieved good performance in fixed income and quantitative products. As at the end of the Reporting Period, the scale of assets under management of Guotai Junan Asset Management amounted to RMB506.368 billion, representing an increase of 16.8% compared with the end of last year. Among which, the scale of collective assets under management amounted to RMB197.559 billion, representing an increase of 27.8% compared with the end of last year; the scale of single assets under management amounted to RMB141.245 billion, representing an increase of 13.5% compared with the end of last year; the scale of specialized assets under management amounted to RMB125.374 billion, representing an increase of 14.1% compared with the end of last year. During the Reporting Period, 9 public offering products were newly issued, with a total IPO size of RMB1.019 billion, and there are 39 existing public offering products at the end of the period, with the scale under management of RMB42.190 billion. According to the statistics of the Asset Management Association of China, in the second quarter of 2023, the ranking of the average monthly scale of private assets under management of Guotai Junan Asset Management rose to the third in the industry.

#### **Assets under management of Guotai Junan Asset Management as at the end of June 2023 (Unit: RMB100 million)**

<b>Business categories</b>	<b>At the end of the Reporting Period</b>	<b>At the end of last year</b>
Scale of collective asset management business	<b>1,975.59</b>	1,546.32
Scale of single asset management business	<b>1,412.45</b>	1,244.31
Scale of specialized asset management business	<b>1,253.74</b>	1,098.88
Scale of mutual funds management business	<b>421.90</b>	444.14

Note: The calculation of the scale of collective and mutual asset management business is based on net assets under management.

Source: the Company's business data.

## Section III Discussion and Analysis of the Board of Directors

### (2) Private equity fund management

According to the statistics of the Asset Management Association of China, as of the end of June 2023, there were 13,208 registered private equity/venture investment fund managers, representing a decrease of 7.7% compared with the end of last year, there were 31,333 private equity investment funds under management with a scale of RMB11.15 trillion, representing an increase of 1.9% compared with the end of last year.

In the first half of 2023, Guotai Junan Innovation Investment deeply cultivated key industries, further explored high-quality projects, took multiple measures to promote fund raising, optimized investment decision-making and post-investment management mechanisms, fully improved the core business capabilities of “fundraising, investment, management and withdrawal”. During the Reporting Period, three funds including Shanghai Pudong Leading District Guotai Junan Kechuang No. 1 Private Fund Partnership (Limited Partnership) (上海浦東引領區國泰君安科創一號私募基金合夥企業(有限合夥)) were established with a total fundraising scale of RMB6.01 billion. 7 new investment projects (including sub-funds) were established under its funds with subscribed capital contribution of RMB0.61 billion. Guotai Junan Fund of Funds focused on key industries to proceed with external investments steadily. As at the end of the Reporting Period, the subscription amount for external investments was RMB5.949 billion.

#### Overview of Guotai Junan Innovation Investment private equity fund business as at the end of June 2023

	At the end of the Reporting Period	At the end of last year
Number of managed funds (unit)	38	37
Cumulative committed capital of managed funds (RMB100 million)	592.04	573.34
Cumulative paid-in capital of managed funds (RMB100 million)	399.95	399.85

Source: the Company's business data.

## Section III Discussion and Analysis of the Board of Directors

### (3) Fund management

According to the statistics of the Asset Management Association of China, as of the end of June 2023, the mutual fund assets under management of mutual funds management institutions was RMB27.69 trillion, representing an increase of 6.4% compared with the end of the last year, among which assets under management of non-monetary funds was RMB16.21 trillion, representing an increase of 4.1% compared with the end of the last year.

In the first half of 2023, HuaAn Funds continuously optimized the construction of investment and research platform and focused on improving investment and research capabilities. The investment performance of active equity funds ranked among the top in the industry; insisting on new funds issuance and continuous marketing simultaneously drove scale growth, a total of 18 new funds were issued, with a total fundraising scale of RMB19.2 billion, among which, the issuance scale of new active equity funds amounted to RMB8.9 billion, ranking the first in the industry; the product innovation was strengthened and the expansion of the first batch of publicly offered REITs was completed. As at the end of the Reporting Period, the scale of assets under management amounted to RMB679.669 billion, representing an increase of 9.2% compared with the end of last year, among which, the scale of assets under management of mutual funds amounted to RMB602.372 billion, representing an increase of 9.1% compared with the end of last year, and the scale of assets under management of designated accounts amounted to RMB77.297 billion, representing an increase of 10.0% compared with the end of last year.

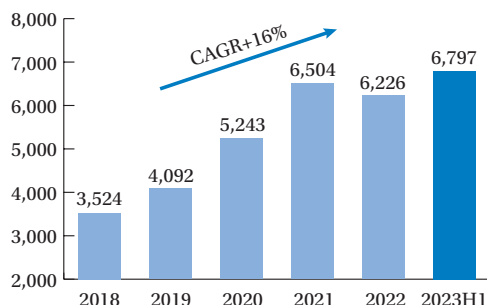
#### Scale of assets under management of HuaAn Funds as at the end of June 2023 (Unit: RMB100 million)

	At the end of the Reporting Period	At the end of last year
Scale of assets under management	<b>6,796.69</b>	6,225.65
Scale of assets under management of mutual funds	<b>6,023.72</b>	5,522.95
Scale of assets under management of non-monetary mutual funds	<b>3,417.66</b>	3,327.96
Scale of assets under management of designated accounts	<b>772.97</b>	702.70

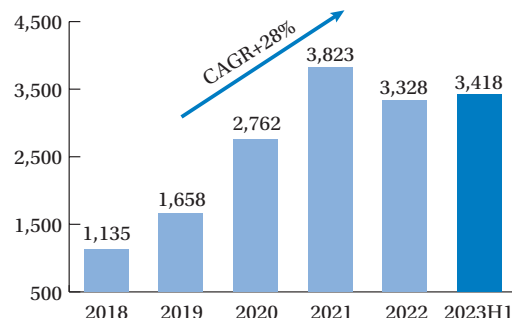
Source: the Company's business data.

## Section III Discussion and Analysis of the Board of Directors

Scale of assets under management of HuaAn Funds  
(Unit: RMB100 million)



Scale of non-monetary assets under management of HuaAn Funds (Unit: RMB100 million)



### 5. International business

The Group built an international business platform around Guotai Junan Financial Holdings, and conducted brokerage, corporate finance, asset management, loans and financing, financial products, market-making and investment business in Hong Kong, mainly through Guotai Junan International. The Group has also actively expanded presence into the United States, Europe and Southeast Asia. In the first half of 2023, Guotai Junan International further promoted cross-border integration, and achieved remarkable effects in cross-border cooperation among investment banks and steady growth in institutional and derivatives business; strengthened its overseas business layout and established subsidiaries in Macao; accelerated innovation and became the first batch of HKD-RMB dual-counter market makers, participated in the first-day trading of the Swap Link, and its comprehensive competitiveness continued to stay at the forefront of Chinese securities companies in Hong Kong.

#### Major components of revenue of Guotai Junan International for the first half of 2023 (Unit: HK\$'000)

Item	During the Reporting Period	During the same period of last year
Fee and commission income	341,975	451,312
Interest income	1,189,534	924,606
Net trading and investment income	11,546	-168,126
Total revenue	1,543,055	1,207,792

Source: relevant announcements of Guotai Junan International.

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**Significant changes in operation condition of the Company during the Reporting Period, and events that had a significant impact on operation condition of the Company during the Reporting Period and are expected to have a significant impact on operation condition of the Company in the future**

Applicable  Not applicable

### IV. PRINCIPAL OPERATION CONDITION DURING THE REPORTING PERIOD

#### (I) Analysis of financial statements

##### 1 Analysis of consolidated statements of profit or loss

##### (1) Total revenue and other income structure

Unit: thousand yuan Currency: RMB

Items	January to June 2023		January to June 2022		Changes	
	Amount	Component	Amount	Component	Amount	Proportion
Fee and commission income	9,083,938	34.71%	8,628,718	32.82%	455,220	5.28%
Interest income	7,856,402	30.02%	7,862,272	29.91%	-5,870	-0.07%
Net investment gains	5,196,607	19.86%	3,581,702	13.62%	1,614,905	45.09%
<b>Total revenue</b>	<b>22,136,947</b>	<b>84.59%</b>	20,072,692	76.35%	2,064,255	10.28%
Other income and gains	4,033,792	15.41%	6,215,384	23.65%	-2,181,592	-35.10%
<b>Total revenue and other income</b>	<b>26,170,739</b>	<b>100.00%</b>	26,288,076	100.00%	-117,337	-0.45%

In the first half of 2023, the Group realized a total revenue and other income of RMB26.171 billion, representing a decrease of 0.45% as compared to the same period of last year, among which:

Fee and commission income amounted to RMB9.084 billion, accounting for 34.71% and representing an increase of 5.28% as compared to the same period of last year, which was mainly due to that HuaAn Funds was included in the scope of consolidation as a subsidiary during the current period;

Net investment gains amounted to RMB5.197 billion, accounting for 19.86% and representing an increase of 45.09% as compared to the same period of last year, which was mainly due to an increase in investment gains in financial instruments at fair value through profit or loss as compared to the same period of last year;

Other income and gains amounted to RMB4.034 billion, accounting for 15.41% and representing a decrease of 35.10% as compared to the same period of last year, which was mainly due to the decrease in commodity transaction volume of subsidiaries.

## Section III Discussion and Analysis of the Board of Directors

### (2) Total expenses structure

Unit: thousand yuan Currency: RMB

Items	January to June 2023		January to June 2022		Changes	
	Amount	Component	Amount	Component	Amount	Proportion
Fee and commission expenses	1,707,590	9.07%	1,773,428	9.56%	-65,838	-3.71%
Interest expenses	6,317,244	33.56%	5,339,635	28.79%	977,609	18.31%
Staff costs	4,565,859	24.26%	4,506,046	24.30%	59,813	1.33%
Depreciation and amortization expenses	740,242	3.93%	629,444	3.39%	110,798	17.60%
Tax and surcharges	94,181	0.50%	119,037	0.64%	-24,856	-20.88%
Other operating expenses and costs	5,287,019	28.09%	6,360,720	34.31%	-1,073,701	-16.88%
Provision for impairment losses	1,087	0.01%	18,859	0.10%	-17,772	-94.24%
Credit loss expense	108,817	0.58%	-202,364	-1.09%	311,181	N/A
<b>Total expenses</b>	<b>18,822,039</b>	<b>100.00%</b>	<b>18,544,805</b>	<b>100.00%</b>	<b>277,234</b>	<b>1.49%</b>

In the first half of 2023, the Group's total expenses amounted to RMB18.822 billion, representing an increase of 1.49% compared with the same period of last year, among which: interest expenses amounted to RMB6.317 billion, accounting for 33.56% and representing an increase of 18.31% compared with the same period of last year, primarily due to the increase in interest expenses including financial assets sold under repurchase agreements and placements from other financial institutions; other operating expenses and costs amounted to RMB5.287 billion, accounting for 28.09% and representing a decrease of 16.88% compared with the same period of last year, primarily due to the decrease in commodity transaction volume of subsidiaries; credit loss expense accrued during the current period amounted to RMB0.109 billion, primarily due to the changes in market environment and project conditions, leading to the impairment provision of related assets for the current period after combining with the assessment with the expected credit loss model.

## Section III Discussion and Analysis of the Board of Directors

### 2 Analysis of consolidated statements of cash flows

In the first half of 2023, the net increase in cash and cash equivalents of the Group was RMB12.072 billion, among which:

Net cash generated from operating activities was RMB0.278 billion, which mainly reflected: (i) an increase of RMB14.988 billion in other liabilities, mainly due to the increase in accounts payable arising from derivative transactions and the increase in accounts payable to brokers, (ii) an increase of RMB12.402 billion in financial assets sold under repurchase agreements which was mainly due to business development of the Company and the adjustment to the liability structure, (iii) an increase of RMB10.675 billion in accounts payable to brokerage customers due to changes in securities market conditions. These cash inflows were partially offset by (i) an increase of RMB29.898 billion in financial instruments at fair value through profit or loss and derivative financial instruments; (ii) an increase of RMB5.884 billion in cash held on behalf of brokerage customers.

Net cash used in investing activities was RMB6.747 billion, which was mainly due to the payment of RMB29.354 billion from purchases of financial assets at fair value through other comprehensive income and other investments, partially offset by the cash proceeds of RMB21.520 billion from disposal of financial assets at fair value through other comprehensive income and other investments, reflecting the Company's adjustment to the transaction and investment structure.

Net cash generated from financing activities was RMB18.541 billion, which was mainly due to (i) proceeds from loans and borrowings amounting to RMB57.863 billion; (ii) proceeds from issuance of short-term debt instruments amounting to RMB21.582 billion; (iii) proceeds from issuance of bonds amounting to RMB18.985 billion, partially offset by (i) repayment of loans and borrowings amounting to RMB59.489 billion; (ii) repayment of debt securities amounting to RMB17.937 billion.



## Section III Discussion and Analysis of the Board of Directors

### 3 Analysis of consolidated statements of financial position

Unit: thousand yuan Currency: RMB

Items	As at 30 June 2023		As at 31 December 2022		Changes	
	Amount	Component	Amount	Component	Amount	Proportion
<b>Non-current assets</b>						
Property and equipment	4,248,508	0.46%	3,176,858	0.37%	1,071,650	33.73%
Investment property	1,080,709	0.12%	1,094,163	0.13%	-13,454	-1.23%
Right-of-use assets	2,290,266	0.25%	2,388,079	0.28%	-97,813	-4.10%
Goodwill	4,070,761	0.44%	4,070,761	0.47%	-	0.00%
Other intangible assets	756,787	0.08%	733,799	0.09%	22,988	3.13%
Investments in associates	6,790,683	0.73%	6,362,391	0.74%	428,292	6.73%
Investments in joint ventures	5,177,332	0.56%	5,081,873	0.59%	95,459	1.88%
Debt investments at amortised cost	2,818,606	0.30%	2,787,707	0.32%	30,899	1.11%
Debt instruments at fair value through other comprehensive income	56,790,734	6.15%	56,359,547	6.55%	431,187	0.77%
Equity instruments at fair value through other comprehensive income	2,341,358	0.25%	2,331,288	0.27%	10,070	0.43%
Financial assets held under resale agreements	1,881,744	0.20%	298,860	0.03%	1,582,884	529.64%
Financial assets at fair value through profit or loss	22,647,521	2.45%	21,126,943	2.45%	1,520,578	7.20%
Refundable deposits	61,190,113	6.62%	58,922,817	6.85%	2,267,296	3.85%
Deferred tax assets	1,595,652	0.17%	2,457,184	0.28%	-861,532	-35.06%
Other non-current assets	153,007	0.02%	154,482	0.02%	-1,475	-0.95%
<b>Total</b>	<b>173,833,781</b>	<b>18.80%</b>	<b>167,346,752</b>	<b>19.44%</b>	<b>6,487,029</b>	<b>3.88%</b>
<b>Current assets</b>						
Accounts receivable	12,340,191	1.34%	11,759,050	1.37%	581,141	4.94%
Other current assets	2,006,215	0.22%	2,913,113	0.34%	-906,898	-31.13%
Margin accounts receivable	88,905,695	9.62%	87,115,509	10.12%	1,790,186	2.05%
Debt investments at amortised cost	599,970	0.07%	368,442	0.04%	231,528	62.84%
Debt instruments at fair value through other comprehensive income	9,237,049	1.00%	4,829,768	0.56%	4,407,281	91.25%
Financial assets held under resale agreements	74,221,502	8.03%	70,837,360	8.23%	3,384,142	4.78%
Financial assets at fair value through profit or loss	340,937,750	36.89%	310,274,301	36.05%	30,663,449	9.88%
Derivative financial assets	7,568,014	0.82%	8,232,823	0.96%	-664,809	-8.08%
Clearing settlement funds	7,656,757	0.83%	7,414,914	0.86%	241,843	3.26%
Cash held on behalf of brokerage customers	165,186,553	17.87%	158,867,961	18.46%	6,318,592	3.98%
Cash and bank balances	41,670,644	4.51%	30,747,924	3.57%	10,922,720	35.52%
<b>Total</b>	<b>750,330,340</b>	<b>81.20%</b>	<b>693,361,165</b>	<b>80.56%</b>	<b>56,969,175</b>	<b>8.22%</b>
<b>Total assets</b>	<b>924,164,121</b>	<b>100.00%</b>	<b>860,707,917</b>	<b>100.00%</b>	<b>63,456,204</b>	<b>7.37%</b>

## Section III Discussion and Analysis of the Board of Directors

Items	As at 30 June 2023		As at 31 December 2022		Changes	
	Amount	Component	Amount	Component	Amount	Proportion
<b>Current liabilities</b>						
Loans and borrowings	8,318,388	1.10%	9,847,547	1.41%	-1,529,159	-15.53%
Short-term debt instruments	25,569,131	3.39%	13,649,479	1.96%	11,919,652	87.33%
Placements from other financial institutions	15,052,980	2.00%	12,967,205	1.86%	2,085,775	16.09%
Accounts payable to brokerage customers	206,823,492	27.42%	195,718,783	28.09%	11,104,709	5.67%
Employee benefits payable	7,209,823	0.96%	9,057,704	1.30%	-1,847,881	-20.40%
Income tax payable	574,589	0.08%	1,698,975	0.24%	-1,124,386	-66.18%
Financial assets sold under repurchase agreements	185,634,500	24.62%	173,236,682	24.86%	12,397,818	7.16%
Financial liabilities at fair value through profit or loss	53,894,381	7.15%	48,327,552	6.94%	5,566,829	11.52%
Derivative financial liabilities	8,996,921	1.19%	9,790,659	1.40%	-793,738	-8.11%
Bonds payable	41,517,389	5.50%	33,724,583	4.84%	7,792,806	23.11%
Contract liabilities	84,305	0.01%	96,601	0.01%	-12,296	-12.73%
Lease liabilities	592,263	0.08%	571,474	0.08%	20,789	3.64%
Other current liabilities	80,567,762	10.68%	64,786,119	9.31%	15,781,643	24.36%
<b>Total</b>	<b>634,835,924</b>	<b>84.18%</b>	<b>573,473,363</b>	<b>82.30%</b>	<b>61,362,561</b>	<b>10.70%</b>
<b>Net current assets</b>	<b>115,494,416</b>		<b>119,887,802</b>		<b>-4,393,386</b>	<b>-3.66%</b>
<b>Non-current liabilities</b>						
Loans and borrowings	554,504	0.07%	559,151	0.08%	-4,647	-0.83%
Bonds payable	98,135,648	13.01%	94,159,011	13.51%	3,976,637	4.22%
Lease liabilities	1,199,352	0.16%	1,313,701	0.19%	-114,349	-8.70%
Deferred tax liabilities	256,620	0.03%	128,523	0.02%	128,097	99.67%
Financial liabilities at fair value through profit or loss	18,693,044	2.48%	26,721,315	3.83%	-8,028,271	-30.04%
Other non-current liabilities	513,745	0.07%	507,394	0.07%	6,351	1.25%
<b>Total</b>	<b>119,352,913</b>	<b>15.82%</b>	<b>123,389,095</b>	<b>17.70%</b>	<b>-4,036,182</b>	<b>-3.27%</b>
Total liabilities	754,188,837	100.00%	696,862,458	100.00%	57,326,379	8.23%
Total equity	169,975,284		163,845,459		6,129,825	3.74%

## Section III Discussion and Analysis of the Board of Directors

As of 30 June 2023, the total assets of the Group were RMB924.164 billion, representing an increase of 7.37% compared with the end of last year; the total liabilities were RMB754.189 billion, representing an increase of 8.23% compared with the end of last year; the total equity was RMB169.975 billion, representing an increase of 3.74% compared with the end of last year.

The asset of the Group was mainly comprised of: financial assets at fair value through profit or loss of RMB363.585 billion (39.34% of the total assets); cash held on behalf of brokerage customers of RMB165.187 billion (17.87% of the total assets); margin accounts receivable of RMB88.906 billion (9.62% of the total assets); financial assets held under resale agreements of RMB76.103 billion (8.23% of the total assets). Among the above, the current assets amounted to RMB750.330 billion (81.20% of the total assets). The liquidity of the Group was fine with reasonable structure. In addition, the Group made impairment provisions for the assets showing impairment indications under market fluctuation and therefore the assets were of relatively high quality.

### ***Non-current assets***

As of 30 June 2023, our non-current assets amounted to RMB173.834 billion, representing an increase of 3.88% compared with the end of last year. Among the non-current assets, property and equipment amounted to RMB4.249 billion, representing an increase of 33.73% compared with the end of last year, which was primarily due to the increase in business premises to meet the development needs of the Greater Bay Area; refundable deposits amounted to RMB61.190 billion with an increase of 3.85% compared with the end of last year, which was primarily due to the increase in future deposits; debt instruments at fair value through other comprehensive income amounted to RMB56.791 billion with an increase of 0.77% compared with the end of last year, financial assets at fair value through profit or loss amounted to RMB22.648 billion with an increase of 7.20% compared with the end of last year, which was primarily due to the adjustment by the Group of the trading and investment structure.

### ***Current assets***

As of 30 June 2023, our current assets amounted to RMB750.330 billion, representing an increase of 8.22% compared with the end of last year. Among the current assets, cash held on behalf of brokerage customers amounted to RMB165.187 billion with an increase of 3.98% compared with the end of last year, which was primarily due to the fluctuations in the securities market conditions; financial assets at fair value through profit or loss amounted to RMB340.938 billion with an increase of 9.88% compared with the end of last year, which was primarily due to the adjustment by the Group of the trading and investment structure.

## Section III Discussion and Analysis of the Board of Directors

### ***Current liabilities***

As of 30 June 2023, our current liabilities amounted to RMB634.836 billion, representing an increase of 10.70% compared with the end of last year. Among the current liabilities, accounts payable to brokerage customers amounted to RMB206.823 billion with an increase of 5.67% compared with the end of last year, which was primarily due to the fluctuations in the securities market conditions; short-term debt instruments amounted to RMB25.569 billion with an increase of 87.33% compared with the end of last year; financial assets sold under repurchase agreements amounted to RMB185.635 billion with an increase of 7.16% compared with the end of last year, primarily due to the business development of the Company combined with the optimization of the liability structure.

### ***Non-current liabilities***

As of 30 June 2023, our non-current liabilities amounted to RMB119.353 billion, representing a decrease of 3.27% compared with the end of last year. Among the non-current liabilities, bonds payable amounted to RMB98.136 billion with an increase of 4.22% compared with the end of last year, financial liabilities at fair value through profit or loss amounted to RMB18.693 billion with a decrease of 30.04% compared with the end of last year, which was primarily due to the Group's adjustment to its liability structure and business development.

### ***Equity***

The equity attributable to equity holders of the Company increased by 3.79% from the end of last year to RMB163.696 billion as of 30 June 2023. The gearing ratio of the Group was 76.30% as of 30 June 2023, representing an increase of 0.94 percentage point compared with the end of last year, given the Group's reasonable and stable assets and liabilities structure.

### ***Major restricted assets at the end of the Reporting Period***

For details of assets with restricted ownership or use rights, please refer to notes to the interim condensed consolidated financial statements.

## Section III Discussion and Analysis of the Board of Directors

### *Borrowings and debt financing*

As of 30 June 2023, the total borrowings and debt financing of the Group amounted to RMB174.095 billion, details of which are set out as follows:

	<i>Unit: thousand yuan</i>	<i>Currency: RMB</i>
	<b>30 June 2023</b>	31 December 2022
Loans and borrowings	<b>8,872,892</b>	10,406,698
Short-term debt instruments	<b>25,569,131</b>	13,649,479
Bonds payable	<b>139,653,037</b>	127,883,594
Total	<b><u>174,095,060</u></b>	<u>151,939,771</u>

For details of the interest rate and the terms of the loans and borrowings, short-term debt instruments and bonds payable, please refer to notes to the interim condensed consolidated financial statements.

Except for the borrowings and debt financing, the Group obtained funds through placements from other financial institutions and financial assets sold under repurchase agreements. As of 30 June 2023, the balance of placements from other financial institutions was RMB15.053 billion, while the balance of financial assets sold under repurchase agreements was RMB185.635 billion. The total debt mentioned above was RMB374.783 billion.

Except for the liabilities disclosed in the Report, the Group did not have, as of 30 June 2023, any outstanding mortgages, charges, bonds, other debt capital, liabilities under acceptance or other similar indebtedness, guarantees or other material contingent liabilities.

## Section III Discussion and Analysis of the Board of Directors

### (II) Analysis of investments

#### 1. Overall analysis of external equity investment

Applicable  Not applicable

As of 30 June 2023, the Group does not hold any significant investments with a value exceeding 5% of its total assets.

#### (1) Material equity investments

Applicable  Not applicable

#### (2) Material non-equity investments

Applicable  Not applicable

Office buildings in Jing'an District, Shanghai: Guoxiang Properties, a subsidiary of the Company, received a planning permit of construction project and a construction permit for pile foundation for land lot No. 49 in Jing'an District on 23 June 2014 and commenced construction in June 2014. According to the resolution at the second meeting of the fifth session of the Board of the Company in 2016, the total investment amount for this project was adjusted to RMB1.879 billion by adding another project investment of RMB255 million. The accumulative investment of the project was RMB1.834 billion as of 30 June 2023.

#### (3) Financial assets measured at fair value

Applicable  Not applicable

Unit: yuan Currency: RMB

Class of assets	Balances at the beginning of the period	Gains and losses from changes in fair value for the current period	Cumulative changes in fair value included in equity	Impairment accrued for the current period	Change for the current period	Balances at the end of the period
Financial instruments at fair value through profit or loss	256,352,378,129	2,569,849,300	-	-	34,645,468,029	290,997,846,158
Debt instruments at fair value through other comprehensive income	61,189,314,640	-	251,123,027	53,541,280	4,838,468,203	66,027,782,843
Equity instruments at fair value through other comprehensive income	2,331,288,390	-	-671,160,236	-	10,069,935	2,341,358,325
Derivative financial instruments	-1,557,836,439	848,291,650	-	-	128,928,616	-1,428,907,823
Total	318,315,144,720	3,418,140,950	-420,037,209	53,541,280	39,622,934,783	357,938,079,503

Securities investment is one of the principal businesses of securities companies. For details of various investments in assets such as securities investment, private equity fund investment and derivatives investment, please refer to notes to the Interim Condensed Consolidated Financial Statements.

## Section III Discussion and Analysis of the Board of Directors

### (III) Material assets and equity disposal

Applicable  Not applicable

### (IV) Analysis of main holding companies

Applicable  Not applicable

#### 1. Guotai Junan Financial Holdings

Guotai Junan Financial Holdings primarily conducts brokerage, corporate finance, asset management, loans and financing as well as financial products, market making and investments businesses in Hong Kong through Guotai Junan International and its subsidiaries.

The paid-up capital of Guotai Junan Financial Holdings is HK\$2,611.98 million and the Company holds 100% of its equity interests.

As of 30 June 2023, the total assets of Guotai Junan Financial Holdings were HK\$144.873 billion with net assets of HK\$16.069 billion; in the first half of 2023, its total revenue was HK\$2.334 billion and its net profit was HK\$270 million.

#### 2. Guotai Junan Asset Management

Guotai Junan Asset Management is principally engaged in the licensed project: mutual fund management business and the general project: securities asset management business.

The registered capital of Guotai Junan Asset Management is RMB2 billion and the Company holds 100% of its equity interests.

As of 30 June 2023, the total assets of Guotai Junan Asset Management were RMB7.787 billion with net assets of RMB5.913 billion; in the first half of 2023, its operating revenue was RMB751 million and its net profit was RMB204 million.

## Section III Discussion and Analysis of the Board of Directors

### 3. Guotai Junan Futures

Guotai Junan Futures is principally engaged in commodity futures brokerage, financial futures brokerage, futures investment consulting and assets management.

The registered capital of Guotai Junan Futures is RMB5 billion and the Company holds 100% of its equity interests.

As of 30 June 2023, the total assets of Guotai Junan Futures were RMB128.552 billion with net assets of RMB8.879 billion; in the first half of 2023, its operating revenue was RMB4.435 billion and its net profit was RMB377 million.

### 4. Guotai Junan Innovation Investment

Guotai Junan Innovation Investment is principally engaged in equity investment business and other businesses approved by the CSRC.

The registered capital of Guotai Junan Innovation Investment is RMB7.5 billion and the Company holds 100% of its equity interests.

As of 30 June 2023, the total assets of Guotai Junan Innovation Investment were RMB8.702 billion with net assets of RMB7.830 billion; in the first half of 2023, its operating revenue was RMB264 million and its net profit was RMB123 million.

### 5. Guotai Junan Zhengyu

Guotai Junan Zhengyu is principally engaged in equity investment, financial product investment, and businesses as stipulated in the Management Norms of Alternative Investment Subsidiaries of Securities Companies.

The registered capital of Guotai Junan Zhengyu is RMB4.5 billion<sup>note</sup> and the Company holds 100% of its equity interests.

As of 30 June 2023, the total assets of Guotai Junan Zhengyu were RMB5.868 billion with net assets of RMB5.579 billion; in the first half of 2023, its operating revenue was RMB607 million and its net profit was RMB411 million.

Note: In July 2023, Guotai Junan Zhengyu completed the registration of the industrial and commercial change, and its registered capital increased from RMB4 billion to RMB4.5 billion.



## Section III Discussion and Analysis of the Board of Directors

### 6. HuaAn Funds

HuaAn Funds is principally engaged in fund establishment, fund management business and other businesses approved by the CSRC.

The registered capital of HuaAn Funds is RMB150 million and the Company holds 51% of its equity interests.

As of 30 June 2023, the total assets of HuaAn Funds were RMB7.495 billion with net assets of RMB4.843 billion; in the first half of 2023, its operating revenue was RMB1.838 billion and its net profit was RMB517 million.

### 7. Shanghai Securities

The principal business of Shanghai Securities is securities business (securities brokerage; securities investment consultation; financial advisory relating to securities trading and securities investment; securities (exclusive of stocks and corporate bonds issued by listed companies) underwriting; securities proprietary trading; securities asset management; margin financing and securities lending; agency sale of financial products); sale services of securities investment fund. General items: securities companies provide intermediary business to futures companies.

The registered capital of Shanghai Securities is RMB5.326532 billion and the Company holds 24.99% of its equity interests.

As of 30 June 2023, the total assets of Shanghai Securities were RMB75.168 billion with net assets of RMB17.545 billion; in the first half of 2023, its operating revenue was RMB1.392 billion and its net profit was RMB323 million.

## (V) Information of structured entities controlled by the Company

Applicable    Not applicable

As of 30 June 2023, the Group consolidated 86 structured entities, which included funds, asset management schemes and partnerships. For those funds and asset management schemes where the Group is involved as a manager and partnerships where the Group is involved as general partner or investment manager, the Group considered that it had control rights over some funds, asset management schemes and partnerships and incorporated them into the consolidated category after comprehensively taking into account various factors such as the investment decision rights they owned and their exposures to the variable returns. As at 30 June 2023, the impact of the above structured entities which were incorporated into the consolidated category on the Group's consolidated total assets was RMB3.322 billion; and the impact on consolidated operating revenue and net profit attributable to parent company for the period were RMB80 million and RMB42 million, respectively.

## Section III Discussion and Analysis of the Board of Directors

### V. OTHER DISCLOSURES

#### (I) Potential risk exposures

Applicable  Not applicable

##### 1. Overview

During the Reporting Period, the Company insisted on its prudent risk culture, firmly took the “compliance risk management” as one of its core strategies, continually established comprehensive risk management system, improved risk management system, optimized risk management organization structure, explored risk management models and methods, built up risk management information system, and enhanced the professional level of risk management, in order to ensure the long-term and healthy development of the Company.

##### 2. Risk management structure

The Company has established a four-level risk management system consisting of the Board (including Risk Control Committee) and Supervisory Committee, operation management (including compliance and risk management committee and assets and liabilities management committee), risk management department, other business departments and branches and subsidiaries.

###### 1) *The Board (including Risk Control Committee) and Supervisory Committee*

The Board is the highest decision-making body in our risk management structure, ultimately responsible for the overall risk management of the Company. The Board is responsible for promoting the construction of risk culture; reviewing and approving the fundamental risk management policies of the Company; reviewing and approving the Company’s risk appetite, risk tolerance and major risk limits; reviewing periodic risk assessment report; appointment, dismissal and assessment of the chief risk officer, determining his/her remuneration; establishing a mechanism for communicating with the chief risk officer directly. The Board has established the Risk Control Committee, which is responsible for reviewing the overall objectives and fundamental policies of risk management; reviewing the establishment and the duties of the risk management divisions; assessing the risks associated with significant business decisions and the solutions to address significant risks; reviewing risk assessment reports; reviewing the effectiveness of the Company and its subsidiaries’ risk management and internal control systems at least once a year in accordance with the instruction of the Board.

The Supervisory Committee of the Company is responsible for supervising comprehensive risk management of the Company, supervising and reviewing the performance of the risk management and rectification of defect by the Board and senior management.

## Section III Discussion and Analysis of the Board of Directors

### 2) *Operation management (including compliance and risk management committee and assets and liabilities management committee)*

Our operation management takes the major responsibility of the comprehensive risk management of the Company; is responsible for organizing and implementing the publicity and dissemination of risk culture; establishes risk management system and makes timely adjustment; establishes a healthy operation management structure for the Company's comprehensive risk management and clarifies the duty division of comprehensive risk management among risk management functions, business departments and other departments; establishes the specific execution plans of risk appetite, risk tolerance and major risk limits, and ensures the effective implementation of the plans; monitors its progress, analyzes its reasons in a timely manner and handles it according to the authorizations granted by the Board; periodically assesses the overall risk of the Company and various types of important risk management conditions, resolves problems that are found in risk management and reports to the Board; establishes a performance assessment system for all staff that covers effectiveness of risk management; and establishes a complete IT system and data quality control mechanism.

A compliance and risk management committee is established at the operation level of the Company, which conducts overall management for the Company's operational risks, and reviews and makes decisions on major issues of risk management and performs following duties: reviewing arrangements and important systems for compliance risk control mechanism of the Company and its subsidiaries, making decisions or submitting to relevant decision-making bodies for consideration; reviewing the Company's basic policies for risk management, annual risk appetite, self-funded business scale, and maximum risk limits, reviewing the Company's semi-annual and annual compliance reports, risk management reports, and annual internal control evaluation reports and submitting to the Board and the Risk Control Committee of the Company for approval; within the scope of the Board's authorization, considering and determining various investment and financing business scales, risk limits allocation plans, and important risk control indicators and its major adjustments of the Company; submitting to the Board and the Risk Control Committee of the Company for approval if the matters reviewed are beyond the scope of the Board's authorization; reviewing the Company's major innovative business risks, compliance assessment report, making decisions and granting authorization; reviewing the Company's business matters that have major disputes in the risk assessment and risk control mechanism arrangement; judging and identifying prospectively on regulatory situation and the risk situation, making decision for compliance risk control response; considering and deciding the disposal options for the Company's major risk issues; considering and making decisions for other matters of significant risk management in business activities, etc.

## Section III Discussion and Analysis of the Board of Directors

The members of compliance and risk management committee include the president, the chief risk officer, the chief compliance officer, the head of the strategic development department, the head of the planning and finance department, the head of the legal compliance department, the head of risk management department, the head of the group audit center, the head of internal audit risk management department, the head of information technology department and the head of brand center of executive office.

### 3) *Risk management departments*

Departments responsible for risk management include, among others, the risk management department, the internal audit risk management department, the legal compliance department, and the group audit center, the planning and finance department, the assets and liabilities department, the IT department, the data center, the operation center and the executive office. Our risk management department manages the market risks, credit risks, operational risks and liquidity risks, and performs specific risk management responsibilities; our internal audit risk management department is responsible for the risk review and assessment of the Company's securities issuance business in the primary market; our legal compliance department is responsible for identifying, assessing, notifying, monitoring, reporting and preventing legal compliance risks of the Company to protect the Company from legal penalties, significant financial losses and damages to reputation; our group audit center is responsible for independent and objective inspection, supervision, evaluation of and recommendations on the compliance and reasonableness of business, management, finance and other operations, on the security and profitability of assets, and on the comprehensiveness and effectiveness of internal controls among the Company's various departments, branches and controlled subsidiaries. Our planning and finance department is responsible for the Company's budget planning, financial management, accounting and net capital management; our assets and liabilities department is responsible for liquidity management and liquidity risk management; our IT department and data center are the management and operation bodies of the Company's IT, and are responsible for the planning, construction, operation and management of the Company's IT system, establishing and implementing IT-related system, assessing and controlling the Company's IT risks; our operation center is the daily operation management department of the Company and is responsible for the centralized clearing, settlement, auditing, third-party depository operation of the Company's various businesses, and takes the responsibility of relevant risk management and control; our executive office is responsible for the management of the Company's reputational risk.

## Section III Discussion and Analysis of the Board of Directors

### 4) *Other business departments, branches and subsidiaries*

The key responsible persons of each of our business departments, branches and subsidiaries are the persons who are primarily responsible for risk control of each business units. In order to enhance the frontline risk responsibility consciousness, strengthen front end risk control, identify and prevent risk timely and effectively, the Company continuously strengthens the risk control function of each specialized management committees, business departments, branches and subsidiaries. The Company established compliance and risk management system at the subsidiary level, requiring that the subsidiaries shall develop and improve risk management system for their own, and effectively improve the overall risk management level.

### 3. Risk management system

The Company established a four-level risk management system based on its business characteristics and level of operational risks and has been constantly perfecting it. The system includes: measures on comprehensive risk management; various risk management measures based on different risks such as market risk, credit risk, operational risk, liquidity risk and reputational risk; risk management system on various business and products; and the practical business operation protocol.

### 4. Risk appetite system

Risk appetite is the Company's overall attitude towards risks, as well as the type and level of risks it is willing to bear after taking into full consideration of net capital, assets and liabilities, solvency, liquidity, external ratings, compliance operations and future business risk and opportunity, provided that the requirements of stakeholders including creditors, customers, regulatory authorities and rating agencies have been satisfied.

The Company sorts out the expectation and requirement of respective interested parties (including Shareholders, regulatory authorities, rating agencies, the Board and management), sets specific goals based on the core aspects including development strategies, operation performance, capital strength, liquidity, compliance and external rating and forms the Company's risk appetite system. On the basis of a complete overall risk appetite setting, the Company describes the risk boundaries of different dimensions such as overall risk and major risks through quantized risk tolerance indicators. Subject to risk appetite and risk tolerance, the Company sets limits on key risk indicators and conducts risk monitor and control based on those limits.

During the Reporting Period, after consideration and approval by the Board, the Company defined the Group's risk appetite, tolerance and limit for 2023, and differentiated different dimensions such as risk types and subsidiaries for decomposition and transmission and implemented in the ordinary course of business. In the first half of 2023, the Group's various indicators remained stable under its risk appetite system.

## Section III Discussion and Analysis of the Board of Directors

### 5. Measures against various risks

#### 1) *Market risks*

Market risks are those that may cause loss to the Company due to unfavorable changes of market prices, which include but not limited to interest rates, exchange rate, stock prices and commodity prices. The businesses of the Company that involve market risks mainly include the transactions and investment of equity securities and their derivatives, the transactions and investment of fixed-income securities and their derivatives as well as transactions such as foreign exchange transactions, precious metal transactions and commodity transactions.

The Company implements limit management for market risks and formulates a market risk limit system comprising business scale, loss limit, Value at Risk (VaR), exposure, Greek letters, effectiveness of hedge, concentration and various types of risk indicators. It determines the alarm standards, warning standards and responding measures for market risks. The Company conducts daily monitoring for market risk limits by using its risk management system to monitor the operation of its businesses. We report market risk monitoring and management conditions, and conduct specialized analysis on risk matters, in order to provide basis for decision making. The Company adopts methods such as Value at Risk (VaR) and stress test to analyze and assess market risk. The Company's Value at Risk (VaR) calculation applies a historical simulation method based on the historical data for the previous 12 months, assuming the holding period is one day and the confidence level is 95%. The calculation model of VaR covers equity price risk, interest rate risk, commodity price risk and exchange rate risk. The Company regularly reviews the effectiveness of VaR model through the back testing method.

## Section III Discussion and Analysis of the Board of Directors

The following table sets forth the VaR of the Company by risk types as at the dates and for the periods indicated: (1) the VaR as of the end of the respective period; (2) the average value, the minimum value and maximum value of the daily VaR for the respective period.

### Value at Risk (VaR) of the Group for the first half of 2023

*Unit: ten thousand yuan Currency: RMB*

Category	30 June	30 December	The first half of 2023		
	2023	2022	Average	Minimum	Maximum
Equity price-sensitive financial instruments	<b>18,459</b>	20,526	20,482	18,399	21,589
Interest rate-sensitive financial instruments	<b>7,497</b>	8,775	9,062	7,359	9,730
Commodity price-sensitive financial instruments	<b>3,162</b>	3,255	3,196	3,103	3,292
Exchange rate-sensitive financial instruments	<b>3,263</b>	2,745	3,021	2,702	3,298
Total portfolio VaR	<b>26,126</b>	27,753	28,121	25,262	29,630

Note: VaR of the Group covers the financial assets of the self-funded investment business of the Group.

In addition to the VaR, the Company actively uses stress tests to measure and assess possible losses under extreme market conditions. The Company regularly conducts comprehensive and special stress tests to strengthen risk assessment and development monitoring in connection with the trading and investment businesses, and applies its results of stress tests to market risk management and limit management.

During the Reporting Period, the Company conducted exchange rate risk management for assets involving exchange rate risks, managed exchange rate risk exposures by adjusting foreign exchange positions and using foreign exchange derivatives for hedging, and controlled it within an acceptable range.

In the first half of 2023, the Company's market risk is generally controllable, and no major market risk events occurred.

## Section III Discussion and Analysis of the Board of Directors

### 2) *Credit risks*

Credit risks are those that may cause a loss to the Company due to failures to perform their obligations stipulated in relevant contracts by securities issuers, counterparties and debtors or the changes of market value of the debts caused by the changes of credit rating or contract performance capacity. The Company's current credit risks mainly concentrate on the bond investment business, margin financing and securities lending business, stock-pledged financing transaction business and OTC derivatives business.

The Company enforces admission control for credit risk, conducting credit rating assessments on the clients before engaging in credit risk-related activities and only those who meet the admission criteria are eligible for grant of credit and business engagement. Before the application for rating clients' credit and granting credit, each business department shall conduct due diligence. As for clients satisfying access conditions, the credit line shall be determined according to the particulars of clients.

The Company implements policies including collecting margins, accepting qualified collateral, and utilizing net settlement to mitigate credit risk. Admission standards are established for bond investment activities, incorporating whitelist management and concentration controls, while also consistently monitoring and assessing credit risk of the bonds in position. Credit business department sets detailed admission standards and discount rates for collaterals according to the characteristics of their specific business. The credit risk faced by OTC derivatives business mainly refers to the counterparty default risk faced in carrying out OTC derivatives business such as forwards, swaps and options. The counterparties of OTC derivatives transactions are mainly financial institutions and other professional institutions. The Company manages counterparties credit risk by conducting qualification screening of counterparties, monitoring market fluctuations daily, implementing margin calls, and resorting to forced liquidation if necessary.

The Company conducts regular reviews on the admission standards and discount rates, and performs ad hoc review on the event of significant market or policy changes, or material credit events related to counterparties. The Company manages non-cash collateral through market monitoring and assesses the valuation of pledged collateral. The Company analyzes credit risk factors across various business operations, identifying potential credit risk vulnerabilities, and conducts concentrated management and quantitative evaluation of credit risk. Credit risk management for major clients is implemented within the concentration risk control objectives. Credit risk quantification adopts the analytical methods such as concentration levels, default probability, default loss rate, credit risk exposure and collateral coverage ratio. The Company sets the reasonable credit risk stress scenarios, conducts stress testing, and analyzes the test results.



## Section III Discussion and Analysis of the Board of Directors

As at the end of June 2023, the Company's credit risk was generally controllable, and no major credit risk events occurred in bond investment business. The average performance guarantee ratio of the margin loans for stock-pledged financing business was 272.1%, and the average of the guarantee ratio for clients with outstanding liabilities in margin financing and securities lending business maintained at 293.7%.

### 3) *Liquidity risks*

Liquidity risk refers to the risk that the Company may not be able to obtain sufficient funds promptly, at a reasonable cost or price, to meet maturing debts, fulfill other payment obligations, and satisfy the funding requirements for normal business operations.

The Company primarily adopts risk indicator analysis methods to conduct an overall assessment of liquidity risk. This involves analyzing key indicators such as liquidity coverage ratio, net stable funding ratio, leverage ratio, cash flow maturity gap, net size of cash management pool, liquidity ratio, liquidity reserve ratio, asset and liability concentration, to assess and quantify the Company's overall liquidity risk profile. The Company establishes a liquidity risk limit system, conducts limit management on liquidity risks and monitors and reports the implementation of limits. The Company establishes a quantitative model for the liquidity risk of financial assets and measures the liquidity of various types of exchange and over the counter financial assets on a daily basis to assess the liquidity risk of various financial assets.

The Company explores and maintains financing channels, continuously keeps an eye on the risk conditions of significant capital providers, and regularly monitors the conditions of significant capital providers' transactions with the Company. The Company concerns the changes of capital markets, assesses the ability and cost of supplementing its liquidity by issuing stocks, bonds and other financing instruments and mitigates its period mismatch by supplementing its middle – to-long term liquidity. Under the premise of controlling the liquidity risk at the overall level, the Company pays attention to liquidity risk management at various business line levels, to focus on identifying, assessing, monitoring and controlling the fund management business, trading and investment proprietary business, brokerage business, credit business, investment banking business, and liquidity risk factors of the subsidiaries.

The Company conducts liquidity risk stress tests on a regular or ad hoc basis, simulates the losses that may occur under extreme liquidity pressures, assesses and judges the Company's ability to withstand risks and fulfill its payment obligations in extreme situations, and takes necessary measures to respond to the test conclusions.

## Section III Discussion and Analysis of the Board of Directors

The Company establishes and continuously improves the contingency plan for liquidity risks, which includes taking measures such as transferring, decentralizing and reducing risks exposure to reduce the level of liquidity risks. The Company also establishes emergency response or standby systems, procedures and measures for natural disasters, system failures and other emergencies so as to reduce losses and reputation damages that the Company may suffer. The contingency plan will be rehearsed and assessed regularly, and emergency response arrangements will be continually updated and improved.

In the first half of 2023, the liquidity of the market was generally reasonable and sufficient with occasional fluctuations. The Company's liquidity coverage ratio and net stable funding ratio met the regulatory requirement. The net size of the cash management pool was higher than the minimum scale limit set by the Company and the overall liquidity status was good.

### 4) *Operational risks*

Operational risks are the possibility of losses caused by the failures of internal systems and procedures, improper employee behaviors, IT risks and the influence of external events.

The Company sorts out the key risk points and control processes of each business, manages daily operational risks by using the operational risk management system, and establishes the self-evaluating procedure of operational risk and control. Each department, branch and subsidiary actively identifies operational risks in their internal systems and procedures, employee behaviors and IT systems to ensure that the operational risks in existing and new businesses and management are adequately assessed. The Company systematically gathers and organizes the information of the events of operational risk and loss data, establishes key operational risk indicator system and monitors its process, and prepares periodical reports. In terms of significant operational risk events, it will provide specific valuation reports to ensure that the operational risk situation of the Company could be fully understood in a timely manner, which in turn facilitates their decision-making regarding the response to the risks or the initiation of contingency plans.

The Company continuously strengthens the security of information systems, formulates a comprehensive emergency response plan for information security events, and conducts regular assessment over the main plan and sub plan of emergency response. It also arranges various rehearsals against incidents, disaster and other scenarios that cover all important information systems in the headquarters and all branches, and improves, modifies and upgrades its system and emergency response plan based on the results of rehearsal and findings identified.

## Section III Discussion and Analysis of the Board of Directors

In the first half of 2023, the Company's information technology and operation affairs ran smoothly in a safe way with no significant operational risk events. The fault backup and recovery time for each information system emergency rehearsal reached our established goal, which has verified that the Company's core information system has incident and disaster response capabilities to meet the needs.

### 5) *Reputational risks*

Reputational risk refers to the risk of negative publicity from investors, issuers, regulators, self-regulatory organizations, the public and the media on the Company due to its actions or external events and violations of integrity regulations, professional ethics, business norms and conventions by its staff, thereby damaging its brand value, disadvantaging its normal operation, and even affecting the market stability and social stability.

The Company incorporates reputational risk management into a comprehensive risk management system, establishes a reputational risk management mechanism, and sets up a brand center as the Company's reputational risk management department under the executive office, requiring all departments, branches, sales offices and subsidiaries to actively and effectively prevent reputational risks and respond to reputational risk events, accurately identify, prudently evaluate, dynamically monitor, timely respond to and manage the reputational risks in the process of business management, and strive to maintain the Company's reputation and build a high-quality brand image.

In the first half of 2023, the Company further improved the reputational risk management work. During the Reporting Period, the Company did not experience any major reputational risk events.

## (II) Other disclosures

Applicable  Not applicable

### 1. **The operation plan and goals for the next reporting period and the strategies and actions adopted for achieving the goals**

In the second half of 2023, the Group will continue to focus on the general principle of "enhancing our abilities and developing our advantages" in the "second three-year". The emphasis will be on platform-based development, strengthening the three core pillars of "integrated service platform, leading digital technology, and robust compliance culture". Efforts will be directed towards nurturing distinctive strengths including the "sci-tech innovation finance, inclusive finance, regional finance, green finance, and cross-border finance", while consolidating the strategic guarantee of "human resources, capital, and organization." By further improving the core competitiveness of its main business, the Company will make every effort to achieve the strategic goal of domestic leadership in an all-round way.

## Section III Discussion and Analysis of the Board of Directors

For various specific business lines, in respect of the wealth management business, the Group will strengthen the construction of the “three forces” mechanism, comprehensively and systematically promote the transformation to wealth management 2.0 model, provide a competitive differentiated product system and asset allocation portfolio, and build a featured brand of asset allocation; in respect of the margin financing and securities lending business, the Group will optimize the trading strategy and accelerate the construction of the system platform; in respect of the stock pledge business, the Group will strengthen the customer base operation and improve the risk pricing ability; in respect of the futures business, the Group will further enhance the comprehensive service level. In respect of the investment banking business, the Group will actively seize the development opportunities of the comprehensive registration system, continue to deepen the development of key industries and improve the ability to develop major customers. In respect of the institutional and trading business, the Group will increase our efforts to create customer demand-oriented products, strengthen the diversified layout of major asset allocation and strategies, and continue to improve our trading pricing capabilities and customer service capabilities. In respect of the investment management business, the Group will enhance investment research capabilities and optimize product layout. In respect of the international business, the Group will accelerate the promotion of cross-border integration and enhance international operation capabilities.

### 2. Risk control for business innovation

- (1) The Company has included innovative business in its comprehensive risk management system. Based on the development and risk profile of innovative business, the Company has established a complete decision-making mechanism, a management model and an organization structure catering for its business and formulated relevant compliance and risk management mechanism for the innovative business to standardize the risk management for the innovative business during the entire process. The sustainable and healthy development of each innovative business on the premise of building the capability to monitor, control and bear risks was ensured through risk assessment and determination, inspection before launch and continuous management for innovative business. Before the launch of innovative business, risk management departments of the Company conducted compliance verification, identification and assessment, measurement and analysis, and directed business department to improve internal control mechanism in relation to policies and procedures.
- (2) The Company has established multi-level risk control and warning mechanism for innovative business and designed various risk control indicators and risk limits for each level based on the risk profile of the business, which enabled dynamic track to the risks of innovative business. In the course of each particular business, the specific compliance and risk controller of business department was responsible for overseeing the market and the risk management department conducted independent monitoring, so as to prompt risk warning in case of abnormal risk control indicators and take corresponding risk control measures based on the level of the risk warning, therefore ensuring the risk level of innovative business at any time was within the tolerance of the Company.

### Section III Discussion and Analysis of the Board of Directors

- (3) The Company has established the policy of regular report and significant risk event report for innovative business to issue regular risk information report for the innovative business, ensuring that all the staff and senior management involved in innovative business were informed of all necessary business, risk and management information on a timely basis. When the operation of innovative business was impacted by reason of external market turmoil, internal management problems and technical system failure, which might result in significant loss to the interest or reputation of the Company, the responsible department or the internal control department that identified the risk should immediately report to the business leader, the chief risk officer and the risk management department for the implementation of existing contingency plan or proposing new response plan based on the actual situation by the decision makers.
- (4) The Company conducted special review on the conduction of innovative business on a regular basis to continuously improve the internal control and risk response capacity of the business. Such special review covered important steps of innovative business and management. Each of the related departments studied and analyzed the conduction and internal control mechanism of innovative business based on the findings of special review, constantly improved the management policies, operation process and corresponding control mechanism, and completed the contingency plan for innovative business, ensuring the stable and healthy development of innovative business.

## Section IV Corporate Governance

### I. INFORMATION OF THE GENERAL MEETING

Meeting session	Convening date	The address of the designated website for publishing resolutions	The disclosure date for publishing resolutions	Resolutions at the meeting
2023 First Extraordinary General Meeting	20 March 2023	www.sse.com.cn www.hkexnews.hk	21 March 2023	The Resolution on the Proposed Amendments to the Articles of Association 《關於提請審議修訂公司章程的議案》, and the Resolution on Repurchase and Cancellation of Part of Restricted A Shares 《關於提請審議回購註銷部分A股限制性股票的議案》 were considered and approved
2023 First A Share Class Meeting	20 March 2023	www.sse.com.cn www.hkexnews.hk	21 March 2023	Resolution on Repurchase and Cancellation of Part of Restricted A Shares 《關於提請審議回購註銷部分A股限制性股票的議案》 was considered and approved
2023 First H Share Class Meeting	20 March 2023	www.sse.com.cn www.hkexnews.hk	21 March 2023	Resolution on Repurchase and Cancellation of Part of Restricted A Shares 《關於提請審議回購註銷部分A股限制性股票的議案》 was considered and approved
2022 Annual General Meeting	29 May 2023	www.sse.com.cn www.hkexnews.hk	30 May 2023	The 2022 Work Report of the Board of the Company (《2022年公司董事會工作報告》), the 2022 Work Report of the Supervisory Committee of the Company (《2022年公司監事會工作報告》), the Resolution on 2022 Profit Distribution Plan of the Company (《關於提請審議公司2022年度利潤分配方案的議案》), the Resolution on the Re-appointment of Accountant Firm (《關於提請審議續聘會計師事務所的議案》), the Resolution on the 2022 Annual Report of the Company (《關於提請審議公司2022年年度報告的議案》), the Resolution on the Potential Related Party Transactions Contemplated in the Ordinary Course of Business of the Company in 2023 (《關於預計公司2023年度日常關聯交易的議案》), the 2022 Duty Performance Report of the Independent Directors (《2022年公司獨立董事述職報告》), the Resolution on the Grant of General Mandate to the Board to issue Additional A Shares and/or H Shares (《關於授予董事會增發公司A股、H股股份一般性授權的議案》), the Resolution on the Appointment of the Independent Directors (《關於選舉公司獨立董事的議案》) were considered and approved

#### Request for convening of an extraordinary general meeting by the holders of preferred shares with voting rights restored

Applicable     Not applicable

#### General meetings

Applicable     Not applicable

## Section IV Corporate Governance

### II. CHANGES IN DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OF THE COMPANY

Applicable  Not applicable

Name	Positions	Change
WANG Guogang	Independent Director	appointed
YIM, Chi Hung Henry	Independent Director	appointed
XIA Dawei	Former Independent Director	resigned
CHAI Hongfeng	Former Independent Director	resigned
GONG Dexiong	Former Vice President	resigned

#### Changes in Directors, Supervisors and senior management of the Company

Applicable  Not applicable

1. On 29 May 2023, the Company considered and approved the Resolution on the Appointment of the Independent Directors 《關於選舉公司獨立董事的議案》 in 2022 Annual General Meeting, to appoint Mr.Wang Guogang and Mr. YIM, Chi Hung Henry as an Independent Director of the Sixth Session of Board, and Mr.XIA Dawei and Mr.CHAI Hongfeng will no longer serve as an Independent Director of the Sixth Session of Board.
2. Mr. GONG Dexiong resigned as a vice president due to his work change on 19 April 2023.

### III. PROPOSAL FOR PROFIT DISTRIBUTION OR TRANSFER OF CAPITAL RESERVE FUND INTO CAPITAL

#### Half-year proposal for profit distribution and transfer of capital reserve fund into capital

Whether to distribute profit or transfer capital reserve fund into capital	No
Number of bonus shares for every 10 shares (share)	-
Amount of dividend for every 10 shares (RMB) (inclusive of tax)	-
Number of increased shares for every 10 shares (share)	-

#### Relevant explanation on proposal for profit distribution or transfer of capital reserve fund into capital

Not applicable

## Section IV Corporate Governance

### IV. THE EQUITY INCENTIVE SCHEME, EMPLOYEE SHARE SCHEME OR OTHER EMPLOYEE INCENTIVES OF THE COMPANY AND THE IMPACT THEREOF

#### (I) Restricted Share Incentive Scheme of A Shares

##### **Purpose of the Scheme**

In order to further enhance the corporate governance structure of the Company, realize the long-term incentives and constraints for the executive Directors, senior management and other core staff, fully activate their motivation and creativity, align their interests more closely with the long-term development of the Company, prevent loss of talents and realize sustainable corporate development, the Company has formulated the Restricted Share Incentive Scheme of A Shares (“the Incentive Scheme”) in accordance with the requirements of relevant laws, administrative regulations, regulatory documents and the Articles of Association.

##### **Participants of the Scheme**

The Incentive Participants in the First Grant of the Incentive Scheme are executive Directors, senior management and other core staff of the Company, and the Incentive Participants of Reserved Grant are senior management and other core staff of the Company.

##### **The total number of shares that may be issued under the Scheme and their percentage of the issued shares as at the date of the interim report**

The Incentive Scheme uses Restricted Shares as incentive tools, the source of underlying shares is the ordinary A Shares of the Company repurchased from the secondary market by the Company. On 17 July 2020, the Company completed the repurchase and actually repurchased 88,999,990 A Shares of the Company.

On 17 September 2020, the Company granted 79,300,000 Restricted A Shares to Incentive Participants (“First Grant”). In the process of actual subscription upon the determination of the Grant Date of the First Grant, 79,000,000 Restricted Shares were actually subscribed by the Incentive Participants, as the Incentive Participants voluntarily gave up the subscription of part of the Restricted Shares granted for personal reasons. The Restricted Shares not taken up have been reallocated to the Reserved Shares.

On 2 November 2020, the Company completed the registration of 79,000,000 Restricted A shares of the First Grant under the Incentive Scheme with China Securities Depository and Clearing Corporation Limited Shanghai Branch.

On 19 July 2021, the Company granted 9,999,990 Restricted A Shares reserved under the Incentive Scheme to the Incentive Participants (“Reserved Grant”).



## Section IV Corporate Governance

On 29 September 2021, the Company completed the registration of 9,999,990 Restricted A Shares of the Reserved Grant under the Incentive Scheme with China Securities Depository and Clearing Corporation Limited, Shanghai Branch.

Since the First Grant of the Restricted A Shares of the Company to 8 September 2021, as the Incentive Participants under the First Grant are no longer qualified as the Incentive Participants, a total of 1,778,000 Restricted A Shares granted to such Incentive Participants but not yet unlocked have been repurchased and cancelled by the Company on 27 January 2022. Upon completion of the repurchase and cancellation of the Company, there are 87,221,990 Restricted A Shares remaining.

On 29 November 2022, the Company convened the twelfth extraordinary meeting of the sixth session of the Board and the fourth extraordinary meeting of the sixth session of the Supervisory Committee, at which the Resolution on Proposing to Consider the Achievement of Releasing Selling Restrictions in the First Lockup Period for the First Grant under the Restricted Share Incentive Scheme of A Shares and Releasing Selling Restrictions (《關於提請審議公司 A 股限制性股票激勵計劃首次授予第一個限售期解除限售條件成就並解除限售的議案》) was reviewed and approved, pursuant to which releasing selling restrictions the first lock-up period for the First Grant under the Restricted Share Incentive Scheme of A shares of the Company has been achieved, the Company completed the relevant procedures for the releasing selling restrictions for the 24,900,183 Restricted Shares held by 420 Incentive Participants in total in accordance with relevant regulations, and the above shares have been released selling restrictions and traded on 21 December 2022. As at the end of the Reporting Period, a total of 62,321,807 shares remain locked, of which there are 52,321,817 shares under the First Grant and 9,999,990 shares under the Reserved Grant.

On 20 March 2023, the Company held the 2023 First Extraordinary General Meeting, the 2023 First A Share Class Meeting and the 2023 First H Share Class Meeting, at which the Resolution on Proposing to Consider Repurchase and Cancellation of Certain Restricted A Shares (《關於提請審議回購註銷部分 A 股限制性股票的議案》) was considered and approved. Since 19 of the 487 Incentive Participants under the Restricted Share Incentive Scheme of A Shares of the Company have terminated their labor contracts or not fully met the performance appraisals, the Company proposes to repurchase and cancel all or part of the Restricted Shares granted to such Incentive Participants, totaling 2,156,747 shares, of which 1,714,037 shares of the First Grant are repurchased at RMB6.40 per share and 442,710 shares of the Reserved Grant are repurchased at RMB7.27 per share with the repurchase amount of RMB14,188,338.50.

On 9 June 2023, the repurchase and cancellation of the above-mentioned 2,156,747 Restricted A Shares, which remain unlocked, is completed, there are 60,165,060 Restricted A Shares remaining of the Company.

As at the date of this report, the total number of shares granted under the Incentive Scheme is 88,999,990 shares, representing approximately 1.00% of the issued shares of the Company.

### **The maximum entitlement of each participant under the Scheme**

The total number of shares to be granted to any single Incentive Participant of the Incentive Scheme under all the fully effective share incentive schemes of the Company within the effective period shall not exceed 1% of the total share capital of the Company.

## Section IV Corporate Governance

**The period during which the grantee may exercise the option under the Scheme**

***Vesting period of awards granted under the Scheme***

- A** ***The lock-up periods of the Restricted Shares granted under the Incentive Scheme are 24 months, 36 months and 48 months, respectively, from the date of completion of equity registration of the corresponding portions granted.***

**Time schedule for unlocking of the First Grant:**

<b>Unlocking Batches</b>	<b>Time Schedule for Unlocking</b>	<b>Unlocking ratio</b>
First batch of the Restricted Shares to be unlocked	Commencing from the first trading day upon the expiry of 24 months from the date of completion of registration for the grant of the corresponding portion of the Restricted Shares to the last trading day upon the expiry of 36 months from the date of completion of registration for the grant of the Restricted Shares	33%
Second batch of the Restricted Shares to be unlocked	Commencing from the first trading day upon the expiry of 36 months from the date of completion of registration for the grant of the corresponding portion of the Restricted Shares to the last trading day upon the expiry of 48 months from the date of completion of registration for the grant of the Restricted Shares	33%
Third batch of the Restricted Shares to be unlocked	Commencing from the first trading day upon the expiry of 48 months from the date of completion of registration for the grant of the corresponding portion of the Restricted Shares to the last trading day upon the expiry of 60 months from the date of completion of registration for the grant of the Restricted Shares	34%

## Section IV Corporate Governance

### Time schedule for unlocking of the Reserved Grant:

Unlocking Batches	Time Schedule for Unlocking	Unlocking ratio
First batch of the Restricted Shares to be unlocked	Commencing from the first trading day upon the expiry of 24 months from the date of completion of registration for the grant of the corresponding portion of the Restricted Shares to the last trading day upon the expiry of 36 months from the date of completion of registration for the grant of the Restricted Shares	33%
Second batch of the Restricted Shares to be unlocked	Commencing from the first trading day upon the expiry of 36 months from the date of completion of registration for the grant of the corresponding portion of the Restricted Shares to the last trading day upon the expiry of 48 months from the date of completion of registration for the grant of the Restricted Shares	33%
Third batch of the Restricted Shares to be unlocked	Commencing from the first trading day upon the expiry of 48 months from the date of completion of registration for the grant of the corresponding portion of the Restricted Shares to the last trading day upon the expiry of 60 months from the date of completion of registration for the grant of the Restricted Shares	34%

The Restricted Shares held by the Incentive Participants who have not fulfilled the conditions for unlocking, unless otherwise provided under the Incentive Scheme, shall be repurchased by the Company at the Grant Price.

## Section IV Corporate Governance

### ***B The Conditions of Operation Results for Unlocking the Restricted Shares***

The Scheme will conduct annual appraisal on the performance indicators of the Company, the performance indicators of the unit (department) and the performance indicators of the individuals during the three accounting years of 2021-2023, achievement of the appraisal target will be used as the unlocking condition of current year for Incentive Participants.

Number of the Restricted Shares to be unlocked in current year by individual = total amount granted to individual × percentage to be unlocked in current year × company performance coefficient × individual performance coefficient.

#### 1. The conditions of operation results at the company level

The Company has chosen net profit attributable to parent company, weighted average return on net assets, investment in financial technology innovation, and comprehensive risk control indicator as the company results appraisal indicators, of which, the comprehensive risk control indicator will be used as the threshold indicator. If such indicator of the Company has not reached the threshold value, the corresponding batch of the Restricted Shares shall not be unlocked.

Subject to fulfillment of the comprehensive risk control indicator, the performance coefficient of the Company corresponding to the appraisal result at the company level is as follows:

Company performance coefficient = score of net profit attributable to the parent company × appraisal weight of net profit attributable to the parent company + score of weighted average return on net assets × appraisal weight of weighted average return on net assets + score of investment in financial technology innovation × appraisal weight of investment in financial technology innovation.

In this formula, the appraisal weight of net profit attributable to the parent company is 50%, the appraisal weight of weighted average return on net assets is 40%, and the appraisal weight of investment in financial technology innovation is 10%.

If the appraisal indicator has achieved its target, the score of that indicator is 1, otherwise the score is 0.

## Section IV Corporate Governance

The targets of appraisal indicators at company level are as follows:

Appraisal Indicators	First Batch	Conditions for Unlocking	
		Second Batch	Third Batch
Net profit attributable to the parent company	Not lower than No. 4 in the ranking of comparable companies in 2021	Not lower than No. 3 in the ranking of comparable companies in 2022	Not lower than No. 3 in the ranking of comparable companies in 2023
Weighted average return on net assets	Rise by one place among comparable companies in 2021 as compared to the ranking in 2019	Rise by two places among comparable companies in 2022 as compared to the ranking in 2019	Rise by two places among comparable companies in 2023 as compared to the ranking in 2019
Investment in financial technology innovation	Not less than 6.05% for 2021	Not less than 6.10% for 2022	Not less than 6.15% for 2023
Comprehensive risk control indicator	Threshold value: the rating result of securities companies is Class A Grade A or above and there is no occurrence of material non-compliance with laws and regulations		

The Company has selected CITIC Securities, Haitong Securities, HTSC (Huatai Securities), GF Securities, Shenwan Hongyuan and China Merchants Securities as comparable companies in the capital market service industry under the financial sector in the categorization of industries by CSRC for A Shares Companies.

## Section IV Corporate Governance

### 2. Performance conditions at the individual level of Incentive Participants

When the Incentive Participants are appraised on individual performance of the previous year according to the Measures for Performance Appraisal (《考核辦法》) of the Company, the number of Restricted Shares which may be unlocked by the Incentive Participants is linked to the appraisal results of their performance in the previous year.

The relationship between the performance score and the individual performance coefficient of executive Directors and senior management is as follows:

<b>Individual Performance Appraisal Score (N)</b>	<b>Individual Performance Coefficient</b>
N≥95	100%
90≤N<95	95%
80≤N<90	90%
60≤N<80	75%
N<60	0%

Individual performance coefficient of other Incentive Participants is linked to the performance of the units (departments) in which they work and their individual performance, the calculation method is as follows:

Individual performance coefficient=Performance score of unit (department) × Individual performance score

<b>Unit (Department)/Individual Performance Grade</b>	<b>Unit (Department)/Individual Performance Score</b>
Excellence/Good/Above Average	100%
Pass	90%
Failed	0%

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**The payables for applying for or accepting the option or award, if any, and the period of payment or notice of payment or the period of repayment of the option loan applied for**

No

**Basis of determination of the purchase price of the shares granted**

The Grant Price of the Restricted A Shares in the First Grant shall not be lower than the higher of the following prices:

- (1) 50% of the average trading price of the A Shares of the Company for the last trading day immediately preceding the date of the announcement of this Incentive Scheme;
- (2) 50% of the average trading price of the A Shares of the Company for either the last 20 trading days, 60 trading days or 120 trading days immediately preceding the announcement of this Incentive Scheme.

The Grant Price of the Restricted A Shares under the Reserved Grant shall not be lower than the higher of the following prices:

- (1) 50% of the average trading price of the A Shares of the Company for the last trading day immediately preceding the announcement of the Board meeting on the grant of the reserved Restricted Shares;
- (2) 50% of the average trading price of the A Shares of the Company for either the last 20 trading days, 60 trading days or 120 trading days immediately preceding the announcement of the Board meeting on the grant of the reserved Restricted Shares.

During the period between the date of announcement of the Incentive Scheme (i.e. 7 June 2020) and the completion of registration for the Restricted Shares by the Incentive Participants, if the Company has increased share capital by conversion of capital reserves, has declared distribution of scrip dividends, carried out division of shares, reduction of shares, rights issue and distribution of dividends, corresponding adjustments to the Grant Price of the Restricted Shares shall be made.

**Remaining validity period of the Scheme**

The validity period of the Incentive Scheme shall commence from the date of completion of registration for the First Grant of the Restricted Shares and ends on the date when all the Restricted Shares granted to the Incentive Participants are fully unlocked or repurchased and cancelled, for a maximum of six years, valid until 1 November 2026.

## Section IV Corporate Governance

Movements of the share under the Incentive Scheme for the six months ended 30 June 2023 are set out as follows:

Name of participants	As at 1 January 2023	Granted during the period	Cancelled during the period	Lapsed during the period	Unlocking during the period	As at 30 June 2023	Date of grant <sup>(Note 1)</sup>	Subscription price
<b>Directors</b>								
Wang Song	483,740	-	-	-	-	483,740	17 September 2020	RMB 7.64 per share
Yu Jian	398,650	-	-	-	-	398,650	17 September 2020	RMB 7.64 per share
<b>Subtotal</b>	<b>882,390</b>	-	-	-	-	<b>882,390</b>		
First grant to employees	51,439,427	-	1,714,037	-	-	49,725,390	17 September 2020	RMB 7.64 per share
Reserved grant to employees	9,999,990	-	442,710	-	-	9,557,280	19 July 2021	RMB 7.95 per share
<b>Subtotal</b>	<b>61,439,417</b>	-	<b>2,156,747</b>	-	-	<b>59,282,670</b>		
<b>Total</b>	<b>62,321,807</b>	-	<b>2,156,747</b>	-	-	<b>60,165,060</b>		

Note 1: For the purpose of the First Grant on 17 September 2020 and the completion of registration on 2 November 2020 for the Restricted Shares, the time schedule for the first batch of the Restricted Shares to be unlocked(33%), the second batch of the Restricted Shares to be unlocked(33%)and the third batch of the Restricted Shares to be unlocked (34%)will be from 2 November 2022 to 1 November 2023, from 2 November 2023 to 1 November 2024 and from 2 November 2024 to 1 November 2025,respectively. For the purpose of the Reserved Grant on 19 July 2021 and the completion of registration on 29 September 2021 for the Restricted Shares, the time schedule for the first batch of the Restricted Shares to be unlocked(33%), the second batch of the Restricted Shares to be unlocked(33%)and the third batch of the Restricted Shares to be unlocked (34%)will be from 29 September 2023 to 28 September 2024, from 29 September 2024 to 28 September 2025 and from 29 September 2025 to 28 September 2026,respectively.

The Company granted 88,999,990 Shares in aggregate under the Incentive Scheme. At the beginning and end of this report, no other Shares could be granted under the Incentive Scheme.

Save as disclosed above, the Company has not granted the relevant Shares to (i) other Directors or Supervisors; or (ii) other persons.



## Section IV Corporate Governance

### V. OTHER INFORMATION

#### (I) Securities transactions of Directors, Supervisors and relevant employees

The Company formulated and amended the Administrative Measures for the Shareholdings of Directors, Supervisors and senior management in the Company and Their Changes (hereinafter referred to as the “Administrative Measures”) which has been implemented since 11 April 2017 on which the H Shares of the Company were listed on the Hong Kong Stock Exchange, to regulate the conducts of Directors, Supervisors and senior management of the Company in holding and dealing in the Shares. The requirements stipulated in the Model Code have been adopted in the Administrative Measures as the code of conducts for the Directors, Supervisors and relevant employees of the Company to deal in the securities, and the requirements in the Administrative Measures are stricter than the mandatory management provisions in the Model Code. After making enquiries, all the Directors, Supervisors and senior management of the Company have confirmed that they had been in strict compliance with the relevant requirements of the Administrative Measures and the Model Code throughout the Reporting Period.

#### (II) Material changes in relevant information of Directors, Supervisors and chief executive

On June 2023, Mr. Li Renjie was appointed as an Independent Director of Bank of Ningbo Co., Ltd. (寧波銀行股份有限公司, a company listed on the Shenzhen Stock Exchange with stock code of 002142).

On June 2023, Mr. Wang Wenjie ceased to serve as general manager of Shenzhen Investment Holding Co., Ltd (深圳市投資控股有限公司) and was appointed as chairman of Shenzhen Gas Corporation Ltd. (深圳市燃氣集團股份有限公司, a company listed on the Shanghai Stock Exchange with stock code of 601139) due to work change.

Save as disclosed above, there were no other material changes in the biographical particulars of Directors, Supervisors and chief executive during the Reporting Period pursuant to Rule 13.51B of the Hong Kong Listing Rules.

#### (III) Compliance with the Corporate Governance Code

On 29 May 2023, Mr. Xia Dawei resigned due to the expiration of his term, and as a result, the Company failed to meet the relevant requirements under Listing Rules 3.21, 3.25, and 3.27 concerning the number and composition of the Remuneration, Appraisal and Nomination Committee, and the Audit Committee. On 21 June 2023, Mr. Wang Guogang was appointed as a member of the Remuneration, Appraisal and Nomination Committee; Mr. Yim, Chi Hung Henry was appointed as a member of the Audit Committee; and Mr. Li Renjie was appointed as the Chairman of the Remuneration, Appraisal and Nomination Committee. The Company has re-complied with the relevant requirements under Listing Rules 3.21, 3.25, and 3.27 regarding the number and composition of the Remuneration, Appraisal and Nomination Committee, and the Audit Committee.

Save as disclosed above, the Company has strictly complied with the Corporate Governance Code by fully complying with the code provisions and satisfied substantially all the requirements for recommended best practices set out therein.

## Section IV Corporate Governance

### (IV) Number of employees, remuneration and training programs

As of 30 June 2023, the Group had a total of 14,683 employees, 11,717 of which were employees of the Company. The Company has formulated a series of remuneration management systems in line with the practical conditions of the Company pursuant to relevant PRC laws and regulations and the Articles of Association, including the Administrative Measures on Remuneration, and the Administrative Measures on Performance, and the Administrative Measures on Professional Ranking. The Company establishes a post value and competence oriented and performance-related remuneration system to achieve “inside fairness and outside competition”, which improves the use efficiency of the remuneration resource and motivates excellent employees for the purpose of attracting and retaining excellent talents. The Company has formulated and implemented the Restricted Share Incentive Scheme of A Shares to further strengthen the incentive and retention of the Company’s core backbone employees in accordance with the PRC laws and regulations. The Company maintains and makes contribution to various social insurances (including the pension insurance, medical insurance, unemployment insurance, work-related injury insurance and maternity insurance), housing fund and enterprise annuity for its employees in accordance with the PRC laws and regulations.

To improve the professional skills of its employees, the Company has provided diversified internal and external training programs. In the first half of 2023, the Company conducted training programs for talents in key areas of wealth management, digitalization, internationalization, green finance. The trainings covered improvement in employees’ clean work, safe production, compliance risk control, etc. The average training time of employees was 49 hours.

### (V) Investor relations

The Company attaches great importance to the management of investor relations, and has formulated a series of thorough rules and regulations such as the Administrative System Regarding Investor Relations (《投資者關係管理制度》). The Company has set up an investor relations management platform with various communication channels such as on-site, telephone and Internet and various communication methods such as performance explanation sessions, road shows, investor open day, reception of investors for survey and research, company website, investor hotline and e-mails, and through actively participating in e-interactive platform of the Shanghai Stock Exchange, participating in collective reception activities for investors, and attending investment strategies meetings or investment forums of seller institutions, and actively enhancing the interactive communication with investors, and thus increases the Company’s transparency and ensures that investors could have timely, accurate and comprehensive understanding of the Company. Shareholders may make enquiries through emails, hotlines or directly send their letters to the Company’s office address. The Company will properly and timely handle all enquiries. During the Reporting Period, the Company reviewed its investor relations activities and expressed satisfaction with their implementation and effectiveness.

The Company held an analyst telephone communication conference, which was attended by 77 analysts and investors from domestic and foreign institutions; received institutional research, conducted performance roadshows, participated in 23 vendor institutional strategy meetings, communicated with 90 analysts and institutional investors; conducted an online briefing on the results; answered 358 investor hotlines and replied on SSE e-interview 42 times.

## Section IV Corporate Governance

### The communication between the Company and investors in the first half of 2023

Date of reception	Place of reception	Way of reception	Guests	Major topics discussed and information provided
11 January 2023		Online communication	Investors invited to Greater China Seminar of UBS Securities	Operation and development of Wealth management and institutional and trading
7 February 2023	Grand Hyatt Changsha (長沙君悅酒店)	On-site communication	Investors invited to 2023 Spring Strategy Conference of Guotai Junan Securities	Operation and development of the Company's strategies, wealth management, investment banking, institutional and trading, international business
8 February 2023	HUALUXE Wuxi Taihu (無錫太湖華邑酒店)	On-site communication	Investors invited to Spring Strategy Conference of Guolian Securities	Operation and development of the Company's strategies, wealth management, investment banking, institutional and trading
16 February 2023	Conference room of the Company	On-site communication	Analysts of TF Securities	Operation and development of the Company's strategies, wealth management, institutional and trading
30 March 2023		Telephone communication	Analysts and investors invited to the Company's 2022 Analyst Communication Conference	Operation and development of the regulatory policy, wealth management, institutional and trading
3 April 2023		Online communication	Investors attending the Company's 2022 Annual Results Presentation	Operation and development of the Company's strategies, wealth management, investment banking, institutional and trading
13 April -17 April 2023	Hong Kong	On-site communication	Institutional investors invited to 2022 Annual Results Roadshow of the Company	Operation and development of the Company's strategies, wealth management, institutional and trading, investment management, international business
19 May 2023		Online communication	Investors invited to Mid-term Strategy Conference of TF Securities	Operation and development of wealth management and investment management

## Section IV Corporate Governance

<b>Date of reception</b>	<b>Place of reception</b>	<b>Way of reception</b>	<b>Guests</b>	<b>Major topics discussed and information provided</b>
31 May 2023	Intercontinental Hefei (合肥洲際酒店)	On-site communication	Investors invited to Mid-term Strategy Conference of Citic Securities	Operation and development of the Company's strategies, wealth management, institutional and trading
1 June 2023	Shanghai Pudong Shangri-la	On-site communication	Investors invited to Mid-term Strategy Conference of Huatai Securities	Operation and development of the Company's strategies, wealth management, institutional and trading, investment management
2 June 2023	Conference room of the Company	On-site communication	Analysts of JP Morgan	Operation and development of the Company's strategies, wealth management, institutional and trading, investment management
14 June 2023	Conference room of the Company	On-site communication	Analysts and its invited investors of GF Securities	Operation and development of the regulatory policy, corporation strategies, wealth management, institutional and trading, investment management
15 June 2023	InterContinental Shanghai Pudong (上海錦江湯臣酒店)	On-site communication	Investors invited to Mid-term Strategy Conference of BOCI Securities	Operation and development of the Company's strategies, wealth management, institutional and trading
27 June 2023	Shanghai Jinmao Hotel	On-site communication	Investors invited to Mid-term Strategy Conference of Hua Chuang Securities	Operation and development of the regulatory policy, wealth management, institutional and trading

## Section V Environment and Social Responsibility

### I. ENVIRONMENTAL INFORMATION

**(I) Environmental protection information of the Company and its major subsidiaries on the lists of critical pollutant dischargers published by environmental protection authorities**

Applicable  Not applicable

**(II) Environmental protection information of companies not on the list of critical pollutant dischargers**

Applicable  Not applicable

**(III) Subsequent progress or changes in environmental protection information disclosed during the Reporting Period**

Applicable  Not applicable

**(IV) Relevant information that is conducive to ecological protection, pollution prevention, and fulfilment of environmental responsibilities**

Applicable  Not applicable

As a large state-owned financial institution, the Company resolutely implements the strategic decision and deployment of the CPC Central Committee and the State Council, fully implements the concept of green development, vigorously develops green finance, promotes ecological protection and pollution prevention, and fulfills its environmental responsibilities with practical actions.

## Section V Environment and Social Responsibility

### 1. Strengthen the top-level design of the Company to vigorously develop green finance

In order to conscientiously implement the strategic decision and deployment of the report of the 20th National Congress of the Communist Party of China on “improving fiscal, taxation, finance, investment, pricing policies and standard systems to support green development”, the Company, on the basis of the industry’s first “Action Plan for Implementing Peak Carbon Dioxide Emissions and Carbon Neutrality (《踐行碳達峰與碳中和的行動方案》)” issued in 2021, further formulated and issued the “Action Plan for Comprehensively Improving the Level of Green Financial Services of Guotai Junan (2023-2025) (《國泰君安全面提升綠色金融服務能級的行動方案(2023-2025年)》)” in May 2023, which clarified the overall requirements and main objectives for the development of green finance, and proposed 14 action measures. In accordance with the basic principles of “overall deployment and systematic promotion, classified policies and key breakthroughs, perseverance and order, benchmarking towards international norms and highlighting characteristics”, the Company will proactively seize the opportunities for green transformation and development, and integrate environmental, social and governance (ESG) factors into all aspects of the Company’s operation and management, with the aim of significantly improving the Company’s green finance business scale, service level and brand image by 2025, and becoming a model benchmark for practicing green finance in the securities industry. To this end, the Company will focus on improving green investment and financing service capabilities, strengthen green asset trading and cross-border financial services capabilities, establish and improve ESG risk management system, strengthen investor education and rights protection, actively carry out green finance research, fully implement green operations, further promote public welfare undertakings, improve the green financial governance system, increase publicity and resources investment, and strengthen information disclosure and information technology support.

## Section V Environment and Social Responsibility

### 2. Provide leading integrated carbon financial services

The Company has actively practiced the concept of green and low-carbon development. It was among the first batch of companies to obtain the carbon trading license by the CSRC in 2015, and the first domestic securities companies in China for the admission to the International Emission Trading Association (IETA) in 2016. It has successively established registration and settlement relationships with pilot carbon emission exchanges including Shanghai Environment and Energy Exchange to ensure the smooth development of carbon emission trading business. The Company completed various businesses such as the first CCER (Chinese Certified Emission Reduction) development transaction by a securities company and the first carbon allowance forward transaction in Shanghai. The Group was awarded as an outstanding member and outstanding investment institution piloted by the carbon emissions exchanges for many consecutive years, with transaction scale ranked top in several carbon emission trading pilot regions. As an important participant in the domestic carbon trading market and an influential pricing trading institution, the Company has provided leading carbon finance services for many leading enterprise groups in respect of green emission reduction, and extensively cooperated with electric power, forestry, new energy, smart travel and other important groups and governmental authorities, the development of carbon emission trading projects covers various types of renewable energy, methane utilization, forest carbon sequestration and carbon inclusiveness. Through collaborative development at home and abroad, the Company has met the trading conditions of multiple international and domestic exchanges, and can provide enterprises and traders in the industrial chain at home and abroad with multi-dimensional and diversified services including carbon asset spot and derivatives trading, emission reduction purchase trading, carbon repurchase trading, carbon offset and neutralization and related carbon financial investment products. As of the end of June 2023, the cumulative trading volume of the Company's carbon finance business was approximately 67 million tons, among which, the trading volume in the first half of 2023 was approximately 2.4 million tons, and the Company has implemented a number of emission reduction purchase transactions with owners of GHG emission reduction projects in the fields of agriculture, forestry, animal husbandry, etc., which are estimated to generate millions of tons of emission reduction each year in the future. In addition, in the first half of 2023, a number of carbon emission rights buy-out repurchase transactions have been implemented to actively serve the financing needs of entities in the cement and chemical industries.

## Section V Environment and Social Responsibility

### 3. Provide full-chain green investment and financing services

The Company has deeply cultivated the upstream and downstream enterprises in the green industry chain, intensified the innovation of green financing products, provided a fast review channel for green financing projects, and actively served the green financing needs of enterprises. In the first half of 2023, the Company underwrote 49 green bonds (including green ABS) with a total issuance scale of RMB194.301 billion, of which 15 carbon neutrality bonds were underwritten with a total issuance scale of RMB9.7 billion; the Company, as a program manager, issued five green ABS products with a total scale of RMB5.161 billion; and a cumulative scale of RMB2.553 billion was completed for green pledge financing.

The Company fully implemented the ESG investment philosophy, continued to improve the ESG investment and research system, and continuously strengthened its green investment services. The Company initiated or set up industrial funds such as green funds, transformation and development funds with key regional governments, leading industrial enterprises and long-term institutional investors, and focused on investing in projects in the fields of photovoltaic power generation, sewage treatment, waste gas treatment, clean energy, smart travel, etc. The Company actively provided the creation, agency sale, custody and outsourcing and derivatives services of ESG-related products. As of the end of June 2023, the Company has created ten ESG mutual funds with a total scale of approximately RMB4.76 billion; agency sale of ESG funds totaled 203, accounting for 64.44% of the total number of ESG funds in the market; the custody and outsourcing scale of green asset was RMB2.619 billion; the nominal principal of non-public issuance of listed companies with ESG ratings above BB through OTC derivatives was RMB8.412 billion; the investment balance of green bonds (including carbon neutrality bonds) was RMB7.136 billion.

### 4. Carry out green and low-carbon operations

The Company actively promoted the policy of “intensification, cost reduction, quality improvement and efficiency enhancement”, deeply implemented measures such as green office, green procurement and green travel, and implemented high-standard energy-saving requirements consistently and reduced resource and energy consumption and greenhouse gas emissions to reduce operating costs and improve intensification capabilities and management efficiency.



## Section V Environment and Social Responsibility

### (V) Measures taken to reduce carbon emissions during the Reporting Period and the relevant effectiveness

√ Applicable    □ Not applicable

The Company actively implements the philosophy of “intensification, cost reduction, quality improvement and efficiency enhancement”, and actively saves energy and reduces emissions through measures such as the implementation of digital office, construction of green data centers and promotion of green office and concept of environmental protection, so as to reduce the impact of its own operations on the environment. The Company’s quantitative target for energy consumption in Shanghai, where its headquarters is located, is to control the year-on-year increase in energy consumption within 10% in 2023. In the first half of 2023, the Company’s total energy consumption in Shanghai amounted to 2,986.05 tons of standard coal, representing a year-on-year increase of 5.99%, which was significantly lower than the control target for energy consumption growth.

#### 1. Reduce use of paper

The Company promotes the implementation of electronic seals, online approval and attendance procedures and electronic file management measures; implements corporate WeChat online meetings and digitizes meeting materials; uses double-sided printing, prints in a reduced format and reuses waste paper for page printing as much as possible.

#### 2. Save electricity

The Company encourages employees to turn off unnecessary electrical equipment during non-working hours and turn off all non-essential electrical switches, and replaces energy-saving lamps in the office to reduce electricity usage in an all-round way.

#### 3. Carry out the management of water resources

The Company conducts extensive water conservation education, regularly inspects water use equipment and facilities, prevents the phenomenon of “running, emitting, dripping and leaking”, continuously improves water use efficiency through technological transformation and awareness raising, and controls and reduces per capita water consumption as much as possible.

#### 4. Carry out waste management

The Company advocates garbage classification, and unifies the recycling of and classifies the disposal of hazardous waste; employees bring their own tableware for meals, which has reduced the use of disposable meal boxes and the amount of kitchen waste.

# Section V Environment and Social Responsibility

## 5. Promote the construction of green data centers

Focusing on high efficiency and energy saving, the data center of the Company has carried out a number of designs and constructions, including the use of high-density cold aisle closures in the IT room, the use of dual-channel centralized water cooling technology, the optimization and control of energy consumption in server room through the waste heat recovery and intelligent lighting control technology, the use of natural refrigeration in winter, the use of the air-conditioning unit combining centrifugal chiller with small cooling capacity screw chiller, and the use of frequency conversion pump and cold water heat pump unit of appropriate equivalent for the secondary pump of air conditioner. Optimization and transformation on energy consumption and efficiency were carried out according to the actual operation situation of the data center in the first half of 2023, the main measures include: gradually upgrading the humidifier equipment, completing the procurement and launching of four wet film humidifier equipment, and reducing the energy consumption level of humidity control in the server room; improving the cooling efficiency of the server room, and providing cooling capacity on demand for local hot spots in the server room cabinets to reduce loss of cooling capacity; continuing to promote the offline of old equipment and migration to the cloud, with a total of 75 old servers offline and migration of applications to the cloud, as well as 1,214 new cloud hosts, and 79.14% of the new servers were virtualized servers, which is equivalent to saving the electricity and cooling costs for 34 cabinets.

## II. CONSOLIDATING AND EXPANDING POVERTY ALLEVIATION ACHIEVEMENTS, RURAL REVITALIZATION AND OTHER SPECIFIC WORK

Applicable    Not applicable

<b>Poverty alleviation and rural revitalization project</b>	<b>Amounts/content</b>
Total investment (ten thousand yuan)	2,902.34
Including: funds (ten thousand yuan)	2,902.34
Cash converted from materials (ten thousand yuan)	
Beneficiaries (persons)	1,267,000
Form of support (industrial support, employment support, education support, etc.)	industrial support, education support, consumption support

### Description

Applicable    Not applicable

In the first half of 2023, the Company solidly carried out public welfare activities such as serving rural revitalization, deepening education support and helping the construction of people’s city, and actively explored the service model of “inclusive + public welfare (普惠+公益)”, launching a total of 24 public welfare projects, investing public welfare funds of RMB29.0234 million, and benefiting a total of 1.267 million people.

## Section V Environment and Social Responsibility

### 1. Actively promote rural revitalization

- (1) Leading rural revitalization with talent revitalization, the Company cooperated with Zhejiang University, and carried out a special seminar on “Leaders for Becoming Rich (致富帶頭人)” of rural revitalization for 50 village secretaries, village directors and entrepreneurs who can lead the rich to support the development of industries in the aided areas.
- (2) Innovating consumption support methods, the Company combined the industrial characteristics of the five aided areas, selected representative agricultural products from the five counties, and customized the public welfare cultural and creative products to help the featured agricultural products open up the market.
- (3) Creating a new chapter of regional coordinated development, the Company donated a batch of oxygen inhalation equipment to protect the health of cadres sent to support Tibet from Shanghai.
- (4) Consolidating the synergy of twinning and supporting, as one of the first batch of 16 foundations to participate in the “163 Million Public Welfare Action (163 百萬公益行動)”, Shanghai Guotai Junan Social Welfare Foundation carried out twinning support work with Zhuang-Miao Autonomous Prefecture of Wenshan, Yunnan Province, and invested RMB1 million in the aided areas to help the renovation of house facades, industrial development and livelihood improvement in the villages.

### 2. Continue to deepen the connotation of education support and create a 2.0 version of “Dream and Hope (築夢希望)”

- (1) Lighting up the “Micro Wishes (微心願)” of rural students, the Company solicited 300 micro wishes for the new semester from students in Hope Primary School in Yunnan, Gansu, Anhui and Jiangxi, purchased stationery, books and other gifts, and organized volunteers to send the micro-wish gifts to students.
- (2) Empowering the construction of rural teachers, the Company cooperated with Zhejiang University to carry out the “Lamp Program (燃燈計劃)” for rural teachers’ ability improvement, and cultivated the “Kindling (火種)” of a group of outstanding rural teachers through training, appraisal, competition and setting up special teaching grants for two consecutive years.
- (3) Serving the construction of a strong country in science and technology, the Company set up the “Dream for a Strong Country (築夢強國)” Guotai Junan Scholarship for students majoring in science and technology and manufacturing, etc., in 16 colleges and universities to encourage outstanding college students to devote themselves to scientific research and innovation.

## Section V Environment and Social Responsibility

### 3. Facilitate the construction of Shanghai People's City

The Company has been thoroughly practicing of the important concept of “people's cities built by the people and built for the people”, to facilitate the construction of Shanghai People's City. Empowering the grassroots social governance, 32 sessions of psychological counseling on “enhance mental motivation and improve mental energy (增強心動力, 提升心能量)” were conducted for community workers in various streets and towns in Shanghai. To promote the construction of a child-friendly city, the Company donated and set up the “Special Fund for Child-Friendly City Construction of Guotai Junan” in Shanghai Children's Health Foundation to help build a child-friendly city in Shanghai.

### 4. Tell the story of Guotai Junan's public welfare, spread the voice of Guotai Junan's public welfare, and show the new image of industry cultural construction

- (1) In cooperation with strategic customers, the Company signed a public welfare cooperation agreement with the Oriental Broadcasting Center of Shanghai Radio and Television Station (上海廣播電視台東方廣播中心) to jointly launch a series of public welfare projects called “Seeing the World with Big Eyes (大眼看世界)” for rural students, carry out music education, science classes, non-genetic inheritance and other activities, and invite renowned artists and masters into the rural classrooms.
- (2) The Company cooperated with branch forces to explore the implementation of the “Neighborhood Protection (鄰里守護)” project. The first batch of the project supported 12 branches to carry out 14 public welfare activities such as assisting the poor and disadvantaged, providing disaster relief and schooling in the locality, demonstrating Guotai Junan's new image of “Caring Neighbors(愛心鄰里)”. The Company produced videos such as “Dreaming of Dandan(《夢回丹丹》)”, “Warming Weiyuan(《情暖渭源》)” and “Crossing 2022(《穿越, 走過 2022》)” to convey the positive energy of finance to the society.

## Section VI Significant Events

### I. THE PERFORMANCE OF UNDERTAKINGS

#### (I) The undertakings of the Company's de facto controller, Shareholders, related parties, acquirers and the Company and other related parties during the Reporting Period or that continued to be valid during the Reporting Period

√ Applicable    □ Not applicable

Backgrounds of undertakings	Types of undertakings	Parties giving undertakings	Content of undertakings	Times and periods of undertakings	Whether there is a performance period	Whether undertakings were performed timely	Detailed	Next steps, if undertaken were not performed timely
							Whether reasons, if undertaken were not performed timely	
Undertakings related to initial public offering	Other	Shanghai State-owned Assets Management Co., Ltd.	The undertaking of avoiding the competition with Guotai Junan in the same industry	From the date of the initial public offering of the A Shares of Guotai Junan to the date on which it ceases to be the Company's controlling shareholder <sup>Note 1</sup>	Yes	Yes	-	-
	Other		The undertaking of indemnifying investors' losses in the case of false disclosure	Permanent	Yes	Yes	-	-
	Other	Shanghai International Group Co., Ltd.	The undertaking of avoiding the competition with Guotai Junan in the same industry	From the date of the initial public offering of the A Shares of Guotai Junan to the date on which it ceases to be the Company's de facto controller <sup>Note 1</sup>	Yes	Yes	-	-
	Other		The undertaking of avoiding the competition with Guotai Junan in the same industry (Non-Competition Arrangement)	From the listing date of the H Shares of Guotai Junan to the date on which it ceases to be the Guotai Junan's controlling shareholder <sup>Note 2</sup>	Yes	Yes	-	-
	Other		The undertaking of indemnifying investors' losses in the case of false disclosure	Permanent	Yes	Yes	-	-

## Section VI Significant Events

Backgrounds of undertakings	Types of undertakings	Parties giving undertakings	Content of undertakings	Times and periods of undertakings	Whether there is a performance period	Whether undertakings were performed timely	Detailed	Next steps, if undertaken were not performed timely
							reasons, if undertaken were not performed timely	
	Other	The Company	The undertaking of repurchasing shares and indemnifying investors' losses in the case of false disclosure	Permanent	Yes	Yes	-	-
	Other	Directors, Supervisors and senior management of the Company	The undertaking of indemnifying investors' losses in the case of false disclosure	Permanent	Yes	Yes	-	-

Note 1: The controlling shareholder and the de facto controller as referred to herein are as defined under the SSE Listing Rules.

Note 2: The controlling shareholder as referred to herein is as defined under the Hong Kong Listing Rules.

### II. APPROPRIATION OF FUNDS FOR NON-OPERATING PURPOSES BY CONTROLLING SHAREHOLDERS AND OTHER RELATED PARTIES DURING THE REPORTING PERIOD

Applicable  Not applicable

### III. NON-COMPLIANT GUARANTEES

Applicable  Not applicable

### IV. AUDITING OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Applicable  Not applicable

### V. CHANGES IN AND FOLLOW-UP MEASURES FOR MATTERS INVOLVED IN NON-STANDARD AUDIT OPINIONS IN THE PREVIOUS YEAR'S ANNUAL REPORT

Applicable  Not applicable

## Section VI Significant Events

### VI. BANKRUPTCY AND RESTRUCTURING RELATED MATTERS

Applicable  Not applicable

### VII. MATERIAL LITIGATION AND ARBITRATION

The Company had material litigations and arbitrations during the Reporting Period

The Company had no material litigation and arbitration during the Reporting Period

### VIII. SUSPECTED NON-COMPLIANCE WITH LAWS AND REGULATIONS BY AND PENALTIES IMPOSED ON THE COMPANY, ITS DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT, CONTROLLING SHAREHOLDER, DE FACTO CONTROLLER<sup>NOTE</sup> AS WELL AS RELEVANT RECTIFICATIONS

Applicable  Not applicable

#### (I) Administrative regulatory measures were imposed on Shenzhen Dengliang Road Branch of the Company by Shenzhen Bureau of the CSRC issuing a warning letter to it

On 13 April 2023, administrative regulatory measures were imposed on Shenzhen Dengliang Road Securities Branch of the Company by Shenzhen Bureau of the CSRC issuing a warning letter to it due to certain employees being not qualified for participating in private fund sales during their employment, failing to act diligently and responsibly in the sales of products, providing risk assessment answers to customers, informing customers of their response standards during follow-up visits and providing convenience and services for financing activities between customers and others.

The Company has adopted the following rectification measures in respect of the above issues: (i) claiming liabilities against the relevant subjects by holding personnel with direct and supervisory responsibilities fully accountable with accountability measures including both administrative and economic accountability measures; (ii) further improving the construction of relevant systems and mechanisms for personnel qualification management in Shenzhen Branch Office; (iii) emphasizing on employee compliance culture promotion and training, strengthening warning education, implementing relevant rules on the appropriateness of financial product sales and including special compliance assessment and evaluation in the employee regularization process of Shenzhen Branch Office; and (iv) strengthening compliance inspections, developing risk identification inspection drafts that match business processes and enhancing risk identification capabilities.

## Section VI Significant Events

### (II) Administrative regulatory measures were imposed on the Company by Shanghai Bureau of the CSRC issuing a warning letter to it

On 11 May 2023, administrative regulatory measures were imposed on the Company by Shanghai Bureau of the CSRC issuing a warning letter to it due to incomplete rules and regulations on quality control and compliance review of its securities research report business, failure to establish an effective market impact assessment mechanism for securities research reports and failure to prudently evaluate the potential impact of sensitive information related to a certain securities research report on the market.

The Company has adopted the following rectification measures in respect of the above issues: (i) claiming liabilities against the relevant subjects by holding personnel with direct responsibility, supervisory responsibility and leadership responsibility fully accountable with accountability measures including both administrative and economic accountability measures; (ii) deepening subject awareness, strengthening subject responsibility, and while focusing on improving the construction of research capabilities, further improving position awareness, strengthening overall situation awareness, comprehensively strengthening evaluation capabilities of impact of research reports on the market, strengthening public opinion analysis and management capabilities and improving the quality and compliance control efficiency of research reports; (iii) further improving the market impact assessment mechanism for securities research reports, strengthening public opinion evaluation and management and enhancing the review level for reports that may have significant market impact; (iv) strengthening the review of research reports, especially total amount reports and allocation reports, and focusing on strengthening the review of research in areas closely related to economy, politics and national security such as finance, securities, real estate, national defense, etc.; and (v) continuously strengthening the compliance education on the use of we-media such as researchers' Weixin groups and official account, and improve their self-administration awareness.

Note: The controlling shareholder and the de facto controller mentioned above are as defined under the SSE Listing Rules.

### IX. THE CREDIT STATUS OF THE COMPANY, ITS CONTROLLING SHAREHOLDER AND DE FACTO CONTROLLER DURING THE REPORTING PERIOD

Applicable    Not applicable

During the Reporting Period, there was no failure to implement the effective judgment of a court by the Company, Shanghai SA (controlling shareholder of the Company) or International Group (the de facto controller of the Company).

Note: The controlling shareholder and the de facto controller mentioned above are as defined under the SSE Listing Rules.



## Section VI Significant Events

### X. MATERIAL RELATED PARTY TRANSACTIONS

#### (I) Related party transactions relating to day-to-day operations

**1. Matters disclosed in ad hoc announcements without subsequent progress or change**

Applicable  Not applicable

**2. Matters disclosed in ad hoc announcements with subsequent progress or changes**

Applicable  Not applicable

**3. Matters not disclosed in ad hoc announcements**

Applicable  Not applicable

**4. Day-to-day related party transactions**

The Company conducts related party transactions in strict compliance with the SSE Listing Rules, the Policy on Information Disclosure Management and the Policy on Management of Related Party Transactions. The Group's related party transactions are conducted based on the principles of equity, openness and fairness, and the related party transaction agreements are entered into at market prices based on the principles of equality, voluntariness, equivalence and compensation.

During the Reporting Period, the Company's day-to-day related party transactions were implemented according to the Resolution on the Potential Related Party Transactions Contemplated in the Ordinary Course of Business of the Company in 2023, which was considered and approved at the 2022 Annual General Meeting of the Company.

The disclosure of related party transactions set forth in this section is based on the SSE Listing Rules and may differ from the amount of related party transactions in the notes to the financial statements (prepared according to the Accounting Standards for Business Enterprise).

## Section VI Significant Events

### (1) Major related party transactions relating to day-to-day operation

#### ① Fee and commission income from related parties

Unit: yuan Currency: RMB

Names of related parties	Contents of related party transactions	Amount for the current period	Amount for the last period
HuaAn Funds	Income from lending of trading seats	N/A	55,642,047
Shanghai Rural Commercial Bank	Revenue from entrusted assets management business	3,989,358	6,261,814

#### ② Interest received from related parties

Unit: yuan Currency: RMB

Names of related parties	Contents of related party transactions	Amount for the current period	Amount for the last period
SPD Bank	Deposits in financial institutions, financial assets held under resale agreements and bonds	101,584,161	85,560,964

## Section VI Significant Events

### ③ Interest paid to related parties

Unit: yuan Currency: RMB

Names of related parties	Contents of related party transactions	Amount for the current period	Amount for the last period
SPD Bank	Lease of gold, financial assets sold under repurchase agreements, placements from other financial institutions and borrowings	58,339,705	13,212,518
HuaAn Funds	Lease of gold, financial assets sold under repurchase agreements and customers' deposits	N/A	16,644,585
Shanghai Rural Commercial Bank	Lease of gold, financial assets sold under repurchase agreements and placements from other financial institutions	8,419,149	8,159,457

### ④ Operation and management fees paid to related parties

Unit: yuan Currency: RMB

Names of related parties	Contents of related party transactions	Amount for the current period	Amount for the last period
SPD Bank	Service fees for sales of products	14,119,764	1,732,329
Shanghai Rural Commercial Bank	Service fees for sales of products	10,685,621	-

## Section VI Significant Events

### (2) Balances with related parties

#### ① Balances of deposits with related parties

Unit: yuan Currency: RMB

Names of related parties	Balances at the end of the period	Balances at the beginning of the period
SPD Bank	6,624,515,939	8,360,027,944

#### ② Balances of financial assets held under resale agreements

Unit: yuan Currency: RMB

Names of related parties	Balances at the end of the period	Balances at the beginning of the period
SPD Bank	1,627,652,492	120,029,589

#### ③ Balances of the bonds issued by related parties held by the Company

Unit: yuan Currency: RMB

Names of related parties	Balances at the end of the period	Balances at the beginning of the period
SPD Bank	4,808,588,571	4,149,846,356
Shanghai Rural Commercial Bank	688,398,454	295,089,428
Shanghai Securities	220,872,581	221,680,953
Great Wall Securities Co., Ltd.	100,801,972	134,852,282

## Section VI Significant Events

### ④ Balances of financial assets sold under repurchase agreements

Unit: yuan Currency: RMB

Names of related parties	Balances at the end of the period	Balances at the beginning of the period
Shanghai Rural Commercial Bank	504,760,366	-

### ⑤ Loans and borrowings with related parties

Unit: yuan Currency: RMB

Names of related parties	Balances at the end of the period	Balances at the beginning of the period
SPD Bank	3,602,955,282	703,320,038

## (II) Related party transactions relating to asset or equity interest acquisition or disposal

### 1. Matters disclosed in ad hoc announcements without subsequent progress or change

Applicable  Not applicable

### 2. Matters disclosed in ad hoc announcements with subsequent progress or changes

Applicable  Not applicable

### 3. Matters not disclosed in ad hoc announcements

Applicable  Not applicable

### 4. If performance covenant is involved, the fulfilment of the business performance undertaking during the Reporting Period shall be disclosed

Applicable  Not applicable

## Section VI Significant Events

### (III) Significant related party transactions relating to joint external investments

**1. Matters disclosed in ad hoc announcements without subsequent progress or change**

Applicable  Not applicable

**2. Matters disclosed in ad hoc announcements with subsequent progress or changes**

Applicable  Not applicable

**3. Matters not disclosed in ad hoc announcements**

Applicable  Not applicable

### (IV) Debts due to/from related parties

**1. Matters disclosed in ad hoc announcements without subsequent progress or change**

Applicable  Not applicable

**2. Matters disclosed in ad hoc announcements with subsequent progress or changes**

Applicable  Not applicable

**3. Matters not disclosed in ad hoc announcements**

Applicable  Not applicable

### (V) Financial businesses between the Company and its related financial company and between its holding financial company and its related parties

Applicable  Not applicable

### (VI) Other significant related party transactions

Applicable  Not applicable

### (VII) Miscellaneous

Applicable  Not applicable

## Section VI Significant Events

### XI. MATERIAL CONTRACTS AND THE PERFORMANCE THEREOF

#### 1 Custody, contracting and leasing

Applicable  Not applicable

#### 2 Material guarantees performed and unfulfilled during the Reporting Period

Applicable  Not applicable

Unit: yuan Currency: RMB

#### External guarantees by the Company (excluding guarantees for subsidiaries)

Total amount of the guarantees 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 of the Company for subsidiaries

Total amount of the guarantees for subsidiaries during the Reporting Period	2,164,878,750
Total balance of guarantees for subsidiaries at the end of the Reporting Period (B)	8,282,241,030

#### Total amount of guarantees of the Company (including guarantees for subsidiaries)

Total amount of guarantees (A+B)	8,282,241,030
Total amount of guarantees as a percentage of the net assets of the Company (%)	5.06
Including:	
The amount of guarantees offered to the Shareholders, de facto controller and their related parties (C)	–
Amount of debt guarantees directly or indirectly provided to the guaranteed with a gearing ratio of over 70% (D)	8,282,241,030
Amount of guarantees in excess of 50% of net assets (E)	–
Sum of the three items above (C+D+E)	8,282,241,030
Remark on the joint settlement responsibilities in relation to premature guarantees	The principal, interest and other related expenses of the bonds

## Section VI Significant Events

Remark on the guarantees

On 21 April 2021, Guotai Junan Holdings Limited, a subsidiary of the Company, issued the USD500 million medium-term bonds with a term of 5 years and an interest rate of 2%. The Company (as the guarantor) entered into a guarantee agreement with Bank of New York Mellon (as trustee), to provide unconditional and irrevocable guarantee for the payment obligation under the aforesaid bonds of Guotai Junan Holdings Limited.

On 24 November 2021, Guotai Junan Holdings Limited, a subsidiary of the Company, issued the USD300 million medium-term bonds with a term of 3 years and an interest rate of 1.60%. The Company (as the guarantor) entered into a guarantee deed, to provide unconditional and irrevocable joint and several liability guarantee for the payment obligation under the aforesaid bonds of Guotai Junan Holdings Limited.

On 10 March 2023, Guotai Junan Holdings Limited, a subsidiary of the Company, issued the RMB500 million medium-term bonds with a term of 3 years and an interest rate of 3.35%. The Company (as the guarantor) entered into a guarantee agreement with Bank of New York Mellon (as trustee), to provide unconditional and irrevocable guarantee for the payment obligation under the aforesaid bonds of Guotai Junan Holdings Limited.

On 23 March 2023, Guotai Junan Holdings Limited, a subsidiary of the Company, issued the RMB935 million medium-term bonds with a term of 3 years and an interest rate of 3.35%. The Company (as the guarantor) entered into a guarantee agreement with Bank of New York Mellon (as trustee), to provide unconditional and irrevocable guarantee for the payment obligation under the aforesaid bonds of Guotai Junan Holdings Limited.



## Section VI Significant Events

On 24 March 2023, Guotai Junan Holdings Limited, a subsidiary of the Company, issued the RMB500 million medium-term bonds with a term of 3 years and an interest rate of 3.35%. The Company (as the guarantor) entered into a guarantee agreement with Bank of New York Mellon (as trustee), to provide unconditional and irrevocable guarantee for the payment obligation under the aforesaid bonds of Guotai Junan Holdings Limited.

Note: During the Reporting Period, Guotai Junan Financial Holdings and Guotai Junan International, both being an overseas subsidiary of the Company, provided guarantees for their respective wholly-owned subsidiaries in accordance with the transaction practices in international markets, mainly including:

- I. By virtue of normal business needs, Guotai Junan Financial Holdings provided guarantees in respect of a number of agreements entered into between its wholly-owned subsidiaries and their respective counterparties, including the Framework Agreements for International Swaps and Derivatives Association (ISDA), the Global Master Repurchase Agreement (GMRA) and the Gold Loan Agreement. As of the end of the Reporting Period, the total guarantee balance of actual transactions was equivalent to approximately RMB3.634 billion.
- II. Guotai Junan International provided the following guarantees to its wholly-owned subsidiaries in accordance with the Listing Rules of the Hong Kong Stock Exchange:
  - (1) By virtue of normal business needs, Guotai Junan International provided guarantees in respect of a number of agreements entered into between its wholly-owned subsidiaries and their respective counterparties, including the Framework Agreements for International Swaps and Derivatives Association (ISDA), the Global Master Securities Lending Agreement (GMSLA) and the Global Master Repurchase Agreement (GMRA). As of the end of the Reporting Period, the total guarantee balance of actual transactions was equivalent to approximately RMB6.350 billion;
  - (2) Guotai Junan International provided guarantees for its wholly-owned subsidiaries in respect of the structured notes with a maximum amount of US\$15 billion. As of the end of the Reporting Period, the total guarantee balance of the loans actually drawn was equivalent to approximately RMB3.855 billion;
  - (3) Guotai Junan International provided the debt financing guarantees in respect of the bank loans of its wholly-owned subsidiaries. The guarantee limits are HK\$5.45 billion, USD35 million and RMB55 million, respectively. As of the end of the Reporting Period, the guarantee balance of the loans actually drawn was equivalent to approximately RMB217 million.

As at the end of the Reporting Period, the percentage of the Company's shareholding in Guotai Junan International was 73.74%.

## Section VI Significant Events

### 3 Other material contracts

Applicable  Not applicable

1. According to the SSE Listing Rules, the Group did not enter into any material contract during the Reporting Period.
2. The updates of material contracts disclosed in the Prospectus in relation to the Initial Public Offering of A Shares of the Company during the Reporting Period are as follows:
  - (1) According to a resolution at the 10th extraordinary meeting of the 4th session of the Board of Directors, the Company invests in the office building project of Huangpu Riverside (黃浦濱江), and the investment amount is expected to not exceed RMB1.18 billion. On 16 October 2013, the Company signed the Framework Agreement for Transfer of the Fuxing Land (《復興地塊項目轉讓框架協議》) with Shanghai Bund Riverside Development Company Ltd. (上海外灘濱江綜合開發有限公司) (“Bund Riverside”). Pursuant to this agreement, Bund Riverside intends to acquire the land through land auction. The land is located at the Huangpu District, Shanghai City and is used for commercial and office purposes, with a site area of 35,862 m<sup>2</sup>. Bund Riverside will construct six office buildings on the site and transfer one of the buildings (with a gross floor area of approximately 14,000 m<sup>2</sup>) to the Company. The transfer price covered the land costs, construction costs, respective amortization charges and the project management fees paid to Bund Riverside. On 12 December 2013, Bund Riverside signed the Land Use Rights Grant Contract of State-owned Land with the Planning and Land Administration Bureau of Huangpu District (上海市黃浦區規劃和土地管理局). As of the end of June 2023, the Company paid RMB1,096.67 million.
  - (2) On 18 November 2014, Guoxiang Properties signed the Main Contract on Construction of the Main Body of the New Project of the Office Building of Guotai Junan Securities Co., Ltd. (《國泰君安證券股份有限公司辦公樓新建項目主體工程施工總承包合同》) with Shanghai Construction No.1, pursuant to which Shanghai Construction No.1 was responsible for constructing the main body of the new project of the office building of Guotai Junan. The project is located at Lot 49, Jing’an District, Shanghai City, with a total contract value of RMB335,880,000 and the settlement amount of RMB363,980,000. As of the end of June 2023, the Company paid RMB350.03 million.

## Section VI Significant Events

### XII. OTHER SIGNIFICANT EVENTS

√ Applicable    □ Not applicable

#### 1. Changes in qualifications for each individual business during the Reporting Period

During the Reporting Period, the Company obtained the qualifications for STAR 50 ETF Options and other business, Guotai Junan Futures obtained the qualification of market maker for fuel oil futures and 30-year treasury bond futures, Hong Kong Subsidiaries were awarded the provision of securities trading, wealth management and financing services arising from investment in financial instruments by Monetary Authority of Macao. Please refer to “Business Qualifications for Each Individual Business of the Company” in “Section II Company Profile and Key Financial Indicators” of this announcement for details.

#### 2. Issuance and payment of bonds

##### (1) Payment of bonds by the Company

In July 2018, the Company issued the corporate bonds “2018 Corporate Bonds (Third Tranche) (Type 2)” of RMB300 million, with a term of 5 years. In July 2023, the bonds matured and the Company repaid all the bonds.

In July 2020, the Company issued the corporate bonds “2020 Corporate Bonds (Third Tranche)” of RMB5 billion, with a term of 3 years. In July 2023, the bonds matured and the Company repaid all the bonds.

##### (2) Issuance of MTN by Guotai Junan International

In the first half of 2023, Guotai Junan International issued MTN denominated in various currencies with a total amount of HK\$561 million, US\$690 million and RMB48 million, with terms ranging from six months to one year.

## Section VI Significant Events

### 3. Changes of business outlets

During the Reporting Period, the Group newly established three securities branch offices and four securities branches, completed the relocation of two branch offices and 14 securities branches, and deregistered one securities branch in the PRC.

As of 30 June 2023, the Group had 36 securities branch offices and 342 securities branches, and Guotai Junan Futures had 16 futures branch offices and nine futures branches in the PRC.

	Newly-established branch offices	Relocated branch offices	Newly-established securities/futures branches	Relocated securities/futures branches	Deregistered securities/futures branches
The Company	3	2	4	14	1
Guotai Junan Futures	-	-	-	-	-

Details of changes of business outlets of the Company:

#### (1) Newly-established branches

No.	Name of newly-established branch	Location of newly-established branch	Date of issuing permit
1	Qingdao Branch Office	3F, No. 108B Nanjing Road, Shinan District, Qingdao, Shandong	12 May 2023
2	Shanghai Qingpu Branch Office	Room 301 and 302, 3F, No. 2, Lane 99, Jiajie Road, Zhaoxiang Town, Qingpu District, Shanghai	29 May 2023
3	Shanghai Lin-gang Special Area Branch Office	Room 304, No. 859-863 Huanhu West 1st Road, Lin-gang Special Area, China (Shanghai) Pilot Free Trade Zone	29 May 2023
4	Shanghai Haiyang West Road Securities Branch	Unit 04, 19F (nominal floor, actual floor 16), No. 18, Lane 666, Haiyang West Road, China (Shanghai) Pilot Free Trade Zone	15 March 2023

## Section VI Significant Events

No.	Name of newly-established branch	Location of newly-established branch	Date of issuing permit
5	Chengdu Sanse Road Securities Branch	1F and Area 2, 33F, Unit 2, Building 1, No. 238 Sanse Road, Jinjiang District, Chengdu, Sichuan	4 April 2023
6	Mengzi Tianma Road Securities Branch	No. 1 affiliated to 2F, Building 1, Phase I, Junhao Central Street, Tianma Road, Mengzi, Honghe Hani and Yi Autonomous Prefecture, Yunnan	14 April 2023
7	Haikou Xiuying Changbin Road Securities Branch	Shops 2-1-18, 2-1-19 and 2-1-20 on the first floor of No. 2 Commercial Building (Block), Phase II, Huaifu Lanwan, No. 8 Changbin 4th Road, Xiuying District, Haikou, Hainan	8 May 2023

### (2) Relocated branches

No.	Name of branch before relocation	Name of branch after relocation	Location of branch after relocation
1	Gansu Branch Office	Gansu Branch Office	Room 001, 28F, Unit 2, No. 3 Tianshui Middle Road, Donggang West Road Sub-district, Chengguan District, Lanzhou, Gansu
2	Hubei Yichang Sixin Road Securities Branch	Hubei Yichang Xiling 1st Road Securities Branch	Room 16-1, 16-7 to 16-12, 16F, New International Trade Office Building, No. 56 Xiling 1st Road, Xiling District, Yichang, Hubei
3	Tianjin Binhai New Area Fuzhou Road Securities Branch	Tianjin Binhai New Area Second Avenue Securities Branch	G1-102, 202, MSD-G Area, No. 57 Second Avenue, Tianjin Economic-Technological Development Area

## Section VI Significant Events

No.	Name of branch before relocation	Name of branch after relocation	Location of branch after relocation
4	Xi'an Gaoxin Road Securities Branch	Xi'an Tangyan Road Securities Branch	Room 102, 1F and Room 901, 902, 903, 912, 913, 915 and 916, 9F, Tianyi International, Building 9, No. 15 Tangyan Road, High Technology Industries Development Zone, Xi'an, Shaanxi
5	Jishou Renmin Middle Road Securities Branch	Jishou Xueyuan East Road Securities Branch	Room 201-203, Building 12 Zhuangyuan Shoufu, No. 29 Xueyuan East Road, Xiangxi High-tech Industrial Development Zone, Hunan
6	Shenzhen Longhua Yicheng Center Securities Branch	Shenzhen Longhua Yicheng Center Securities Branch	2508/09, 25F, Tower C, Huanzhi Center, No. 3639 Longhua Avenue, Jinglong Community, Longhua Sub-district, Longhua District, Shenzhen
7	Shunde Daliang Securities Branch	Shunde Daliang Securities Branch	1601, 1602, 1603, 1604, 1605, 1606, 1607, Tower 1, Wanbang Commercial Plaza, No. 266 Dongle Road, Fuyou Community, Daliang Sub-district, Shunde District, Foshan, Guangdong
8	Handan Renmin East Road Securities Branch	Handan Renmin East Road Securities Branch	1703, 17F, T6 Building, Global Center, No. 456 Renmin East Road, Congtai District, Handan, Hebei
9	Nanjing Lushan Road Securities Branch	Nanjing Qingliangmen Avenue Securities Branch	Room 1301, No. 39 Qingliangmen Avenue, Gulou District, Nanjing, Jiangsu
10	Taiyuan Jianshe South Road Securities Branch	Taiyuan Changxing Road Securities Branch	Shop 1017, 1F and Room 2702-2712 and 2721-2722, 27F, Building 6, No. 1 Changxing Road, Wanbailin District, Taiyuan, Shanxi

## Section VI Significant Events

No.	Name of branch before relocation	Name of branch after relocation	Location of branch after relocation
11	Quzhou Hehua Middle Road Securities Branch	Quzhou Baiyun Middle Avenue Securities Branch	Room 403, 404, 405, 406, Tower A, No. 88 Baiyun Middle Avenue, Baiyun Sub-district, Kecheng District, Quzhou, Zhejiang
12	Xianju Jiufang Lane Securities Branch	Xianju Ximen Street Securities Branch	No. 128, 130, 132, 100-213, 100-215, 100-216, 100-217, 100-218 Ximen Street, Anzhou Sub-district, Xianju County, Taizhou, Zhejiang
13	Shanghai Liqun Road Securities Branch	Shanghai Daduhe Road Securities Branch	Unit 01-03, 2F, No. 1, Lane 556, Daduhe Road, Putuo District, Shanghai
14	Beijing Dewai Avenue Securities Branch	Beijing Dewai Avenue Branch	109-A, 301, 302A, Building 1, Yard 13, Deshengmenwai Avenue, Xicheng District, Beijing (Desheng Park)
15	Jiangxi Branch Office	Jiangxi Branch Office	Room 3002-3009, 3101-3106, 3112, 3113, Cuilin Building, No. 1266 Fenghe Middle Avenue, Honggutan District, Nanchang, Jiangxi
16	Nanchang Fenghe Middle Avenue Securities Branch	Nanchang Fenghe Middle Avenue Securities Branch	Room 3107-3111, Cuilin Building, No. 1266 Fenghe Middle Avenue, Honggutan District, Nanchang, Jiangxi

### **(3) Deregistered branches**

No.	Name of branch
1	Huainan Chaoyang East Road Securities Branch

## Section VII Changes in Shares and Particulars of Shareholders

### I. CHANGES IN SHARE CAPITAL

#### (I) Table of Changes in Shares

##### 1. Table of changes in Shares

*Unit: share*

	Before change		Change (+/-)				After change		
	Number	Percentage	Issue of new shares	Bonus issue	Capitalization		Number	Percentage	
		(%)			of surplus reserve	Others		Sub-total	(%)
<b>I. Shares subject to selling restrictions</b>	62,321,807	0.70				-2,156,747	-2,156,747	60,165,060	0.68
1. Other domestic shareholdings	62,321,807	0.70				-2,156,747	-2,156,747	60,165,060	0.68
Shareholdings of domestic									
natural person	62,321,807	0.70				-2,156,747	-2,156,747	60,165,060	0.68
<b>II. Tradable shares not subject to selling restrictions</b>	8,844,350,829	99.30				+23,817	+23,817	8,844,374,646	99.32
1. RMB-denominated ordinary shares	7,452,523,649	83.67				+23,817	+23,817	7,452,547,466	83.69
2. Overseas listed foreign invested Shares	1,391,827,180	15.63				-	-	1,391,827,180	15.63
<b>III. Total number of ordinary shares</b>	8,906,672,636	100.00				-2,132,930	-2,132,930	8,904,539,706	100.00

##### 2. Changes in Shares

Applicable  Not applicable

In the first half of 2023, the cumulative number of Shares converted from the A Share Convertible Bonds of the Company was 23,817 Shares, and with the repurchase and cancellation of 2,156,747 Restricted A Shares, the share capital of the Company changed to 8,904,539,706 Shares accordingly.

In the first half of 2023, the basic earnings per share of the Group was RMB0.61, and the diluted earnings per share was RMB0.60 after taking into account the impact of conversion of convertible bonds and the Restricted Share Incentive Scheme of A Shares; and the net asset per share attributable to equity holders of the Company as at 30 June 2023 (including the perpetual bonds issued by the Company) was RMB18.38, representing an increase of RMB0.67 compared with the same period of last year. After deducting the effect of such perpetual bonds, the net asset per share attributable to equity holders of the Company as at 30 June 2023 was RMB16.15.



## Section VII Changes in Shares and Particulars of Shareholders

3. Impact of changes in shares on earnings per share, net asset value per share or other financial indicators subsequent to the end of the Reporting Period and up to the publication date of the interim report (if any)

Applicable  Not applicable

4. Other information considered necessary by the Company or required by the securities regulators to be disclosed

Applicable  Not applicable

### (II) Changes in Shares Subject to Selling Restrictions

Applicable  Not applicable

*Unit: share*

Name of shareholders	Number of Shares subject to selling restrictions as at the beginning of the period		Increase in number of Shares subject to selling restrictions for the Reporting Period	Number of Shares subject to selling restrictions at the end of the Reporting Period		Reasons	Unlocking date
	Number of Shares for the Reporting Period	Number of Shares for the Reporting Period		Number of Shares for the Reporting Period	Number of Shares for the Reporting Period		
Incentive participants of restricted A Shares	62,321,807		-2,156,747		60,165,060	Restricted Share Incentive Scheme of A Shares	See note for details
<b>Total</b>	62,321,807		-2,156,747		60,165,060	/	/

Note 1: See "IV. The Equity Incentive Scheme, Employee Share Scheme or Other Employee Incentives of the Company and the Impact Thereof" in "Section IV Corporate Governance" of this announcement for details

Note 2: The registration for the first grant of restricted A Shares held by the incentive participants was completed on 2 November 2020, and the registration for the reserved grant was completed on 29 September 2021. The lock-up periods are 24 months, 36 months and 48 months from the date of completing registration for the grant of shares.

## Section VII Changes in Shares and Particulars of Shareholders

### II. ISSUE AND LISTING OF SECURITIES

#### (I) Issue of Securities during the Reporting Period

Unit: yuan Currency: RMB

Types of Shares and other derivative instruments	Date of issue	Issue price (or interest rate)	Issue amount	Listing date	Transaction	
					amount approved to be listed	Transaction termination date
<b>Bonds (including enterprise bonds, corporate bonds and debt financing instruments for non-financial businesses)</b>						
2023 Corporate Bonds (First Tranche) (Type I)	January 2023	2.90%	3,000,000,000	January 2023	3,000,000,000	February 2025
2023 Corporate Bonds (First Tranche) (Type II)	January 2023	3.07%	3,000,000,000	January 2023	3,000,000,000	January 2026
2023 First Tranche Short-term Financing Bills	February 2023	2.65%	4,000,000,000	February 2023	4,000,000,000	October 2023
2023 Corporate Bonds (Second Tranche) (Type I)	February 2023	2.92%	1,500,000,000	February 2023	1,500,000,000	February 2025
2023 Corporate Bonds (Second Tranche) (Type II)	February 2023	3.16%	4,500,000,000	February 2023	4,500,000,000	February 2026
2023 Second Tranche Short-term Financing Bills	March 2023	2.80%	4,000,000,000	March 2023	4,000,000,000	March 2024
2023 Third Tranche Short-term Financing Bills	April 2023	2.57%	3,000,000,000	April 2023	3,000,000,000	November 2023
2023 Corporate Bonds (Third Tranche) (Type I)	May 2023	2.79%	1,600,000,000	May 2023	1,600,000,000	May 2025
2023 Corporate Bonds (Third Tranche) (Type II)	May 2023	2.92%	3,400,000,000	May 2023	3,400,000,000	April 2026
2023 Fourth Tranche Short-term Financing Bills	May 2023	2.44%	4,000,000,000	May 2023	4,000,000,000	February 2024
2023 Perpetual Subordinated Bonds (First Tranche) <sup>Note 1</sup>	June 2023	3.53%	5,000,000,000	June 2023	5,000,000,000	N/A
Guotai Junan Financial Holdings Guaranteed MTN	March 2023	3.35%	500,000,000			March 2026
Guotai Junan Financial Holdings Guaranteed MTN	March 2023	3.35%	935,000,000			March 2026
Guotai Junan Financial Holdings Guaranteed MTN	March 2023	3.35%	500,000,000			March 2026

Note 1: See “2. The triggering and implementation of the issuer or investor option terms and the investor protection terms” in “Section IX Corporate Bonds – I. Enterprise Bonds, Corporate Bonds, and Debt Financing Instruments for Non-financial Businesses - (II) Corporate bonds” of this announcement

## Section VII Changes in Shares and Particulars of Shareholders

### III. PARTICULARS OF SHAREHOLDERS

#### (I) Total number of Shareholders:

Total number of holders of ordinary shares at the end of the Reporting Period	167,290
Total number of holders of preferred shares with voting rights restored at the end of the Reporting Period	–

Note: The total number of Shareholders includes the holders of ordinary A Shares and the registered holders of H Shares. As at the end of the Reporting Period, there were 167,118 holders of A Shares and 172 registered holders of H Shares.

#### (II) Shareholdings of the top ten Shareholders and the top ten holders of tradable Shares (or Shares without selling restrictions) as at the end of the Reporting Period

Unit: share

Names of Shareholders (full name)	Shareholdings of the top ten Shareholders				Pledged, marked or frozen Status	Number	Nature of Shareholders
	Increase or decrease during the Reporting Period	Number of shares held as at the end of the period	Percentage (%)	Number of shares subject to selling restrictions held			
Shanghai State-owned Assets Management Co., Ltd <sup>Note 1</sup>	–	1,900,963,748	21.35	–	Not	–	State-owned legal person
HKSCC Nominees Limited <sup>Note 2</sup>	600	1,391,752,920	15.63	–	Unknown	–	Overseas legal person
Shanghai International Group Co., Ltd. <sup>Note 3</sup>	–	682,215,791	7.66	–	Not	–	State-owned legal person
Shenzhen Investment Holdings Co., Ltd.	–	609,428,357	6.84	–	Not	–	State-owned legal person
China Securities Finance Corporation Limited	–	260,547,316	2.93	–	Not	–	Domestic non-state-owned legal person
Shanghai Municipal Investment (Group) Corporation	–	246,566,512	2.77	–	Not	–	State-owned legal person
Hong Kong Securities Clearing Company Limited <sup>Note 4</sup>	+36,538,051	186,781,254	2.10	–	Not	–	Overseas legal person
Shenzhen Energy Group Co., Ltd.	–	154,455,909	1.73	–	Not	–	Domestic non-state-owned legal person
China Construction Bank Corporation –Guotai CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund	+9,184,992	101,106,296	1.14	–	Not	–	Others
China National Nuclear Corporation	–	76,292,793	0.86	–	Not	–	State-owned legal person

## Section VII Changes in Shares and Particulars of Shareholders

### Details of the top ten shareholders without selling restrictions<sup>Note 5</sup>

Names of Shareholders	Number of tradable shares without selling restrictions held	Class and number of shares	
		Class	Number
Shanghai State-owned Assets Management Co., Ltd	1,900,963,748	RMB – denominated ordinary shares	1,900,963,748
HKSCC Nominees Limited	1,391,752,920	Overseas Listed foreign-invested shares	1,391,752,920
Shanghai International Group Co., Ltd.	682,215,791	RMB – denominated ordinary shares	682,215,791
Shenzhen Investment Holdings Co., Ltd.	609,428,357	RMB – denominated ordinary shares	609,428,357
China Securities Finance Corporation Limited	260,547,316	RMB – denominated ordinary shares	260,547,316
Shanghai Municipal Investment (Group) Corporation	246,566,512	RMB – denominated ordinary shares	246,566,512
Hong Kong Securities Clearing Company Limited	186,781,254	RMB – denominated ordinary shares	186,781,254
Shenzhen Energy Group Co., Ltd.	154,455,909	RMB – denominated ordinary shares	154,455,909
China Construction Bank Corporation –Guotai CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund	101,106,296	RMB – denominated ordinary shares	101,106,296
China National Nuclear Corporation	76,292,793	RMB – denominated ordinary shares	76,292,793
Description on the special repurchase accounts under the top ten shareholders			Not applicable

## Section VII Changes in Shares and Particulars of Shareholders

### Details of the top ten shareholders without selling restrictions<sup>Note 5</sup>

Names of Shareholders	Number of tradable shares without selling restrictions held	Class and number of shares	
		Class	Number
Description on the voting rights entrusted by or to, or waived by the above shareholders	The Company is not aware of any such arrangements about shareholders		
Description on the relations or acting-in-concert arrangements among the Shareholders above	Shanghai State-owned Assets Management Co., Ltd is a wholly owned subsidiary of Shanghai International Group Co., Ltd. HKSCC Nominees Limited and Hong Kong Securities Clearing Company Limited are both wholly owned subsidiaries of The Stock Exchange of Hong Kong Limited, holding H Shares and A Shares of the Company for H shares investors and Shanghai Connect investors. Save as disclosed herein, the Company is not aware of any other relations or acting-in-concert arrangements		
Description on the holders of preferred shares with voting rights restored and their shareholdings	Not applicable		

Note 1: In the above table of top ten shareholders, the number of Shares held by Shanghai SA as at the end of the period merely represents the number of A Shares held by it. Another 152,000,000 H Shares were held by Shanghai SA through HKSCC Nominees Limited as the nominee.

Note 2: HKSCC Nominees Limited is the nominee holder of the Shares owned by the non-registered holders of the H Shares of the Company.

Note 3: In the above table of top ten shareholders, the number of Shares held by International Group as at the end of the period merely represents the number of A Shares held by it. Another 124,000,000 H Shares were held by International Group through HKSCC Nominees Limited as the nominee.

Note 4: Hong Kong Securities Clearing Company Limited is the nominee holder of Shanghai Connect investors holding A Shares of the Company.

Note 5: The Shares subject to selling restrictions and the Shareholders subject to selling restrictions as referred to herein are those as defined under the SSE Listing Rules.

## Section VII Changes in Shares and Particulars of Shareholders

### Number of shares held by top ten shareholders with selling restrictions and their selling restrictions

√ Applicable    □ Not applicable

Unit: share

No.	Names of shareholders holding shares subject to selling restrictions	Number of shares subject to selling restrictions held	Listing and trading of shares subject to selling restrictions		Selling restrictions
			The date on which shares becoming tradable	Increase in the number of tradable shares	
1	LI Junjie	599,686	See note for details		– See note for details
2	WANG Song	483,740	See note for details		– See note for details
3	JIANG Yiming	435,500	See note for details		– See note for details
4	CHEN Yutao	435,500	See note for details		– See note for details
5	XIE Lebin	398,650	See note for details		– See note for details
6	LUO Dongyuan	398,650	See note for details		– See note for details
7	JIANG Wei	398,650	See note for details		– See note for details
8	YU Jian	398,650	See note for details		– See note for details
9	ZHANG Zhihong	398,650	See note for details		– See note for details
10	ZHANG Zhiming	398,650	See note for details		– See note for details
11	ZHAO Hong	398,650	See note for details		– See note for details
12	YU Feng	398,650	See note for details		– See note for details
Description on the relations or acting-in-concert arrangements among the Shareholders above		The Company is not aware of any other relations or acting-in-concert arrangements			

Note: The above Shares subject to selling restrictions represent the Shares granted by the Company to the Incentive Participants due to the implementation of the Restricted Share Incentive Scheme of A Shares. Details on the listing and trading of the shares subject to selling restrictions and such selling restrictions are available in the relevant announcements issued by the Company on 13 August 2020, 30 September 2021 and 30 November 2022.

### (III) Strategic investors or general legal persons becoming the top ten Shareholders by placing of new Shares

□ Applicable    √ Not applicable

## Section VII Changes in Shares and Particulars of Shareholders

### IV. DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

**(I) Changes in the shareholdings of the current Directors, Supervisors and senior management of the Company and those who resigned during the Reporting Period**

Applicable  Not applicable

**(II) Share awards granted to the Directors, Supervisors and senior management of the Company during the Reporting Period**

Applicable  Not applicable

**(III) Other Information**

Applicable  Not applicable

### V. CHANGES IN CONTROLLING SHAREHOLDERS OR DE FACTO CONTROLLERS

Applicable  Not applicable

## Section VII Changes in Shares and Particulars of Shareholders

### VI. INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN SHARES AND UNDERLYING SHARES

As of 30 June 2023, to the best knowledge of the Company, the following persons have interests or short positions in the shares or underlying shares of the Company which are required to be disclosed to the Company and the Hong Kong Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO, or are required to be recorded, in the register that is required to be kept by the Company under Section 336 of the SFO or own directly or indirectly 5% or more of the nominal value of any class of the share capital of the Company:

Substantial Shareholders	Nature of Interest	Class	Number <sup>Note 1/</sup> Nature of Shares Directly or Indirectly Held	Approximate Percentage of Shareholding in the Relevant Class of Shares (%)	Approximate Percentage of Shareholding in the Relevant Class of Shares (%)
Shanghai International Group Co., Ltd.	Beneficial owner	A Shares	682,215,791/Long positions	9.08	7.66
	Beneficial owner	H Shares	124,000,000/Long positions	8.91	1.39
	Interest held by controlled corporations	A Shares	2,012,109,666/Long positions <sup>Note2</sup>	26.78	22.60
	Interest held by controlled corporations	H Shares	152,000,000/Long positions <sup>Note3</sup>	10.92	1.71
Shanghai State-owned Assets Management Co., Ltd	Beneficial owner	A Shares	1,900,963,748/Long positions	25.30	21.34
	Beneficial owner	H Shares	152,000,000/Long positions	10.92	1.71
Shenzhen Investment Holdings Co., Ltd.	Beneficial owner	A Shares	609,428,357/Long positions	8.11	6.84
	Interest held by controlled corporations	H Shares	103,373,800/Long positions <sup>Note4</sup>	7.43	1.16
SIHC Hong Kong Investment Holdings Limited (深圳投控香港投資控股有限公司)	Beneficial owner	H Shares	103,373,800/Long positions	7.43	1.16
New China Asset Management (Hong Kong) Limited	Beneficial owner	H Shares	258,388,000/Long positions	18.56	2.90
New China Asset Management Company Limited	Interest held by controlled corporations	H Shares	258,388,000/Long positions <sup>Note5</sup>	18.56	2.90
New China Life Insurance Company Ltd.	Interest held by controlled corporations	H Shares	258,388,000/Long positions <sup>Note5</sup>	18.56	2.90
Diamond Acquisition Co SARL	Beneficial owner	H Shares	190,333,000/Long positions <sup>Note6</sup>	13.68	2.14



## Section VII Changes in Shares and Particulars of Shareholders

Substantial Shareholders	Nature of Interest	Class	Number <sup>Note 1</sup> / Nature of Shares Directly or Indirectly Held	Approximate Percentage of Shareholding in the Relevant Class of Shares (%)	Approximate Percentage of Shareholding in the Relevant Class of Shares (%)
A9 USD (Feeder)L.P.	Interest held by controlled corporations	H Shares	190,333,000/Long positions <sup>Note6</sup>	13.68	2.14
Apax Guernsey (Holdco)PCC Limited	Interest held by controlled corporations	H Shares	190,333,000/Long positions <sup>Note6</sup>	13.68	2.14
Apax IX GP Co. Limited	Interest held by controlled corporations	H Shares	190,333,000/Long positions <sup>Note6</sup>	13.68	2.14
Apax IX USD GP L.P.Inc.	Interest held by controlled corporations	H Shares	190,333,000/Long positions <sup>Note6</sup>	13.68	2.14
Apax IX USD L.P.	Interest held by controlled corporations	H Shares	190,333,000/Long positions <sup>Note6</sup>	13.68	2.14
Diamond Holding SARL	Interest held by controlled corporations	H Shares	190,333,000/Long positions <sup>Note6</sup>	13.68	2.14
Jacqueline Mary Le Maitre-Ward	Trustee of a trust	H Shares	190,333,000/Long positions <sup>Note6</sup>	13.68	2.14
David Payne Staples	Trustee of a trust	H Shares	190,333,000/Long positions <sup>Note6</sup>	13.68	2.14
Newton Industrial Limited	Beneficial owner	H Shares	100,000,000/Long positions	7.18	1.12
Shenzhen Energy Group Co., Ltd.	Interest held by controlled corporations	H Shares	100,000,000/Long positions <sup>Note7</sup>	7.18	1.12
Shanghai Ningquan Asset Management Co., Ltd.	Beneficial owner	H Shares	97,702,600/Long positions	7.02	1.10

Note 1: Pursuant to Section 336 of the SFO, Shareholders shall submit forms to disclose their interests when certain conditions are met. As Shareholders are not required to inform the Company and the Hong Kong Stock Exchange of any changes in their shareholdings in the Company unless certain conditions are met, the latest shareholdings of substantial Shareholders in the Company may be inconsistent with the shareholdings reported to the Hong Kong Stock Exchange.

Note 2: As at 30 June 2023, Shanghai SA, Shanghai International Group Asset Management Co., Ltd., Shanghai International Group Asset Operation Co., Ltd. and Shanghai SITICO Assets Management Co., Ltd. were interested in 1,900,963,748, 34,732,152, 931,505 and 75,482,261 A Shares respectively. Shanghai SA, Shanghai International Group Asset Management Co., Ltd. and Shanghai International Group Asset Operation Co., Ltd. are wholly-owned subsidiaries of International Group, and Shanghai SITICO Assets Management Co., Ltd. is a subsidiary in which International Group holds 80% equity interest. Therefore, International Group is deemed to be interested in the 2,012,109,666 A Shares held by Shanghai SA, Shanghai International Group Asset Management Co., Ltd., Shanghai International Group Asset Operation Co., Ltd. and Shanghai SITICO Assets Management Co., Ltd. for the purpose of the SFO.

## Section VII Changes in Shares and Particulars of Shareholders

- Note 3: Shanghai SA is a wholly-owned subsidiary of International Group. Therefore, International Group is deemed to be interested in the 152,000,000 H Shares held by Shanghai SA for the purpose of the SFO.
- Note 4: SIHC Hong Kong Investment Holdings Limited (深圳投控香港投資控股有限公司) is a wholly-owned subsidiary of Shenzhen Investment Holdings Co., Ltd. Therefore, Shenzhen Investment Holdings Co., Ltd. is deemed to be interested in the 103,373,800 H Shares held by SIHC Hong Kong Investment Holdings Limited (深圳投控香港投資控股有限公司) for the purpose of the SFO.
- Note 5: New China Asset Management Company Limited holds 60% equity interest in New China Asset Management (Hong Kong) Limited, and New China Life Insurance Company Ltd. owns 99.4% equity interest in New China Asset Management Company Limited. Therefore, New China Life Insurance Company Ltd. and New China Asset Management Company Limited are deemed to be interested in the 258,388,000 H Shares held by New China Asset Management (Hong Kong) Limited for the purpose of the SFO.
- Note 6: Diamond Acquisition Co SARL is wholly owned by Diamond Holding SARL. Apax IX USD L.P. is the beneficial owner of 73.8% of the equity interest in Diamond Holding SARL. A9 USD (Feeder) L.P. contributed 44.9% of the capital of Apax IX USD L.P. Apax IX USD GP L.P. Inc. is the general partner of Apax IX USD L.P. and A9 USD (Feeder) L.P.. Apax IX GP Co. Limited is the general partner of Apax IX USD GP L.P. Inc.. Apax IX GP Co. Limited is wholly owned by Apax Guernsey (Holdco) PCC Limited. The equity interest in Apax Guernsey (Holdco) PCC Limited is held by Jacqueline Mary Le Maitre-Ward and David Payne Staples as trustees of the Hirzel IV Purpose Trust. Accordingly, each of Diamond Holding SARL, Apax IX USD L.P., Apax IX USD GP L.P. Inc., Apax IX GP Co. Limited, Apax Guernsey (Holdco) PCC Limited, A9 USD (Feeder) L.P., Jacqueline Mary Le MaitreWard and David Payne Staples are deemed to be interested in the 190,333,000 H Shares held by Diamond Acquisition Co SARL for the purpose of the SFO.
- Note 7: Newton Industrial Limited is wholly owned by Shenzhen Energy Group Co., Ltd.. Therefore, Shenzhen Energy Group Co., Ltd. is deemed to be interested in 100,000,000 H Shares held by Newton Industrial Limited for the purpose of the SFO.

Save as disclosed above, as of 30 June 2023, the Company was not aware of any other person (other than the directors, supervisors and chief executive of the Company) having any interests or short positions in the shares or underlying shares of the Company which are required to be recorded in the register under Section 336 of the SFO.

## Section VII Changes in Shares and Particulars of Shareholders

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

As of 30 June 2023, details on restricted shares granted to certain Directors of the Company due to the Company's implementation of the Restricted Share Incentive Scheme of A Shares are as follows:

Name	Positions	Nature of Interest	Class	Number/ Nature of Shares Directly or Indirectly Held	Approximate Percentage of Shareholding in the Relevant Class of Shares (%)	Approximate Percentage of Shareholding in the Total Issued Share Capital (%)
WANG Song	Vice chairman of the Board, Executive Director, President	Beneficial owner	A Shares	722,000/Long positions	0.0096	0.0081
YU Jian	Executive Director, Secretary of the Board	Beneficial owner	A Shares	595,000/Long positions	0.0079	0.0067

Save as disclosed above, the Company was not aware of any Directors, Supervisors and the chief executive of the Company who had any interests or short positions in the Shares, underlying shares or debentures of the Company or its associated corporations which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Hong Kong Stock Exchange.

### VIII. REPURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY AND ITS SUBSIDIARIES

#### 1. Repurchase and Cancellation of Certain Restricted A Shares

Please refer to "IV. The Equity Incentive Scheme, Employee Share Scheme or Other Employee Incentives of the Company and the Impact Thereof" in "Section IV Corporate Governance" of this announcement.

Save as disclosed in this announcement, neither the Company nor any of its subsidiaries repurchase, sale or redeem any listed securities of the Company and its subsidiaries during the Reporting Period.

## Section VIII Preferred Shares

Applicable  Not applicable

## Section IX Corporate Bonds

### I. ENTERPRISE BONDS, CORPORATE BONDS, AND DEBT FINANCING INSTRUMENTS FOR NON-FINANCIAL BUSINESSES

Applicable  Not applicable

#### (I) Enterprise bonds

Applicable  Not applicable

#### (II) Corporate bonds

Applicable  Not applicable

## Section IX Corporate Bonds

### 1. Basic information of corporate bonds

Unit: yuan Currency: RMB

Name of bond	Abbreviation	Bond code	Issue date	Interest commencement date	Maturity date	Outstanding amount	Interest Rate (%)	Method of repayment of principal and payment of interests	Place of trading	Arrangement to ensure the suitability of investors (if any)	Trading mechanism	Whether there is a risk of the listing and trading of bonds being terminated? (Y/N)
Non-public issuance of 2019 Perpetual Subordinated Bonds (First Tranche)	19GUOJUNYI <sup>Me1</sup>	162167	2019/9/20	2019/9/23	-	5,000,000,000	4.20	Interest payable on annual basis provided that the issuer does not exercise the right to defer interest payment	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Click transaction, inquiry transaction, bidding transaction and negotiation transaction	N
Non-public issuance of 2020 Perpetual Subordinated Bonds (First Tranche)	20GUOJUNYI <sup>Me1</sup>	166204	2020/3/9	2020/3/11	-	5,000,000,000	3.85	Interest payable on annual basis provided that the issuer does not exercise the right to defer interest payment	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Click transaction, inquiry transaction, bidding transaction and negotiation transaction	N

## Section IX Corporate Bonds

Name of bond	Abbreviation	Bond code	Issue date	Interest		Outstanding amount	Interest Rate (%)	Method of repayment of principal and payment of interest	Place of trading	Arrangement to ensure the suitability of investors (if any)	Trading mechanism	Whether there is a risk of the listing and trading of bonds being terminated? (Y/N)
				commencement date	maturity date							
2020 Corporate Bonds (Fourth Tranche)	20 GUOTAIJUN G5	175699	2020/9/2	2020/9/4	2023/9/4	4,000,000,000	3.75	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N
2020 Corporate Bonds (Fifth Tranche) (Type II)	20 GUOTAIJUN G7	175463	2020/11/19	2020/11/23	2023/11/23	2,000,000,000	3.90	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N

## Section IX Corporate Bonds

Name of bond	Abbreviation	Bond code	Issue date	Interest commencement date	Maturity date	Outstanding amount	Interest Rate (%)	Method of repayment of principal and payment of interests	Place of trading	Arrangement to ensure the suitability of investors (if any)	Trading mechanism	Whether there is a risk of the listing and trading of bonds being terminated? (Y/N)
2020 Corporate Bonds (Sixth Tranche) (Type II)	20GUOJUNGB	175521	2020/12/3	2020/12/7	2023/12/7	2,900,000,000	3.77	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N
2021 Subordinated Bonds (First Tranche)	21GUOJUNCI	175684	2021/1/21	2021/1/25	2024/1/25	3,000,000,000	3.89	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N



## Section IX Corporate Bonds

Name of bond	Abbreviation	Bond code	Issue date	Interest commencement date	Maturity date	Outstanding amount	Interest Rate (%)	Method of repayment of principal and payment of interests	Place of trading	Arrangement to ensure the suitability of investors (if any)	Trading mechanism	Whether there is a risk of the listing and trading of bonds being terminated? (Y/N)
2021 Corporate Bonds (First Tranche) (Type I)	21 GUOTAIJUN G1	175987	2021/4/13	2021/4/15	2024/4/15	4,000,000,000	3.46	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N
2021 Corporate Bonds (First Tranche) (Type II)	21 GUOTAIJUN G2	175988	2021/4/13	2021/4/15	2026/4/15	2,000,000,000	3.75	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N

## Section IX Corporate Bonds

Name of bond	Abbreviation	Bond code	Issue date	Interest commencement date	Maturity date	Outstanding amount	Interest Rate (%)	Method of repayment of principal and payment of interests	Place of trading	Arrangement to ensure the suitability of investors (if any)	Trading mechanism	Whether there is a risk of the listing and trading of bonds being terminated? (Y/N)
2021 Corporate Bonds (Second Tranche) (Type I)	21GUOJUN G3	188127	2021/5/19	2021/5/21	2024/5/21	3,000,000,000	3.31	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N
2021 Corporate Bonds (Second Tranche) (Type II)	21GUOJUN G4	188128	2021/5/19	2021/5/21	2026/5/21	5,000,000,000	3.67	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N

## Section IX Corporate Bonds

Name of bond	Abbreviation	Bond code	Issue date	Interest		Outstanding amount	Interest Rate (%)	Method of repayment of principal and payment of interest	Place of trading	Arrangement to ensure the suitability of investors (if any)	Trading mechanism	Whether there is a risk of the listing and trading of bonds being terminated? (Y/N)
				commencement date	maturity date							
2021 Corporate Bonds (Third Tranche) (Type I)	21 GUOTJUN G5	188215	2021/6/7	2021/6/9	2024/6/9	2,900,000,000	3.40	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N
2021 Corporate Bonds (Fourth Tranche) (Type I)	21 GUOTJUN G7	188431	2021/7/19	2021/7/21	2024/7/21	1,900,000,000	3.13	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N

## Section IX Corporate Bonds

Name of bond	Abbreviation	Bond code	Issue date	Interest commencement date	Maturity date	Outstanding amount	Interest Rate (%)	Method of repayment of principal and payment of interests	Place of trading	Arrangement to ensure the suitability of investors (if any)	Trading mechanism	Whether there is a risk of the listing and trading of bonds being terminated? (Y/N)
2021 Corporate Bonds (Fourth Tranche) (Type II)	21 GUOJIN G8	188432	2021/7/19	2021/7/21	2026/7/21	6,100,000,000	3.48	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N
2021 Corporate Bonds (Fifth Tranche) (Type I)	21 GUOJIN G9	188496	2021/8/2	2021/8/4	2024/8/4	2,800,000,000	3.01	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N

## Section IX Corporate Bonds

Name of bond	Abbreviation	Bond code	Issue date	Interest		Outstanding amount	Interest Rate (%)	Method of repayment of principal and payment of interest	Place of trading	Arrangement to ensure the suitability of investors (if any)	Trading mechanism	Whether there is a risk of the listing and trading of bonds being terminated? (Y/N)
				commencement date	maturity date							
2021 Corporate Bonds (Fifth Tranche) (Type-II)	21GUOJUN10	188497	2021/8/2	2021/8/4	2026/8/4	4,200,000,000	3.35	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N
2021 Corporate Bonds (Sixth Tranche)	21GUOJUN11	188557	2021/8/10	2021/8/12	2031/8/12	3,000,000,000	3.77	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N

## Section IX Corporate Bonds

Name of bond	Abbreviation	Bond code	Issue date	Interest commencement date	Maturity date	Outstanding amount	Interest Rate (%)	Method of repayment of principal and payment of interests	Place of trading	Arrangement to ensure the suitability of investors (if any)	Trading mechanism	Whether there is a risk of the listing and trading of bonds being terminated? (Y/N)
2021 Corporate Bonds (Seventh Tranche) (Type I)	21GJ00JUN12	188736	2021/9/9	2021/9/13	2024/10/17	4,400,000,000	3.09	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N
2021 Corporate Bonds (Seventh Tranche) (Type II)	21GJ00JUN13	188737	2021/9/9	2021/9/13	2031/9/13	3,400,000,000	3.80	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N

## Section IX Corporate Bonds

Name of bond	Abbreviation	Bond code	Issue date	Interest		Outstanding amount	Interest Rate (%)	Method of repayment of principal and payment of interest	Place of trading	Arrangement to ensure the suitability of investors (if any)	Trading mechanism	Whether there is a risk of the listing and trading of bonds being terminated? (Y/N)
				commencement date	maturity date							
2021 Corporate Bonds (Eighth Tranche) (Type-I)	21GUOJUN14	188859	2021/10/12	2021/10/14	2024/11/17	3,300,000,000	3.29	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N
2021 Corporate Bonds (Eighth Tranche) (Type-II)	21GUOJUN15	188860	2021/10/12	2021/10/14	2031/10/14	3,400,000,000	3.99	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N

## Section IX Corporate Bonds

Name of bond	Abbreviation	Bond code	Issue date	Interest commencement date	Maturity date	Outstanding amount	Interest Rate (%)	Method of repayment of principal and payment of interests	Place of trading	Arrangement to ensure the suitability of investors (if any)	Trading mechanism	Whether there is a risk of the listing and trading of bonds being terminated? (Y/N)
2021 Subordinated Bonds (Second Tranche) (Type I)	21GUOJUN C2	185112	2021/12/7	2021/12/9	2023/12/9	4,000,000,000	3.09	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N
2021 Subordinated Bonds (Second Tranche) (Type II)	21GUOJUN C3	185108	2021/12/7	2021/12/9	2024/12/9	2,000,000,000	3.20	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N



## Section IX Corporate Bonds

Name of bond	Abbreviation	Bond code	Issue date	Interest		Outstanding amount	Interest Rate (%)	Method of repayment of principal and payment of interest	Place of trading	Arrangement to ensure the suitability of investors (if any)	Trading mechanism	Whether there is a risk of the listing and trading of bonds being terminated? (Y/N)
				commencement date	maturity date							
2022 Subordinated Bonds (First Tranche) (Type I)	22GU0JUN C1	185212	2022/1/10	2022/1/12	2024/1/12	2,500,000,000	3.00	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N
2022 Subordinated Bonds (First Tranche) (Type II)	22GU0JUN C2	185222	2022/1/10	2022/1/12	2025/1/12	3,500,000,000	3.17	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N

## Section IX Corporate Bonds

Name of bond	Abbreviation	Bond code	Issue date	Interest commencement date	Maturity date	Outstanding amount	Interest Rate (%)	Method of repayment of principal and payment of interests	Place of trading	Arrangement to ensure the suitability of investors (if any)	Trading mechanism	Whether there is a risk of the listing and trading of bonds being terminated? (Y/N)
2022 Corporate Bonds (First Tranche) (Type I)	22 GUOJIN G1	185550	2022/3/14	2022/3/16	2025/3/16	2,000,000,000	3.04	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N
2022 Corporate Bonds (First Tranche) (Type II)	22 GUOJIN G2	185554	2022/3/14	2022/3/16	2032/3/16	1,400,000,000	3.74	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N

## Section IX Corporate Bonds

Name of bond	Abbreviation	Bond code	Issue date	Interest		Outstanding amount	Interest Rate (%)	Method of repayment of principal and payment of interest	Place of trading	Arrangement to ensure the suitability of investors (if any)	Trading mechanism	Whether there is a risk of the listing and trading of bonds being terminated? (Y/N)
				commencement date	maturity date							
2022 Corporate Bonds (Second Tranche) (Type I)	22 GUOTJUN G3	185711	2022/4/20	2022/4/22	2025/4/22	2,800,000,000	2.96	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N
2022 Corporate Bonds (Second Tranche) (Type II)	22 GUOTJUN G4	185712	2022/4/20	2022/4/22	2032/4/22	2,500,000,000	3.70	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N

## Section IX Corporate Bonds

Name of bond	Abbreviation	Bond code	Issue date	Interest commencement date	Maturity date	Outstanding amount	Interest Rate (%)	Method of repayment of principal and payment of interests	Place of trading	Arrangement to ensure the suitability of investors (if any)	Trading mechanism	Whether there is a risk of the listing and trading of bonds being terminated? (Y/N)
2022 Corporate Bonds (Third Tranche) (Type I)	22 GUOJIN G5	185814	2022/5/23	2022/5/25	2025/5/25	3,100,000,000	2.78	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N
2022 Corporate Bonds (Third Tranche) (Type II)	22 GUOJIN G6	185815	2022/5/23	2022/5/25	2025/5/25	2,400,000,000	3.58	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N

## Section IX Corporate Bonds

Name of bond	Abbreviation	Bond code	Issue date	Interest commencement date	Maturity date	Outstanding amount	Interest Rate (%)	Method of repayment of principal and payment of interest	Place of trading	Arrangement to ensure the suitability of investors (if any)	Trading mechanism	Whether there is a risk of the listing and trading of bonds being terminated? (Y/N)
2022 Corporate Bonds (Fourth Tranche) (Type-I)	22 GUOTJUN G7	185973	2022/7/4	2022/7/6	2025/7/6	2,500,000,000	2.92	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N
2022 Corporate Bonds (Fourth Tranche) (Type-II)	22 GUOTJUN G8	185974	2022/7/4	2022/7/6	2027/7/6	2,500,000,000	3.27	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N

## Section IX Corporate Bonds

Name of bond	Abbreviation	Bond code	Issue date	Interest commencement date	Maturity date	Outstanding amount	Interest Rate (%)	Method of repayment of principal and payment of interests	Place of trading	Arrangement to ensure the suitability of investors (if any)	Trading mechanism	Whether there is a risk of the listing and trading of bonds being terminated? (Y/N)
2022 Perpetual Subordinated Bonds (First Tranche)	22 GUOJUN YI <sup>Me1</sup>	137521	2022/7/11	2022/7/13	-	5,000,000,000	3.59	Interest payable on annual basis provided that the issuer does not exercise the right to defer interest payment	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N
2022 Corporate Bonds (Fifth Tranche) (Type I)	22 GUOJUN G9	137855	2022/9/20	2022/9/22	2025/9/22	2,000,000,000	2.52	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N

## Section IX Corporate Bonds

Name of bond	Abbreviation	Bond code	Issue date	Interest		Outstanding amount	Interest Rate (%)	Method of repayment of principal and payment of interest	Place of trading	Arrangement to ensure the suitability of investors (if any)	Trading mechanism	Whether there is a risk of the listing and trading of bonds being terminated? (Y/N)
				commencement date	maturity date							
2022 Corporate Bonds (Fifth Tranche) (Type-II)	22 GUOTJUN 10	137856	2022/9/20	2022/9/22	2027/9/22	3,000,000,000	2.90	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N
2023 Corporate Bonds (First Tranche) (Type-I)	23 GUOTJUN G1	138806	2023/1/5	2023/1/9	2025/2/17	3,000,000,000	2.90	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N

## Section IX Corporate Bonds

Name of bond	Abbreviation	Bond code	Issue date	Interest commencement date	Maturity date	Outstanding amount	Interest Rate (%)	Method of repayment of principal and payment of interests	Place of trading	Arrangement to ensure the suitability of investors (if any)	Trading mechanism	Whether there is a risk of the listing and trading of bonds being terminated? (Y/N)
2023 Corporate Bonds (First Tranche) (Type II)	23 GUOJIN G2	138807	2023/1/5	2023/1/9	2026/1/9	3,000,000,000	3.07	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N
2023 Corporate Bonds (Second Tranche) (Type I)	23 GUOJIN G3	138889	2023/2/13	2023/2/15	2025/2/15	1,500,000,000	2.92	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N



## Section IX Corporate Bonds

Name of bond	Abbreviation	Bond code	Issue date	Interest		Outstanding amount	Interest Rate (%)	Method of repayment of principal and payment of interest	Place of trading	Arrangement to ensure the suitability of investors (if any)	Trading mechanism	Whether there is a risk of the listing and trading of bonds being terminated? (Y/N)
				commencement date	maturity date							
2023 Corporate Bonds (Second Tranche) (Type-II)	23 GUOTJUN G4	138890	2023/2/13	2023/2/15	2026/2/15	4,500,000,000	3.16	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N
2023 Corporate Bonds (Third Tranche) (Type-I)	23 GUOTJUN G5	115344	2023/5/9	2023/5/11	2025/5/11	1,600,000,000	2.79	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N

## Section IX Corporate Bonds

Name of bond	Abbreviation	Bond code	Issue date	Interest commencement date	Maturity date	Outstanding amount	Interest Rate (%)	Method of repayment of principal and payment of interests	Place of trading	Arrangement to ensure the suitability of investors (if any)	Trading mechanism	Whether there is a risk of the listing and trading of bonds being terminated? (Y/N)
2023 Corporate Bonds (Third Tranche) (Type I)	23 GUOJUN G6	115345	2023/5/9	2023/5/11	2026/4/29	3,400,000,000	2.92	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N
2023 Perpetual Subordinated Bonds (First Tranche)	23 GUOJUN Y1 <sup>Me1</sup>	115483	2023/6/8	2023/6/12	-	5,000,000,000	3.53	Interest payable on annual basis provided that the issuer does not exercise the right to defer interest payment	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N

## Section IX Corporate Bonds

Name of bond	Abbreviation	Bond code	Issue date	Interest		Outstanding amount	Interest Rate (%)	Method of repayment of principal and payment of interest	Place of trading	Arrangement to ensure the suitability of investors (if any)	Trading mechanism	Whether there is a risk of the listing and trading of bonds being terminated? (Y/N)
				commencement date	maturity date							
2023 Corporate Bonds (Fourth Tranche) (Type-I)	23 GUOJUN G7	115803	2023/8/14	2023/8/16	2025/8/16	3,000,000,000	2.53	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N
				2023/8/16	2026/8/16							
2023 Corporate Bonds (Fourth Tranche) (Type-II)	23 GUOJUN G8	115804	2023/8/14	2023/8/16	2026/8/16	2,000,000,000	2.70	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N
				2021/4/21	2026/4/21							
Guotai Junan Financial Holdings Guaranteed MTN	GTJAHOLDN2604	40649_hk	2021/4/14	2021/4/21	2026/4/21	USD 500,000,000	2.00	Interest payable on semiannual basis and principal repayable and accrued interest payable upon maturity	Hong Kong Stock Exchange	For professional investors	Quotation, inquiry and agreement trading methods	N

## Section IX Corporate Bonds

Name of bond	Abbreviation	Bond code	Issue date	Interest commencement date	Maturity date	Outstanding amount	Interest Rate (%)	Method of repayment of principal and payment of interests	Place of trading	Arrangement to ensure the suitability of investors (if any)	Trading mechanism	Whether there is a risk of the listing and trading of bonds being terminated? (Y/N)
Gaocai Junan Financial Holdings Guaranteed MTN	GTJA HOLD N2411	40837.hk	2021/11/17	2021/11/24	2024/11/24	USD 300,000,000	1.60	Interest payable on semiannual basis and principal repayable and accrued interest payable upon maturity	Hong Kong Stock Exchange	For professional investors	Quotation, inquiry and agreement trading methods	N
Gaocai Junan Financial Holdings Guaranteed MTN	GTJA HOLD N2603a	/	2023/3/6	2023/3/10	2026/3/10	500,000,000	3.35	Interest payable on semiannual basis and principal repayable and accrued interest payable upon maturity	/	For professional investors	Quotation, inquiry and agreement trading methods	N
Gaocai Junan Financial Holdings Guaranteed MTN	GTJA HOLD N2603c	/	2023/3/20	2023/3/23	2026/3/23	935,000,000	3.35	Interest payable on semiannual basis and principal repayable and accrued interest payable upon maturity	/	For professional investors	Quotation, inquiry and agreement trading methods	N
Gaocai Junan Financial Holdings Guaranteed MTN	GTJA HOLD N2603b	/	2023/3/20	2023/3/24	2026/3/24	500,000,000	3.35	Interest payable on semiannual basis and principal repayable and accrued interest payable upon maturity	/	For professional investors	Quotation, inquiry and agreement trading methods	N

Note 1: Please see "I. Enterprise bonds, corporate bonds, and debt financing instruments for non-financial businesses (II) Corporate bonds 2. "The triggering and implementation of the issuer or investor option terms" in this section.

## Section IX Corporate Bonds

### Measures adopted by the Company for the risk of the listing and trading of bonds being terminated

Applicable  Not applicable

### Overdue and outstanding bonds

Applicable  Not applicable

### Information of the overdue loan

Applicable  Not applicable

### Payment of matured bonds

Name of bond	Payment
2020 Corporate Bonds (First Tranche)	the principal and interest were paid on time in January 2023
2020 Corporate Bonds (Second Tranche) (Type I)	the principal and interest were paid on time in March 2023
2022 Short-term Corporate Bonds (First Tranche) (Type I)	the principal and interest were paid on time in May 2023

### 2. The triggering and implementation of the issuer or investor option terms and the investor protection terms

Applicable  Not applicable

Issuer's right of redemption (i.e. on the fifth and every subsequent interest payment date of the bonds, the issuer shall have the right to redeem the bonds at the face value plus the interest payable) and (when specific conditions are met) issuer's option of redemption and right of deferring payment of interest are available for "19 GUOJUN Y1" and "20 GUOJUN Y1".

Issuer's option of renewal (i.e. at the end of each repricing cycle of the bonds, the issuer has the right to choose to extend the maturity of the bonds for one repricing cycle, or to pay the principal in full) and (when specific conditions are met) issuer's option of redemption and right of deferring payment of interest are available for "22 GUOJUN Y1" and "23 GUOJUN Y1".

As of the date of this announcement, "19 GUOJUN Y1", "20 GUOJUN Y1", "22 GUOJUN Y1" and "23 GUOJUN Y1" have not triggered the issuer option as the exercise date has not yet reached. During the Reporting Period, the Company did not implement right of deferring payment of interest and paid the current interest of the bonds on time and in full.

## Section IX Corporate Bonds

On 20 March 2023, the Company held the 2023 first extraordinary general meeting, the 2023 first A share class meeting and the 2023 first H share class meeting, at which the “Resolution on Proposing to Consider Repurchase and Cancellation of Part of Restricted A Shares” (《關於提請審議回購註銷部分 A 股限制性股票的議案》) was considered and approved, pursuant to which the Company repurchased and cancelled a total of 2,156,747 Restricted A Shares that have been granted but have not been unlocked held by certain participants who were no longer eligible as a participant, and disclosed on the same day the “Announcement by Guotai Junan Securities Co., Ltd. on Notice to Creditors Regarding the Repurchase and Cancellation of Part of the Restricted A Shares to Reduce Registered Capital (《國泰君安證券股份有限公司關於回購註銷部分 A 股限制性股票減少註冊資本通知債權人的公告》)”, which notified creditors of the above matters. Except for one convertible bonds holder who has declared the creditor’s rights to the Company and obtained guarantees, no other creditors have declared their creditors’ rights to the Company, demanded the repayment of due debts or provided guarantees.

### 3. Adjustment of credit ratings

Applicable  Not applicable

#### **Other Information**

None

## Section IX Corporate Bonds

4. The implementation of Guarantees, debt repayment plan and other debt repayment guarantee measures, as well as such changes and effect thereof during the Reporting Period

Applicable    Not applicable

Current status	Execution	Whether there is any change	Status upon change	Reason for the change	Whether the change has been approved by the competent authority	Impact of the change on the rights and interests of bond investors
Guotai Junan Financial Holdings Guaranteed MTN (GTJA HOLD N2604)	Normal	N	-	-	-	-
Guotai Junan Financial Holdings Guaranteed MTN (GTJA HOLD N2411)	Normal	N	-	-	-	-
Guotai Junan Financial Holdings Guaranteed MTN (GTJA HOLD N2603a)	Normal	N	-	-	-	-
Guotai Junan Financial Holdings Guaranteed MTN (GTJA HOLD N2603c)	Normal	N	-	-	-	-
Guotai Junan Financial Holdings Guaranteed MTN (GTJA HOLD N2603b)	Normal	N	-	-	-	-

5. Other information of the corporate bonds

Applicable    Not applicable

## Section IX Corporate Bonds

### (III) Debt financing instruments for non-financial businesses in the interbank bonds market

Applicable  Not applicable

### (IV) Losses recorded in the consolidated statements of the Company for the Reporting Period have exceeded more than 10% of the net assets at the end of the previous year

Applicable  Not applicable

### (V) Major accounting data and financial indicators

Applicable  Not applicable

Unit: yuan Currency: RMB

Major indicator	At the end of the Reporting Period (%)	At the end of last year (%)	Increase/decrease at the end of the Reporting Period as compared with the end of last year (%)	Reason for change
Current ratio (%)	139	139	flat	/
Quick ratio (%)	139	139	flat	/
Gearing ratio (%)	76.30	75.36	Increased by 0.94 percentage points	/



## Section IX Corporate Bonds

	<b>During the Reporting Period (January-June)</b>	<b>Corresponding period of last year</b>	<b>Increase/decrease for the Reporting Period as compared with the corresponding period of last year (%)</b>	<b>Reason for change</b>
Net profit after deducting non-recurring gains and losses	5,410,132,160	5,768,153,991	-6.21	/
Debt-to-EBITDA ratio	0.023	0.026	-11.54	/
Interest coverage ratio	2.19	2.52	-13.10	/
Cash interest coverage ratio	2.34	7.52	-68.88	Mainly due to a decrease in net cash flows from operating activities
EBITDA interest coverage ratio	2.31	2.64	-12.50	/
Loan repayment ratio (%)	100	100	-	/
Interest repayment ratio (%)	100	100	-	/

## II. CONVERTIBLE CORPORATE BONDS

Applicable     Not applicable

### (I) Issuance of Convertible Bonds

None.

## Section IX Corporate Bonds

### (II) Convertible Bond holders and guarantors during the Reporting Period

Name of convertible corporate bond	GTJA Bond
Number of Convertible Bond holders at the end of the period	4,965
Guarantors of Convertible Bonds	Not applicable
Material changes in profitability, assets and credit of the Guarantors	–

Top ten Convertible Bond holders are as below:

<b>Name of convertible corporate bond holders</b>	<b>Bonds held at the end of the period (RMB)</b>	<b>Percentage of bonds held (%)</b>
Specific accounts for bonds repurchase and pledge under the Registration and Settlement System (China Construction Bank)	499,442,000	7.15
Specific accounts for bonds repurchase and pledge under the Registration and Settlement System (Industrial and Commercial Bank of China)	467,663,000	6.69
ICBC Credit Suisse Tianfeng Convertible Bonds Fixed Income Pension Products – Bank of China Limited	349,000,000	4.99
Specific accounts for bonds repurchase and pledge under the Registration and Settlement System (Bank of China)	312,733,000	4.47
Specific accounts for bonds repurchase and pledge under the Registration and Settlement System (China Merchants Bank Co., Ltd.)	247,974,000	3.55
Postal Savings Bank of China Co., Ltd. - Fullgoal Double Bond Enhanced Bond Securities Investment Fund	173,854,000	2.49
ICBC Credit Suisse Tianrong Fixed Income Pension Products – Industrial and Commercial Bank of China Limited	170,713,000	2.44
China Merchants Bank Co., Ltd. - Fullgoal Steady Gain Bond Securities Investment Fund	148,868,000	2.13
Specific accounts for bonds repurchase and pledge under the Registration and Settlement System (CITIC Securities Co., Ltd.)	141,699,000	2.03
Industrial and Commercial Bank of China Limited – Fullgoal Tianying Bond Securities Investment Fund (LOF)	119,794,000	1.71

## Section IX Corporate Bonds

### (III) Change of Convertible Bonds during the Reporting Period

Unit: yuan Currency: RMB

Name of convertible corporate bonds	Before	Increase/decrease			After
	change	Converted	Redeemed	Sold back	change
GTJA Bond	6,990,161,000	420,000	-	-	6,989,741,000

### (IV) Aggregated conversion of convertible bonds during the Reporting Period

Name of convertible corporate bonds	GTJA Bond
Conversion amount during the Reporting Period (yuan)	420,000
Number of converted shares during the Reporting Period (shares)	23,817
Aggregated number of converted shares (shares)	540,653
Aggregated number of converted shares as a percentage of the total number of issued shares of the Company before conversion (%)	0.006204
Amount of convertible bonds not yet converted (yuan)	6,989,741,000
Number of convertible bonds not yet converted as a percentage of the total number of issued convertible bonds (%)	99.8534

## Section IX Corporate Bonds

### (V) Adjustments of the conversion prices

Unit: yuan Currency: RMB

Name of convertible corporate bonds		GTJA Bond		
Effective date of adjusted conversion price	Adjusted conversion price	Disclosure date	Media of disclosure	Reasons of adjustments
2018/6/29	RMB19.80 per share	2018/6/22	China Securities Journal, Shanghai Securities News, Security Times and Securities Daily	The Company distributed a dividend of RMB0.4 per share for the year of 2017
2019/4/19	RMB19.67 per share	2019/4/18	China Securities Journal, Shanghai Securities News, Security Times and Securities Daily	The Company placed 194,000,000 new H Shares in April 2019
2019/8/12	RMB19.40 per share	2019/8/5	China Securities Journal, Shanghai Securities News, Security Times and Securities Daily	The Company distributed a dividend of RMB0.275 per share for the year of 2018
2020/8/12	RMB19.01 per share	2020/8/5	China Securities Journal, Shanghai Securities News, Security Times and Securities Daily	The Company distributed a dividend of RMB0.39 per share for the year of 2019
2021/8/20	RMB18.45 per share	2021/8/12	China Securities Journal, Shanghai Securities News, Security Times and Securities Daily	The Company distributed a dividend of RMB0.56 per share for the year of 2020
2022/7/15	RMB17.77 per share	2022/7/7	China Securities Journal, Shanghai Securities News, Security Times and Securities Daily	The Company distributed a dividend of RMB0.68 per share for the year of 2021
2023/6/29	RMB17.24 per share	2023/6/20	China Securities Journal, Shanghai Securities News, Security Times and Securities Daily	The Company distributed a dividend of RMB0.53 per share for the year of 2022
Conversion price as of the end of the Reporting Period		RMB17.24 per share		

## Section IX Corporate Bonds

### (VI) Information on the Company's liability, credit changes and cash arrangement for debt repayment next year

As at the end of June 2023, the Group's total assets amounted to RMB924.164 billion, with a gearing ratio of 76.30%. Shanghai Brilliance Credit Rating & Investors Service Co., Ltd. issued the Report on the Updated Rating of the Public Issuance of A Share Convertible Corporate Bonds of Guotai Junan Securities Co., Ltd. (《國泰君安證券股份有限公司公開發行A股可轉換公司債券跟蹤評級報告》) in respect of the Company's issuance of the A Share Convertible Bonds on 22 May 2023, and maintained the credit rating of the Company as AAA and the credit rating of the Convertible Bonds as AAA with a stable outlook.

The conversion period of the GTJA Bond commenced on 8 January 2018, and the duration expired on 6 July 2023. As of 6 July 2023, a total of RMB11,485,000 of GTJA Bond have been converted into the Company's ordinary A Shares, and the aggregated number of converted shares was 611,763 Shares, accounting for 0.007021% of the total issued ordinary shares of the Company before the conversion of GTJA Bond. On 7 July 2023, GTJA Bond was officially delisted, and the Company has completed the relevant procedures for payment upon maturity through the Shanghai Branch of China Securities Depository and Clearing Corporation Limited. The aggregate nominal value of GTJA Bond due to be redeemed was RMB6,988,515,000, accounting for 99.8359% of the total issuance size, which did not affect the use of the Company's funds.

### (VII) Other information on Convertible Bonds

Nil

# Section X Interim Condensed Consolidated Financial Statements

## REPORT ON REVIEW OF INTERIM FINANCIAL REPORT

**To the board of directors of Guotai Junan Securities Co., Ltd.**

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

### INTRODUCTION

We have reviewed the accompanying interim financial report set out on pages 156 to 251, which comprises the condensed consolidated statement of financial position of Guotai Junan Securities Co., Ltd. (the "Company") and its subsidiaries (collectively the "Group") as at 30 June 2023 and the related condensed consolidated income statement, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated cash flow statement for the six-month period ended at 30 June 2023 and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and International Accounting Standard 34, Interim Financial Reporting ("IAS 34"), issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of interim financial report in accordance with IAS 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

### SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, issued by the International Auditing and Assurance Standards Board. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

### CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial report as at 30 June 2023 is not prepared, in all material respects, in accordance with IAS 34.

#### KPMG

*Certified Public Accountants*

8th Floor, Prince's Building

10 Chater Road

Central, Hong Kong

29 August 2023

## Section X Interim Condensed Consolidated Financial Statements

### UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2023

(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	Six months ended 30 June	
		2023	2022
		<i>RMB'000</i>	<i>(Restated)</i> <i>RMB'000</i>
<b>Revenue</b>			
Fee and commission income	6	<b>9,083,938</b>	8,628,718
Interest income	7	<b>7,856,402</b>	7,862,272
Net investment gains	8	<b>5,196,607</b>	3,581,702
<b>Total revenue</b>		<b>22,136,947</b>	20,072,692
Other income and gains	9	<b>4,033,792</b>	6,215,384
<b>Total revenue and other income</b>		<b>26,170,739</b>	26,288,076
Fee and commission expenses	10	<b>(1,707,590)</b>	(1,773,428)
Interest expenses	11	<b>(6,317,244)</b>	(5,339,635)
Staff costs	12	<b>(4,565,859)</b>	(4,506,046)
Depreciation and amortization expenses	13	<b>(740,242)</b>	(629,444)
Tax and surcharges		<b>(94,181)</b>	(119,037)
Other operating expenses and costs	14	<b>(5,287,019)</b>	(6,360,720)
Provision for impairment losses		<b>(1,087)</b>	(18,859)
(Accrual)/reversal of credit loss expense	15	<b>(108,817)</b>	202,364
<b>Total expenses</b>		<b>(18,822,039)</b>	(18,544,805)

The accompanying notes form part of this interim condensed consolidated financial statements.

## Section X Interim Condensed Consolidated Financial Statements

		<b>Six months ended 30 June</b>	
	Note	<b>2023</b>	2022
		<i><b>RMB'000</b></i>	<i>(Restated)</i> <i>RMB'000</i>
<b>Operating profit</b>		<b>7,348,700</b>	7,743,271
Share of profits of associates and joint ventures		<u><b>194,618</b></u>	<u>386,285</u>
<b>Profit before income tax</b>		<b>7,543,318</b>	8,129,556
Income tax expense	16	<u><b>(1,521,331)</b></u>	<u>(1,719,759)</u>
<b>Profit for the period</b>		<u><b>6,021,987</b></u>	<u>6,409,797</u>
<b>Attributable to:</b>			
Equity holders of the Company		<b>5,741,577</b>	6,371,882
Non-controlling interests		<u><b>280,410</b></u>	<u>37,915</u>
<b>Total</b>		<u><b>6,021,987</b></u>	<u>6,409,797</u>
Earnings per share attributable to ordinary equity holders of the Company (expressed in Renminbi yuan per share)			
– Basic	18	<u><b>0.61</b></u>	<u>0.69</u>
– Diluted		<u><b>0.60</b></u>	<u>0.68</u>

The accompanying notes form part of this interim condensed consolidated financial statements.



## Section X Interim Condensed Consolidated Financial Statements

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2023

(Expressed in thousands of Renminbi, unless otherwise stated)

	Six months ended 30 June	
	2023	2022 <i>(Restated)</i>
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Profit for the period</b>	<b>6,021,987</b>	6,409,797
<b>Other comprehensive income for the period</b>		
Other comprehensive income that may be reclassified to profit or loss:		
Debt instruments at fair value through other comprehensive income		
– Net changes in fair value	372,553	(12,037)
– Changes in allowance for expected credit losses	53,541	84,215
– Reclassified to profit or loss	(110,854)	(132,071)
– Income tax impact	(73,417)	(8,506)
Share of other comprehensive income of associates and joint ventures		
– Share of other comprehensive income	13,988	(9,444)
Exchange differences on translation of financial statements in foreign currencies	445,029	559,991
Total items that may be reclassified to profit or loss	<u>700,840</u>	<u>482,148</u>
Other comprehensive income that will not be reclassified to profit or loss:		
Equity instruments at fair value through other comprehensive income		
– Net changes in fair value	38,509	(204,036)
– Income tax impact	(6,852)	46,759
Share of other comprehensive income of associates and joint ventures		
– Share of other comprehensive income	24,510	(140,730)
– Income tax impact	400	37,332
Total items that will not be reclassified to profit or loss	<u>56,567</u>	<u>(260,675)</u>
<b>Other comprehensive income for the period, net of tax</b>	<u>757,407</u>	<u>221,473</u>
<b>Total comprehensive income for the period</b>	<u><b>6,779,394</b></u>	<u>6,631,270</u>
<b>Attributable to:</b>		
Equity holders of the Company	6,383,856	6,443,968
Non-controlling interests	395,538	187,302
<b>Total</b>	<u><b>6,779,394</b></u>	<u>6,631,270</u>

The accompanying notes form part of this interim condensed consolidated financial statements.

## Section X Interim Condensed Consolidated Financial Statements

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	As at 30 June 2023 <i>RMB'000</i>	As at 31 December 2022 (Restated) <i>RMB'000</i>
<b>Non-current assets</b>			
Property and equipment	19	4,248,508	3,176,858
Investment property	20	1,080,709	1,094,163
Right-of-use assets	21	2,290,266	2,388,079
Goodwill	22	4,070,761	4,070,761
Other intangible assets	23	756,787	733,799
Investments in associates	25	6,790,683	6,362,391
Investments in joint ventures	25	5,177,332	5,081,873
Debt investments at amortised cost	26	2,818,606	2,787,707
Debt instruments at fair value through other comprehensive income	27	56,790,734	56,359,547
Equity instruments at fair value through other comprehensive income	28	2,341,358	2,331,288
Financial assets held under resale agreements	29	1,881,744	298,860
Financial assets at fair value through profit or loss	30	22,647,521	21,126,943
Refundable deposits	31	61,190,113	58,922,817
Deferred tax assets	32	1,595,652	2,457,184
Other non-current assets	33	153,007	154,482
<b>Total non-current assets</b>		<b>173,833,781</b>	<b>167,346,752</b>

The accompanying notes form part of this interim condensed consolidated financial statements.

## Section X Interim Condensed Consolidated Financial Statements

		As at <b>30 June</b> <b>2023</b> <i>RMB'000</i>	As at 31 December 2022 <i>(Restated)</i> <i>RMB'000</i>
	Note		
<b>Current assets</b>			
Accounts receivable	34	<b>12,340,191</b>	11,759,050
Other current assets	35	<b>2,006,215</b>	2,913,113
Margin accounts receivable	36	<b>88,905,695</b>	87,115,509
Debt investments at amortised cost	26	<b>599,970</b>	368,442
Debt instruments at fair value through other comprehensive income	27	<b>9,237,049</b>	4,829,768
Financial assets held under resale agreements	29	<b>74,221,502</b>	70,837,360
Financial assets at fair value through profit or loss	30	<b>340,937,750</b>	310,274,301
Derivative financial assets	37	<b>7,568,014</b>	8,232,823
Clearing settlement funds	38	<b>7,656,757</b>	7,414,914
Cash held on behalf of brokerage customers	39	<b>165,186,553</b>	158,867,961
Cash and bank balances	40	<b>41,670,644</b>	30,747,924
<b>Total current assets</b>		<b>750,330,340</b>	693,361,165
<b>Total assets</b>		<b>924,164,121</b>	860,707,917

The accompanying notes form part of this interim condensed consolidated financial statements.

## Section X Interim Condensed Consolidated Financial Statements

	Note	As at 30 June 2023 <i>RMB'000</i>	As at 31 December 2022 <i>(Restated)</i> <i>RMB'000</i>
<b>Current liabilities</b>			
Loans and borrowings	41	<b>8,318,388</b>	9,847,547
Short-term debt instruments	42	<b>25,569,131</b>	13,649,479
Placements from other financial institutions	43	<b>15,052,980</b>	12,967,205
Accounts payable to brokerage customers	44	<b>206,823,492</b>	195,718,783
Employee benefits payable	45	<b>7,209,823</b>	9,057,704
Income tax payable		<b>574,589</b>	1,698,975
Financial assets sold under repurchase agreements	46	<b>185,634,500</b>	173,236,682
Financial liabilities at fair value through profit or loss	47	<b>53,894,381</b>	48,327,552
Derivative financial liabilities	37	<b>8,996,921</b>	9,790,659
Bonds payable	48	<b>41,517,389</b>	33,724,583
Contract liabilities	49	<b>84,305</b>	96,601
Lease liabilities	50	<b>592,263</b>	571,474
Other current liabilities	51	<b>80,567,762</b>	64,786,119
<b>Total current liabilities</b>		<b>634,835,924</b>	573,473,363
<b>Net current assets</b>		<b>115,494,416</b>	119,887,802
<b>Total assets less current liabilities</b>		<b>289,328,197</b>	287,234,554
<b>Non-current liabilities</b>			
Loans and borrowings	41	<b>554,504</b>	559,151
Bonds payable	48	<b>98,135,648</b>	94,159,011
Lease liabilities	50	<b>1,199,352</b>	1,313,701
Deferred tax liabilities	32	<b>256,620</b>	128,523
Financial liabilities at fair value through profit or loss	47	<b>18,693,044</b>	26,721,315
Other non-current liabilities	52	<b>513,745</b>	507,394
<b>Total non-current liabilities</b>		<b>119,352,913</b>	123,389,095
<b>Net assets</b>		<b>169,975,284</b>	163,845,459

The accompanying notes form part of this interim condensed consolidated financial statements.

## Section X Interim Condensed Consolidated Financial Statements

		As at <b>30 June</b> <b>2023</b>  <i>RMB'000</i>	As at 31 December 2022 <i>(Restated)</i>  <i>RMB'000</i>
	Note		
<b>Equity</b>			
Share capital	53	<b>8,904,540</b>	8,906,673
Other equity instruments	54	<b>21,046,869</b>	16,046,936
Treasury shares		<b>(361,484)</b>	(393,371)
Reserves	55	<b>77,288,856</b>	76,474,974
Retained profits	55	<b>56,817,067</b>	56,683,126
Equity attributable to equity holders of the Company		<b>163,695,848</b>	157,718,338
Non-controlling interests		<b>6,279,436</b>	6,127,121
<b>Total equity</b>		<b><u>169,975,284</u></b>	<u>163,845,459</u>

Approved and authorized for issue by the Board of Directors on 29 August 2023.

**He Qing**  
\_\_\_\_\_  
*Chairman*

**Wang Song**  
\_\_\_\_\_  
*Executive Director*

The accompanying notes form part of this interim condensed consolidated financial statements.

## Section X Interim Condensed Consolidated Financial Statements

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2023

(Expressed in thousands of Renminbi, unless otherwise stated)

	Attributable to equity holders of the Company (Unaudited)											
	Share capital	Other equity instruments	Capital reserve	Investment revaluation	Reserves					Retained profits	Non-controlling interests	Total equity
					Translation reserve	Surplus reserve	General reserve	Treasury shares	Total			
					RMB'000	RMB'000	RMB'000	RMB'000	RMB'000			
<b>Unaudited</b>												
At 1 January 2023 (restated)	8,906,673	16,046,936	46,069,062	(711,715)	347,433	7,172,530	23,597,664	(393,371)	56,683,126	157,718,338	6,127,121	163,845,459
Profit for the period	-	-	-	-	-	-	-	-	5,741,577	5,741,577	280,410	6,021,987
Other comprehensive income for the period	-	-	-	310,367	331,912	-	-	-	-	642,279	115,128	757,407
Total comprehensive income for the period	-	-	-	310,367	331,912	-	-	-	5,741,577	6,383,856	395,538	6,779,394
Issue of perpetual bonds	-	5,000,000	(21,981)	-	-	-	-	-	-	4,978,019	-	4,978,019
Appropriation to general reserve	-	-	-	-	-	-	127,365	-	(127,365)	-	-	-
Dividends (Note 17)	-	-	-	-	-	-	-	-	(4,719,401)	(4,719,401)	-	(4,719,401)
Distribution to other equity instrument holders (Note 17)	-	-	-	-	-	-	-	-	(758,500)	(758,500)	-	(758,500)
Distribution to non-controlling shareholders and other equity instrument holders of subsidiaries	-	-	-	-	-	-	-	-	-	-	(242,006)	(242,006)
Other comprehensive income that has been reclassified to retained profits	-	-	-	2,370	-	-	-	-	(2,370)	-	-	-
Conversion of convertible bonds	24	(67)	483	-	-	-	-	-	-	440	-	440
Equity-settled share-based payments	-	-	74,091	-	-	-	-	31,887	-	105,978	-	105,978
Shares repurchased	-	-	-	-	-	-	-	(14,188)	-	(14,188)	-	(14,188)
Deregistration of treasury shares	(2,157)	-	(12,031)	-	-	-	-	14,188	-	-	-	-
Others	-	-	1,306	-	-	-	-	-	-	1,306	(1,217)	89
At 30 June 2023	<u>8,904,540</u>	<u>21,046,869</u>	<u>46,110,930</u>	<u>(398,978)</u>	<u>679,345</u>	<u>7,172,530</u>	<u>23,725,029</u>	<u>(361,484)</u>	<u>56,817,067</u>	<u>163,695,848</u>	<u>6,279,436</u>	<u>169,975,284</u>

The accompanying notes form part of this interim condensed consolidated financial statements.

## Section X Interim Condensed Consolidated Financial Statements

Attributable to equity shareholders of the Company (Unaudited)

	Reserves											Total equity
	Share capital	Other equity instruments	Capital reserve	Investment			General reserve	Treasury shares	Retained profits	Non-controlling interests	Total	
				revaluation reserve	Translation reserve	Surplus reserve						
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Unaudited</b>												
At 1 January 2022 (as previously reported)	8,908,450	11,071,656	45,802,519	(344,632)	(515,131)	7,172,530	21,534,879	(638,820)	54,132,214	147,123,665	3,512,927	150,636,592
Adjustment on initial application of Amendments to IAS12	-	-	-	-	-	-	3,547	-	14,189	17,736	-	17,736
As at 1 January 2022 (restated)	8,908,450	11,071,656	45,802,519	(344,632)	(515,131)	7,172,530	21,538,426	(638,820)	54,146,403	147,141,401	3,512,927	150,654,328
Profit for the period (restated)	-	-	-	-	-	-	-	-	6,371,882	6,371,882	37,915	6,409,797
Other comprehensive income for the period	-	-	-	(338,518)	410,604	-	-	-	-	72,086	149,387	221,473
Total comprehensive income for the period	-	-	-	(338,518)	410,604	-	-	-	6,371,882	6,443,968	187,302	6,631,270
Appropriation to general reserve	-	-	-	-	-	-	19,473	-	(19,473)	-	-	-
Dividends (Note 17)	-	-	-	-	-	-	-	-	(6,056,537)	(6,056,537)	-	(6,056,537)
Distribution to other equity instrument holders (Note 17)	-	-	-	-	-	-	-	-	(402,500)	(402,500)	-	(402,500)
Distribution to non-controlling shareholders and other equity instrument holders of subsidiaries	-	-	-	-	-	-	-	-	-	-	(21,082)	(21,082)
Other comprehensive income that has been reclassified to retained profits	-	-	-	10,661	-	-	-	-	(10,661)	-	-	-
Conversion of convertible bonds	1	(1)	5	-	-	-	-	-	-	5	-	5
Equity-settled share-based payments	-	-	140,790	-	-	-	-	-	-	140,790	-	140,790
Shares repurchased	-	-	-	-	-	-	-	-	-	-	(42,446)	(42,446)
Deregistration of treasury shares	(1,779)	-	(10,810)	-	-	-	-	12,589	-	-	-	-
Others	-	-	672	-	-	-	-	-	-	672	(435)	237
At 30 June 2022 (restated)	8,906,672	11,071,655	45,933,176	(672,489)	(104,527)	7,172,530	21,557,899	(626,231)	54,029,114	147,267,799	3,636,266	150,904,065

The accompanying notes form part of this interim condensed consolidated financial statements.

## Section X Interim Condensed Consolidated Financial Statements

### UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2023

(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	Six months ended 30 June	
		2023 (Unaudited) RMB'000	2022 (Unaudited) RMB'000
<b>Cash flows from operating activities:</b>			
Profit before income tax		<b>7,543,318</b>	8,129,556
<b>Adjustments for:</b>			
Interest expenses		<b>6,317,244</b>	5,339,635
Share of profits of associates and joint ventures		<b>(194,618)</b>	(386,285)
Depreciation and amortization		<b>740,242</b>	629,444
Provision for impairment losses		<b>1,087</b>	18,859
Accrual/(reversal) of credit loss expenses		<b>108,817</b>	(202,364)
Net losses on disposal of property and equipment		<b>1,428</b>	667
Foreign exchange gains		<b>(134,644)</b>	(58,392)
Net realized gains from financial instruments		<b>(2,237)</b>	(132,071)
Gain from the acquisition of associate's equity		-	(95,501)
Interest income from debt investments at amortised cost		<b>(49,501)</b>	-
Dividend and interest income from financial assets at fair value through other comprehensive income		<b>(965,525)</b>	(1,085,176)
Interest income from time deposits, loans and receivables		<b>(672,339)</b>	(115,840)
Unrealized fair value changes in financial instruments at fair value through profit or loss		<b>(2,569,849)</b>	(1,201,554)
Unrealized fair value changes in derivatives		<b>(848,292)</b>	(1,002,071)
		<b>9,275,131</b>	9,838,907

The accompanying notes form part of this interim condensed consolidated financial statements.



## Section X Interim Condensed Consolidated Financial Statements

	<b>Six months ended 30 June</b>	
	Note	2022
	<b>(Unaudited)</b> <b>RMB'000</b>	<i>(Unaudited)</i> <i>RMB'000</i>
Increase in refundable deposits		(2,170,919) (10,116,128)
(Increase)/Decrease in margin accounts receivable		<b>(1,885,461)</b> 13,459,575
Increase in accounts receivable, other current assets and other non-current assets		<b>(724,997)</b> (2,623,097)
Increase in financial assets held under resale agreements		<b>(1,606,346)</b> (609,369)
(Increase)/Decrease in financial instruments at fair value through profit or loss and derivative financial instruments		<b>(29,898,226)</b> 3,817,530
Increase in cash held on behalf of brokerage customers		<b>(5,884,373)</b> (15,116,264)
Increase in accounts payable to brokerage customers		<b>10,675,379</b> 25,649,248
Increase in other liabilities		<b>14,988,254</b> 11,454,597
Decrease in employee benefits payable		<b>(1,847,881)</b> (1,046,663)
Increase/(Decrease) in financial assets sold under repurchase agreements		<b>12,401,987</b> (7,814,443)
Increase/(Decrease) in placements from other financial institutions		<b>2,058,950</b> (8,270,562)
Cash generated operations		<b>5,381,498</b> 18,623,331
Income taxes paid		<b>(1,735,957)</b> (2,049,757)
Interest paid		<b>(3,367,920)</b> (2,492,967)
Net cash generated in operating activities		<b>277,621</b> 14,080,607

The accompanying notes form part of this interim condensed consolidated financial statements.

## Section X Interim Condensed Consolidated Financial Statements

	<b>Six months ended 30 June</b>	
Note	<b>2023</b>	2022
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Cash flows from investing activities:</b>		
Proceeds from disposal of financial assets at fair value through other comprehensive income and other investments	<b>21,520,082</b>	14,043,281
Dividends and interest received from financial assets at fair value through other comprehensive income and other investments	<b>1,524,251</b>	1,217,898
Proceeds from disposal of property and equipment, other intangible assets and other non-current assets	<b>5,372</b>	8,502
Purchases of financial assets at fair value through other comprehensive income and other investments	<b>(29,354,260)</b>	(17,639,501)
Purchases of property and equipment, other intangible assets and other non-current assets	<b>(442,190)</b>	(189,243)
Net cash used in investing activities	<b>(6,746,745)</b>	(2,559,063)

The accompanying notes form part of this interim condensed consolidated financial statements.

## Section X Interim Condensed Consolidated Financial Statements

	<b>Six months ended 30 June</b>	
Note	<b>2023</b>	2022
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Cash flows from financing activities:</b>		
Proceeds from issuance of bonds payable	<b>18,985,097</b>	20,441,012
Proceeds from issuance of short-term debt instruments	<b>21,581,891</b>	15,044,497
Proceeds from issuance of a perpetual bond	<b>5,000,000</b>	-
Proceeds from loans and borrowings	<b>57,863,448</b>	14,371,965
Repayment of debt securities issued	<b>(17,936,690)</b>	(41,628,068)
Repayment of loans and borrowings	<b>(59,488,569)</b>	(13,822,343)
Interest paid	<b>(2,198,902)</b>	(2,158,370)
Dividends paid	<b>(4,887,185)</b>	(213,582)
Capital element of lease rentals paid	<b>(330,230)</b>	(284,615)
Interest element of lease rentals paid	<b>(33,166)</b>	(35,269)
Repurchase of shares	<b>(14,188)</b>	(42,446)
Cash used in other financing activities	-	(27,943)
	<hr/>	<hr/>
Net cash generated from/(used in) financing activities	<b>18,541,506</b>	(8,355,162)
Net increase in cash and cash equivalents	<b>12,072,382</b>	3,166,382
Cash and cash equivalents at the beginning of the period	<b>80,540,349</b>	68,644,484
Effect of foreign exchange rate changes	<b>370,193</b>	234,062
	<hr/>	<hr/>
Cash and cash equivalents at the end of the period	<b>92,982,924</b>	72,044,928
	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form part of this interim condensed consolidated financial statements.

# Section X Interim Condensed Consolidated Financial Statements

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2023

(Expressed in thousands of Renminbi, unless otherwise stated)

### 1 CORPORATE INFORMATION

On 25 September 1992, with the approval of the People's Bank of China (the "PBOC"), Guotai Securities Co., Ltd. (國泰證券有限公司) was established in Shanghai, the People's Republic of China (the "PRC"). On 12 October 1992, with the approval of the PBOC, Junan Securities Co., Ltd. (君安證券有限責任公司) was established in Shenzhen, the PRC. On 20 May 1999, as approved by the China Securities Regulatory Commission (the "CSRC"), Guotai Securities Co., Ltd. merged with Junan Securities Co., Ltd. to set up a new company, Guotai Junan Securities Co., Ltd. (國泰君安證券股份有限公司) (the "Company") in Shanghai, the PRC. On 13 August 2001, the Company spun off its non-security business and related assets and liabilities to a newly established company, and continued to use the name of Guotai Junan Securities Co., Ltd. (國泰君安證券股份有限公司).

The Company publicly issued A shares and was listed on the Shanghai Stock Exchange on 26 June 2015, with the stock code 601211. On 11 April 2017, the Company issued H shares which are listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"), with the stock code 02611.

The registered office of the Company is located at No. 618 Shangcheng Road, China (Shanghai) Pilot Free-Trade Zone, Shanghai, PRC.

The Group is principally engaged in securities brokerage, securities proprietary trading, securities underwriting and sponsorship, securities investment consultation, the financial advisory business relating to securities trading and securities investment, margin financing and securities lending, the agency sale of securities investment funds, the agency sale of financial products, introducing brokerage for futures companies, asset management, fund management, commodity futures brokerage, financial futures brokerage, futures investment consulting, equity investment, venture capital, investment management, investment consultation and other business activities approved by the CSRC.

## Section X Interim Condensed Consolidated Financial Statements

### 2 BASIS OF ACCOUNTING

These interim financial statements for the six months ended 30 June 2023 have been prepared in accordance with *International Accounting Standard 34, Interim Financial Reporting* (“IAS 34”), and should be read in conjunction with the Group’s last annual consolidated financial statements as at and for the year ended 31 December 2022 (‘last annual financial statements’). They do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS Standards. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual financial statements.

The financial information relating to the financial year ended 31 December 2022 that is included in the interim financial statements as comparative information does not constitute the Company’s annual consolidated financial statements but is derived from those financial statements.

These interim financial statements were authorised for issue by the Company’s board of directors on 29 August 2023.

### 3 USE OF JUDGMENTS AND ESTIMATES

In preparing these interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

## Section X Interim Condensed Consolidated Financial Statements

### 4 CHANGES IN ACCOUNTING POLICIES

#### (a) Overview

The Group has applied the following new and amended IFRSs issued by the IASB to this interim financial report for the current accounting period. Of these, the following developments are relevant to the Group's financial statements:

- IFRS 17, *Insurance Contracts*
- Amendments to IAS 8, *Definition of Accounting Estimates*
- Amendments to IAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to IAS 12, *International Tax Reform – Pillar Two model rules*

Except for amendments to IAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*, none of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Details of the changes in accounting policies are discussed below.

#### (b) Amendments to IAS 12, Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Group has adopted *Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12* from 1 January 2023. The amendments narrow the scope of the initial recognition exemption to exclude transaction that give rise to equal and offsetting temporary differences – e.g. leases and decommissioning liabilities. For leases and decommissioning liabilities, an entity is required to recognise the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, an entity applies the amendments to transactions that occur after the beginning of the earliest period presented.

Following the amendments, the Group no longer applies the initial recognition exemption, and has recognized a separate deferred tax assets in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets.

## Section X Interim Condensed Consolidated Financial Statements

### 4 CHANGES IN ACCOUNTING POLICIES *(continued)*

#### (b) Amendments to IAS 12, Deferred Tax related to Assets and Liabilities arising from a Single Transaction *(continued)*

The following tables summarize the impact of the above accounting policy change on the Group's consolidated financial statements:

##### Consolidated income statement for the six months ended 30 June 2022

	As previously reported <i>RMB'000</i>	Effect of the adoption of the Amendments to IAS 12 <i>RMB'000</i>	As restated <i>RMB'000</i>
Income tax expense	1,718,847	912	1,719,759
Profit for the period	6,410,709	(912)	6,409,797
Profit attributable to equity holders of the Company	6,372,794	(912)	6,371,882

##### Consolidated statement of financial position as at 31 December 2022

	As previously reported <i>RMB'000</i>	Effect of the adoption of the Amendments to IAS 12 <i>RMB'000</i>	As restated <i>RMB'000</i>
Deferred tax assets	2,437,814	19,370	2,457,184
Total non-current assets	167,327,382	19,370	167,346,752
Total assets	860,688,547	19,370	860,707,917
Net assets	163,826,089	19,370	163,845,459
Reserves	76,471,100	3,874	76,474,974
Retained profits	56,667,630	15,496	56,683,126
Total equity	163,826,089	19,370	163,845,459

## Section X Interim Condensed Consolidated Financial Statements

### 4 CHANGES IN ACCOUNTING POLICIES *(continued)*

#### (b) Amendments to IAS 12, Deferred Tax related to Assets and Liabilities arising from a Single Transaction *(continued)*

Consolidated statement of financial position as at 1 January 2022

	As previously reported <i>RMB'000</i>	Effect of the adoption of the Amendments to IAS 12 <i>RMB'000</i>	As restated <i>RMB'000</i>
Deferred tax assets	1,845,465	17,736	1,863,201
Total non-current assets	142,112,561	17,736	142,130,297
Total assets	791,272,815	17,736	791,290,551
Net assets	150,636,592	17,736	150,654,328
Reserves	73,650,165	3,547	73,653,712
Retained profits	54,132,214	14,189	54,146,403
Total equity	150,636,592	17,736	150,654,328

The change in accounting policy will also be reflected in the Group's consolidated financial statements as at and for the year ending 31 December 2023.



## Section X Interim Condensed Consolidated Financial Statements

### 5 SEGMENT REPORTING

The Group is organised into business units based on their products and services and has six reportable operating segments as follows.

- (1) The wealth management segment, which mainly provides securities and futures brokerage, financial products, investment advisory, stock pledging, margin financing and securities lending, agreed securities repurchase and other services to clients;
- (2) The investment banking segment, which primarily includes sponsorship, equity underwriting, debt underwriting, structured debt financing, M&A financial advisory services and diversified corporate solutions to corporate and government clients;
- (3) The institutional and trading segment, mainly consists of research, institutional brokerage, trading and investment and equity investment. Among which, institutional brokerage mainly provides prime brokers, seat leasing, custody and outsourcing, QFII and other services to institutional clients; Our trading and investment business mainly includes investment transactions in stocks, fixed income, foreign exchange, large commodities and their derivative financial instruments, as well as providing integrated financial solutions for clients' investment, financing and risk management;
- (4) The investment management segment, which primarily includes asset management and fund management services to institutions and individuals;
- (5) The international segment conducts brokerage, corporate finance, asset management, loans and financing services, as well as financial products, market making and investment businesses mainly through Guotai Junan International in Hong Kong, and has expanded its business presence into the United States, Europe, Southeast Asia and other regions;
- (6) The other segment include government grant and other general operating expenses.

## Section X Interim Condensed Consolidated Financial Statements

### 5 SEGMENT REPORTING (continued)

#### (a) Operating segments

	Six months ended 30 June 2023						
	Wealth management	Investment banking	Institutional and trading	Investment management	International business	Other	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Unaudited</b>							
Segment total revenue and other income							
Fee and commission income	3,850,071	1,514,167	1,346,758	2,091,145	281,797	-	9,083,938
Interest income	5,285,438	-	1,736,078	67,123	767,718	45	7,856,402
Net investment gains	-	-	4,056,601	225,176	914,830	-	5,196,607
Other income and gains	-	-	3,292,806	65,200	111,421	564,365	4,033,792
Total revenue and other income	<u>9,135,509</u>	<u>1,514,167</u>	<u>10,432,243</u>	<u>2,448,644</u>	<u>2,075,766</u>	<u>564,410</u>	<u>26,170,739</u>
Segment expenses	(6,665,518)	(998,012)	(6,970,454)	(1,551,523)	(1,698,773)	(937,759)	(18,822,039)
Including: Interest expenses	(2,580,606)	-	(2,705,823)	(5,918)	(998,342)	(26,555)	(6,317,244)
Credit loss expense	(40,546)	-	(30,940)	-	(37,331)	-	(108,817)
Segment operating profit	<u>2,469,991</u>	<u>516,155</u>	<u>3,461,789</u>	<u>897,121</u>	<u>376,993</u>	<u>(373,349)</u>	<u>7,348,700</u>
Share of profit of associates and joint ventures	-	-	83,142	111,476	-	-	194,618
Segment profit before income tax	<u>2,469,991</u>	<u>516,155</u>	<u>3,544,931</u>	<u>1,008,597</u>	<u>376,993</u>	<u>(373,349)</u>	<u>7,543,318</u>
Income tax expense							<u>(1,521,331)</u>
Profit for the period							<u><u>6,021,987</u></u>
As at 30 June 2023							
Segment total assets	<u>284,397,396</u>	<u>2,653,801</u>	<u>476,049,977</u>	<u>28,204,496</u>	<u>129,008,145</u>	<u>3,850,306</u>	<u>924,164,121</u>
Segment total liabilities	<u>249,828,593</u>	<u>2,582,567</u>	<u>386,477,396</u>	<u>4,671,350</u>	<u>109,162,054</u>	<u>1,466,877</u>	<u>754,188,837</u>
Six months ended 30 June 2023							
Other segment information:							
Depreciation and amortization expenses	250,870	2,341	419,928	24,879	38,828	3,396	740,242
Capital expenditure	<u>149,859</u>	<u>1,398</u>	<u>250,848</u>	<u>14,862</u>	<u>23,194</u>	<u>2,029</u>	<u>442,190</u>

## Section X Interim Condensed Consolidated Financial Statements

### 5 SEGMENT REPORTING (continued)

#### (a) Operating segments (continued)

	Six months ended 30 June 2022						
	Wealth management <i>RMB'000</i>	Investment banking <i>RMB'000</i>	Institutional and trading <i>RMB'000</i>	Investment management <i>RMB'000</i>	International business <i>RMB'000</i>	Other <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Unaudited</b>							
Segment total revenue and other income							
Fee and commission income	4,570,611	2,029,821	1,105,627	583,318	339,341	-	8,628,718
Interest income	5,719,445	-	1,837,282	7,286	292,893	5,366	7,862,272
Net investment gains	-	-	3,220,183	(68,324)	429,843	-	3,581,702
Other income and gains	-	-	5,453,422	73,933	(58,796)	746,825	6,215,384
Total revenue and other income	<u>10,290,056</u>	<u>2,029,821</u>	<u>11,616,514</u>	<u>596,213</u>	<u>1,003,281</u>	<u>752,191</u>	<u>26,288,076</u>
Segment expenses	(6,808,783)	(1,024,719)	(8,627,618)	(331,028)	(928,668)	(823,989)	(18,544,805)
Including: Interest expenses	(2,537,143)	-	(2,504,447)	(3,881)	(266,650)	(27,514)	(5,339,635)
Credit loss expense	292,075	-	(28,313)	-	(61,398)	-	202,364
Segment operating profit	3,481,273	1,005,102	2,988,896	265,185	74,613	(71,798)	7,743,271
Share of profit of associates and joint ventures	-	-	72,676	313,609	-	-	386,285
Segment profit before income tax	3,481,273	1,005,102	3,061,572	578,794	74,613	(71,798)	8,129,556
Income tax expense (restated)							(1,719,759)
Profit for the period (restated)							<u>6,409,797</u>
As at 31 December 2022							
Segment total assets (restated)	<u>267,238,543</u>	<u>5,613,434</u>	<u>447,447,127</u>	<u>26,586,124</u>	<u>109,844,123</u>	<u>3,978,566</u>	<u>860,707,917</u>
Segment total liabilities	<u>229,079,042</u>	<u>2,934,162</u>	<u>369,345,815</u>	<u>4,125,835</u>	<u>89,868,872</u>	<u>1,508,732</u>	<u>696,862,458</u>
Six months ended 30 June 2022							
Other segment information:							
Depreciation and amortization expenses	272,129	3,956	298,069	16,936	34,409	3,945	629,444
Capital expenditure	<u>81,816</u>	<u>1,189</u>	<u>89,615</u>	<u>5,092</u>	<u>10,345</u>	<u>1,186</u>	<u>189,243</u>

## Section X Interim Condensed Consolidated Financial Statements

### 5 SEGMENT REPORTING *(continued)*

#### (b) Geographical segments

	Six months ended 30 June	
	2023	2022
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<b>RMB'000</b>	<b>RMB'000</b>
Revenue		
Mainland, China	<b>20,172,602</b>	19,010,615
Hong Kong, China and overseas	<b>1,964,345</b>	1,062,077
Total	<b>22,136,947</b>	20,072,692

The Group's non-current assets are mainly located in Mainland China (country of domicile).

#### (c) Information about a major customer

The Group has no single customer which contributed to 10 percent or more of the Group's revenue for the six months ended 30 June 2023 and 2022.

### 6 FEE AND COMMISSION INCOME

#### (a) Revenue streams

	Six months ended 30 June	
	2023	2022
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<b>RMB'000</b>	<b>RMB'000</b>
Brokerage and investment consulting business	<b>4,083,799</b>	4,569,637
Asset management business	<b>2,089,888</b>	594,293
Underwriting and sponsorship business	<b>1,491,317</b>	2,070,393
Futures brokerage business	<b>1,190,617</b>	1,167,698
Financial advisory business	<b>100,044</b>	68,569
Others	<b>128,273</b>	158,128
Total	<b>9,083,938</b>	8,628,718

Fee and commission income represented the Group's revenue from contracts with customers.

## Section X Interim Condensed Consolidated Financial Statements

### 6 FEE AND COMMISSION INCOME *(continued)*

#### (b) Disaggregation of revenue

In the following table, fee and commission income are disaggregated by timing of revenue recognition:

	Six months ended		Six months ended	
	30 June 2023		30 June 2022	
	At a point		At a point	
	in time	Over time	in time	Over time
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Brokerage and investment consulting business	4,083,799	-	4,569,637	-
Asset management business	-	2,089,888	-	594,293
Underwriting and sponsorship business	1,491,317	-	2,070,393	-
Futures brokerage business	1,190,617	-	1,167,698	-
Financial advisory business	100,044	-	68,569	-
Others	37,655	90,618	66,756	91,372
Total	<u>6,903,432</u>	<u>2,180,506</u>	<u>7,943,053</u>	<u>685,665</u>

### 7 INTEREST INCOME

	Six months ended 30 June	
	2023	2022
	<i>(Unaudited)</i> <i>RMB'000</i>	<i>(Unaudited)</i> <i>RMB'000</i>
Margin financing and securities lending	3,082,761	3,271,053
Deposits in financial institutions	2,619,406	2,288,911
Debt instruments at fair value through other comprehensive income	932,654	1,061,580
Stock-pledged financing and securities repurchase	709,693	967,011
Other financial assets held under resale agreements	431,999	232,263
Debt investments at amortised cost	49,501	-
Others	30,388	41,454
Total	<u>7,856,402</u>	<u>7,862,272</u>

## Section X Interim Condensed Consolidated Financial Statements

### 8 NET INVESTMENT GAINS

	Six months ended 30 June	
	2023	2022
	(Unaudited) RMB'000	(Unaudited) RMB'000
Dividend and other income		
Financial instruments at fair value through profit or loss	2,774,666	3,127,038
Equity instruments at fair value through other comprehensive income	32,871	23,596
Net realized gains/(losses)		
Financial instruments at fair value through profit or loss	897,446	(3,142,650)
Debt instruments at fair value through other comprehensive income	2,237	132,071
Derivative financial instruments	(1,930,383)	1,237,974
Unrealized gains		
Financial assets at fair value through profit or loss	2,535,081	656,761
Financial liabilities at fair value through profit or loss	34,768	544,793
Derivative financial instruments	848,292	1,002,071
Others	1,629	48
Total	<u>5,196,607</u>	<u>3,581,702</u>

### 9 OTHER INCOME AND GAINS

	Six months ended 30 June	
	2023	2022
	(Unaudited) RMB'000	(Unaudited) RMB'000
Income from bulk commodity trading	3,251,166	5,334,592
Government grants <sup>(1)</sup>	491,788	675,605
Foreign exchange losses	134,644	58,392
Others	156,194	146,795
Total	<u>4,033,792</u>	<u>6,215,384</u>

(1) The government grants were received unconditionally by the Company and its subsidiaries from the local government where they reside.

## Section X Interim Condensed Consolidated Financial Statements

### 10 FEE AND COMMISSION EXPENSES

	<b>Six months ended 30 June</b>	
	<b>2023</b>	2022
	<b>(Unaudited)</b>	<i>(Unaudited)</i>
	<b>RMB'000</b>	<i>RMB'000</i>
Brokerage and investment consulting business	<b>884,123</b>	1,031,270
Futures brokerage business	<b>721,837</b>	637,094
Underwriting and sponsorship business	<b>42,832</b>	65,096
Others	<b>58,798</b>	39,968
	<hr/>	<hr/>
Total	<b>1,707,590</b>	1,773,428
	<hr/> <hr/>	<hr/> <hr/>

### 11 INTEREST EXPENSES

	<b>Six months ended 30 June</b>	
	<b>2023</b>	2022
	<b>(Unaudited)</b>	<i>(Unaudited)</i>
	<b>RMB'000</b>	<i>RMB'000</i>
Bonds	<b>2,276,704</b>	2,317,335
Financial assets sold under repurchase agreements	<b>2,111,514</b>	1,592,213
Accounts payable to brokerage customers	<b>567,394</b>	527,245
Placements from other financial institutions	<b>485,827</b>	194,970
Short-term debt instruments	<b>369,290</b>	467,267
Loans and borrowings	<b>326,654</b>	45,986
Securities lending	<b>91,702</b>	101,167
Lease liabilities	<b>33,166</b>	35,269
Others	<b>54,993</b>	58,183
	<hr/>	<hr/>
Total	<b>6,317,244</b>	5,339,635
	<hr/> <hr/>	<hr/> <hr/>

## Section X Interim Condensed Consolidated Financial Statements

### 12 STAFF COSTS

	Six months ended 30 June	
	2023 (Unaudited) RMB'000	2022 (Unaudited) RMB'000
Salaries, bonuses and allowances	3,833,531	3,969,665
Contributions to defined contribution schemes	299,467	211,912
Other social welfare	432,861	324,469
Total	<u>4,565,859</u>	<u>4,506,046</u>

The employees of the Group in Mainland China participate in state-managed retirement benefit schemes operated by the respective local governments in Mainland China.

The Group also operates a defined contribution Mandatory Provident Fund retirement benefit scheme under the Mandatory Provident Fund Schemes Ordinance for all of its qualified employees in Hong Kong.

Apart from participating in various defined contribution retirement benefit schemes organized by municipal and provincial governments in Mainland China, the Group is also required to make monthly contributions to annuity plans for the period.

The Group currently has no additional significant cost for the payment of retirement and other post-retirement benefits of employees other than the monthly contributions described above. The Group's contributions to these pension plans are charged to profit or loss in the period to which they relate.

### 13 DEPRECIATION AND AMORTIZATION EXPENSES

	Six months ended 30 June	
	2023 (Unaudited) RMB'000	2022 (Unaudited) RMB'000
Depreciation of right-of-use assets	334,774	295,692
Depreciation of property and equipment	262,431	215,701
Amortization of other intangible assets	120,226	98,980
Amortization of investment property	13,454	11,012
Amortization of long-term deferred expenses	9,357	8,059
Total	<u>740,242</u>	<u>629,444</u>



## Section X Interim Condensed Consolidated Financial Statements

### 14 OTHER OPERATING EXPENSES AND COSTS

	Six months ended 30 June	
	2023	2022
	<i>(Unaudited)</i> <b>RMB'000</b>	<i>(Unaudited)</i> <b>RMB'000</b>
Cost of bulk commodity trading	3,259,792	5,315,136
Products distribution expenses	529,431	71,993
Information technology expenses	253,121	157,499
Consulting fees	164,640	88,783
Stock exchange management fees	148,234	201,655
Business travel expenses	134,670	35,207
Marketing, advertising and promotion expenses	116,206	65,159
Rental and property management expenses	106,249	76,029
Postal and communication expenses	90,380	60,663
Securities investor protection funds	53,163	59,887
Auditors' remuneration	6,960	6,748
Others	424,173	221,961
	5,287,019	6,360,720
Total	5,287,019	6,360,720

### 15 CREDIT LOSS EXPENSE

	Six months ended 30 June	
	2023	2022
	<i>(Unaudited)</i> <b>RMB'000</b>	<i>(Unaudited)</i> <b>RMB'000</b>
Margin accounts receivable	41,650	(228,901)
Financial assets held under resale agreements	15,519	(100,884)
Others	51,648	127,421
	108,817	(202,364)
Total	108,817	(202,364)

## Section X Interim Condensed Consolidated Financial Statements

### 16 INCOME TAX EXPENSE

	Six months ended 30 June	
	2023 (Unaudited) RMB'000	2022 (Restated) RMB'000
Current tax		
Mainland China income tax	536,375	841,400
Hong Kong profits tax	74,871	34,289
Deferred tax	910,085	844,070
Total tax charges for the period	<u>1,521,331</u>	<u>1,719,759</u>

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

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

### 17 DIVIDENDS

	Six months ended 30 June	
	2023 (Unaudited) RMB'000	2022 (Unaudited) RMB'000
Distribution to ordinary shares <sup>(1)</sup>	<u>4,719,401</u>	<u>6,056,537</u>
Distribution to other equity instrument holders <sup>(2)</sup>	<u>758,500</u>	<u>402,500</u>

(1) Pursuant to the resolution of the meeting of shareholders held on 29 May 2023, the Company distributed cash dividends of RMB5.3 for every 10 shares (tax included) for the year ended 31 December 2022.

Pursuant to the resolution of the meeting of shareholders held on 31 May 2022, the Company distributed cash dividends of RMB6.8 for every 10 shares (tax included) for the year ended 31 December 2021.

(2) The dividend distributions by the Company triggered the mandatory interest payment event for perpetual subordinated bonds. As at 30 June 2023, the Company has recognized the dividend payable to other equity instrument holders of RMB759 million (31 December 2022: RMB403 million).

## Section X Interim Condensed Consolidated Financial Statements

### 18 EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the period. The newly issued shares are calculated in accordance with the conditions stated in the issuance agreement, starting from the consideration receivable date (usually the issuance date).

The numerator of the diluted earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the Company, adjusted to reflect (1) the expenses and the tax impact from the conversion of dilutive potential ordinary shares into ordinary shares, (2) dividend paid to shareholders under the restricted share incentive scheme of A shares.

The denominator of the diluted earnings per share amount is the total number of (1) the weighted average number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, (2) the weighted average number of ordinary shares assumed to have been issued at consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares. and (3) the weighted average number of restricted shares that could fulfil the vesting conditions.

When calculating the weighted average number of ordinary shares which are assumed to have been issued at consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares, dilutive potential ordinary shares issued in prior years are assumed to be converted at the beginning of the period and those issued in the period are assumed to be converted at the issuance date. The Company has convertible corporate bonds as dilutive potential ordinary shares.

## Section X Interim Condensed Consolidated Financial Statements

### 18 EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY *(continued)*

The calculations of basic and diluted earnings per share attributable to ordinary equity holders of the Company are as follows:

	<b>Six months ended 30 June</b>	
	<b>2023</b> <i>(Unaudited)</i> <b>RMB'000</b>	2022 <i>(Restated)</i> <b>RMB'000</b>
Earnings		
Profit attributable to equity holders of the Company	<b>5,741,577</b>	6,371,882
Less: Profit attributable to other equity holders of the Company	<b>(297,796)</b>	(199,596)
Less: Cash dividend paid to shareholders under the restricted share incentive scheme of A shares	<b>(31,887)</b>	–
Profit attributable to ordinary equity holders of the Company	<b>5,411,894</b>	6,172,286
Add: Interest expense on convertible bonds, net of tax	<b>125,827</b>	152,200
Adjusted profit attributable to ordinary equity holders of the Company	<b>5,537,721</b>	6,324,486
Shares (in thousand)		
Weighted average number of ordinary shares in issue during the period	<b>8,844,356</b>	8,906,968
Add: Weighted average number of ordinary shares assuming conversion of all dilutive shares	<b>393,369</b>	378,872
Add: Dilutive effect of share-based transactions <sup>(1)</sup>	–	22,216
Adjusted weighted average number of ordinary shares in issue during the period	<b>9,237,725</b>	9,308,056
Earnings per share attributable to ordinary equity holders of the Company (RMB Yuan per share)		
– Basic	<b>0.61</b>	0.69
– Diluted	<b>0.60</b>	0.68

(1) The share-based transaction has an anti-dilutive effect for the six months ended 30 June 2023 and excluded from the calculation of diluted earnings per share.

## Section X Interim Condensed Consolidated Financial Statements

### 19 PROPERTY AND EQUIPMENT

	Buildings	Leasehold improvements	Machinery	Electronic equipment	Communication equipment	Motor vehicles	CIP	Others	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Unaudited</b>									
<b>Cost</b>									
As at 1 January 2023	3,175,071	679,181	49,405	2,061,116	20,505	142,924	189,909	165,967	6,484,078
Additions	-	29,310	35	137,732	283	2,766	121,349	3,761	295,236
Transfers during the year	1,098,796	2,609	-	24,080	-	-	(93,788)	285	1,031,982
Disposals	(108)	(16,578)	(2,633)	(99,380)	(1,616)	(2,567)	-	(5,184)	(128,066)
Exchange adjustments	16,805	-	-	6,058	-	643	-	717	24,223
As at 30 June 2023	<u>4,290,564</u>	<u>694,522</u>	<u>46,807</u>	<u>2,129,606</u>	<u>19,172</u>	<u>143,766</u>	<u>217,470</u>	<u>165,546</u>	<u>7,707,453</u>
<b>Accumulated depreciation</b>									
As at 1 January 2023	(1,076,033)	(523,783)	(8,124)	(1,367,468)	(15,066)	(113,441)	-	(111,052)	(3,214,967)
Depreciation charge	(53,288)	(43,321)	(3,854)	(149,981)	(907)	(4,875)	-	(6,205)	(262,431)
Disposals	104	16,333	2,041	96,325	1,546	2,300	-	4,316	122,965
Exchange adjustments	(6,409)	-	-	(5,319)	-	(253)	-	(278)	(12,259)
As at 30 June 2023	<u>(1,135,626)</u>	<u>(550,771)</u>	<u>(9,937)</u>	<u>(1,426,443)</u>	<u>(14,427)</u>	<u>(116,269)</u>	<u>-</u>	<u>(113,219)</u>	<u>(3,366,692)</u>
<b>Impairment</b>									
As at 1 January 2023 and 30 June 2023	<u>(92,253)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(92,253)</u>
<b>Net carrying amount</b>									
As at 30 June 2023	<u>3,062,685</u>	<u>143,751</u>	<u>36,870</u>	<u>703,163</u>	<u>4,745</u>	<u>27,497</u>	<u>217,470</u>	<u>52,327</u>	<u>4,248,508</u>

## Section X Interim Condensed Consolidated Financial Statements

### 19 PROPERTY AND EQUIPMENT (continued)

	Buildings RMB'000	Leasehold improvements RMB'000	Machinery RMB'000	Electronic equipment RMB'000	Communication equipment RMB'000	Motor vehicles RMB'000	CIP RMB'000	Others RMB'000	Total RMB'000
<b>Audited</b>									
<b>Cost</b>									
As at 1 January 2022	2,781,776	686,724	50,323	1,801,551	19,546	139,321	219,683	167,980	5,866,904
Additions	3,079	33,203	734	243,990	1,176	8,606	182,084	3,499	476,371
Transfers during the year	-	7,078	195	20,952	-	-	(221,376)	107	(193,044)
Business combination	343,224	-	-	17,783	-	1,405	9,518	1,284	373,214
Disposals	-	(47,824)	(1,847)	(36,115)	(217)	(6,752)	-	(7,385)	(100,140)
Exchange adjustments	46,992	-	-	12,955	-	344	-	482	60,773
As at 31 December 2022	<u>3,175,071</u>	<u>679,181</u>	<u>49,405</u>	<u>2,061,116</u>	<u>20,505</u>	<u>142,924</u>	<u>189,909</u>	<u>165,967</u>	<u>6,484,078</u>
<b>Accumulated depreciation</b>									
As at 1 January 2022	(980,316)	(491,114)	(2,026)	(1,133,018)	(13,230)	(110,506)	-	(103,655)	(2,833,865)
Depreciation charge	(74,458)	(79,138)	(7,741)	(262,706)	(2,044)	(9,262)	-	(14,107)	(449,456)
Disposals	-	46,469	1,643	34,106	208	6,483	-	6,962	95,871
Exchange adjustments	(21,259)	-	-	(5,850)	-	(156)	-	(252)	(27,517)
As at 31 December 2022	<u>(1,076,033)</u>	<u>(523,783)</u>	<u>(8,124)</u>	<u>(1,367,468)</u>	<u>(15,066)</u>	<u>(113,441)</u>	<u>-</u>	<u>(111,052)</u>	<u>(3,214,967)</u>
<b>Impairment</b>									
As at 1 January 2022 and 31 December 2022	<u>(92,253)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(92,253)</u>
<b>Net carrying amount</b>									
As at 31 December 2022	<u>2,006,785</u>	<u>155,398</u>	<u>41,281</u>	<u>693,648</u>	<u>5,439</u>	<u>29,483</u>	<u>189,909</u>	<u>54,915</u>	<u>3,176,858</u>

As at 30 June 2023, the Group has not yet obtained the relevant building certificates for buildings with costs of RMB111.36 million.

## Section X Interim Condensed Consolidated Financial Statements

### 20 INVESTMENT PROPERTY

	Properties and buildings <i>RMB'000</i>
<b>Unaudited</b>	
<b>Cost</b>	
As at 31 December 2022 and 30 June 2023	1,152,129
<b>Accumulated depreciation</b>	
As at 31 December 2022	(57,966)
Charge for the period	(13,454)
As at 30 June 2023	(71,420)
<b>Impairment</b>	
As at 31 December 2022 and 30 June 2023	-
<b>Net carrying amount</b>	
As at 30 June 2023	1,080,709
	Properties and Buildings <i>RMB'000</i>
<b>Audited</b>	
<b>Cost</b>	
As at 31 December 2021	1,009,458
Transfer during the year	66,832
Business combination	75,839
As at 31 December 2022	1,152,129
<b>Accumulated depreciation</b>	
As at 31 December 2021	(36,183)
Charge for the year	(21,783)
As at 31 December 2022	(57,966)
<b>Impairment</b>	
As at 31 December 2021 and 31 December 2022	-
<b>Net carrying amount</b>	
As at 31 December 2022	1,094,163

## Section X Interim Condensed Consolidated Financial Statements

### 21 RIGHT-OF-USE ASSETS

	Buildings <i>RMB'000</i>	Land-use right <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Unaudited</b>			
<b>Cost</b>			
As at 31 December 2022	2,861,855	875,925	3,737,780
Increases	244,833	-	244,833
Decreases	(162,600)	-	(162,600)
Exchange adjustments	3,614	-	3,614
As at 30 June 2023	<u>2,947,702</u>	<u>875,925</u>	<u>3,823,627</u>
<b>Accumulated depreciation</b>			
As at 31 December 2022	(1,182,783)	(166,918)	(1,349,701)
Depreciation charge	(325,236)	(9,538)	(334,774)
Decreases	153,556	-	153,556
Exchange adjustments	(2,442)	-	(2,442)
As at 30 June 2023	<u>(1,356,905)</u>	<u>(176,456)</u>	<u>(1,533,361)</u>
<b>Impairment</b>			
As at 31 December 2022 and 30 June 2023	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net carrying amount</b>			
As at 30 June 2023	<u>1,590,797</u>	<u>699,469</u>	<u>2,290,266</u>
As at 31 December 2022	<u>1,679,072</u>	<u>709,007</u>	<u>2,388,079</u>

### 22 GOODWILL

	As at 30 June 2023 <i>(Unaudited)</i> <i>RMB'000</i>	As at 31 December 2022 <i>(Audited)</i> <i>RMB'000</i>
Cost	4,070,761	4,070,761
Less: Impairment losses	-	-
Carrying amount	<u>4,070,761</u>	<u>4,070,761</u>



## Section X Interim Condensed Consolidated Financial Statements

### 22 GOODWILL *(continued)*

#### Impairment testing on goodwill

	<b>As at 30 June 2023 (Unaudited) RMB'000</b>	As at 31 December 2022 (Audited) RMB'000
Cost and carrying value		
Huaan Fund Management Co., Ltd. ("HuaAn Funds")	4,049,865	4,049,865
Guotai Junan Securities (Vietnam) Corporation	18,405	18,405
Guotai Junan Futures Co., Ltd.	2,491	2,491
Total	4,070,761	4,070,761

The Company acquired 8% of the shares in HuaAn Funds in November 2022. As a result, the Company's equity interests in HuaAn Funds increased from 43% to 51%, granting it control of HuaAn Funds. The Group recognized the excess of the merger cost over the fair value of the identifiable net assets and liabilities of HuaAn Fund obtained in proportion as the goodwill of the cash-generating unit ("CGU") of HuaAn Funds.

Guotai Junan International Holdings Limited ("GJIHL"), a subsidiary of the Company, acquired 50.97% equity interests in Guotai Junan Securities (Vietnam) Corporation (former "Vietnam Investment Securities Company") from a third party in December 2019. The Group recognized the excess of fair value of the consideration transferred over the fair value of the net identifiable assets acquired as the goodwill of the CGU of Vietnam Investment Securities Company.

The Company acquired 100% of the equity interests in Guotai Junan Futures Co., Ltd. from a third party in 2007. The Group recognized the excess of fair value of the consideration transferred over the fair value of the net identifiable assets acquired as the goodwill of the CGU of Guotai Junan Futures Co., Ltd.

Goodwill were not tested for impairment because there were no impairment indicators as at 30 June 2023.

## Section X Interim Condensed Consolidated Financial Statements

### 23 OTHER INTANGIBLE ASSETS

	Software <i>RMB'000</i>	Trading seats rights <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Unaudited</b>				
<b>Cost</b>				
As at 1 January 2023	1,643,298	206,131	14,277	1,863,706
Additions	78,287	-	-	78,287
Transfers during the year	64,845	-	-	64,845
Disposal and others	(153)	-	-	(153)
Exchange adjustments	-	153	6	159
As at 30 June 2023	<u>1,786,277</u>	<u>206,284</u>	<u>14,283</u>	<u>2,006,844</u>
<b>Accumulated amortization</b>				
As at 1 January 2023	(985,426)	(126,405)	(2,674)	(1,114,505)
Amortization	(119,143)	-	(1,083)	(120,226)
Disposal and others	149	-	-	149
Exchange adjustments	-	(70)	(3)	(73)
As at 30 June 2023	<u>(1,104,420)</u>	<u>(126,475)</u>	<u>(3,760)</u>	<u>(1,234,655)</u>
<b>Impairment</b>				
As at 1 January 2023 and 30 June 2023	<u>-</u>	<u>(4,927)</u>	<u>(10,475)</u>	<u>(15,402)</u>
<b>Net carrying amount</b>				
As at 30 June 2023	<u><u>681,857</u></u>	<u><u>74,882</u></u>	<u><u>48</u></u>	<u><u>756,787</u></u>

## Section X Interim Condensed Consolidated Financial Statements

### 23 OTHER INTANGIBLE ASSETS (continued)

	Software RMB'000	Trading seats rights RMB'000	Others RMB'000	Total RMB'000
<b>Cost</b>				
As at 1 January 2022	1,366,510	205,775	14,263	1,586,548
Additions	270,178	-	-	270,178
Business combination	6,666	-	-	6,666
Disposal	(56)	-	-	(56)
Exchange adjustments	-	356	14	370
As at 31 December 2022	<u>1,643,298</u>	<u>206,131</u>	<u>14,277</u>	<u>1,863,706</u>
<b>Accumulated amortization</b>				
As at 1 January 2022	(779,825)	(126,259)	(2,172)	(908,256)
Amortization	(205,657)	-	(499)	(206,156)
Disposal	56	-	-	56
Exchange adjustments	-	(146)	(3)	(149)
As at 31 December 2022	<u>(985,426)</u>	<u>(126,405)</u>	<u>(2,674)</u>	<u>(1,114,505)</u>
<b>Impairment</b>				
As at 1 January 2022 and 31 December 2022	<u>-</u>	<u>(4,927)</u>	<u>(10,475)</u>	<u>(15,402)</u>
<b>Net carrying amount</b>				
As at 31 December 2022	<u>657,872</u>	<u>74,799</u>	<u>1,128</u>	<u>733,799</u>

### 24 INTERESTS IN STRUCTURED ENTITIES

#### (a) Interests in consolidated structured entities

The Group has consolidated certain structured entities, including investment funds, asset management schemes and limited partnerships. For those structured entities where the Group is involved as a manager, investment adviser or general partner, the Group assesses whether the combination of investments it held together with its remuneration creates an exposure to variability of returns from the activities of those structured entities that is of such significance that indicates that the Group is a principal.

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

## Section X Interim Condensed Consolidated Financial Statements

### 24 INTERESTS IN STRUCTURED ENTITIES *(continued)*

#### (b) Interests in unconsolidated structured entities

The Group exercised the power over the structured entities including limited partnerships and asset management products by acting as a manager or general partner during the period. Except for the structured entities the Group has consolidated as stated in Note 24(a), in management's opinion, the variable returns the Group exposed to over these structured entities that the Group has interests in are not significant. The Group therefore did not consolidate these structured entities.

The Group classified the investments in unconsolidated investment funds, asset management plans, and limited partnerships managed by the Group as financial assets at fair value through profit or loss and investments in associates and joint ventures. As at 30 June 2023 and 31 December 2022, the carrying amounts of the Group's interests in unconsolidated structured entities were RMB12,952 million and RMB13,929 million, respectively. The management fee arising from these unconsolidated structured entities and in which there were no interests amounted to RMB1,500 million and RMB329 million for the six months ended 30 June 2023 and 2022, respectively.

The carrying amounts of interests in unconsolidated structured entities in the consolidated statement of financial position are approximately equal to the maximum exposure to the loss of interests held by the Group in the unconsolidated structured entities.

### 25 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

	<b>As at 30 June 2023 (Unaudited) RMB'000</b>	As at 31 December 2022 (Audited) RMB'000
Share of net assets		
– Associates	<b>6,790,683</b>	6,362,391
– Joint ventures	<b>5,177,332</b>	5,081,873
Total	<b><u>11,968,015</u></b>	<u>11,444,264</u>

## Section X Interim Condensed Consolidated Financial Statements

### 25 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES *(continued)*

The Group had the following associates and joint ventures:

Name of associates and joint ventures	Place of incorporation or primary business	Registered capital/ Capital commitment (Expressed in yuan)	Principal activities	Equity interest held as at 30 June 2023
Associates:				
Shenzhen GTJA Shenyi Phase I Investment Fund LLP	Shenzhen PRC	RMB400,000,000	Investment management and advisory	25%
Shanghai Kechuang Center Equity Investment Fund Management Co., Ltd. <sup>(2)</sup>	Shanghai PRC	RMB100,000,000	Investment management and equity investment	13%
Shenzhen United Property and Share Rights Exchange <sup>(2)</sup>	Shenzhen PRC	RMB500,000,000	Provision of intermediary services and equity registration services for equity trading	10%
Shanghai Jizhi Consulting & Management Co., Ltd. <sup>(2)</sup>	Shanghai PRC	RMB10,000,000	Enterprise management consulting, lease of non-residential and residential real estate	15%
Shanghai Urban Renewal Guidance Private Fund LLP <sup>(2)</sup>	Shanghai PRC	RMB10,002,000,000	Investment management and equity investment	0.01%
Shanghai Securities Co., Ltd.	Shanghai PRC	RMB5,326,532,000	Securities brokerage Securities investment Underwriting and consulting	25%
Shanghai Lingang GTJA Technology Frontier Industry Private Fund LLP	Shanghai PRC	RMB8,020,000,000	Equity investment, Investment management and Asset management	25%
Shanghai State-owned Capital Investment Master Fund Co., Ltd. <sup>(2)</sup>	Shanghai PRC	RMB18,510,000,000	Equity investment, Investment management and Asset management	5%
Jinan Huijian Junan Zhizao Industrial Investment Fund LLP <sup>(2)</sup>	Jinan PRC	RMB1,000,000,000	Investment management and equity investment	10%
Jinan Huijian Junan Green Industry Investment Fund LLP <sup>(2)</sup>	Jinan PRC	RMB1,000,000,000	Investment management and equity investment	10%
Joint ventures:				
Xiamen Junxin Equity Investment Company LLP <sup>(2)</sup>	Xiamen PRC	RMB200,100,000	Equity investment and advisory	10%
Shanghai Guojun Chuangtou Longxu Investment Management Centre LLP	Shanghai PRC	RMB100,000,000	Industrial investment and investment management	25%
Shanghai Guojun Chuangtou Longsheng Investment Centre LLP	Shanghai PRC	RMB500,000,000	Industrial investment and investment management	20%
Shanghai Guojun Chuangtou Longzhao Investment Management Centre LLP <sup>(1)</sup>	Shanghai PRC	RMB1,000,200,000	Industrial investment and investment management	55%
Shanghai Junzheng Investment Management Co., Ltd. <sup>(1)</sup>	Shanghai PRC	RMB10,000,000	Investment management and advisory	61%

## Section X Interim Condensed Consolidated Financial Statements

### 25 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (continued)

Name of associates and joint ventures	Place of incorporation or primary business	Registered capital/ Capital commitment (Expressed in yuan)	Principal activities	Equity interest held as at 30 June 2023
Shanghai Guojun Chuangtou Zhengjun No. 2 Equity Investment LLP	Shanghai PRC	RMB100,010,000	Investment management and advisory	25%
Juntong Phase II Fund	Shanghai PRC	RMB401,000,000	Investment management and advisory	50%
Shanghai North Industries GTJA Investment Centre LLP <sup>(2)</sup>	Shanghai PRC	RMB652,000,000	Investment management and advisory	16%
Shanghai GTJA Chuangxin Equity Investment Master Fund Center LLP	Shanghai PRC	RMB8,008,000,000	Equity investment and venture capital	50%
Qingdao GTJA Xinxing No. 1 Equity Investment Fund LLP	Qingdao PRC	RMB728,500,000	Equity investment and advisory	48%
Yancheng GTJA Zhiyuan No. 1 Investment Centre LLP	Yancheng PRC	RMB500,000,000	Securities investment advisory and equity investment	20%

- (1) Although the Group's percentages of shareholdings in these investees are higher than 50%, they are accounted for as joint ventures as the Group only has joint control over these investees due to the relevant arrangements stipulated in the articles of association or other agreements.
- (2) Although the Group's percentages of shareholdings in these investees are lower than 20%, they are accounted for as associates or joint ventures as the Group has significant influence over these investees due to the relevant arrangements stipulated in the articles of association or other agreements.

The following table illustrates the aggregate financial information of the Group's associates and joint ventures:

	Six months ended 30 June	
	2023 (Unaudited) RMB'000	2022 (Unaudited) RMB'000
Share of associates' profit for the period	87,245	289,832
Share of joint ventures' profit for the period	<u>107,373</u>	<u>96,453</u>

## Section X Interim Condensed Consolidated Financial Statements

### 25 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES *(continued)*

	<b>Six months ended 30 June</b>	
	<b>2023</b> <i>(Unaudited)</i> <b>RMB'000</b>	2022 <i>(Unaudited)</i> <b>RMB'000</b>
Share of associates' total comprehensive income for the period	<b>128,500</b>	288,985
Share of joint ventures' total comprehensive income for the period	<b>104,616</b>	<u>(52,874)</u>
	<b>As at</b>	As at
	<b>30 June</b>	31 December
	<b>2023</b> <i>(Unaudited)</i> <b>RMB'000</b>	2022 <i>(Audited)</i> <b>RMB'000</b>
Aggregate carrying amount of the Group's investments in associates	<b>6,790,683</b>	6,362,391
Aggregate carrying amount of the Group's investments in joint ventures	<b>5,177,332</b>	<u>5,081,873</u>

### 26 DEBT INVESTMENTS AT AMORTISED COST

#### Non-current

	<b>As at</b>	As at
	<b>30 June</b>	31 December
	<b>2023</b> <i>(Unaudited)</i> <b>RMB'000</b>	2022 <i>(Audited)</i> <b>RMB'000</b>
Debt securities	<b>2,818,606</b>	2,787,707
Less: impairment losses	<u>-</u>	<u>-</u>
Total	<b>2,818,606</b>	<u>2,787,707</u>
Analysed as:		
Listed in Hong Kong	-	-
Listed outside Hong Kong	-	-
Unlisted	<b>2,818,606</b>	2,787,707
Total	<b>2,818,606</b>	<u>2,787,707</u>

## Section X Interim Condensed Consolidated Financial Statements

### 26 DEBT INVESTMENTS AT AMORTISED COST *(continued)*

#### Current

	<b>As at 30 June 2023 (Unaudited) RMB'000</b>	As at 31 December 2022 (Audited) RMB'000
Debt securities	<b>599,970</b>	368,442
Less: impairment losses	—	—
Total	<b><u>599,970</u></b>	<u>368,442</u>
Analysed as:		
Listed in Hong Kong	—	—
Listed outside Hong Kong	—	—
Unlisted	<b><u>599,970</u></b>	<u>368,442</u>
Total	<b><u>599,970</u></b>	<u>368,442</u>

As at 30 June 2023, the carrying amount of debt investments at amortised cost comprises RMB3,289,549 thousand of investment from general risk reserve (31 December 2022: RMB3,027,121 thousand).

As at 30 June 2023 and 31 December 2022, ECL allowance provided for debt investments at amortised cost was nil.



## Section X Interim Condensed Consolidated Financial Statements

### 27 DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

#### Non-current

	As at <b>30 June</b> <b>2023</b> <i>(Unaudited)</i> <b>RMB'000</b>	As at 31 December 2022 <i>(Audited)</i> <b>RMB'000</b>
Government bonds	26,675,016	32,355,793
Corporate bonds	11,406,494	7,795,794
Financial bonds	4,604,087	6,342,509
Other bonds	14,105,137	9,865,451
Total	56,790,734	56,359,547
Analysed as:		
Listed in Hong Kong	806,597	668,961
Listed outside Hong Kong	22,490,633	25,631,555
Unlisted	33,493,504	30,059,031
Total	56,790,734	56,359,547

#### Current

	As at <b>30 June</b> <b>2023</b> <i>(Unaudited)</i> <b>RMB'000</b>	As at 31 December 2022 <i>(Audited)</i> <b>RMB'000</b>
Government bonds	3,334,168	2,123,953
Corporate bonds	2,139,866	1,942,037
Financial bonds	395,737	–
Other bonds	3,367,278	763,778
Total	9,237,049	4,829,768

## Section X Interim Condensed Consolidated Financial Statements

### 27 DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

(continued)

#### Current

	As at 30 June 2023 (Unaudited) RMB'000	As at 31 December 2022 (Audited) RMB'000
Analysed as:		
Listed in Hong Kong	142,086	197,656
Listed outside Hong Kong	5,357,360	2,759,504
Unlisted	<u>3,737,603</u>	<u>1,872,608</u>
Total	<u><u>9,237,049</u></u>	<u><u>4,829,768</u></u>

As at 30 June 2023, debt instruments at fair value through other comprehensive income of the Group included approximately RMB56,488,770 thousand of pledged, restricted or transferred assets (as at 31 December 2022: RMB53,962,716 thousand).

#### (a) Analysis of the movements of allowance for ECL:

	As at 30 June 2023 (Unaudited) RMB'000	As at 31 December 2022 (Audited) RMB'000
At the beginning of the period/year	99,000	151,325
Charge for the period/year	107,104	66,759
Reverse during the period/year	(53,562)	(48,638)
Amounts written-off and others	<u>(6,357)</u>	<u>(70,446)</u>
At the end of the period/year	<u><u>146,185</u></u>	<u><u>99,000</u></u>

## Section X Interim Condensed Consolidated Financial Statements

### 27 DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (continued)

#### (b) Analysis of the stages of allowance for ECL:

	Stage 1 <i>RMB'000</i>	Stage 2 <i>RMB'000</i>	Stage 3 <i>RMB'000</i>	Total <i>RMB'000</i>
As at 30 June 2023	<u>90,994</u>	<u>55,191</u>	<u>-</u>	<u>146,185</u>
As at 31 December 2022	<u>68,033</u>	<u>30,967</u>	<u>-</u>	<u>99,000</u>

### 28 EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

#### Non-current

	As at 30 June 2023 <i>(Unaudited)</i> <i>RMB'000</i>	As at 31 December 2022 <i>(Audited)</i> <i>RMB'000</i>
Equity securities <sup>(1)(2)</sup>	<u>2,341,358</u>	<u>2,331,288</u>
Total	<u>2,341,358</u>	<u>2,331,288</u>
Analysed as:		
Listed in Hong Kong	73,539	73,520
Listed outside Hong Kong	2,106,876	2,011,326
Unlisted	<u>160,943</u>	<u>246,442</u>
Total	<u>2,341,358</u>	<u>2,331,288</u>

- (1) The Group has designated those investments held for non-trading purposes as equity instruments at fair value through other comprehensive income. The dividend income related to equity instruments at fair value through other comprehensive income was disclosed in Note 8.

For the six months ended 30 June 2023, the Group disposed of some of the equity instruments at fair value through other comprehensive income. The accumulated net realized loss of the equity instruments disposed of were RMB2,045 thousand and no dividend income occurred during the period.

- (2) As at 30 June 2023, equity instruments at fair value through other comprehensive income of the Group included approximately RMB70,714 thousand of pledged, restricted or transferred shares (as at 31 December 2022: RMB72,709 thousand).
- (3) Securities lending of equity instruments at fair value through other comprehensive income of the Group refer to Note 57 (b).

## Section X Interim Condensed Consolidated Financial Statements

### 29 FINANCIAL ASSETS HELD UNDER RESALE AGREEMENTS

#### (a) Analysed by collateral type:

##### Non-current

	As at <b>30 June</b> <b>2023</b> <i>(Unaudited)</i> <b>RMB'000</b>	As at 31 December 2022 <i>(Audited)</i> <b>RMB'000</b>
Equity securities	<b>1,899,808</b>	300,552
Less: Allowance for ECLs	<u><b>(18,064)</b></u>	<u>(1,692)</u>
Total	<u><b>1,881,744</b></u>	<u>298,860</u>

##### Current

	As at <b>30 June</b> <b>2023</b> <i>(Unaudited)</i> <b>RMB'000</b>	As at 31 December 2022 <i>(Audited)</i> <b>RMB'000</b>
Debt securities	<b>47,633,404</b>	44,612,790
Equity securities	<b>26,343,088</b>	28,127,233
Precious metals	<b>2,390,383</b>	243,565
Less: Allowance for ECLs	<u><b>(2,145,373)</b></u>	<u>(2,146,228)</u>
Total	<u><b>74,221,502</b></u>	<u>70,837,360</u>

## Section X Interim Condensed Consolidated Financial Statements

### 29 FINANCIAL ASSETS HELD UNDER RESALE AGREEMENTS *(continued)*

#### (b) Analysed by market:

##### Non-current

	<b>As at 30 June 2023 (Unaudited) RMB'000</b>	<b>As at 31 December 2022 (Audited) RMB'000</b>
Stock exchanges	<b>1,899,808</b>	300,552
Less: Allowance for ECLs	<b>(18,064)</b>	(1,692)
Total	<b><u>1,881,744</u></b>	<u>298,860</u>

##### Current

	<b>As at 30 June 2023 (Unaudited) RMB'000</b>	<b>As at 31 December 2022 (Audited) RMB'000</b>
Stock exchanges	<b>43,861,953</b>	39,715,856
Interbank market	<b>27,593,466</b>	32,497,625
Over the counter	<b>4,911,456</b>	770,107
Less: Allowance for ECLs	<b>(2,145,373)</b>	(2,146,228)
Total	<b><u>74,221,502</u></b>	<u>70,837,360</u>

## Section X Interim Condensed Consolidated Financial Statements

### 29 FINANCIAL ASSETS HELD UNDER RESALE AGREEMENTS *(continued)*

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

	<b>As at 30 June 2023 (Unaudited) RMB'000</b>	As at 31 December 2022 (Audited) RMB'000
At the beginning of the period/year	<b>2,147,920</b>	2,375,601
Charge for the period/year	<b>111,651</b>	92,226
Reverse during the period/year	<b>(96,132)</b>	(319,958)
Amounts written-off and others	<b>(2)</b>	51
At the end of the period/year	<b><u>2,163,437</u></b>	<u>2,147,920</u>

#### (d) Analysis of the stages of allowance for ECL:

	<b>Stage 1 RMB'000</b>	<b>Stage 2 RMB'000</b>	<b>Stage 3 RMB'000</b>	<b>Total RMB'000</b>
<b>As at 30 June 2023</b>	<b><u>104,413</u></b>	<b><u>225</u></b>	<b><u>2,058,799</u></b>	<b><u>2,163,437</u></b>
As at 31 December 2022	<u>121,901</u>	<u>1,149</u>	<u>2,024,870</u>	<u>2,147,920</u>

The carrying amount of financial assets held under resale agreements, for which the loss allowance is measured at an amount equal to 12-month and lifetime expected credit losses, is RMB76,000,103 thousand and RMB103,143 thousand respectively (As at 31 December 2022: RMB70,817,275 thousand and RMB318,945 thousand respectively).

## Section X Interim Condensed Consolidated Financial Statements

### 29 FINANCIAL ASSETS HELD UNDER RESALE AGREEMENTS *(continued)*

**(e) Analysed by the stages of allowance for ECLs of stock-pledged financing:**

	<b>As at 30 June 2023</b>			
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
Gross carrying amount	23,718,759	6,791	2,155,377	25,880,927
Allowance for ECLs	(88,576)	(225)	(2,058,800)	(2,147,601)
Fair value of collateral	<u>62,564,118</u>	<u>8,029</u>	<u>120,660</u>	<u>62,692,807</u>
	<b>As at 31 December 2022</b>			
	Stage 1	Stage 2	Stage 3	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Gross carrying amount	23,695,195	11,526	2,333,438	26,040,159
Allowance for ECLs	(102,610)	(1,149)	(2,024,870)	(2,128,629)
Fair value of collateral	<u>61,445,387</u>	<u>14,232</u>	<u>431,310</u>	<u>61,890,929</u>

**(f) Fair value of collateral:**

	<b>As at 30 June 2023 (Unaudited) RMB'000</b>	<b>As at 31 December 2022 (Audited) RMB'000</b>
Fair value	<b>111,864,458</b>	110,379,464
Including: Available for sale or pledge	<b>1,704,211</b>	489,337
Including: Sold or pledged	<u>          -</u>	<u>          -</u>

## Section X Interim Condensed Consolidated Financial Statements

### 30 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

#### Non-current

	As at <b>30 June 2023</b> <i>(Unaudited)</i> <b>RMB'000</b>	As at 31 December 2022 <i>(Audited)</i> <b>RMB'000</b>
At fair value through profit or loss:		
Preferred stock/Perpetual bonds	<b>9,573,928</b>	8,851,815
Funds	<b>7,147,841</b>	6,246,243
Equity securities	<b>3,794,679</b>	4,026,833
Debt securities	<b>2,088,261</b>	2,002,052
Asset management schemes	<b>42,812</b>	–
Total	<b><u>22,647,521</u></b>	<b><u>21,126,943</u></b>
Analysed as:		
Listed in Hong Kong	<b>4,040,776</b>	4,410,192
Listed outside Hong Kong	<b>2,880,765</b>	2,480,459
Unlisted	<b>15,725,980</b>	14,236,292
Total	<b><u>22,647,521</u></b>	<b><u>21,126,943</u></b>



## Section X Interim Condensed Consolidated Financial Statements

### 30 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS *(continued)*

#### Current

	<b>As at 30 June 2023 (Unaudited) RMB'000</b>	As at 31 December 2022 (Audited) RMB'000
At fair value through profit or loss:		
Debt securities	145,924,228	146,556,372
Funds	105,491,945	90,733,903
Equity securities	57,868,268	47,264,243
Preferred stock/Perpetual bonds	16,186,634	11,199,316
Asset management schemes	10,479,157	11,645,982
Wealth management products	3,589,033	1,854,763
Other investments <sup>(1)</sup>	<u>1,398,485</u>	<u>1,019,722</u>
Total	<u><b>340,937,750</b></u>	<u>310,274,301</u>
Analysed as:		
Listed in Hong Kong	23,379,575	24,253,783
Listed outside Hong Kong	139,072,074	117,855,989
Unlisted	<u>178,486,101</u>	<u>168,164,529</u>
Total	<u><b>340,937,750</b></u>	<u>310,274,301</u>

(1) Other investments mainly represent investments in precious metals, etc.

(2) As at 30 June 2023, financial assets at fair value through profit or loss of the Group included approximately RMB147,193,266 thousand of pledged, restricted or transferred assets (as at 31 December 2022: RMB147,852,857 thousand).

(3) Securities lending of financial assets at fair value through profit or loss of the Group refer to Note 57 (b).

## Section X Interim Condensed Consolidated Financial Statements

### 31 REFUNDABLE DEPOSITS

	As at <b>30 June</b> <b>2023</b> <i>(Unaudited)</i> <b>RMB'000</b>	As at 31 December 2022 <i>(Audited)</i> <b>RMB'000</b>
Deposits with exchanges and other financial institutions:		
Future deposits	<b>52,811,947</b>	49,539,722
Trading deposits	<b>7,465,525</b>	7,383,043
Performance deposits	<b>639,034</b>	1,463,747
Credit deposits	<b>245,042</b>	510,753
Other deposits	<b>28,565</b>	25,552
Total	<b>61,190,113</b>	58,922,817

### 32 DEFERRED TAX

For the purpose of presentation in the Group's statement of financial position, certain deferred tax assets and liabilities have been offset. The following is an analysis of the deferred tax balances for financial reporting purposes:

	As at <b>30 June</b> <b>2023</b> <i>(Unaudited)</i> <b>RMB'000</b>	As at 31 December 2022 <i>(Restated)</i> <b>RMB'000</b>
Deferred tax assets	<b>1,595,652</b>	2,457,184
Deferred tax liabilities	<b>(256,620)</b>	(128,523)
Total	<b>1,339,032</b>	2,328,661

## Section X Interim Condensed Consolidated Financial Statements

### 32 DEFERRED TAX (continued)

The following are the major deferred tax assets and liabilities recognized and the movements therein during the year 2022 and the six months ended 30 June 2023:

Deferred tax arising from:	Allowance for ECLs/ impairment losses <i>RMB'000</i>	Employee benefits payable <i>RMB'000</i>	Changes in fair value of financial instruments <i>RMB'000</i>	Fair value revaluation on acquisition of subsidiaries <i>RMB'000</i>	Deductible tax losses <i>RMB'000</i>	Right-of-use assets <i>RMB'000</i>	Lease liabilities <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
As at 1 January 2022 (as previously reported)	1,069,241	1,619,564	(1,273,530)	-	154,563	(83,050)	85,048	162,320	1,734,156
Changes in accounting policies	-	-	-	-	-	(342,467)	360,203	-	17,736
As at 1 January 2022 (restated)	<u>1,069,241</u>	<u>1,619,564</u>	<u>(1,273,530)</u>	<u>-</u>	<u>154,563</u>	<u>(425,517)</u>	<u>445,251</u>	<u>162,320</u>	<u>1,751,892</u>
Recognized in profit or loss (restated)	(161,288)	(74,950)	347,276	865	166,864	29,442	(22,167)	(83,136)	202,906
Recognized in other comprehensive income	-	-	224,338	-	-	-	-	994	225,332
Transferred during the year	-	-	(50,024)	-	-	-	-	-	(50,024)
Acquisition of a subsidiary (restated)	<u>-</u>	<u>269,044</u>	<u>3,960</u>	<u>(77,379)</u>	<u>-</u>	<u>(10,812)</u>	<u>11,249</u>	<u>2,493</u>	<u>198,555</u>
As at 31 December 2022 (restated)	<u>907,953</u>	<u>1,813,658</u>	<u>(747,980)</u>	<u>(76,514)</u>	<u>321,427</u>	<u>(406,887)</u>	<u>434,333</u>	<u>82,671</u>	<u>2,328,661</u>
As at 1 January 2023	<b>907,953</b>	<b>1,813,658</b>	<b>(747,980)</b>	<b>(76,514)</b>	<b>321,427</b>	<b>(406,887)</b>	<b>434,333</b>	<b>82,671</b>	<b>2,328,661</b>
Recognized in profit or loss	<b>13,195</b>	<b>(424,513)</b>	<b>(456,351)</b>	<b>2,596</b>	<b>(84,231)</b>	<b>17,986</b>	<b>(21,529)</b>	<b>42,762</b>	<b>(910,085)</b>
Recognized in other comprehensive income	-	-	(80,269)	-	-	-	-	400	(79,869)
Transferred during the period	-	-	325	-	-	-	-	-	325
As at 30 June 2023	<u><b>921,148</b></u>	<u><b>1,389,145</b></u>	<u><b>(1,284,275)</b></u>	<u><b>(73,918)</b></u>	<u><b>237,196</b></u>	<u><b>(388,901)</b></u>	<u><b>412,804</b></u>	<u><b>125,833</b></u>	<u><b>1,339,032</b></u>

The Group did not have significant unrecognized deductible temporary differences and deductible losses.

## Section X Interim Condensed Consolidated Financial Statements

### 33 OTHER NON-CURRENT ASSETS

	As at <b>30 June</b> <b>2023</b> <i>(Unaudited)</i> <b>RMB'000</b>	As at 31 December 2022 <i>(Audited)</i> <b>RMB'000</b>
Advances relating to lawsuits	343,644	343,644
Term loan	217,002	210,244
Deposit	87,178	94,514
Long-term deferred expenses	42,612	47,124
Others	732,980	738,683
Less: Allowance for ECLs	<u>(1,270,409)</u>	<u>(1,279,727)</u>
Total	<u><b>153,007</b></u>	<u>154,482</u>

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

	As at <b>30 June</b> <b>2023</b> <i>(Unaudited)</i> <b>RMB'000</b>	As at 31 December 2022 <i>(Audited)</i> <b>RMB'000</b>
At the beginning of the period/year	1,279,727	1,211,488
Charge for the period/year	1,945	58,653
Reverse during the period/year	(18,022)	(7,474)
Amounts written-off and others	<u>6,759</u>	<u>17,060</u>
At the end of the period/year	<u><b>1,270,409</b></u>	<u>1,279,727</u>

#### (b) Analysed by the stages of allowance for ECLs:

	Stage 1 <b>RMB'000</b>	Stage 2 <b>RMB'000</b>	Stage 3 <b>RMB'000</b>	Total <b>RMB'000</b>
As at 30 June 2023	<u>-</u>	<u>-</u>	<u>1,270,409</u>	<u>1,270,409</u>
As at 31 December 2022	<u>86</u>	<u>-</u>	<u>1,279,641</u>	<u>1,279,727</u>

## Section X Interim Condensed Consolidated Financial Statements

### 34 ACCOUNTS RECEIVABLE

#### (a) Analysed by nature:

	As at 30 June 2023 <i>(Unaudited)</i> <i>RMB'000</i>	As at 31 December 2022 <i>(Audited)</i> <i>RMB'000</i>
Accounts receivable from:		
– Brokers and dealers	9,173,159	5,659,009
– Settlement	1,373,913	4,520,124
– Fee and commission	1,338,049	1,299,058
– Fund management fee	354,601	299,013
– Cash and custodian clients	144,162	8,854
Less: Allowance for ECLs	<u>(43,693)</u>	<u>(27,008)</u>
Total	<u><b>12,340,191</b></u>	<u>11,759,050</u>

#### (b) Analysed by aging:

	As at 30 June 2023 <i>(Unaudited)</i> <i>RMB'000</i>	As at 31 December 2022 <i>(Audited)</i> <i>RMB'000</i>
Within 1 year	12,234,655	11,678,777
1 to 2 years	93,666	67,039
2 to 3 years	3,783	3,390
Over 3 years	<u>8,087</u>	<u>9,844</u>
Total	<u><b>12,340,191</b></u>	<u>11,759,050</u>

## Section X Interim Condensed Consolidated Financial Statements

### 34 ACCOUNTS RECEIVABLE (continued)

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

	<b>As at 30 June 2023 (Unaudited) RMB'000</b>	As at 31 December 2022 (Audited) RMB'000
At the beginning of the period/year	<b>27,008</b>	20,707
Charge for the period/year	<b>14,890</b>	6,507
Reverse during the period/year	<b>(43)</b>	–
Amounts written-off and others	<b>1,838</b>	(206)
At the end of the period/year	<b>43,693</b>	27,008

#### (d) Analysed by the stages of allowance for ECLs:

	<b>Stage 1 RMB'000</b>	<b>Stage 2 RMB'000</b>	<b>Stage 3 RMB'000</b>	<b>Total RMB'000</b>
<b>As at 30 June 2023</b>	<b>37,018</b>	–	<b>6,675</b>	<b>43,693</b>
As at 31 December 2022	27,008	–	–	27,008

## Section X Interim Condensed Consolidated Financial Statements

### 35 OTHER CURRENT ASSETS

**(a) Analysed by nature:**

	<b>As at 30 June 2023 (Unaudited) RMB'000</b>	As at 31 December 2022 (Audited) RMB'000
Bulk commodity trading inventories	413,783	469,641
Prepayments	116,389	1,191,611
Deposit	97,450	149,944
Deferred expenses	54,384	40,585
Dividends receivable	16,959	14,758
Term loans	-	207,504
Others	1,329,514	968,120
Less: Allowance for ECLs/impairment losses	<u>(22,264)</u>	<u>(129,050)</u>
Total	<u><b>2,006,215</b></u>	<u>2,913,113</u>

**(b) Analysis of the movements of allowance for ECLs/impairment losses:**

	<b>As at 30 June 2023 (Unaudited) RMB'000</b>	As at 31 December 2022 (Audited) RMB'000
At the beginning of the period/year	129,050	1,196
Charge for the period/year	1,086	148,745
Reversal	-	(24,533)
Amounts written-off and others	<u>(107,872)</u>	<u>3,642</u>
At the end of the period/year	<u><b>22,264</b></u>	<u>129,050</u>

## Section X Interim Condensed Consolidated Financial Statements

### 36 MARGIN ACCOUNTS RECEIVABLE

#### (a) Analysed by nature:

	As at <b>30 June</b> <b>2023</b> <i>(Unaudited)</i> <b>RMB'000</b>	As at 31 December 2022 <i>(Audited)</i> <b>RMB'000</b>
Individuals	<b>67,128,790</b>	65,102,652
Institutions	<b>23,876,674</b>	24,017,351
Less: Allowance for ECLs	<b>(2,099,769)</b>	(2,004,494)
Total	<b><u>88,905,695</u></b>	<b><u>87,115,509</u></b>

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

	As at <b>30 June</b> <b>2023</b> <i>(Unaudited)</i> <b>RMB'000</b>	As at 31 December 2022 <i>(Audited)</i> <b>RMB'000</b>
At the beginning of the period/year	<b>2,004,494</b>	2,275,350
Charge for the period/year	<b>150,341</b>	166,600
Reverse during the period/year	<b>(108,691)</b>	(575,260)
Amounts written-off and others	<b>53,625</b>	137,804
At the end of the period/year	<b><u>2,099,769</u></b>	<b><u>2,004,494</u></b>



## Section X Interim Condensed Consolidated Financial Statements

### 36 MARGIN ACCOUNTS RECEIVABLE (continued)

(c) Analysed by the stages of allowance for ECLs:

	Stage 1 <i>RMB'000</i>	Stage 2 <i>RMB'000</i>	Stage 3 <i>RMB'000</i>	Total <i>RMB'000</i>
As at 30 June 2023	<u>227,993</u>	<u>18,085</u>	<u>1,853,691</u>	<u>2,099,769</u>
As at 31 December 2022	<u>218,522</u>	<u>659</u>	<u>1,785,313</u>	<u>2,004,494</u>

The carrying amount of margin accounts receivable, for which the loss allowance is measured at an amount equal to 12-month and lifetime expected credit losses, is RMB88,652,630 thousand and RMB253,065 thousand respectively (31 December 2022: RMB87,047,859 thousand and RMB67,650 thousand respectively).

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

	As at 30 June 2023 <i>(Unaudited)</i> <i>RMB'000</i>	As at 31 December 2022 <i>(Audited)</i> <i>RMB'000</i>
Fair value of collateral:		
– Stocks	291,132,485	271,607,440
– Cash	13,197,992	13,003,534
– Funds	12,302,655	10,880,250
– Bonds	<u>424,476</u>	<u>576,846</u>
Total	<u>317,057,608</u>	<u>296,068,070</u>

## Section X Interim Condensed Consolidated Financial Statements

### 37 DERIVATIVE FINANCIAL INSTRUMENTS

	As at 30 June 2023		
	Nominal amount	Fair value	
		Assets (Unaudited)	Liabilities (Unaudited)
	RMB'000	RMB'000	RMB'000
Interest rate derivatives	1,794,520,990	969,360	(432,542)
Equity derivatives	380,540,479	5,541,628	(6,658,870)
Currency derivatives	219,529,941	790,394	(1,430,220)
Other derivatives	105,713,106	791,163	(552,019)
Less: Cash (received)/paid as settlement		(524,531)	76,730
Total		7,568,014	(8,996,921)

	As at 31 December 2022		
	Nominal amount	Fair value	
		Assets (Audited)	Liabilities (Audited)
	RMB'000	RMB'000	RMB'000
Interest rate derivatives	1,766,870,241	811,133	(323,843)
Equity derivatives	484,929,704	6,608,072	(7,247,346)
Currency derivatives	158,827,835	377,987	(1,636,354)
Other derivatives	122,561,956	790,024	(987,643)
Less: Cash (received)/paid as settlement		(354,393)	404,527
Total		8,232,823	(9,790,659)

## Section X Interim Condensed Consolidated Financial Statements

### 38 CLEARING SETTLEMENT FUNDS

	<b>As at 30 June 2023 (Unaudited) RMB'000</b>	<b>As at 31 December 2022 (Audited) RMB'000</b>
Deposits with stock exchanges		
– China Securities Depository and Clearing Corporation Limited	<b>7,106,699</b>	6,545,473
– Others	<b>550,058</b>	869,441
Total	<b><u>7,656,757</u></b>	<b><u>7,414,914</u></b>

### 39 CASH HELD ON BEHALF OF BROKERAGE CUSTOMERS

The Group maintains segregated deposit accounts with banks and authorized institutions to hold cash on behalf of customers arising from its normal course of business. The Group has recorded the related amounts as cash held on behalf of customers and the corresponding liabilities as accounts payable to brokerage customers on the grounds that it is liable for any loss or misappropriation of its brokerage clients' monies. In Mainland China, the use of cash held on behalf of customers for security and the settlement of their transactions are restricted and governed by relevant third-party deposit regulations issued by the CSRC. In Hong Kong, the "Securities and Futures (Customer Money) Rules" implementing the related provisions of the Securities and Futures Ordinance impose similar restrictions.

### 40 CASH AND BANK BALANCES

	<b>As at 30 June 2023 (Unaudited) RMB'000</b>	<b>As at 31 December 2022 (Audited) RMB'000</b>
Cash on hand	<b>463</b>	468
Bank balances	<b>41,670,181</b>	30,747,456
Total	<b><u>41,670,644</u></b>	<b><u>30,747,924</u></b>

As at 30 June 2023 and 31 December 2022, the Group's bank balances of RMB513,131 thousand and RMB622,810 thousand, respectively, were restricted.

As at 30 June 2023, the ECL allowance for cash and cash balances amounted to RMB5,552 thousand (31 December 2022: RMB7,669 thousand).

## Section X Interim Condensed Consolidated Financial Statements

### 41 LOANS AND BORROWINGS

	As at 30 June 2023 (Unaudited) RMB'000	As at 31 December 2022 (Audited) RMB'000
<b>Non-current</b>		
Unsecured loans and borrowings <sup>(1)</sup>	<u>554,504</u>	<u>559,151</u>
<b>Current</b>		
Unsecured loans and borrowings <sup>(2)</sup>	<u>8,318,388</u>	<u>9,847,547</u>

(1) As at 30 June 2023, the non-current unsecured bank loans of the Group bore interest at rate 3.25% per annum.

(2) As at 30 June 2023 and 31 December 2022, the current unsecured loans and borrowings of the Group bore interest rates ranging from 3.20% to 6.40% per annum and from 3.10% to 5.75% per annum, respectively.

### 42 SHORT-TERM DEBT INSTRUMENTS

Unaudited	Nominal interest rate	As at 1 January 2023 RMB'000	Increase RMB'000	Decrease RMB'000	As at 30 June 2023 RMB'000
Short-term financing bills payable	2.44%-2.80%	7,210,792	15,179,192	4,036,822	18,353,162
Short-term corporate bonds	2.51%-2.51%	3,007,840	29,294	3,037,134	-
Medium-term notes	3.95%-5.85%	468,824	5,432,704	-	5,901,528
Structured notes	0.50%-5.25%	<u>2,962,023</u>	<u>1,318,697</u>	<u>2,966,279</u>	<u>1,314,441</u>
Total		<u>13,649,479</u>	<u>21,959,887</u>	<u>10,040,235</u>	<u>25,569,131</u>

## Section X Interim Condensed Consolidated Financial Statements

### 42 SHORT-TERM DEBT INSTRUMENTS *(continued)*

Audited	Nominal interest rate	As at 1 January 2022	Increase <i>RMB'000</i>	Decrease <i>RMB'000</i>	As at 31 December 2022
		<i>RMB'000</i>			<i>RMB'000</i>
Short-term financing bills payable	1.87% – 2.80%	10,052,164	13,446,480	16,287,852	7,210,792
Short-term corporate bonds	2.51% – 2.97%	22,065,741	3,287,393	22,345,294	3,007,840
Medium-term notes	0.00% – 3.95%	9,874,593	5,914,335	15,320,104	468,824
Structured notes	0.00% – 4.94%	4,028,804	7,595,470	8,662,251	2,962,023
Total		<u>46,021,302</u>	<u>30,243,678</u>	<u>62,615,501</u>	<u>13,649,479</u>

### 43 PLACEMENTS FROM OTHER FINANCIAL INSTITUTIONS

	As at 30 June 2023 <i>(Unaudited)</i> <i>RMB'000</i>	As at 31 December 2022 <i>(Audited)</i> <i>RMB'000</i>
Placements from banks	<b>14,043,355</b>	8,949,902
Placements from CSFC <sup>(1)</sup>	<b>1,009,625</b>	4,017,303
Total	<b><u>15,052,980</u></b>	<u>12,967,205</u>

- (1) Placements from CSFC were repayable within one year. As at 30 June 2023, the annual interest rates is 2.10% per annum (as at 31 December 2022, ranging from 2.10% to 2.50%).

## Section X Interim Condensed Consolidated Financial Statements

### 44 ACCOUNTS PAYABLE TO BROKERAGE CUSTOMERS

	As at <b>30 June</b> <b>2023</b> <i>(Unaudited)</i> <b>RMB'000</b>	As at 31 December 2022 <i>(Audited)</i> <b>RMB'000</b>
Margin financing and securities lending deposits	<b>17,453,173</b>	16,846,289
Other brokerage business deposits	<b>189,370,319</b>	178,872,494
Total	<b>206,823,492</b>	195,718,783

Accounts payable to brokerage customers mainly include money held on behalf of customers in banks and clearing houses, and bear interest at the prevailing market interest rates.

The majority of the accounts payable balances are repayable on demand except where certain accounts payable to brokerage customers represent monies received from customers for their margin financing and future trading activities under the normal course of business. Only amounts in excess of the required deposits and cash collateral stipulated are repayable on demand.

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

### 45 EMPLOYEE BENEFITS PAYABLE

	As at <b>30 June</b> <b>2023</b> <i>(Unaudited)</i> <b>RMB'000</b>	As at 31 December 2022 <i>(Audited)</i> <b>RMB'000</b>
Salaries, bonuses and allowances	<b>6,954,004</b>	8,833,373
Social welfare and others	<b>225,057</b>	204,119
Contributions to a defined contribution scheme	<b>30,762</b>	20,212
Total	<b>7,209,823</b>	9,057,704

## Section X Interim Condensed Consolidated Financial Statements

### 46 FINANCIAL ASSETS SOLD UNDER REPURCHASE AGREEMENTS

**(a) Analysed by collateral type:**

	<b>As at 30 June 2023 (Unaudited) RMB'000</b>	As at 31 December 2022 (Audited) RMB'000
Bonds	<b>158,486,732</b>	150,108,765
Funds	<b>18,329,828</b>	15,159,976
Precious metals	<b>8,817,940</b>	7,967,941
Total	<b><u>185,634,500</u></b>	<u>173,236,682</u>

**(b) Analysed by market:**

	<b>As at 30 June 2023 (Unaudited) RMB'000</b>	As at 31 December 2022 (Audited) RMB'000
Interbank market	<b>90,365,742</b>	89,155,945
Stock exchanges	<b>67,567,847</b>	76,112,796
Over the counter	<b>27,700,911</b>	7,967,941
Total	<b><u>185,634,500</u></b>	<u>173,236,682</u>

## Section X Interim Condensed Consolidated Financial Statements

### 47 FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at <b>30 June 2023</b> <i>(Unaudited)</i> <b>RMB'000</b>	As at 31 December 2022 <i>(Audited)</i> <b>RMB'000</b>
<b>Current</b>		
At fair value through profit or loss <sup>(1)</sup>		
– Debt securities	<b>5,422,625</b>	9,503,187
– Gold	<b>442,471</b>	640,856
– Equity securities	<b>382,201</b>	543,882
Designated as at fair value through profit or loss		
– Debt securities <sup>(2)</sup>	<b>46,466,136</b>	36,557,863
– Interest attributable to other holders of consolidated structured entities <sup>(3)</sup>	<b>1,180,948</b>	1,081,764
Total	<b>53,894,381</b>	48,327,552
<b>Non-current</b>		
Designated as at fair value through profit or loss		
– Debt securities <sup>(2)</sup>	<b>17,956,304</b>	26,146,871
– Interest attributable to other holders of consolidated structured entities <sup>(3)</sup>	<b>736,740</b>	574,444
Total	<b>18,693,044</b>	26,721,315

(1) As at 30 June 2023 and 31 December 2022, included in the Group's financial liabilities through profit or loss were equity securities, bonds and gold borrowed by the Group.

(2) As at 30 June 2023 and 31 December 2022, included in the Group's financial liabilities designated as at fair value through profit or loss were structured notes generally in the form of notes or certificates with the underlying investments related to equity investments, debt investments, indexes, unlisted fund investments and etc.

(3) As at 30 June 2023 and 31 December 2022, the financial liabilities arising from the consolidation of structured entities were designated as at fair value through profit or loss by the Group, as the Group has the obligation to pay other investors or limited partners upon the maturity dates of the structured entities based on the net asset value and related terms of those consolidated structured entities.



## Section X Interim Condensed Consolidated Financial Statements

### 48 BONDS PAYABLE

	As at <b>30 June</b> <b>2023</b> <i>(Unaudited)</i> <b>RMB'000</b>	As at 31 December 2022 <i>(Audited)</i> <b>RMB'000</b>
<b>Current</b>		
Corporate bonds <sup>(1)</sup>	<b>31,869,946</b>	29,720,606
Subordinated bonds <sup>(1)</sup>	<b>9,647,443</b>	4,003,977
Total	<b>41,517,389</b>	33,724,583
	As at <b>30 June</b> <b>2023</b> <i>(Unaudited)</i> <b>RMB'000</b>	As at 31 December 2022 <i>(Audited)</i> <b>RMB'000</b>
<b>Non-current</b>		
Corporate bonds <sup>(1)</sup>	<b>81,922,273</b>	74,505,891
Medium-term notes	<b>10,634,393</b>	8,380,143
Subordinated bonds <sup>(1)</sup>	<b>5,578,982</b>	11,272,977
Total	<b>98,135,648</b>	94,159,011

## Section X Interim Condensed Consolidated Financial Statements

### 48 BONDS PAYABLE (continued)

(1) The details of the outstanding corporate bonds and subordinated bonds payable are as follows:

**As at 30 June 2023**

<b>Name</b>	<b>Par value RMB'000</b>	<b>Issue date</b>	<b>Maturity date</b>	<b>Coupon rate</b>
<b>Current</b>				
Corporate bonds				
18 GUOJUN G4	300,000	2018.07	2023.07	4.64%
20 GUOJUN G4	5,000,000	2020.07	2023.07	3.55%
20 GUOJUN G5	4,000,000	2020.09	2023.09	3.75%
20 GUOJUN G7	2,000,000	2020.11	2023.11	3.90%
20 GUOJUN G9	2,900,000	2020.12	2023.12	3.77%
21 GUOJUN G1	4,000,000	2021.04	2024.04	3.46%
21 GUOJUN G3	3,000,000	2021.05	2024.05	3.31%
21 GUOJUN G5	2,900,000	2021.06	2024.06	3.40%
GUOJUN Convertible bonds	7,000,000	2017.07	2023.07	2.00%
Subordinated bonds				
21 GUOJUN C1	3,000,000	2021.01	2024.01	3.89%
21 GUOJUN C2	4,000,000	2021.12	2023.12	3.09%
22 GUOJUN C1	2,500,000	2022.01	2024.01	3.00%

## Section X Interim Condensed Consolidated Financial Statements

### 48 BONDS PAYABLE (continued)

(1) The details of the outstanding corporate bonds and subordinated bonds payable are as follows: (continued)

As at 30 June 2023 (continued)

Name	Par value RMB'000	Issue date	Maturity date	Coupon rate
<b>Non-current</b>				
Corporate bonds				
21 GUOJUN G2	2,000,000	2021.04	2026.04	3.75%
21 GUOJUN G4	5,000,000	2021.05	2026.05	3.67%
21 GUOJUN G7	1,900,000	2021.07	2024.07	3.13%
21 GUOJUN G8	6,100,000	2021.07	2026.07	3.48%
21 GUOJUN G9	2,800,000	2021.08	2024.08	3.01%
21 GUOJUN 10	4,200,000	2021.08	2026.08	3.35%
21 GUOJUN 11	3,000,000	2021.08	2031.08	3.77%
21 GUOJUN 12	4,400,000	2021.09	2024.10	3.09%
21 GUOJUN 13	3,400,000	2021.09	2031.09	3.80%
21 GUOJUN 14	3,300,000	2021.10	2024.11	3.29%
21 GUOJUN 15	3,400,000	2021.10	2031.10	3.99%
22 GUOJUN G1	2,000,000	2022.03	2025.03	3.04%
22 GUOJUN G2	1,400,000	2022.03	2032.03	3.74%
22 GUOJUN G3	2,800,000	2022.04	2025.04	2.96%
22 GUOJUN G4	2,500,000	2022.04	2032.04	3.70%
22 GUOJUN G5	3,100,000	2022.05	2025.05	2.78%
22 GUOJUN G6	2,400,000	2022.05	2032.05	3.58%
22 GUOJUN G7	2,500,000	2022.07	2025.07	2.92%
22 GUOJUN G8	2,500,000	2022.07	2027.07	3.27%
22 GUOJUN G9	2,000,000	2022.09	2025.09	2.52%
22 GUOJUN 10	3,000,000	2022.09	2027.09	2.90%
23 GUOJUN G1	3,000,000	2023.01	2025.02	2.90%
23 GUOJUN G2	3,000,000	2023.01	2026.01	3.07%
23 GUOJUN G3	1,500,000	2023.02	2025.02	2.92%
23 GUOJUN G4	4,500,000	2023.02	2026.02	3.16%
23 GUOJUN G5	1,600,000	2023.05	2025.05	2.79%
23 GUOJUN G6	3,400,000	2023.05	2026.04	2.92%
Subordinated bonds				
21 GUOJUN C3	2,000,000	2021.12	2024.12	3.20%
22 GUOJUN C2	3,500,000	2022.01	2025.01	3.17%

## Section X Interim Condensed Consolidated Financial Statements

### 48 BONDS PAYABLE (continued)

(1) The details of the outstanding corporate bonds and subordinated bonds payable are as follows: (continued)

As at 31 December 2022

Name	Par value RMB'000	Issue date	Maturity date	Coupon rate
<b>Current</b>				
Corporate bonds				
18 GUOJUN G4	300,000	2018.07	2023.07	4.64%
20 GUOJUN G1	4,000,000	2020.01	2023.01	3.37%
20 GUOJUN G2	4,000,000	2020.03	2023.03	3.05%
20 GUOJUN G4	5,000,000	2020.07	2023.07	3.55%
20 GUOJUN G5	4,000,000	2020.09	2023.09	3.75%
20 GUOJUN G7	2,000,000	2020.11	2023.11	3.90%
20 GUOJUN G9	2,900,000	2020.12	2023.12	3.77%
GUOJUN Convertible bonds	7,000,000	2017.07	2023.07	2.00%
Subordinated bond				
21 GUOJUN C2	4,000,000	2021.12	2023.12	3.09%

## Section X Interim Condensed Consolidated Financial Statements

### 48 BONDS PAYABLE (continued)

(1) The details of the outstanding corporate bonds and subordinated bonds payable are as follows: (continued)

As at 31 December 2022 (continued)

Name	Par value RMB'000	Issue date	Maturity date	Coupon rate
<b>Non-current</b>				
Corporate bonds				
21 GUOJUN G1	4,000,000	2021.04	2024.04	3.46%
21 GUOJUN G2	2,000,000	2021.04	2026.04	3.75%
21 GUOJUN G3	3,000,000	2021.05	2024.05	3.31%
21 GUOJUN G4	5,000,000	2021.05	2026.05	3.67%
21 GUOJUN G5	2,900,000	2021.06	2024.06	3.40%
21 GUOJUN G7	1,900,000	2021.07	2024.07	3.13%
21 GUOJUN G8	6,100,000	2021.07	2026.07	3.48%
21 GUOJUN G9	2,800,000	2021.08	2024.08	3.01%
21 GUOJUN 10	4,200,000	2021.08	2026.08	3.35%
21 GUOJUN 11	3,000,000	2021.08	2031.08	3.77%
21 GUOJUN 12	4,400,000	2021.09	2024.10	3.09%
21 GUOJUN 13	3,400,000	2021.09	2031.09	3.80%
21 GUOJUN 14	3,300,000	2021.10	2024.11	3.29%
21 GUOJUN 15	3,400,000	2021.10	2031.10	3.99%
22 GUOJUN G1	2,000,000	2022.03	2025.03	3.04%
22 GUOJUN G2	1,400,000	2022.03	2032.03	3.74%
22 GUOJUN G3	2,800,000	2022.04	2025.04	2.96%
22 GUOJUN G4	2,500,000	2022.04	2032.04	3.70%
22 GUOJUN G5	3,100,000	2022.05	2025.05	2.78%
22 GUOJUN G6	2,400,000	2022.05	2032.05	3.58%
22 GUOJUN G7	2,500,000	2022.07	2025.07	2.92%
22 GUOJUN G8	2,500,000	2022.07	2027.07	3.27%
22 GUOJUN G9	2,000,000	2022.09	2025.09	2.52%
22 GUOJUN 10	3,000,000	2022.09	2027.09	2.90%
Subordinated bond				
21 GUOJUN C1	3,000,000	2021.01	2024.01	3.89%
21 GUOJUN C3	2,000,000	2021.12	2024.12	3.20%
22 GUOJUN C1	2,500,000	2022.01	2024.01	3.00%
22 GUOJUN C2	3,500,000	2022.01	2025.01	3.17%

## Section X Interim Condensed Consolidated Financial Statements

### 49 CONTRACT LIABILITIES

	As at <b>30 June</b> <b>2023</b> <i>(Unaudited)</i> <b>RMB'000</b>	As at 31 December 2022 <i>(Audited)</i> <b>RMB'000</b>
<b>Current</b>		
Advance fee and commission	<b>66,455</b>	80,645
Advance consideration from commodity trading	<b>17,850</b>	15,956
Total	<b>84,305</b>	96,601

Contract liabilities represent the advance payment of the sponsorship business, the asset management business and the commodity trading. The Group received these advance payments when the contracts are signed, and will recognize the expected revenue in future when or as the work is completed or, in the case of commodity trading, when the customer takes possession of and accepts the commodity.

### 50 LEASE LIABILITIES

	As at <b>30 June</b> <b>2023</b> <i>(Unaudited)</i> <b>RMB'000</b>	As at 31 December 2022 <i>(Audited)</i> <b>RMB'000</b>
With 1 year	<b>592,263</b>	571,474
After 1 year but within 5 years	<b>1,156,919</b>	1,261,951
After 5 years	<b>42,433</b>	51,750
	<b>1,199,352</b>	1,313,701
Total	<b>1,791,615</b>	1,885,175

## Section X Interim Condensed Consolidated Financial Statements

### 51 OTHER CURRENT LIABILITIES

	As at <b>30 June</b> <b>2023</b> <i>(Unaudited)</i> <b>RMB'000</b>	As at 31 December 2022 <i>(Audited)</i> <b>RMB'000</b>
Accounts payable arising from derivative transactions	58,283,222	53,680,483
Accounts payable to brokers	10,359,600	3,960,123
Settlement payables to clearing house and customers	3,716,733	1,702,333
Borrowings arising from futures pledge business	2,104,856	1,300,173
Dividends payable	1,062,496	229,774
Bank's acceptance bill payable	928,000	523,000
Dividend received on behalf of customers	713,824	221,338
Advance received from issuance of financial products	467,088	374,101
Accounts payable arising from equity incentives	361,484	393,371
Service fee and commission payable	357,060	332,778
Other tax payable	309,663	392,525
Proceeds from underwriting securities received on behalf of customers	247,788	34,992
Underwriting fee payable in relation to IPO	90,173	90,173
Interest payable	60,110	52,192
Payables for the securities investor protection fund	53,156	52,269
Gold borrowing expenses payable	18,851	19,899
Others	<u>1,433,658</u>	<u>1,426,595</u>
Total	<u><b>80,567,762</b></u>	<u><b>64,786,119</b></u>

### 52 OTHER NON-CURRENT LIABILITIES

	As at <b>30 June</b> <b>2023</b> <i>(Unaudited)</i> <b>RMB'000</b>	As at 31 December 2022 <i>(Audited)</i> <b>RMB'000</b>
Provisions	337,388	337,388
Risk reserve for the futures brokerage business	<u>176,357</u>	<u>170,006</u>
Total	<u><b>513,745</b></u>	<u><b>507,394</b></u>

## Section X Interim Condensed Consolidated Financial Statements

### 53 SHARE CAPITAL

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

	<b>As at 30 June 2023 (Unaudited) RMB'000</b>	As at 31 December 2022 (Audited) RMB'000
At the beginning of the period/year	<b>8,906,673</b>	8,908,450
The conversion of convertible bonds into ordinary shares	<b>24</b>	1
Deregistration of treasury shares	<b>(2,157)</b>	(1,778)
At the end of the period/year	<b><u>8,904,540</u></b>	<u>8,906,673</u>

### 54 OTHER EQUITY INSTRUMENTS

	<b>As at 30 June 2023 (Unaudited) RMB'000</b>	As at 31 December 2022 (Audited) RMB'000
Perpetual subordinated bonds <sup>(1)</sup>	<b>19,918,679</b>	14,918,679
Equity component of convertible bonds <sup>(2)</sup>	<b>1,128,190</b>	1,128,257
Total	<b><u>21,046,869</u></b>	<u>16,046,936</u>



## Section X Interim Condensed Consolidated Financial Statements

### 54 OTHER EQUITY INSTRUMENTS (continued)

- (1) As approved by the CSRC, the Company issued four batches of perpetual subordinated bonds (collectively the “perpetual subordinated bonds”, including “19 Guojun Y1”, “20 Guojun Y1”, “22 Guojun Y1” and “23 Guojun Y1”) with an initial interest rate of 4.20%, 3.85%, 3.59% and 3.53% in September 2019, March 2020, July 2022 and June 2023. The actual proceeds from each of the perpetual subordinated bonds was equally RMB5 billion with a carrying amount of RMB100 per bond. The perpetual subordinated bonds have no fixed maturity dates and the Company has an option to redeem “19 Guojun Y1” and “20 Guojun Y1” at principal amounts plus any accrued interest on the fifth interest payment date or any interest payment date afterwards. The Company has an option to extend one cycle at the end of each repricing cycle, or redeem “22 Guojun Y1” and “23 Guojun Y1” in full.

The interest rate for perpetual subordinated bonds is fixed in the first 5 years and will be repriced every 5 years when the right of redemption and option of renewal are not exercised. The repriced interest rate is determined as the sum of the current base rate and the initial spread plus 300bp. The current base rate is defined as the average yield of 5 years treasury from the interbank fixed rate bond yield curve published on China Bond webpage 5 working days before the adjustment.

The issuer has the 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 the interest payment to the next payment date for the current period as well as all interest and accreted interest already deferred, without being subject to any limitation with respect to the number of deferrals. Of which, mandatory interest payment events are limited to dividend distributions to ordinary equity holders and reductions of registered capital.

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

As at 30 June 2023 and 31 December 2022, the Company recognized dividends payable to holders of the perpetual subordinated bonds amounting to approximately RMB759 million and RMB403 million (Note 17), respectively.

- (2) In July 2017, as approved by the CSRC, the Company issued 6-year A-share convertible bonds with par value of RMB7 billion. The convertible bonds bear a fixed annual interest rate of 0.20% for the first year, 0.50% for the second year, 1.00% for the third year, 1.50% for the fourth year, 1.80% for the fifth year and 2.00% for the sixth year. The initial conversion price is RMB20.20 per share. The convertible bonds holders may exercise their rights to convert the convertible bonds into the Company’s A shares at the stipulated conversion price during the period (“Conversion Period”) beginning six months after the date of issuance until the maturity date. Within 5 trading days after maturity, the Company shall redeem the outstanding convertible bonds at 105% of the par value, inclusive of interest for the sixth year.

During the Conversion Period, if the closing price of the Company’s A Shares is not less than or equal to 130% of the prevailing conversion price for at least 15 trading days out of any 30 consecutive trading days, or if the total outstanding amount is less than RMB30 million, the Company has the right to redeem all or part of the outstanding convertible bonds at par value plus accrued interest.

## Section X Interim Condensed Consolidated Financial Statements

### 54 OTHER EQUITY INSTRUMENTS *(continued)*

The convertible corporate bonds issued have been split into the liability and equity components. After considering direct transaction costs, the Company recognized the equity part of the convertible corporate bonds as other equity instruments amounting to RMB1,129,841 thousand.

For the six months ended 30 June 2023, the amount of convertible bonds of the Company that have not been converted into shares is RMB6,989,741 thousand, accounting for 99.85% of the total amount of convertible bonds issued.

The maturity date and payment registration date of the convertible bonds is 6 July 2023. Up to the maturity date, a total of RMB11,485 thousand convertible bonds have been converted into A-share ordinary shares of the Company, and the cumulative number of shares converted is 611,763, accounting for 0.01% of the total number of issued ordinary shares of the Company prior to the conversion of the convertible bonds; and the balance of convertible bonds of the Company that have not been converted into shares is RMB6,988,515 thousand, accounting for 99.84% of the total amount of issued shares of convertible bonds issued.

### 55 RESERVES AND RETAINED PROFITS

#### (a) Capital reserve

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

#### (b) Investment revaluation reserve

Investment revaluation reserve mainly represents the fair value changes of debt instruments at fair value through other comprehensive income and equity instruments at fair value through other comprehensive income.

#### (c) Translation reserve

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group at the rate of exchange prevailing at the end of the reporting period, and the income and expenses are translated at the average exchange rates or at the approximate exchange rates for the period. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in the translation reserve.

## Section X Interim Condensed Consolidated Financial Statements

### 55 RESERVES AND RETAINED PROFITS *(continued)*

#### (d) Surplus reserve

The surplus reserve includes the statutory surplus reserve and discretionary surplus reserve.

Pursuant to the “Company Law of the People’s Republic of China”, the articles of association of the Company and the decision of the Board, the Company is required to set aside 10% of its net profit (after offsetting the accumulated losses incurred in previous years) to the statutory surplus reserve until the balance reaches 50% of the respective registered capital. Subject to the approval of the shareholders, the statutory surplus reserve may be used to offset accumulated losses, and may also be converted into capital of the Company, provided that the balance of the statutory surplus reserve after such capitalization is not less than 25% of the registered capital immediately before capitalization.

#### (e) General reserve

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

In accordance with the requirements of the CSRC Circular regarding the Annual Reporting of Securities Companies in 2007 (Zhengjian Jigou Zi [2007] No. 320) issued on 18 December 2007, the Company appropriates 10% of its annual net profit to the general risk reserve. The Company’s PRC subsidiaries are also subject to the statutory requirements to appropriate their earnings to general reserves.

In accordance with the requirements of the CSRC Circular regarding the Annual Reporting of Securities Companies in 2007 (Zhengjian Jigou Zi [2007] No. 320) issued on 18 December 2007 and in compliance with the Securities Law, for the purpose of covering securities trading losses, the Company appropriated 10% of its annual net profit to the transaction risk reserve since 2007.

In accordance with the requirements of Provisional Measures on Supervision and Administration of Risk Provision of Public Offering of Securities Investment Funds (Order of the CSRC No. 94) issued on 24 September 2013, the Group appropriates 10% of fund management fee to the general risk reserve.

## Section X Interim Condensed Consolidated Financial Statements

### 55 RESERVES AND RETAINED PROFITS *(continued)*

#### (f) Retained profits

The movements in retained profits are set out below:

	<b>As at 30 June 2023 (Unaudited) RMB'000</b>	As at 31 December 2022 (Restated) RMB'000
At the end of last year (as previously reported)	<b>56,683,126</b>	54,132,214
Changes in accounting policies	-	14,189
At the beginning of the period/year (as restated)	<b>56,683,126</b>	54,146,403
Profit for the period/year	<b>5,741,577</b>	11,508,784
Appropriation to general reserve	<b>(127,365)</b>	(2,059,238)
Dividends	<b>(4,719,401)</b>	(6,056,537)
Distribution to other equity instrument holders	<b>(758,500)</b>	(402,500)
Others	<b>(2,370)</b>	(453,786)
At the end of the period/year	<b><u>56,817,067</u></b>	<u>56,683,126</u>

## Section X Interim Condensed Consolidated Financial Statements

### 56 CASH AND CASH EQUIVALENTS

	<b>Six months ended 30 June</b>	
	<b>2023</b>	2022
	<b>(Unaudited)</b>	<i>(Unaudited)</i>
	<b>RMB'000</b>	<i>RMB'000</i>
Cash on hand	<b>463</b>	379
Bank balances	<b>41,670,181</b>	29,472,685
Clearing settlement funds	<b>7,656,757</b>	6,071,400
Financial assets held under resale agreements with original maturity of less than three months	<b>46,983,008</b>	37,608,350
Financial assets at fair value through profit or loss with original maturity of less than three months	-	309,036
Less: bank deposits with original maturity of more than three months, risk reserve deposits, restricted bank balances and clearing settlement funds	<b>(3,327,485)</b>	<u>(1,416,922)</u>
Total	<b><u>92,982,924</u></b>	<u>72,044,928</u>

### 57 TRANSFERRED FINANCIAL ASSETS

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

#### (a) Repurchase agreements

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

## Section X Interim Condensed Consolidated Financial Statements

### 57 TRANSFERRED FINANCIAL ASSETS (continued)

#### (b) Securities lending

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

#### (c) Margin financing borrowing

Transferred financial assets that do not qualify for derecognition include securities transferred to CSFC. When CSFC exercises the rights attached to the securities, it shall follow the instructions of the Group. The Group has determined that it retains substantially all the risks and rewards of these securities and therefore has not derecognized the securities transferred.

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

	<b>Repurchase agreements RMB'000</b>	<b>Securities lending RMB'000</b>	<b>Margin financing borrowing RMB'000</b>
<b>30 June 2023</b>			
Carrying amount of transferred assets	<u>5,380,602</u>	<u>3,206,535</u>	<u>1,066,418</u>
Carrying amount of related liabilities	<u>5,046,907</u>	<u>N/A</u>	<u>N/A</u>
	Repurchase	Securities	Margin
	agreements	lending	financing
<b>31 December 2022</b>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Carrying amount of transferred assets	<u>5,841,913</u>	<u>3,550,974</u>	<u>2,595,945</u>
Carrying amount of related liabilities	<u>5,474,333</u>	<u>N/A</u>	<u>N/A</u>

## Section X Interim Condensed Consolidated Financial Statements

### 58 COMMITMENTS

#### (a) Capital commitments

As at 30 June 2023, there is no significant capital commitment.

### 59 CONTINGENCIES

As at 30 June 2023 and 31 December 2022, the contingent liabilities due to pending litigations amounted to RMB219,398 thousand and RMB337,227 thousand, respectively.

### 60 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

#### (a) Relationship of related parties

##### (1) Major shareholders

Name of the shareholder	Place of registration and operations	Principal activities	Registered share capital	Percentage of equity interest	Voting rights	Controlling Shareholders
Shanghai State-owned Assets Operation Co., Ltd. (Shanghai SA)	Shanghai	Practical investment, capital operation, asset acquisition, etc	RMB5.5 billion	21.34%	21.34%	Controlling shareholder
Shanghai International Group Co., Ltd. (SIG)	Shanghai	Investment, capital operation and asset management in the financial sector and supplemented with non-financial sectors	RMB30 billion	7.66%	7.66%	Ultimate controller

##### (2) Associates and joint ventures of the Group

The detailed information of the Group's associates and joint ventures is set out in Note 25.

## Section X Interim Condensed Consolidated Financial Statements

### 60 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (continued)

#### (a) Relationship of related parties (continued)

##### (3) Other related parties of the Group

Name of the related parties	Relationship of the related parties
Shanghai Rural Commercial Bank	The senior management of SIG acts as a director of the entity
Shanghai Pudong Development Bank Co., Ltd.	The director of the Company acts as a director of the entity
Great Wall Securities Co., Ltd.	The supervisor of the Company acts as the vice chairman of the entity
Shanghai International Group Asset Management Co., Ltd.	SIG controls the entity
Guoxin Investment Development Co., Ltd.	Shanghai SA controls the entity
China Three Gorges Co., Ltd.	The retired director of the Company acts as the external director of the entity
New China Capital Management Co., Ltd.	The director of the Company acts as the director and CEO of the entity
Shanghai Guosheng Capital Management Co., Ltd.	The director of the Company acts as a director of the entity
China Foreign Economy and Trade Trust Co., Ltd.	The trustee of a trust in favor of Shanghai SA
Guotai Junan Financial Holding Investment (Shanghai) Co., Ltd.	Shanghai SA holds more than 30% of the entity's parent company
Guotai Junan Shenyi (Shenzhen) Fund Management Co., Ltd.	Shanghai SA holds more than 30% of the entity's parent company
China Securities Credit Investment Co., Ltd.	The senior management of the Company acts as a director of the entity
Shanghai Guoxin Venture Investment Co., Ltd.	Shanghai SA controls the entity
Shanghai Zhenghai Guoxin Investment Center (L.P.)	Shanghai SA controls the entity
Anhui Huamao Industry Investment Co., Ltd.	The supervisor of the Company acted as a director of the entity
Beijing Futaihua Investment Management Co., Ltd.	Shanghai SA holds more than 30% of the entity's parent company
Shenzhen Investment Holdings Co., Ltd.	Entity that holds more than 5% equity interest of the Company
Shanghai AJ Trust Investment Co., Ltd.	The trustee of a trust in favor of Shanghai SA
Guotai Junan Investment Management Co., Ltd.	Shanghai SA holds more than 30% of the shares of the entity
New China Asset Management (Hong Kong) Limited	The director of the Company acts as the director and CEO of the entity



## Section X Interim Condensed Consolidated Financial Statements

### 60 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

#### (b) Transactions between the Group and other related parties

(1) Fee and commission income from related parties

<b>Related parties</b>	<b>Six months ended 30 June</b>	
	<b>2023</b>	2022
	<b>(Unaudited)</b>	<i>(Unaudited)</i>
	<b>RMB'000</b>	<i>RMB'000</i>
Associates and joint ventures	<b>51,239</b>	94,500
Other major related parties	<b>8,141</b>	12,220
Major shareholders and their subsidiaries	<b>762</b>	2,260

(2) Fee and commission expense to related parties

<b>Related parties</b>	<b>Six months ended 30 June</b>	
	<b>2023</b>	2022
	<b>(Unaudited)</b>	<i>(Unaudited)</i>
	<b>RMB'000</b>	<i>RMB'000</i>
Other major related parties	-	1

(3) Interest received from related parties

<b>Related parties</b>	<b>Six months ended 30 June</b>	
	<b>2023</b>	2022
	<b>(Unaudited)</b>	<i>(Unaudited)</i>
	<b>RMB'000</b>	<i>RMB'000</i>
Other major related parties	<b>104,788</b>	85,561
Associates and joint ventures	<b>388</b>	112

## Section X Interim Condensed Consolidated Financial Statements

### 60 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

#### (b) Transactions between the Group and other related parties *(continued)*

(4) Interest paid to related parties

Related parties	Six months ended 30 June	
	2023	2022
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>RMB'000</i>	<i>RMB'000</i>
Other major related parties	67,073	24,493
Associates and joint ventures	585	16,733
Major shareholders and their subsidiaries	23	25

(5) Operating expenses and costs paid to related parties

Related parties	Six months ended 30 June	
	2023	2022
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>RMB'000</i>	<i>RMB'000</i>
Other major related parties	24,805	1,732
Associates and joint ventures	-	10

(6) Lease fees paid as lessee

Related parties	Six months ended 30 June	
	2023	2022
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>RMB'000</i>	<i>RMB'000</i>
Associates and joint ventures	-	3,012

## Section X Interim Condensed Consolidated Financial Statements

### 60 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

#### (b) Transactions between the Group and other related parties *(continued)*

- (7) Bonds issued by the Company subscribed by related parties

<b>Related parties</b>	<b>Six months ended 30 June</b>	
	<b>2023</b>	2022
	<b>(Unaudited)</b>	<i>(Unaudited)</i>
	<b>RMB'000</b>	<i>RMB'000</i>
Other major related parties	-	660,000

#### (c) Balances of related party transactions between the Group and its related parties

- (1) Deposits with related parties

<b>Related parties</b>	<b>As at</b>	As at
	<b>30 June</b>	31 December
	<b>2023</b>	2022
	<b>(Unaudited)</b>	<i>(Audited)</i>
	<b>RMB'000</b>	<i>RMB'000</i>
Other major related parties	<b>6,624,521</b>	8,360,033

- (2) Accounts receivable

<b>Related parties</b>	<b>As at</b>	As at
	<b>30 June</b>	31 December
	<b>2023</b>	2022
	<b>(Unaudited)</b>	<i>(Audited)</i>
	<b>RMB'000</b>	<i>RMB'000</i>
Associates and joint ventures	<b>40,896</b>	165
Other major related parties	<b>10,249</b>	8,644

## Section X Interim Condensed Consolidated Financial Statements

### 60 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

#### (c) Balances of related party transactions between the Group and its related parties *(continued)*

(3) Financial assets held under resale agreements

	As at <b>30 June</b> <b>2023</b> <i>(Unaudited)</i> <b>RMB'000</b>	As at 31 December 2022 <i>(Audited)</i> <b>RMB'000</b>
<b>Related parties</b>		
Other major related parties	<b>1,627,652</b>	120,030

(4) Accounts payable

	As at <b>30 June</b> <b>2023</b> <i>(Unaudited)</i> <b>RMB'000</b>	As at 31 December 2022 <i>(Audited)</i> <b>RMB'000</b>
<b>Related parties</b>		
Other major related parties	<b>28,054</b>	16,723
Associates and joint ventures of the Group	-	-

(5) Financial assets sold under repurchase agreements

	As at <b>30 June</b> <b>2023</b> <i>(Unaudited)</i> <b>RMB'000</b>	As at 31 December 2022 <i>(Audited)</i> <b>RMB'000</b>
<b>Related parties</b>		
Other major related parties	<b>504,760</b>	-

## Section X Interim Condensed Consolidated Financial Statements

### 60 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

#### (c) Balances of related party transactions between the Group and its related parties *(continued)*

(6) Bonds held by the Company

<b>Related parties</b>	<b>As at 30 June 2023 (Unaudited) RMB'000</b>	<b>As at 31 December 2022 (Audited) RMB'000</b>
Other major related parties	5,603,218	4,584,964
Associates and joint ventures	220,873	221,681
Major shareholders and their subsidiaries	-	155,552

(7) Loans and borrowings with related parties

<b>Related parties</b>	<b>As at 30 June 2023 (Unaudited) RMB'000</b>	<b>As at 31 December 2022 (Audited) RMB'000</b>
Other major related parties	3,602,955	703,320

(8) Guarantees for related parties

<b>Name of related parties</b>	<b>As at 30 June 2023 (Unaudited) RMB'000</b>	<b>Starting date</b>	<b>Expiry date</b>
Guotai Junan Holdings Limited	3,873,029	2021.04	2026.04
Guotai Junan Holdings Limited	2,244,333	2021.11	2024.11
Guotai Junan Holdings Limited	2,164,879	2023.03	2026.03

## Section X Interim Condensed Consolidated Financial Statements

### 60 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

#### (d) Remuneration of senior (key) management personnel

Remuneration of senior (key) management personnel of the Group is as follows:

	Six months ended 30 June	
	2023 <i>(Unaudited)</i> RMB'000	2022 <i>(Unaudited)</i> RMB'000
Salaries, allowances and benefits	4,163	4,250
Discretionary bonuses	10,449	14,430
Pension scheme contributions and other social welfare	608	583
Restricted share incentive scheme	3,844	7,017
Total	<u>19,064</u>	<u>26,280</u>

### 61 FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or a liability could be settled, between knowledgeable and willing parties in an arm's length transaction. Methods and assumptions below are used to estimate the fair value.

The Group uses the following hierarchy for determining and disclosing the fair values of financial instruments.

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

## Section X Interim Condensed Consolidated Financial Statements

### 61 FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

**(a) Fair values of the financial assets and financial liabilities that are measured at fair value on a recurring basis:**

Unaudited 30 June 2023	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets at fair value				
through profit or loss				
At fair value through profit or loss				
– Debt securities	808,667	145,838,055	1,365,767	148,012,489
– Funds	42,095,227	64,595,169	5,949,390	112,639,786
– Equity securities	50,097,540	8,324,799	3,240,608	61,662,947
– Other investments	2,707,210	32,359,822	6,203,017	41,270,049
Debt instruments at fair value				
through other comprehensive income				
– Debt securities	75,897	65,951,886	-	66,027,783
Equity instrument at fair value				
through other comprehensive income				
– Equity securities	2,111,190	1,416	228,752	2,341,358
Derivative financial assets	662,768	6,905,246	-	7,568,014
<b>Total</b>	<b><u>98,558,499</u></b>	<b><u>323,976,393</u></b>	<b><u>16,987,534</u></b>	<b><u>439,522,426</u></b>
Financial liabilities at fair value				
through profit or loss				
At fair value through profit or loss				
– Equity securities	(382,201)	-	-	(382,201)
– Debt securities	-	(5,422,625)	-	(5,422,625)
– Gold	-	(442,471)	-	(442,471)
Designated as at fair value through profit				
or loss				
– Debt securities	-	(57,043,601)	(7,378,839)	(64,422,440)
– Others	(666,293)	(716,025)	(535,370)	(1,917,688)
Derivative financial liabilities	(328,689)	(8,668,232)	-	(8,996,921)
<b>Total</b>	<b><u>(1,377,183)</u></b>	<b><u>(72,292,954)</u></b>	<b><u>(7,914,209)</u></b>	<b><u>(81,584,346)</u></b>

## Section X Interim Condensed Consolidated Financial Statements

### 61 FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

#### (a) Fair values of the financial assets and financial liabilities that are measured at fair value on a recurring basis: (continued)

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Audited				
31 December 2022				
Financial assets at fair value through profit or loss				
At fair value through profit or loss				
– Debt securities	914,061	146,496,581	1,147,782	148,558,424
– Funds	33,710,515	57,676,142	5,593,489	96,980,146
– Equity securities	37,659,457	10,310,967	3,320,652	51,291,076
– Other investments	1,144,555	27,690,021	5,737,022	34,571,598
Debt instruments at fair value through other comprehensive income				
– Debt securities	279,271	60,910,044	–	61,189,315
Equity Instruments at fair value through other comprehensive income				
– Equity securities	2,081,878	3,097	246,313	2,331,288
Derivative financial assets	699,956	7,532,867	–	8,232,823
Total	<u>76,489,693</u>	<u>310,619,719</u>	<u>16,045,258</u>	<u>403,154,670</u>
Financial liabilities at fair value through profit or loss				
At fair value through profit or loss				
– Equity securities	(543,882)	–	–	(543,882)
– Debt securities	–	(9,503,187)	–	(9,503,187)
– Others	–	(640,856)	–	(640,856)
Designated as at fair value through profit or loss				
– Debt securities	–	(55,870,959)	(6,833,775)	(62,704,734)
– Others	(420,047)	(728,148)	(508,013)	(1,656,208)
Derivative financial liabilities	(216,732)	(9,573,927)	–	(9,790,659)
Total	<u>(1,180,661)</u>	<u>(76,317,077)</u>	<u>(7,341,788)</u>	<u>(84,839,526)</u>

During the period/year mentioned above, there were no significant transfers of fair value measurements between Level 1 and Level 2.



## Section X Interim Condensed Consolidated Financial Statements

### 61 FAIR VALUES OF FINANCIAL INSTRUMENTS *(continued)*

#### (b) Valuation process and methods for specific investments

As at the end of the reporting period, the Group's valuation methods and assumptions are as follows:

##### Level 1

Fair value of financial investment is based on quoted prices (unadjusted) reflected in active markets for identical assets or liabilities.

##### Level 2

Fair value of financial investment is based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly.

During the period, the Group held no changes on the valuation techniques for level 2.

##### Level 3

Fair value of financial investment is based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. For certain unlisted equity securities and debt securities, the Group adopts the valuation techniques and quotation from counterparties' quotations or valuation techniques to determine the fair value. Valuation techniques include a discounted cash flow analysis, the market approach, etc. The fair value measurement of these financial instruments may involve unobservable inputs such as risk adjusted discount rate, liquidity discount, etc. Fair value change resulting from changes in the unobservable inputs was not significant. The Management periodically reviews all significant unobservable inputs and valuation adjustments used to measure the fair values of financial instruments in Level 3.

## Section X Interim Condensed Consolidated Financial Statements

### 61 FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

#### (c) Movements in Level 3 financial instruments measured at fair value:

	Six months ended 30 June 2023		
	Financial assets at fair value through profit or loss <i>RMB'000</i>	Equity instruments at fair value through other comprehensive income <i>RMB'000</i>	Financial liabilities at fair value through profit or loss <i>RMB'000</i>
<b>Unaudited</b>			
As at 1 January 2023	15,798,945	246,313	(7,341,788)
(Losses)/gains for the period	753,317	-	(118,284)
Changes in fair value recognized in other comprehensive income	227,841	(23,224)	(228,180)
Additions	369,208	7,407	(70,575)
Transfers in	155,811	-	(217,751)
Transfers out	(436,014)	-	-
Decrease	(110,326)	(1,744)	62,369
As at 30 June 2023	<u>16,758,782</u>	<u>228,752</u>	<u>(7,914,209)</u>

	Year ended 31 December 2022		
	Financial assets at fair value through profit or loss <i>RMB'000</i>	Equity instruments at fair value through other comprehensive income <i>RMB'000</i>	Financial liabilities at fair value through profit or loss <i>RMB'000</i>
<b>Audited</b>			
As at 1 January 2022	13,260,475	307,721	(5,818,073)
Gains/(losses) for the year	685,304	-	(1,094,235)
Changes in fair value recognized in other comprehensive income	-	(73,469)	-
Additions	1,404,751	25,000	(1,293,064)
Transfers in	1,153,978	67	-
Transfers out	(10,906)	-	-
Decrease	(694,657)	(13,006)	863,584
As at 31 December 2022	<u>15,798,945</u>	<u>246,313</u>	<u>(7,341,788)</u>

## Section X Interim Condensed Consolidated Financial Statements

### 61 FAIR VALUES OF FINANCIAL INSTRUMENTS *(continued)*

#### (d) Important unobservable input value in fair value measurement of Level 3

For financial instruments in Level 3, prices are determined using valuation techniques such as discounted cash flow models and other similar techniques. Categorization of fair value measured within Level 3 of the valuation hierarchy is generally based on the significance of the unobservable inputs to the overall fair value measurement. The following table presents the valuation techniques and inputs of major financial instruments in Level 3.

Financial assets/liabilities	Fair value <i>RMB'000</i>	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable input(s) to fair value
Stocks/unlisted equity investments	2,863,854	Market approach	Discount for lack of marketability	The higher the discount, the lower the fair value
Stocks/unlisted equity investments	436,744	Recent transaction price	N/A	N/A
Stocks/unlisted equity investments	87,623	Discounted cash flow model	Risk adjusted discount rate	The higher the risk adjusted discounted rate, the lower the fair value
Stocks/unlisted equity investments	81,139	Net Asset Value	N/A	N/A
Debt investments	176,199	Market approach	Pricing multiples	The higher the pricing multiples, the higher the fair value
Debt investments	1,189,568	Income approach	Collateral Value	N/A
Unlisted funds	5,062,833	Net Asset Value	N/A	N/A
Unlisted funds	551,227	Market approach	Discount for lack of marketability	The higher the discount, the lower the fair value
Unlisted funds	335,330	Recent transaction price	N/A	N/A
Other investments	6,203,017	Net Asset Value	N/A	N/A
Financial liabilities	(499,750)	Market approach	Discount for lack of marketability	The higher the discount, the lower the fair value
Financial liabilities	(7,414,459)	Net Asset Value	N/A	N/A

The fair value of the financial instruments in level 3 is not significantly sensitive to a reasonable change in these unobservable inputs.

## Section X Interim Condensed Consolidated Financial Statements

### 61 FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

#### (e) Financial assets and liabilities not measured at fair value

As at 30 June 2023 and 31 December 2022, the carrying amounts of the Group's financial instruments carried at cost or amortized cost approximated to their fair values, except for debt investments at amortised cost and bonds payable, whose carrying amounts and fair values are summarized below:

	As at 30 June 2023				
	Carrying amounts <i>RMB'000</i>	Fair values <i>RMB'000</i>	Level 1 <i>RMB'000</i>	Level 2 <i>RMB'000</i>	Level 3 <i>RMB'000</i>
Debt investments at amortised cost	3,418,576	3,522,372	-	3,522,372	-
Bonds payable	139,653,037	141,322,319	48,824,939	92,497,380	-
	As at 31 December 2022				
	Carrying amounts <i>RMB'000</i>	Fair values <i>RMB'000</i>	Level 1 <i>RMB'000</i>	Level 2 <i>RMB'000</i>	Level 3 <i>RMB'000</i>
Debt investments at amortised cost	3,156,149	3,230,273	-	3,230,273	-
Bonds payable	127,883,594	129,829,813	73,999,473	55,830,340	-

## Section X Interim Condensed Consolidated Financial Statements

### 62 SHARE-BASED PAYMENTS

#### (a) Share-based payments of the Company

The Company carried out a Restricted Share Incentive Scheme of A Shares whereby the Company grant restricted A shares to the Incentive Participants in return for their services. Details of the scheme as at 30 June 2023 and 30 June 2022 are set out below:

Number of shares	Six months ended 30 June	
	2023	2022
	<i>(Unaudited)</i> <i>RMB'000</i>	<i>(Audited)</i> <i>RMB'000</i>
Outstanding at the beginning of the period	60,165	87,222
Granted during the period	-	-
Exercised during the period	-	-
Forfeited during the period	-	-
Expired during the period	-	-
	60,165	87,222
Outstanding at the end of the period	60,165	87,222
Exercisable at the end of the period	60,165	87,222

As at 30 June 2023, cumulative amount of RMB737,826 thousand was recognized within the capital reserve of the Company (31 December 2022: RMB663,643 thousand). The total expenses booked for the six months ended 30 June 2023 was RMB74,182 thousand (six months ended 30 June 2022: RMB140,790 thousand).

The fair value of services received in return for restricted share Incentive scheme is measured by reference to the fair value of shares. The estimate of the fair value of restricted shares granted is measured based on the closing price of shares at grant date.

## **Section X Interim Condensed Consolidated Financial Statements**

### **63 EVENTS AFTER THE REPORTING PERIOD**

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

#### **(a) Issuance of bonds**

On 14 August 2023, the Company has publicly issued 4th batch of corporate bonds for the year 2023 to qualified investors, with Category I of 731 days with a nominal amount of RMB3 billion, bearing interest at 2.53% per annum and Category II of 1,096 days with a nominal amount of RMB2 billion, bearing interest at 2.70% per annum.

### **64 APPROVAL OF THE FINANCIAL STATEMENTS**

The financial statements were approved and authorized for issue by the board of directors on 29 August 2023.

### **65 STANDARDS ISSUED BUT NOT YET EFFECTIVE**

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted. The Group has not early adopted any of the forthcoming new or amended standards in preparing these condensed consolidated interim financial statements.

## Section XI Information Disclosure of Securities Company

### I. RELEVANT INFORMATION ABOUT SIGNIFICANT ADMINISTRATIVE PERMISSIONS FOR THE COMPANY

Applicable  Not applicable

No.	Date of Approval (yyyy/mm/dd)	Headings of approval	No. of approval
1	2023/4/18	Reply on Approving the Registration of the Public Offering of Subordinated Corporate Bonds by Guotai Junan Securities Co., Ltd. to Professional Investors (關於同意國泰君安證券股份有限公司向專業投資者公開發行次級公司債券註冊的批覆)	Zheng Jian Xu Ke [2023] No. 835
2	2023/4/18	Reply on Approving the Registration of the Public Offering of Short-term Corporate Bonds by Guotai Junan Securities Co., Ltd. to Professional Investors (關於同意國泰君安證券股份有限公司向專業投資者公開發行短期公司債券註冊的批覆)	Zheng Jian Xu Ke [2023] No. 836

### II. RESULT OF CLASSIFICATION OF THE COMPANY BY REGULATORY AUTHORITY

Applicable  Not applicable