



# 2023 中信証券 年度報告

CITIC SECURITIES 2023  
Annual Report

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

Stock Code: 6030



## IMPORTANT NOTICE

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The Board and the Supervisory Committee and the Directors, Supervisors and Senior Management of the Company warrant the truthfulness, accuracy and completeness of the contents of this report and that there is no false representation, misleading statement contained herein or material omission from this report, for which they will assume joint and several liabilities.

This report was considered and approved at the Eighteenth Meeting of the Eighth Session of the Board of the Company. All Directors attended this meeting of the Board. No Director raised any objection to this report.

KPMG Huazhen LLP and KPMG issued the standard and unqualified auditor's reports for the Company's domestic and international financial statements for the year, respectively.

Mr. ZHANG Youjun, head of the Company, Mr. ZHANG Hao, the Chief Financial Officer and Ms. XI Zhiying, the head of the Company's accounting department, warrant that the financial statements set out in this report are true, accurate and complete.

The Company's profit distribution plan during the Reporting Period as resolved and approved by the Board is to distribute a cash dividend of RMB4.75 (tax inclusive) for every 10 Shares. This proposal is subject to the approval by the general meeting of the Company.

Forward looking statements, including future plans and development strategies, contained in this report do not constitute a substantive commitment to the investors by the Company. Investors should be aware of investment risks.

There was no appropriation of funds of the Company by the controlling shareholder and its related/connected parties for non-operating purposes.

The Company had made no guarantee to external parties in violation of the stipulated decision-making procedures.

There is no such a situation where the majority of the Directors cannot warrant the truthfulness, accuracy and completeness of the annual report disclosed by the Company.

The Company prepared this report in both English and Chinese versions. In the event of any discrepancies between the English version and the Chinese version of this report, the Chinese version shall prevail.

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# Chairman's Statement

## Dear Shareholders,

2023 was the first year to fully implement the spirit of the 20th National Congress of the Communist Party of China (CPC). Over the year, China has made solid strides in building itself into a modern socialist country in all respects. In 2023, steadily promoting its operation and management, CITIC Securities maintained stable operating results and an industry-leading position in various lines of business. During this year, the Company recorded an operating revenue of RMB60.068 billion and a net profit attributable to Shareholders of the Company of RMB19.721 billion, with total assets reaching RMB1.45 trillion. It is with the care and support of the Shareholders and the investors that we have accomplished these results. On behalf of CITIC Securities, I hereby extend our deep appreciation to all Shareholders.

2023 also marked the 20th anniversary of the A-share listing of CITIC Securities. On our first successful Investor Engagement Campaign, we shared the experience drawn from our development since the Company went public 20 years ago and talked to the Shareholders, investors, and customers vis-à-vis to better take advice from the investors and demonstrate our investment value. Over the past 20 years from the day it was floated, the Company has remained dedicated to following national strategies and serving the real economy. To give back to investors and deliver customer-oriented services, we have established a comprehensive licensed financial service system, consistently expanded our balance sheet, practically managed risk and compliance in all respects, built market-oriented management mechanisms, propelled tech-enabled digital transformation on all fronts, and actively fulfilled our social responsibility. Moreover, we have been providing stable returns to Shareholders and investors by paying dividends of RMB73.9 billion to Shareholders over the two decades.

Over the past year, by developing new quality productive forces we achieved more remarkable results in serving the real economy. As a champion of the innovation-driven development strategy, we have been helping build a modern industrial system. Our aggregate underwriting size of equities listed on the STAR Market, ChiNext and BSE and our underwriting size of innovation-driven technology company bonds both ranked first in the market with an underwriting size of equity and debt of RMB2.2 trillion in aggregate. We channeled more social capital into fields critical to China's scientific and technological self-reliance, such as new materials, new energy, and information technology by making investments of nearly RMB10 billion through our proprietary funds and private equity funds. A number of enterprises we invest in have overcome the bottlenecks in the key links of industrial chains.

Over the past year, we have been committed to delivering inclusive finance services to better meet the wealth management needs of investors. We have been providing all-round, high-quality and multi-level wealth management and asset management services, and building a multi-level buyer investment advisor configuration service system. We have achieved

the coverage of all asset segments and all types of customers from RMB10 thousand to more than RMB10 million, better satisfying the personalized and differentiated allocation needs of customers and improving investors' sense of contentment. We exerted continuous efforts to build the brand influence of our pension business, support the development of the three pillars of pension, and conduct financial investment management services oriented to elderly care undertakings. The total size of social insurance, basic pension, enterprise annuity, and occupational annuity under management amounted to more than RMB730 billion. We were rated A for fundamentals in the evaluation by the National Council for Social Security Fund of the People's Republic of China.

Over the past year, we offered green finance services and actively fulfilled our social responsibilities. We actively propelled and participated in the innovation of green financial products and services to provide abundant green financial solutions for enterprises, and guided the green and low-carbon transformation of industrial and energy structures through capital allocation. We underwrote a total of RMB71.6 billion for 150 green bonds (including carbon-neutral bonds) and served Yangtze Power in the completion of the material assets restructuring of RMB80.5 billion. We creatively carried out the carbon finance business, completed the first repurchase transaction for combined carbon assets, and created the first risk mitigation tool for carbon asset pledge loan in China. To promote public welfare and support rural revitalization, we donated and invested a total of RMB55.17 million throughout the year, and provided immediate assistance to the earthquake-stricken area in Jishishan, Gansu Province, fully leveraging the role of CITIC Securities as a public welfare fund platform. The Company's MSCI ESG rating has been upgraded for two consecutive years and has reached Grade A.

## Chairman's Statement

Over the past year, we focused on risk prevention to build a more robust global risk and compliance control system. Paying close attention to the correlation and systematicness among various financial risks, as well as the prevention and mitigation of cross-market, cross-industry, and cross-border risks, we proceeded with proper counter-cyclical management of financial risks in the new situation and effected whole-process management covering various risks in multiple dimensions. We optimized the internal management by means of information technology and digitalization, enhanced the capabilities of new risk prevention and compliance management, and continued to improve due diligence criteria and requirements for the audit process. We required the front office and middle office to take risk management seriously and strengthened the personnel management and internal training, so as to properly conduct daily risk monitoring, early warning, prevention and resolution. We spent more efforts on systematic capability building, and improved the risk disposal responsibility mechanism with consistent rights and responsibilities, compatible incentives and constraints.

The year 2024 marks the 75th anniversary of the founding of the People's Republic of China and also a critical period for fulfilling the goals and tasks set in the national 14th Five-year Plan. Following the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era throughout, CITIC Securities will bear in mind the country's most fundamental interests and strengthen the sense of serving the people. To speed up building the Company into a first-class investment bank and investment institution, we will continue to optimize our overall plan for global business, reinforce the construction of our global business system, enhance our capabilities of delivering cross-border, cross-business, and cross-market services, and boost the quality and efficiency of serving the real economy. Furthermore, while assisting in customers' long-term development, we will remain committed to serving investors' interests in a bid to continually create long-term stable value in return for the investment of Shareholders and investors and contribute as much as we can to the construction of a financial powerhouse.

**ZHANG Youjun**

*Chairman*

**CITIC Securities Company Limited**

26 March 2024

# Company Information

## Profile

Name in Chinese	中信証券股份有限公司
Abbreviation in Chinese	中信証券
Name in English	CITIC Securities Company Limited
Abbreviation in English	CITIC Securities Co., Ltd.
Legal Representative	ZHANG Youjun
President	YANG Minghui
Authorized Representatives	YANG Minghui, YANG Youyan

## Registered Capital and Net Capital of the Company

	<i>In RMB Yuan</i>
	As at the end of the Reporting Period
	As at the end of last year
Registered Capital	<b>14,820,546,829.00</b>
Net Capital	<b>139,615,490,534.95</b>

Note: As of the date of publication of the report, the total number of Shares of the Company was 14,820,546,829, of which 12,200,469,974 were A Shares and 2,620,076,855 were H Shares

The Business Scope of the Company includes: securities brokerage (for areas other than Shandong Province, Henan Province, Tiantai and Cangnan Counties of Zhejiang Province), securities investment consulting, financial advice in relation to securities trading and investment activities, securities underwriting and sponsoring, self-operated securities business, securities assets management (NSSF domestic entrusted investment management, securities investment management for basic pension insurance fund, investment management for enterprise annuity fund and investment management for occupational pension fund), securities margin trading, selling of securities investment funds, provision of intermediary introduction services to futures companies, distribution of financial products, stock options market making, market making for listed securities. (For projects subject to approval in accordance with laws, business activities may be carried out only after approval by relevant authorities, and specific business projects are subject to the approval documents and licenses from the relevant authorities)

In addition, the Company also has the following business qualifications:

1. Business qualifications approved or certified by the CSRC: entrusted investment management business, online securities entrustment business; entrusted wealth management; operation of overseas securities investment management business by qualified domestic institutional investors (QDII); direct investment; interbank market interest rate swap business; stock index futures trading in proprietary business and asset management business; pilot business of stock return swap; first class OTC option dealer; treasury bond futures trading in proprietary business and securities asset management business; pilot business of agency services for gold and other precious metal spot contracts and proprietary trading for spot gold contracts; custodian business for securities investment funds; credit risk mitigation instruments selling business; market making business of treasury bond futures; commodities derivatives transaction and the trading of financial products on overseas exchanges; carrying out pilot cross-border business; market making business for listed securities.

## Company Information

- Business qualifications approved by the stock exchange: market maker of stock exchange fixed income platform; warrants trading; agreed repurchase-type securities trading business; stock pledge-style repo business; margin refinancing and securities relending; Southbound Trading Connect business; bond pledge-style quoted repo business; financing business with respect to exercising rights under share incentive schemes of listed companies; stock options brokerage; proprietary trading for stock options; SSE and SZSE ETF options market makers; China Financial Futures Exchange stock index options market maker; commodity options market maker of Dalian Commodity Exchange, Zhengzhou Commodity Exchange, Shanghai Futures Exchange, Shanghai International Energy Exchange; and member of BSE.
- Business qualifications approved by SAC: quoted transfer business; OTC market business; OTC trading business; internet-based securities business pilot; cross-border income swap transaction business.
- Business qualifications approved by the People's Bank of China: lending transactions and bond transactions in the National Interbank Funding Centre; short-term commercial paper underwriting; market maker in interbank bond market; and primary dealer of open market.
- Other business qualifications: member of book-entry government bond underwriting syndicate; Class A clearing participant of CSDC; license for operating foreign exchange in securities business (foreign-currency negotiable securities brokerage, foreign-currency negotiable securities underwriting and entrusted foreign-exchange asset management); investment manager for enterprise annuity fund and occupational pension fund; member of underwriting syndicate of policy bank; manager of converted shares of the NSSF; NSSF domestic investment manager; entrusted management of insurance funds; securities investment management for national basic pension insurance fund; pilot refinancing business; sideline insurance agency business; business with special institutional clients of insurance institutions; recommending business and brokerage business through National Equities Exchange and Quotations; market-making business through National Equities Exchange and Quotations; consultancy services relating to the secrecy-involved business of the military industry; member of Shanghai Gold Exchange; product general clearing member of Shanghai Clearing House; foreign exchange settlement and sale business; member of Asset Management Association of China; member of interbank foreign exchange market; member of interbank foreign currency market; member of the Shanghai Commercial Paper Exchange Corporation Ltd.; and trustee of debt financing instruments for non-financial enterprises.

## Contact Person and Methods

### **Board Secretary, Securities Affairs Representative, Company Secretary**

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Name	Board Secretary: WANG Junfeng Securities Affairs Representative: WANG Lei Joint Company Secretaries: YANG Youyan, YU Hiu Kwan, Hilda
Contact Address	CITIC Securities Tower, No. 48 Liangmaqiao Road, Chaoyang District, Beijing  CITIC Securities Tower, No. 8 Zhong Xin San Road, Futian District, Shenzhen, Guangdong Province <small>(Note: This is a postal address and is in the same building as that of the registered address of the Company. The registered address of the Company corresponds to the name of the building registered with the Shenzhen Real Estate Ownership Registration Centre)</small>
Telephone	0086-10-60836030, 0086-755-23835383
Facsimile	0086-10-60836031, 0086-755-23835525
Email	ir@citics.com

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## Basic Information

Registered Address of the Company	North Tower, Excellence Times Plaza (II), No. 8 Zhong Xin San Road, Futian District, Shenzhen, Guangdong Province
Historical Change of Registered Address of the Company	On 6 April 2000, with the approval of CSRC and the former State Administration for Industry & Commerce of the People's Republic of China, the registered office of the Company was changed from Beijing to Shenzhen
Office Address of the Company	CITIC Securities Tower, No. 48 Liangmaqiao Road, Chaoyang District, Beijing CITIC Securities Tower, No. 8 Zhong Xin San Road, Futian District, Shenzhen, Guangdong Province
Postal Code of Office Address of the Company	100026, 518048
Business Address in Hong Kong	26/F, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong
Website of the Company	<a href="http://www.citics.com">http://www.citics.com</a>
Email	ir@citics.com
Telephone	0086-10-60838888, 0086-755-23835888
Facsimile	0086-10-60836029, 0086-755-23835861
Customer Service Hotline for Brokerage and Asset Management Business	95548, 4008895548
Investor Relations Hotline	0086-10-60836030, 0086-755-23835383
Unified Social Credibility Code	914403001017814402

# Company Information

## Information Disclosure and Availability Places

Media designated for information disclosure by the Company	China Securities Journal, Shanghai Securities News, Securities Times
The websites designated for publication of the Annual Reports of the Company	Website designated by the CSRC: <a href="http://www.sse.com.cn">http://www.sse.com.cn</a> (website of the SSE) Website designated by the Hong Kong Stock Exchange: <a href="http://www.hkexnews.hk">http://www.hkexnews.hk</a> (HKEXnews website of HKEX) Website of the Company: <a href="http://www.citics.com">http://www.citics.com</a>
Places where Annual Reports of the Company are available	10/F, CITIC Securities Tower, No. 48 Liangmaqiao Road, Chaoyang District, Beijing 16/F, CITIC Securities Tower, No. 8 Zhong Xin San Road, Futian District, Shenzhen, Guangdong Province 26/F, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong

## Brief Information of the Shares of the Company

Class of Shares	Stock Exchange of Listing	Stock	
		Short Name	Stock Code
A Share	SSE	CITIC Securities	600030
H Share	Hong Kong Stock Exchange	CITIC SEC	6030

## Other Information of the Company

### History of the Company

The Company was incorporated in Beijing in October 1995, under the name of CITIC Securities Limited, with registered capital of RMB300,000,000. The principal Shareholder of the Company was CITIC Group which directly held 95% of share capital of the Company.

In December 1999, CITIC Securities Limited was converted into a joint stock limited company known as CITIC Securities Company Limited. The registered capital was increased to RMB2,081,500,000 and the direct shareholding of CITIC Group was 37.85%.

In April 2000, with the approval of CSRC and the former State Administration for Industry & Commerce of the People's Republic of China, the Company was relocated to Shenzhen.

In December 2002, the Company conducted the initial public offering of 400,000,000 A Shares, and such Shares were listed on the SSE in January 2003 with proceeds of RMB1.8 billion. The total number of Shares of the Company was increased to 2,481,500,000 and the direct shareholding of CITIC Group was 31.75%.

In August 2005, the Company carried out and completed the non-tradable shares reform, and all such Shares were tradable shares, and the direct shareholding of CITIC Group was 29.89%.

In June 2006, the Company completed the A Shares private issuance and the proceeds amounted to RMB4.645 billion. The total number of Shares of the Company increased to 2,981,500,000 and the direct shareholding of CITIC Group was 24.88%.

In September 2007, the Company completed the A Shares public equity issuance and the proceeds amounted to RMB25 billion. The total number of Shares of the Company increased to 3,315,233,800 and the direct shareholding of CITIC Group was 23.43%.

In April 2008, the Company completed a capitalization issue of 10 bonus Shares for every 10 Shares. The total number of Shares of the Company increased to 6,630,467,600.

In June 2010, the Company completed a capitalization issue of 5 bonus Shares for every 10 Shares. The total number of issued Shares of the Company increased to 9,945,701,400.

In October 2011, the Company conducted the initial public offering of 1,071,207,000 H Shares, which were listed and traded on the Hong Kong Stock Exchange in October and November. The net proceeds amounted to approximately HK\$13.82 billion, making the Company the first Chinese securities company listed overseas. The total number of Shares of the Company increased to 11,016,908,400, of which 9,838,580,700 Shares were A Shares and 1,178,327,700 Shares were H Shares, and the direct shareholding of CITIC Group was 20.30%.

In February 2013, the largest Shareholder of the Company was changed to CITIC Corporation Limited and its direct shareholding in the Company was 20.30%.

In June 2015, the Company completed the H Share private placement and the proceed amounted to approximately HK\$27.06 billion. The total number of Shares of the Company increased to 12,116,908,400, of which 9,838,580,700 Shares were A Shares and 2,278,327,700 Shares were H Shares. The direct shareholding of CITIC Corporation Limited was 15.59%.

In February 2016, CITIC Corporation Limited increased its shareholding in the Company and the direct shareholding of CITIC Corporation Limited increased to 16.50%.

In March 2020, the Company completed the acquisition of Guangzhou Securities by A Shares private placement. The total number of Shares of the Company increased to 12,926,776,029, of which the number of A Shares increased to 10,648,448,329. The direct shareholding of CITIC Corporation Limited was 15.47%. New substantial shareholders, namely Yuexiu Financial Holdings (now renamed as “Guangzhou Yuexiu Capital Holdings Group Co., Ltd. (廣州越秀資本控股集團股份有限公司)”) and Financial Holdings Limited (now renamed as “Guangzhou Yuexiu Capital Holdings Co., Ltd. (廣州越秀資本控股集團有限公司)”), with an aggregate shareholding ratio of 6.26%, were added.

In March 2022, the Company completed A+H Share rights issuance and the proceed amounted to approximately RMB27.33 billion. The total number of Shares of the Company increased to 14,820,546,829 Shares, of which A Shares increased to 12,200,469,974 Shares and H Shares increased to 2,620,076,855 Shares. CITIC Limited and CITIC Corporation Limited held a total of 18.45% of the Company’s Shares, and Yuexiu Financial Holdings, Financial Holdings Limited and Yuexiu Financial International held a total of 7.47% of the Company’s Shares.

In August 2023, the largest shareholder of the Company had been changed to CITIC Financial Holdings. After CITIC Corporation Limited, the former largest shareholder, together with CITIC Limited, its party acting in concert, gratuitously transferred all shares held in the Company to CITIC Financial Holdings, CITIC Financial Holdings held 2,299,650,108 A Shares and 434,311,604 H Shares of the Company, amounting to a total of 2,733,961,712 Shares, representing 18.45% of the total issued shares of the Company.

## Company Information

After its listing on SSE, the Company has since been included in the SSE 180 Index, SSE 50 Index, CSI 300 Index, FTSE China A50 Index, Dow Jones China 88 Index, MSCI China A50 Index, Hang Seng (China A) Corporate Sustainability Benchmark Index, CSI 300 ESG Benchmark Index, SSE SH Equities Index, SSE Central State-owned Enterprises 50 Index, CSI State-owned Enterprises 200 Index, CSI Connect A Share Investment 50 Thematic Index (中證互聯互通A股投資50主題指數), CSI Green Value ESG 100 Index (中證綠色價值ESG100指數), CSI High Dividend Top Index, SSEF 200 Index and SSE Dividend Allocation Index, etc. After its listing on the Hong Kong Stock Exchange, the Company has since been included in constituent stocks of indices such as the Hang Seng China H-Financials Index, Hang Seng China AH Index Series, Hang Seng Composite Index, Hang Seng Composite Industry Index — Financials, Hang Seng Composite MidCap Index, Hang Seng China (Hong Kong-listed) 100 Index, Hang Seng CSI Shanghai-Hong Kong AH Smart Index, MSCI China Index, Hang Seng (China A) Corporate Sustainability Benchmark Index, FTSE China 50 Index, Hang Seng Climate Change 1.5°C Target Index, Hang Seng China 50 Index, Hang Seng Stock Connect China 80 Index and Hang Seng Stock Connect Greater Bay Area High Dividend Yield Index, which greatly enhanced the prestige of the Company. Since the launch of Shanghai-Hong Kong Stock Connect on 17 November 2014, the Shares of the Company have been included in its northbound trading list and southbound trading list respectively. Upon the launch of Shenzhen-Hong Kong Stock Connect on 5 December 2016, H Share of the Company has become an eligible stock of Shenzhen-Hong Kong Stock Connect.

### Changes in registration status during the Reporting Period:

On 6 April 2023, the Company completed the filing of amendments to directors and supervisors of the Company and licensed operation projects and the Articles of Association with the Shenzhen Administration for Market Regulation.

### Information of first registration:

Date of First Registration: 25 October 1995

First Registered Address: Capital Mansion, No. 6 Xinyuan South Road, Chaoyang District, Beijing

Registration Number of Corporate Legal Person Business License: 10001830

Certificate of Organization Code: 10178144-0

Please refer to “Company Information” of the 2002 Annual Report of the Company for the information on the first registration of the Company.

### Changes in the businesses

The Company was established by CITIC Group through integrating the original scattered securities operating institutions immediately after the initial start of the securities market in China. At the end of 1996, the Company became one of the first ten securities houses whose stock underwriting qualification was re-approved by CSRC.

In October 1999, the Company became one of the first batch of comprehensive securities companies approved by CSRC and one of the first batch of securities houses whose qualification as a lead underwriter for equity product was re-approved by CSRC. The Company is one of the supervisor members of the Securities Association of China, one of the first batch of securities companies to enter into the national interbank lending market, and one of the first batch of securities companies authorized to engage in stock-secured loans.

In 2002, the Company obtained the qualifications to engage in entrusted investment management business and fund sales agency services.

In 2005, the Company obtained the qualification as enterprise annuity investment manager.

In 2006, the Company became one of the first batch of securities companies to obtain the qualification as a lead underwriter of short-term commercial papers.

In 2007, the Company obtained the qualifications for the trial business of direct investment and overseas securities investment management business as a qualified domestic institutional investor (QDII).

In 2008, the Company became a Class-A clearing participant of CSDC and obtained the qualification for the provision of intermediary introduction services to futures companies.

In 2009, the Company obtained the qualification to manage the transfer of converted shares of the NSSF.

In 2010, the Company obtained the qualifications for margin financing and securities lending business, stock index futures trading in proprietary business and assets management business and was approved to be a domestic investment manager for the NSSF.

In 2011, the Company became one of the first batch of companies to obtain the agreed repurchase-type securities trading qualification.

In 2012, the Company obtained the qualifications for underwriting of private placement of SME bonds, entrusted management of insurance funds, distribution of financial products, pilot businesses of stock return swap, pilot refinancing business and consultancy services relating to secrecy-involved business of the military industry.

In 2013, the Company obtained the qualifications for sideline insurance agency business, and treasury bond futures trading in proprietary business and the securities assets management business. It was among the first batch of companies to obtain the qualifications for membership of Shanghai Clearing House on RMB interest rate swaps.

In 2014, the Company was among the first batch of companies to obtain the qualification as a general clearing member of Shanghai Clearing House to conduct the clearing agency business. It obtained the qualifications for agency services business for gold and other precious metal spot contracts and proprietary business for spot gold contracts, OTC option business, Internet-based securities business, New OTC market-making business, securities investment fund custody business, Southbound Trading Connect business, credit risk mitigation instruments selling business and financing business with respect to exercising rights under share incentive schemes of listed companies, and was qualified as a primary dealer of the open market.

In 2015, the Company obtained the qualification of the stock options market making business, and was approved to commence SSE 50 ETF options market making business; the Company became a stock options trading participant on the SSE and obtained the trading permission to commence the stock options brokerage and proprietary trading business.

In 2016, the Company obtained the qualification to manage investment with occupational annuity and was accepted as a non-bank member on the Shanghai Commercial Paper Exchange Corporation Ltd., and obtained the trading permission to commence the rediscount, pledged repurchase, outright repurchase and other transactions of bills.

In 2017, the Company obtained the qualification of market-making of commodity options on the Zhengzhou Commodity Exchange.

## Company Information

In 2018, the Company obtained the qualifications for investment in overseas financial products or instruments that other QDIIs are allowed to invest in using its proprietary capital; obtained the qualifications of market-making on the Shanghai Futures Exchange.

In 2019, the Company obtained the business qualification as principal market maker of listed funds; was approved to conduct the market making business of treasure bond futures and the stock index option market making business; obtained the operation qualification of settlement and sale of foreign exchange business, and can conduct pilot settlement and sale of foreign exchange business; became a member of the interbank foreign exchange market and the interbank foreign currency market, and can engage in spot, forward, swap, currency swap, foreign currency interest rate swap and options trading; obtained the qualification of market-making of commodity options on the Zhengzhou Commodity Exchange and the Dalian Commodity Exchange.

In 2020, the Company can carry out related foreign exchange business on behalf of customers, and became the trustee of debt-financing instruments for non-financial enterprises and can carry out entrusted management business.

In 2021, the Company obtained the qualification of membership on the BSE, carried out the pilot fund investment advisory business, the pilot business of account management function optimization, and centralized clearing agency business for credit default swaps.

In 2022, the Company obtained the qualification of market-making trading of listed securities, and can engage in the pilot market-making business of stocks on the STAR Market, can participate in the market-making and securities lending business on the STAR Market, can independently carry out the lead underwriting business of debt financing instruments of non-financial enterprises, carry out sideline insurance agency business and agency sale business of personal pension investment fund.

In 2023, CITIC Securities AM obtained the license for operating securities and futures business and commenced business, and the Company's securities asset management business (excluding the domestic entrusted investment management of the National Social Security Fund, the securities investment management of the basic pension insurance fund, the investment management of the enterprise annuity fund and the investment management of the occupational annuity fund) and the overseas securities investment management business conducted by qualified domestic institutional investors (QDII), and the qualification for entrusted management of insurance funds will be inherited by CITIC Securities AM.

### **The organization status of the Company**

As at the end of the Reporting Period, the Company has seven principal wholly-owned subsidiaries, namely CITIC Securities (Shandong), CSI, GoldStone Investment, CITIC Securities Investment, CITIC Futures and CITIC Securities South China, CITIC Securities AM, and one principal controlling subsidiary, namely China AMC. Please refer to "Analysis of principal controlling subsidiaries" of this report for details.

### **Number and distribution of securities branches of the Company**

As at the end of the Reporting Period, the Company, CITIC Securities (Shandong), CITIC Securities South China, Kington Securities had 53 branch offices and 313 securities outlets in China. In addition, as at the end of the Reporting Period, CSI had six branches in Hong Kong through its subsidiary.

The number and distribution of domestic securities outlets of the Group are as follows:

Province, city or area	Number of outlets	Province, city or area	Number of outlets	Province, city or area	Number of outlets
Zhejiang	60	Shandong	52	Guangdong	50
Jiangsu	26	Beijing	22	Shanghai	20
Hubei	10	Liaoning	10	Fujian	7
Jiangxi	7	Henan	7	Sichuan	7
Hebei	7	Shaanxi	6	Hunan	6
Tianjin	4	Anhui	3	Shanxi	2
Guangxi	2	Heilongjiang	1	Yunnan	1
Chongqing	1	Jilin	1	Inner Mongolia	1

The number and distribution of domestic securities branch offices of the Group are as follows:

Province, city or area	Number of branch offices	Province, city or area	Number of branch offices	Province, city or area	Number of branch offices
Zhejiang	7	Shandong	5	Guangdong	7
Jiangsu	5	Beijing	1	Shanghai	2
Hubei	1	Liaoning	2	Fujian	2
Jiangxi	1	Henan	1	Sichuan	1
Hebei	1	Shaanxi	1	Hunan	1
Tianjin	1	Anhui	1	Shanxi	1
Guangxi	1	Heilongjiang	1	Yunnan	1
Chongqing	1	Jilin	1	Inner Mongolia	1
Hainan	1	Guizhou	1	Gansu	1
Xinjiang	1	Ningxia	1	Qinghai	1

## Company Information

### Number and distribution of other branches

As at the end of the Reporting Period, CITIC Futures held 47 branch offices and 4 futures outlets in China, the number and distribution of which are as follows:

Province, city or area	Number of branches	Province, city or area	Number of branches	Province, city or area	Number of branches
Beijing	3	Guizhou	1	Inner Mongolia	1
Shanghai	4	Hainan	1	Ningxia	1
Guangdong	6	Hebei	1	Shandong	4
Zhejiang	7	Henan	1	Shanxi	1
Yunnan	1	Hubei	1	Shaanxi	1
Heilongjiang	1	Hunan	1	Sichuan	1
Anhui	1	Jiangsu	3	Tianjin	1
Fujian	2	Jiangxi	1	Xinjiang	1
Gansu	1	Liaoning	2	Chongqing	1
Guangxi	1				

### Other Relevant Information

Auditors engaged by the Company (Domestic)	Name	KPMG Huazhen
	Office Address	8th Floor, KPMG Tower, Oriental Plaza, 1 East Chang An Avenue, Dongcheng District, Beijing, the PRC
	Name of the signing accountant	Abby Wang, CHENG Hailiang
Auditors engaged by the Company (Overseas)	Name	KPMG Hong Kong
	Office Address	8th Floor, Prince's Building, 10 Chater Road, Central, Hong Kong, the PRC
	Name of the signing accountant	Thomas Chan
Sponsors performing continuous supervision duties during the Reporting Period	Name	Tianfeng Securities Co., Ltd
	Office Address	Building 2, Tianfeng Mansion, No. 217 Zhongbei Road, Wuchang District, Wuhan, Hubei Province
	Name of the signing sponsor	LU Yongwei, ZHOU Jianwen
	Period of continuous supervision	From 15 February 2022 to 31 December 2023



Sponsors performing continuous supervision duties during the Reporting Period	Name	China Post Securities Co., Ltd.
	Office Address	17 Zhushikou Dong Street, Dongcheng District, Beijing
	Name of the signing sponsor	CUI Pingping, LI Yong
	Period of continuous supervision	From 15 February 2022 to 31 December 2023
Legal Advisers as to PRC Laws	Name	Jia Yuan Law Offices
Legal Advisers as to Hong Kong Laws	Name	Jia Yuan Law Offices
A Share Registrar	Name	CSDC, Shanghai Branch
	Office Address	No. 188 Yanggao South Road, Pudong New Area, Shanghai
H Share Registrar	Name	Computershare Hong Kong Investor Services Limited
	Office Address	Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong

# Company Information

## Awards in 2023

### ◆ The Company

Issued by	Name of Awards
Shanghai Stock Exchange	Excellent Options Market Maker, Top 10 Options Brokers
Shenzhen Stock Exchange	Excellent Corporate Bond Underwriter, Excellent Bond Market Maker, Excellent Fixed-Income Innovative Product Intermediary
China Association for Public Companies	Best Practice Awards for Board Office in 2023 (2023年度董事會最佳實踐案例), Best Practice Cases of Annual Report Performance Briefing of Public Companies in 2022 (上市公司2022年報業績說明會最佳實踐案例)
China Institute of Internal Audit	National Advanced Group of Internal Audit 2020–2022 (2020–2022年度全國內部審計先進集體)
Bond Connect Company Limited	Outstanding Investors in Northbound under Bond Connect (Investment Banking) (債券通北向通優秀投資者(投資銀行類)), Innovation Award in Cross-Border Subscription (跨境認購創新獎), Excellent Northbound Market Maker (北向通優秀做市商)
International Finance Forum (IFF)	The 4th IFF Global Green Finance Award • Innovation Award (第四屆IFF全球綠色金融獎 • 創新獎)
Asia Risk	Best Equity Derivatives Institution for 2023 (2023年度最佳股權衍生品機構)
Interbrand	Top 50 Best Brands in China for 2023 (2023中國最佳品牌排行榜50強)
International Finance Review (IFR Asia)	Best Equity House in China for 2022 (2022年度中國最佳股權融資投行)
New Fortune	<p><b>The 16th New Fortune Best Investment Bank</b></p> <p>No. 1 Best Local Investment Bank, No. 1 Best Investment Bank in Equity Underwriting, No. 1 Best IPO Investment Bank, No. 1 Best Refinancing Investment Bank, No. 1 Best Investment Bank in Serving Overseas Markets, Best Practice ESG Investment Bank</p>
Securities Times	<p><b>2023 Jun Ding Award for Securities Investment Bank in China</b></p> <p>Full-Service Investment Bank, Equity Financing Investment Bank, Overseas Investment Bank</p> <p><b>2023 Jun Ding Award for Securities Industry Asset Management in China</b></p> <p>Full-Service Asset Management Institution, Asset Management Equity Team, Asset Management Quantitative Team</p> <p><b>2023 Jun Ding Award for Securities Industry Wealth Management Broker in China</b></p> <p>Full-Service Institution Broker</p> <p><b>The 14th Tianma Award for Investor Relations of Chinese Listed Companies</b></p> <p>Best Investor Relations Award for Chinese Listed Companies</p>

Issued by	Name of Awards
<b>Wind Info</b>	<p><b>Wind's Best Investment Bank for 2022</b> Best Investment Bank, Best A-Share Equity Underwriter, Best H-Share IPO Sponsor, Best China M&amp;A Financial Advisor Best Bond Underwriter — Securities Company, Best Credit Bond Underwriter — Excellent Securities Trader Award, Best Asset-backed Securities Underwriter</p> <p><b>Top 100 ESG Best Practices of Chinese Listed Companies in 2023</b></p>
<b>China Securities Journal</b>	<p><b>2023 Golden Bull Award in Chinese Securities Industry</b> Golden Bull Award of Top Ten Securities Companies, Golden Bull Award for ESG of Securities Companies, Golden Bull Award for Culture Construction of the Securities Industry, Golden Bull Investment Bank Team Award, Golden Bull Wealth Management Team Award</p>
<b>CAIJING Magazine</b>	<p>2023 Institutions with Most Contribution in STAR Market, 2023 Evergreen Award — Sustainable Development Benefits Award</p>
<b>Financial Times</b>	<p>2023 Best Securities Company</p>
<b>Finance Asia</b>	<p><b>Country Awards for Achievement 2023</b> Best Equity Deals in China Onshore: Postal Savings Bank of China's (PSBC) A-share non-public offering Best Infrastructure Deals in China Onshore: Huaxia Fund-China Resources Nest Rental Housing REIT Best M&amp;A Deals in China: Aramco's RMB24.6 billion investment into Rongsheng Petrochemical</p>
<b>The Asset</b>	<p><b>Asset Triple A Awards 2023</b> Best Custodian, Private Funds in China Onshore, Best in Fund Administration, Mutual Funds in China Onshore, Best Custodian — Securities Company in China Onshore (Highly Commended), Best Custodian, Serving Case (China)</p>
<b>Sina Finance</b>	<p><b>2023 China Enterprise ESG Golden Responsibility Award</b> Best Securities Company for Responsible Investment Award</p>
<b>National Business Daily</b>	<p>2023 Top 30 Listed Chinese Securities Companies in Terms of Brand Value, Golden Tripod Awards for the Most Influential Custody Broker, Golden Tripod Awards for the Annual Best A-Share Underwriting Team, Golden Tripod Awards for the Most Powerful Broker for Assets Management</p>
<b>China Fund News</b>	<p><b>Yinghua Awards</b> Demonstrative Brokerage Company for 25-Year Fund Sales (Mutual Funds), Demonstrative Brokerage Company for Outstanding Wealth Management, Outstanding Private Custody Securities Demonstration Institution, Demonstrative Brokerage Company for Outstanding Asset Management, Demonstrative Brokerage Company for Asset Management in Quantification</p>

## Company Information

Issued by	Name of Awards
Hong Kong Ta Kung Wen Wei Media Group	2023 Best ESG Financial Service Provider
www.caishiv.com	<b>Fund and Wealth Management • Jie Fu Awards</b> Outstanding Custodian, Outstanding Administrator, Outstanding Offshore Administrator, Outstanding WFOE Service Institution
<b>◆ CLSA Limited</b>	
Issued by	Awards
Asiamoney	<b>Asiamoney Brokers Poll 2023</b> No. 1 Best Brokerages for Corporate Access in Asia (Excluding Australia & Japan)
Finance Asia	<b>Country Awards for Achievement 2023</b> Best IPO Asia, Best IPO SEA, Best Property Deal Asia, Best Chinese Offshore Bonds
The Asset	<b>Asset Triple A Awards 2023</b> Best Fund Administration Mandate Alternatives (Hong Kong)
The Hong Kong Limited Partnership Fund Association	<b>The Hong Kong Limited Partnership Fund Association Annual Awards 2023</b> Best Provider of Fund Administration Services
<b>◆ CITIC Securities (Shandong)</b>	
Issued by	Awards
The Securities and Futures Association of Qingdao	Advanced Unit on Investor Protection in Qingdao for 2023
<b>◆ GoldStone Investment</b>	
Issued by	Award
China Securities Journal	The 7th Golden Bull Broker's Equity Investment Annual Winner
Zero2IPO Group	2023 Top 6 Private Equity Investment Institutions in China
CVINFO	2023 Top 10 Private Equity Investment Institutions Most Concerned by LP in China, 2023 Top 10 Best State-Owned Investment Institutions in China

### ◆ CITIC Futures

Issued by	Award
<b>The People's Bank of China</b>	Third Prize of the 2021 FinTech Development Award
<b>China Financial Futures Exchange</b>	Platinum Award for Outstanding Member
<b>Insurance Asset Management Association of China</b>	Most Popular Futures Company for Insurance Funds, Most Popular Futures Company for Insurance Funds (Stock Index Options Business, Treasury Futures Business)
<b>Xinhuanet</b>	2023 Excellent Case of Corporate ESG Rural Revitalization
<b>Securities Times</b>	<b>2023 Jun Ding Award for Futures Industry in China</b> Leading Futures Company in China, Outstanding Village Revitalization Futures Company in China
<b>Futures Daily, Securities Times</b>	<b>The 16th Best Operating Futures Institution</b> Futures Market Thirty-Year Hua Zhang Award in China, Best Futures Company in China

### ◆ China AMC

Issued by	Award
<b>China Securities Journal</b>	Golden Bull Award for Passive Investment Fund Managers, Golden Bull Award 20th Anniversary Special Contribution Company
<b>Shanghai Securities News</b>	Golden Fund • Award for Passive Investment Fund Managers
<b>Securities Times</b>	Award for Star Fund Companies with Three-Year Overseas Investment

# Financial Summary



## Key Financial Data

### Key accounting data

In RMB million

Items	2023	2022	Variance in Comparison with last year (%)	2021
Total revenue and other income	<b>83,725</b>	85,941	-2.58	97,324
Operating profit	<b>25,544</b>	28,277	-9.67	31,004
Profit before income tax	<b>26,185</b>	28,950	-9.55	31,894
Net profit attributable to owners of the parent	<b>19,721</b>	21,317	-7.49	23,100
Net cash inflow/(outflow) from operating activities	<b>-34,133</b>	55,258	N/A	5,518

Items	31 December 2023	31 December 2022	Variance in Comparison with last year (%)	31 December 2021
Total assets	<b>1,453,359</b>	1,308,603	11.06	1,278,665
Total liabilities	<b>1,179,160</b>	1,050,231	12.28	1,064,857
Equity attributable to owners of the parent	<b>268,840</b>	253,118	6.21	209,171
Total share capital	<b>14,821</b>	14,821	—	12,927
Gearing ratio <sup>Note</sup>	<b>76.55</b>	74.52	Increased by 2.03 percentage points	79.18

Note: Gearing ratio = (total liabilities – customer brokerage deposits – funds payable to securities issuers)/(total assets – customer brokerage deposits – funds payable to securities issuers).

# Financial Summary

## Key financial indicators

Items	2023	2022	Variance in comparison with last year (%)	2021
Basic earnings per share (RMB yuan/share)	<b>1.30</b>	1.42	-8.45	1.69
Diluted earnings per share (RMB yuan/share)	<b>1.30</b>	1.42	-8.45	1.69
Return on weighted average equity (%)	<b>7.81</b>	8.67	Decreased by 0.86 percentage point	12.07

## Net capital and relevant risk control indices of the parent company

Items	31 December 2023	31 December 2022
Net capital (RMB million)	<b>139,615</b>	135,852
Net assets (RMB million)	<b>220,768</b>	211,825
Total risk capital reserves (RMB million)	<b>74,578</b>	66,776
Risk coverage ratio (%)	<b>187.21</b>	203.44
Capital leverage ratio (%)	<b>16.32</b>	17.74
Liquidity coverage ratio (%)	<b>148.28</b>	130.53
Net stable funding ratio (%)	<b>124.86</b>	129.46
Net capital/net assets (%)	<b>63.24</b>	64.13
Net capital/liabilities (%)	<b>19.95</b>	23.86
Net assets/liabilities (%)	<b>31.55</b>	37.21
Value of proprietary equity securities and derivatives held/net capital (%)	<b>51.42</b>	35.99
Value of proprietary non-equity securities and derivatives held/net capital (%)	<b>292.66</b>	269.86

Note 1: The risk control indices for every business of the parent company are in compliance with the relevant requirements of Administrative Measures for the Risk Control Indices of Securities Companies issued by the CSRC.

Note 2: The parent company implemented the relevant provisions of the Interpretation No. 16 of the Accounting Standards for Business Enterprises (Cai Kuai [2022] No. 31) in 2023, therefore, the net capital and relevant risk indicators at the end of last year are restated.



## Financial Data for the Last 5 Years

### Operating results

*In RMB million*

Items	2023	2022	2021	2020	2019
Total revenue and other income	<b>83,725</b>	85,941	97,324	71,869	57,080
Operating expenses	<b>58,181</b>	57,664	66,320	51,984	40,886
Share of profits and losses of associates and joint ventures	<b>641</b>	673	890	585	801
Profit before income tax	<b>26,185</b>	28,950	31,894	20,470	16,995
Net profit attributable to owners of the parent	<b>19,721</b>	21,317	23,100	14,902	12,229

### Financial position

*In RMB million*

Items	31 December 2023	31 December 2022	31 December 2021	31 December 2020	31 December 2019
Issued share capital	<b>14,821</b>	14,821	12,927	12,927	12,117
Total equity	<b>274,199</b>	258,372	213,808	185,882	165,450
Equity attributable to owners of the parent	<b>268,840</b>	253,118	209,171	181,712	161,625
Total liabilities	<b>1,179,160</b>	1,050,231	1,064,857	867,080	626,272
Customer brokerage deposits <sup>Note 1</sup>	<b>283,821</b>	279,402	251,164	203,111	123,351
Funds payable to securities issuers	<b>35</b>	15,254	712	1,071	273
Total assets	<b>1,453,359</b>	1,308,603	1,278,665	1,052,962	791,722

# Financial Summary

## Key financial indicators

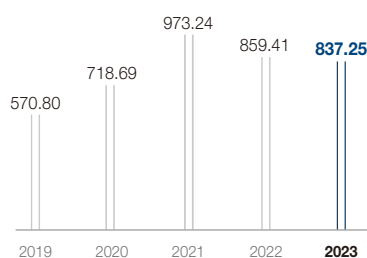
Items	2023	2022	2021	2020	2019
Dividends per share (RMB yuan/share)	<b>0.475</b>	0.49	0.54	0.40	0.50
Basic earnings per share (RMB yuan/share)	<b>1.30</b>	1.42	1.69	1.10	0.96
Diluted earnings per share (RMB yuan/share)	<b>1.30</b>	1.42	1.69	1.10	0.96
Return on weighted average equity (%)	<b>7.81</b>	8.67	12.07	8.43	7.76
Gearing ratio (%) <sup>Note 2</sup>	<b>76.55</b>	74.52	79.18	78.10	75.24

Notes:

- (1) Customer brokerage deposits above represent the amount received from and repayable to clients arising from the normal courses of the Group's securities brokerage business. The fund is restricted and governed by the relevant third-party deposit institutions.
- (2) Gearing ratio = (total liabilities – customer brokerage deposits – funds payable to securities issuers)/(total assets – customer brokerage deposits – funds payable to securities issuers).

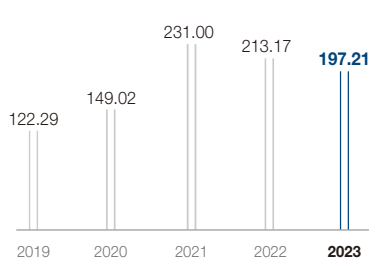
### Total revenue and other income

In RMB100 million



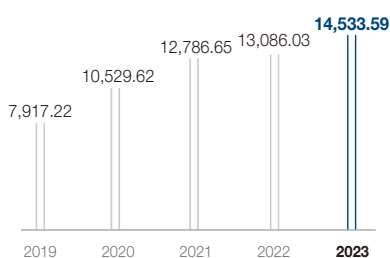
### Net profit attributable to owners of the parent

In RMB100 million



### Total asset

In RMB100 million

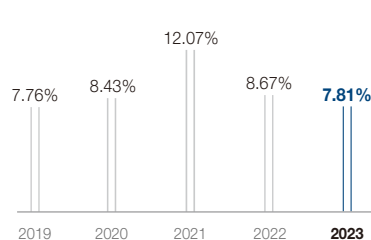


### Equity attributable to owners of the parent

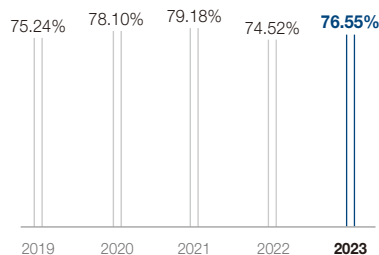
In RMB100 million



### Return on weighted average equity %



### Gearing ratio %



# Management Discussion and Analysis

## Discussion and Analysis on the Future Development of the Company

### Landscape and trend of the industry

China's central financial work conference has planned to "optimize the financing structure, give full play to the pivotal role of the capital market, deeply and solidly advance the registration-based initial public offering system, develop diversified equity financing, significantly improve the quality of listed companies, and cultivate first-class investment banks and investment institutions", which serve as the new guidelines for the development of the capital market. The executive meeting held by China's State Council has pledged to take stronger, more effective measures to stabilize the market, improve market confidence and promote the stable and healthy development of the capital market. The systematic adjustment to China's financial regulatory system and policies will have a direct and material impact on the future development of the securities industry. The regulatory authorities will comprehensively strengthen the "look-through" regulation of the securities industry and the institutions of the industry in all respects and intensify the crackdown on accounting fraud, offering fraud, market manipulation and other acts violating laws and regulations.

Under the direction of "cultivating first-class investment banks and investment institutions", securities companies have accelerated their business transformation and increased investment in certain key areas, including upgrading the wealth management model oriented to the investment consulting business, enhancing the integrated service capacity of investment banks especially in merger and acquisition and restructuring services, optimizing the institutional business services such as derivatives services, fixed income services and prime brokerage, and promoting international development by means of delivering cross-border services.

The concentration of the securities industry has been further increased, primarily driven by differentiated regulation, merger and acquisition, and restructuring. The large and comprehensive securities companies aim to become the main force to serve the real economy and a "ballast stone" to maintain financial stability and make efforts to be better and stronger.

### Development strategy of the Company

Bound to help enhance the role of capital markets and serve high-quality economic development, the Company strives to become a domestically leading and internationally first-class Chinese investment bank most trusted by clients around the world. The Company will steadfastly take the path of financial development with Chinese characteristics, dedicate all-out efforts to the development of technology finance, green finance, inclusive finance, elderly care finance, and digital finance, and support Chinese modernization by offering high-quality financial services. Further, the Company will continually plan better for its global operations in a holistic way, develop competence to furnish comprehensive financial services that meet the needs of global customers, and consistently enhance its international competitiveness and clout.

### Business plan

In 2024, the Company will continue to provide customers with comprehensive services across the entire business chain, ramp up support for technological innovation, advanced manufacturing, green development and small and medium-sized enterprises, and build up the quality and effectiveness of the services to the real economy. The Company will fortify its investment capacity and endeavour to introduce more financial products and services featuring both safety and profitability, so as to create long-term and stable investment returns for the clients. The Company will continue to scale up the client base, consolidate its leading position in the domestic market and further enhance its market influence and competitiveness. The Company will continue to improve its integrated management across its global operations, optimize the overall plan for the development of its global operations and elevate its global financial services capabilities. Its business development will be energized by digital innovation and financial services will be refined by leveraging technological means. The Company will reinforce the construction of its internal control system to avoid major risks for good. The Company will further improve

# Management Discussion and Analysis

its talent development system and mechanisms and carry on improving the professional talent training and development system. In addition, the Company will strengthen the construction of brand and corporate culture, fulfil its social responsibilities and create greater value for society.

## Capital requirement

In 2023, the Company conducted all lines of business in an orderly manner, among which, fixed income services and margin financing and securities lending services are in demand of sufficient capital. As of the end of the Reporting Period, the balance of the Group's domestic and overseas short-term and long-term loans, bonds payable and short-term financing instruments payable totaled RMB209,291 million. The Company will strengthen its unified management of domestic and overseas funds, continue to improve its overall capital allocation efficiency and keep exploring new financing products and financing models to ensure the satisfaction of capital needs of business development.

## Possible risks of exposure

At present, the risks and challenges faced by the world economy are increased. Under the environment of high interest rates, the U.S. and European economies are facing downward pressure, the risk of recession in major overseas developed economic entities is increasing, and the US Federal Reserve has a high probability of cutting interest rates within 2024. With the constant influence of geopolitical factors, local contradictions and conflicts have increased. The complexity, severity and uncertainty of the external environment were enhanced. Domestic economy will constantly recover and grow, and increasingly focus on high-quality development. Domestic risks are mainly concentrated in insufficient effective demand, excess production capacity in certain industries, weak social expectations and various risks and hidden troubles. However, from a comprehensive analysis perspective, favorable conditions outweigh adverse factors. With changes in the internal and external environment, the growth of derivatives, bulk commodities, foreign exchange and other new businesses comes with noteworthy market risks. Financing activities and fixed income product investments, etc. also face changing credit risks. The Company should, in its steady operation, ensure that the risk level is detectable and controllable amid business expansion.

## Business Overview

### Analysis of principal businesses

The investment banking business of the Group consists of equity financing, debt financing and financial advisory services. The Group provides fund raising and financial advisory services to a wide range of enterprises and other institutional clients in China and globally. The wealth management business of the Group mainly includes securities and futures brokerage business, distribution of financial products and investment consulting services. The institutional stock brokerage business of the Group provides domestic and overseas professional institutional investors client bases with various professional value-added services, including research marketing, transaction execution, equity financing and trading projects recommendation for their investments and trading, in Chinese stock markets and Asia-Pacific, American and other overseas stock markets. The financial market business of the Group mainly includes trading and market-making of equity products, fixed income products and derivatives, foreign exchange business, margin financing and securities lending business, alternative investment and bulk commodity business. Asset management business of the Group includes collective asset management (“**CAM**”), separately managed account (“**SMA**”) and specialized asset management (“**SAM**”), fund management and other investment accounts management. The investment business of the Group mainly comprises alternative investment and private equity investment. The Group also provides services such as custody and research.

## Investment banking

### Equity financing

#### Market conditions

In 2023, the offering size of A-share (for cash and asset transactions) amounted to RMB1,134,430 million, representing a year-on-year decrease of 32.74%; the offering size of A-share (for cash) amounted to RMB1,005,059 million, representing a year-on-year decrease of 33.77%. Based on the shares underwritten by lead underwriters, the market share of the top ten securities companies in A-share equity underwriting (for cash) amounted to 73.90%. The offering size of Hong Kong IPO amounted to US\$5,884 million, representing a year-on-year decrease of 56.08%; the offering size of Hong Kong refinancing market amounted to US\$11,842 million, representing a year-on-year increase of 0.56%. Calculated based on the total offering size distributed evenly among all book runners, the market share of the top ten investment banks in the Hong Kong equity financing market totaled 67.90%.

In 2023, the number and offering size of A-share IPOs declined, with a total of 313 enterprises completing the IPO process, representing a year-on-year decrease of 26.87%. The offering size amounted to RMB356,539 million, representing a year-on-year decrease of 39.26%. Refinancing issuance size also saw a decrease, with the total issuance size of refinancing (for cash and assets) amounting to RMB777,891 million, representing a year-on-year decrease of 29.26%. Among them, the total issuance size of private placement (for cash) amounted to RMB449,581 million, representing a year-on-year decrease of 18.58%. The total issuance size of convertible bonds amounted to RMB140,574 million, representing a year-on-year decrease of 48.61%.

#### Actions and achievements

In 2023, in respect of domestic equity financing, the Company completed a total of 140 A-share lead underwriting projects with an aggregate lead underwriting size of RMB277,913 million (for cash and asset transactions), accounting for a market share of 24.50% and ranking first in the market. Among them, the Company completed 34 IPO projects, with a lead underwriting size of RMB50,033 million, accounting for a market share of 14.03% and ranking first in the market; 106 refinancing projects with an aggregate lead underwriting size of RMB227,880 million, accounting for a market share of 29.29% and ranking first in the market. Among the refinancing projects, 68 were private placement (for cash) projects with a lead underwriting size of RMB127,755 million, accounting for a market share of 28.42% and ranking first in the market.

Items	2023		2022	
	Lead Underwriting size (RMB million)	Number of Issuances	Lead Underwriting size (RMB million)	Number of Issuances
IPOs	50,033	34	149,832	58
Refinancing issuances	227,880	106	226,485	108
Total	277,913	140	376,317	166

Source: Wind Info and the Company's internal statistics

Note 1: When compiling the above table, the date of completion of an IPO, a public equity issuance, an issuance of convertible bonds/exchangeable bonds, a private placement, a rights issue and an issuance of preference shares is the listing date

Note 2: In the event that the amount attributable to respective underwriter is not specified, the underwriting size of a joint-lead underwriting project is calculated by dividing the total project size with the number of lead underwriters; in the event that the amount attributable to respective underwriter is specified, the underwriting size of a joint-lead underwriting project is calculated on a case-by-case basis

# Management Discussion and Analysis

In 2023, in respect of overseas equity financing, the Company completed a total of 32 overseas equity projects with an underwriting size of US\$1,782 million in aggregate calculated on the basis of the total offering size of projects distributed evenly among all bookrunner roles. Among them, 12 were IPO projects in the Hong Kong market with an underwriting size of US\$153 million, 6 were refinancing projects with an underwriting size of US\$736 million, ranking second among the Chinese securities companies in respect of equity financing business in the Hong Kong market, and 7 were GDR projects in the European market with an underwriting size of US\$445 million, ranking second among the Chinese securities companies. The Company completed 7 equity financing projects in the Southeast Asian market and other overseas markets, with an underwriting size of US\$447 million.

## *Outlook for 2024*

The Company will continue to capitalize on the opportunities presented by the capital market reform and development, comprehensively develop diversified equity financing and serve to deepen and implement the registration system reform. The Company will continuously increase its efforts in the effective development and services to domestic and overseas clients and markets in alignment with national strategies and client needs, step up efforts in industry research and client market analysis, develop its business forward-looking layout, and provide clients with professional service solutions. The Company will persist in its international development efforts, deepen the centralized management for domestic and overseas businesses, expand its international customer base, strengthen its business expansion in equity financing in Hong Kong, GDR, and equity financing in the Southeast Asia and other overseas markets, to constantly enhance its competitiveness in the international market. The Company will provide clients with high-quality investment banking services by leveraging its integrated service and platform strength.

## **Debt financing**

### *Market conditions*

In 2023, the yield rate of the domestic bond market presented a downward volatility trend, and credit spreads were compressed to a low level; the issuance size of domestic bonds increased year-on-year, with the aggregate issuance size of bonds amounting to RMB71.04 trillion, representing a year-on-year increase of 15.45%. In terms of interest rate securities, the issuance size of treasury bonds amounted to RMB11.10 trillion, representing a year-on-year increase of 14.18%, and the issuance size of local government bonds amounted to RMB9.33 trillion, representing a year-on-year increase of 26.78%. In terms of credit bonds, the aggregate issuance size amounted to RMB18.98 trillion, representing a year-on-year increase of 5.07%, among which the issuance size of financial bonds and corporate bonds increased, while the issuance size of asset-backed securitization declined. In the overseas market, as the Federal Reserve of the United States raised interest rates and further tightened the monetary policy, the yield rate of U.S. bond fluctuated at a high level, and the issuance size of offshore bonds issued by Chinese enterprises declined. In 2023, the aggregate issuance size of offshore bonds issued by Chinese enterprises amounted to US\$68,199 million, representing a year-on-year decrease of 25.10%.

### Actions and achievements

The Company maintained its leadership in the debt financing business and underwrote a total of 4,200 bonds in 2023, ranking first among securities companies. The total underwriting size amounted to RMB1,909,992 million, representing a year-on-year increase of 21.01%. The Company contributed 6.85% of the total underwriting size of the market, ranking first in the market, and 14.14% of the total underwriting size of securities companies, ranking first among securities companies.

Items	2023		2022	
	Lead Underwriting size (RMB million)	Number of Issuances	Lead Underwriting size (RMB million)	Number of Issuances
Enterprise bonds	27,166	31	39,033	45
Corporate bonds	405,828	938	354,186	722
Financial bonds	463,254	324	390,774	247
Medium-term notes	119,578	244	83,123	140
Short-term commercial papers	27,706	67	18,785	50
Private placement notes	12,264	40	10,092	33
Asset-backed securities	210,564	835	229,811	836
Convertible bonds/exchangeable bonds	28,346	24	53,974	26
Local government bonds	615,286	1,697	398,802	1,456
	<b>1,909,992</b>	<b>4,200</b>	1,578,581	3,555

Source: Wind Info and the Company's internal statistics

In respect of offshore bonds issued by Chinese enterprises, the Company completed a total of 134 bond issuances with a total underwriting amount of US\$2,418 million, accounting for a market share of 3.55% and ranking first among the Chinese securities companies. In addition, the Company also provided customers with structured and leveraged financing, risk solutions, cross-border liquidity management and other diversified services.

### Outlook for 2024

The Company will continue to provide professional comprehensive debt financing services, strengthen the development of strategic clients such as central SOEs and financial institutions as well as clients in strategic emerging industries, and actively develop overseas clients in line with the national Belt and Road Initiative. The Company will continuously promote innovative debt financing business, increase investment in science and technology innovation bonds, green bonds and rural revitalization bonds, collaborate to build a complete business ecology from Pre-REITs to publicly-offered REITs, and serve the construction of multi-level REITs market. The Company will seize the opportunity of opening up the bond market, give full play to the full-product service advantages of domestic and overseas debt financing, continue to explore the businesses opportunities such as Panda Bonds, and vigorously expand businesses like offshore bonds issued by Chinese enterprises, and U.S. dollar-denominated bonds in Southeast Asia and other overseas markets, so as to improve the competitiveness of its overseas bond business.

# Management Discussion and Analysis

## **Financial advisory services**

### *Market conditions*

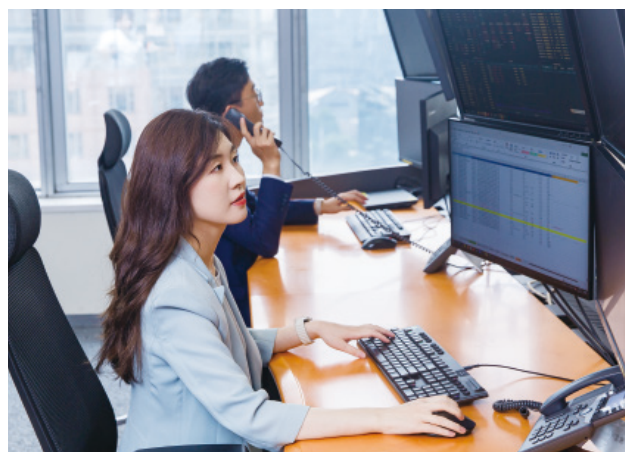
According to Dealogic, in 2023, the total amount of global merger and acquisition transactions announced reached US\$3.16 trillion and the number of transactions amounted to 36,700. On a sector basis, the electronics and computer sector was the most active, with the size of merger and acquisition transactions announced amounting to US\$548,559 million, accounting for 17.35% of the size of merger and acquisition transactions announced; the medical and healthcare sector followed with the size of merger and acquisition transactions announced amounting to US\$440,845 million, accounting for 13.95% of the total amount of merger and acquisition transactions announced. 3,132 merger and acquisition transactions involving Chinese enterprises were announced in 2023, with a transaction size of US\$342,455 million, of which 435 were cross-border transactions, with a transaction size of US\$81,332 million.

### *Actions and achievements*

In 2023, the Company completed many transactions dealing with material assets restructuring of the China-based companies listed on the A-share market; the transaction size amounted to RMB118,070 million, ranking first in the market. The Company completed a number of influential merger and acquisition and restructuring transactions in the market, including the material asset restructuring of Yangtze Power and the material asset restructuring of CECEP Equipment. The size of global merger and acquisition transactions involving Chinese enterprises completed by the Company amounted to US\$51,795 million, ranking second among the Chinese securities companies. The Company continued to strengthen its global merger and acquisition business expansion, for instance, assisting Rongsheng Petrochemical in reaching strategic cooperation with Saudi Aramco, a new overseas investor, and assisting the acquisition of a listed company engaging in cement manufacturer in Oman by Huaxin Cement, thereby serving the overseas merger and acquisition of excellent Chinese enterprises.

### *Outlook for 2024*

The Company will continuously strengthen the construction of merger and acquisition expertise, conduct industry and market research and analysis, initiate merger and acquisition transactions, and consolidate and enhance the market-leading advantages. The Company will actively seize merger and acquisition transaction opportunities such as merger and acquisition and restructuring of central SOEs and SOEs, private equity transactions, control acquisition and risk mitigation, enrich and innovate merger and acquisition professional services, promote the role of merger and acquisition and restructuring in optimizing resource allocation, and help improve the quality of enterprise development. The Company will continuously improve the global network layout, strengthen the business development of outbound merger and acquisition of Chinese enterprises, inbound merger and acquisition of foreign enterprises, and industrial merger and acquisition and privatization of overseas-listed companies, and strengthen the merger and acquisition service capabilities in the international market, so as to increase its competitiveness in global merger and acquisition business.





## **The business of New OTC Market**

### *Market conditions*

The intensified reform in BSE propelled the ongoing positive evolution of the New OTC Market. In 2023, another 326 enterprises were listed on the New OTC Market, representing a surge of 23.48% year-on-year. Among them, more than 30% enterprises were national-level specialized and sophisticated “little giant”. The private issuance size of enterprises listed on the New OTC Market reached RMB17,120 million. Among them, 77 enterprises recorded a financing size of RMB50 million or more, accounting for 15.84% of the above listed enterprises with private issuance.

### *Actions and achievements*

The Company continued to operate the business of New OTC Market on the basis of expanding the customer coverage, and increased the coverage of innovative SMEs by seizing the historical opportunity resulting from the deepened reform of the multi-level capital market. In 2023, the Company, as the chief agency broker of the New OTC Market, completed the listing of seven companies and assisted listed companies in raising RMB561 million through private placement. It continuously supervised a total of 24 listed companies, of which 13 companies have entered the innovation layer.

### *Outlook for 2024*

The Company will further enhance its business layout in the domains of new technologies, new industries, and new business models. It will delve deeper to identify high-quality clients with a focus on specialization, refinement, distinctiveness, and originality, and endeavor to provide superior investment banking services to innovative SMEs, and help improve the capital market’s ability to serve early-stage and growth-stage enterprises.

## **Wealth management**

### *Market conditions*

In 2023, the SSE Composite Index decreased by 3.70%, the SME Composite Index decreased by 8.47%, and the ChiNext Composite Index decreased by 5.41%. The average daily trading volume of equity funds in the domestic securities market was RMB991.7 billion, representing a year-on-year decrease of 3.10%. The Hong Kong Hang Seng Index decreased by 13.82%, the Hang Seng China Enterprises Index decreased by 13.97%, and the Hang Seng TECH Index decreased by 8.83%. The average daily trading volume in the Hong Kong securities market was HK\$105.0 billion, representing a year-on-year decrease of 15.93%.

### *Actions and achievements*

In 2023, the Company focused on refined customer operation in respect of domestic wealth management, optimized the organizational structure, and strengthened the headquarters’ role in empowering branches and leading business development. The Company built a team of experts from diverse backgrounds, innovated the wealth management service model, and provided comprehensive financial solutions covering the entire life cycle of “People-Family-Enterprise-Society” for customers. With the goal of improving ease of use and satisfaction, the “Xin E Tou” APP version 5.0 was launched to upgrade user investment experience. As of the end of the Reporting Period, the Company had 14.2 million clients on a cumulative basis, and its total assets of clients under custody remained at a RMB10 trillion level, representing a year-on-year increase of 4%; the scale of non-monetary market public funds remained at RMB190.2 billion, ranking first in the industry.

The Company accelerated its global layout of overseas wealth management business, established the CITIC Securities Entrepreneur Office (Hong Kong) service brand, officially launched a wealth management platform in Singapore, which has expanded the scope and content of international services, thereby better providing global asset allocation and transaction services for domestic and foreign clients. The Company strengthened its services to high-net-worth clients and accelerated the further transformation of wealth management business through the service model of “Account Manager + Investment Consultant”. In 2023, the sales revenue from wealth management products doubled year-on-year, as a result of the increase in overseas high-net-worth clients.

# Management Discussion and Analysis

## *Outlook for 2024*

The Company will continue to rely on the huge development potential of the wealth management market, adhere to the development direction and path of wealth management, focus on accelerating the building up of buyer service capabilities, promote the all-employee investment advisory development strategy, provide customers with comprehensive financial solutions, better meet residents' wealth management needs, and facilitate the achievement of common prosperity, and will finely serve the wealth management needs of key institutional client base which includes listed companies, SOEs and government platforms, financial peers, and professional investment institutions to better fulfill the function of the capital market and help the high-quality development of the real economy. The Company will further improve the global wealth management product and service system, expand the overseas territory of wealth management, and gradually enhance the competitiveness in the global wealth management market. Moreover, the Company will upgrade the wealth management platform, use digital means, and innovate the model of developing wealth management business, so as to optimize the customer service experience and discover the needs of customers, accompany them during the service journey and lead them with the professional value.

## **Institutional stock brokerage business**

*Market conditions (refer to the section titled "Wealth management")*

### *Actions and achievements*

The domestic institutional stock brokerage business of the Company mainly covers services for domestic and foreign professional institutional investors such as public funds, insurance companies, private funds, wealth management subsidiaries of banks, QFIs, WFOEs, etc. The Company continued to maintain its overall leading position in the domestic institutional brokerage business in traditional client business. In particular, the ranking of public fund sub-positions commission income in the first half of 2023 continued to be the first in the market; the number of QFI clients increased to 293 in 2023, ranking first in the market; the key private fund account opening rate amounted to 63%. The Company explored the linkage between the primary and secondary markets and deepened multi-dimensional cooperation with equity investment institutions, financial peers and other wealth management institutions in the market.

The offshore institutional stock brokerage business of the Company continued to maintain its leading market share in the Asia Pacific region. The Company further expanded its global presence, coordinated the differences between domestic and overseas business models, and built an integrated global institutional stock brokerage business platform. The Company expanded from cash services to asset services, transformed from single business-driven model to a multi-business collaborative model, to provide differentiated and specialized integrated financial services for global clients.

## *Outlook for 2024*

Relying on domestic and overseas business advantages and customer resources, the Company will continuously promote the integration and expansion of the stock brokerage business for global institutions. The domestic and overseas institutional stock brokerage business will continue to deepen the operation of existing client base, optimize the business synergy within the Group, establish an integrated global stock institutional brokerage business platform, enhance the level of service to its traditional client base, including public, private and foreign institutional clients, while actively expanding its market presence in new fields and new business models, promoting business innovation with a global perspective, and providing support for the trading needs of various types of investors.

## Financial markets

### *Market conditions*

In 2023, the CSI 300 Index decreased by 11.38% and the CSI 500 Index decreased by 7.42%. Large-cap and growth-style stocks underperformed, while low-valuation and high-dividend stocks remained stable, with a significant growth in the artificial intelligence stocks. The communication, media and computer sectors led the way of growth in the overall market, and the sectors in which large central enterprises and state-owned enterprises with low valuations concentrated, such as coal, petroleum and petrochemicals, also showed a moderate upward trend in general, while the real estate-related industry chain sectors declined mostly. In the major overseas markets, the S&P 500 index, Nasdaq index, the European STOXX 50 Index and the Nikkei 225 Index increased by 24.23%, 43.42%, 19.19% and 28.24%, respectively, while the Hang Seng Index and the Hang Seng TECH Index decreased by 13.82% and 8.83%, respectively. China's bond market fluctuated and increased during the year with solid returns, with the China Bond New Composite Index rising by 4.75%. Interest rates for key medium-and long-term maturities of treasury bonds fluctuated and declined to historical low point.

### *Actions and achievements*

Equity derivatives business is continuously deepening its product innovation, improving its business layout and expanding its application scenarios, and generally maintained a broad customer base, rich product supply, outstanding trading capabilities and stable income. Counter products are also being developed to further enrich the coverage of underlying assets and structural types. In addition, the market-making business is consistently ranking among the top in the market, making the Company one of the first to launch market-making trading of stocks on the STAR Market, providing high-quality liquidity to the market. Moreover, overseas equity derivatives business transactions cover international mainstream markets, and provide clients with one-stop investment trading services in global markets across time zones.

In terms of fixed income business, the Company gave full play to the advantages of customer resources, actively broadened domestic and overseas layout, expanded customer coverage and service network, and built a business platform that closely connected customers and the market. The fixed income business continued to enrich the profit model, improved the comprehensive ability in product design and transaction service, and provided customers with comprehensive financial services. The Company maintained its number one position in the industry in terms of sales scale of interest rate products for consecutive years.

In terms of equity proprietary trading business, the Company insisted on focusing on the fundamentals of listed companies, focused on reducing portfolio volatility and enhancing the ability to resist the impact of external macro factors, and expanded various non-directional investment layouts, achieving phased results in model transformation, and basically establishing a diversified business framework.

Margin financing and securities lending business, centered on the business philosophy of focusing on customers' needs, strengthened the coverage of core customer groups and enriched business scenarios, and maintained a leading market share, and continued to enhance the efficiency of strategy development and trading service provision based on product and service capabilities; the stock pledge business adhered to the business objective of serving the real economy, and the quality of credit assets continued to be optimized, with the growth rate of the scale leading in the market; and the overseas business, with its increasingly enriched product systems and business modes, further enhanced the business management capability while achieving growth in the business scale.

The alternative investment business uses new technologies such as artificial intelligence to continuously iterate existing strategies, accelerate the development of new strategies, enrich the variety of strategies, diversify portfolio downside risks and actively and effectively adjusted its strategic allocation according to the characteristics of market styles to continuously improve the efficiency of capital utilization.

## Management Discussion and Analysis

The commodities business continuously provided good risk management for industrial customers and asset allocation services for financial institutions. With risk management, product innovation, system support and comprehensive financial services as its core competitiveness, it further improved its quality and efficiency in serving the real economy, aiming at being a major service provider for comprehensive solutions to the price risk of commodities for domestic industrial customers, the first-class trader and market maker in domestic and foreign commodity derivatives markets, further strengthening the breadth of customer market coverage and depth of customer service, and maintaining its leading position in the industry.

### *Outlook for 2024*

The equity derivatives business will stick to a customer-oriented principle and create value for customers, further establish specialized platform features in improving product supply and enriching the integrated service ecology, etc. It will continuously improve trading and risk control capabilities, promote digital operation, focus on specialized features, build an international integrated business platform, and provide customers with a global multi-market and all-day one-stop investment and trading experience and integrated financial services. In terms of cross-border derivatives business, the Company will benchmark the derivatives business of world-class investment banks, improve the ability in product design and trading service, enrich product lines, consolidate the advantage of “Chinese assets”, and strengthen international and regional layout, so as to become a stock derivatives provider with strong international competitiveness in the Asia-Pacific region in the medium-and long-term.

The fixed income business will make further efforts in the exploration of the customer market, grasp emerging business opportunities, enrich the product system, and provide diversified and targeted comprehensive financial service solutions centered on customer needs. We will continue to develop cross-border business, unceasingly explore domestic and foreign customer resources, boost the development of business innovation, and promote the joint development of domestic and overseas business.

The equity proprietary trading business will optimize its investment research system, strengthen the integration of macro, meso and micro research, develop a multi-strategy business platform, strengthen the basic system platform and investment capacity, improve business stability and return certainty, and enhance its capital utilization capability.

Margin financing and securities lending and stock pledge businesses will continue to comprehensively enhance the business management capabilities, strengthen the compliance and risk management capabilities, continue to optimize the layout of domestic and overseas business, reinforce the differentiation management of customer bases and the construction of regional business centres, continue to enrich the types of products and strategies, optimize customer marketing, service, pricing and risk management models, cultivate the ability to manage international assets and serve international customers, and continue to provide domestic and foreign investors with comprehensive financial services of all categories, links and processes.



The alternative investment business will focus on continuous research and development in terms of data, factors and models to develop new strategies for both domestic and overseas markets. It will increase investment and research in the non-factor part of the business, and improve the profitability of the strategies in terms of factor combinations and multi-cycle optimization.

In terms of customer market, the commodities business will strengthen regional synergy, subdivide industry coverage, and optimize customer structure; in terms of product provision, we will continue to enrich the application scenarios of commodity derivatives, provides precious metal trading services for the whole industry chain, increase the supply of anti-inflation products and strategies, and provide high-quality risk hedging and investment allocation tools for customers around the world.

## Asset Management

### Market conditions

In 2023, the asset management industry grew modestly in scale and made steady progress around the direction of high-quality development, with each sub-sector showing differentiated development characteristics. In the future, asset management organisations should continue to enhance their core competitiveness around investment management, risk management, customer service, product layout, etc., so as to promote the transformation and development of the real economy and protect and escort the value of people's property.

### Asset management business of the Company and CITIC Securities AM

#### Actions and achievements

In 2023, CITIC Securities AM officially commenced operation, marking a smooth transition of the Company's asset management business to CITIC Securities AM for diversified licensed operations. On the domestic business front, the Company received an A grade for corporate fundamentals in the evaluation conducted by the National Council for Social Security Fund. It promoted the transformation towards active management and the construction of specialization, systematization and refinement, further optimized its banking business structure, and strengthened the development of corporate client bases, resulting in an increase in both the number and scale of corporate clients. The overseas asset under management ("AUM") witnessed steady growth, with the successful issuance of two public funds and the launch of Cross-boundary WMC products.

As of the end of the Reporting Period, the total AUM of the Company amounted to RMB1,388,461 million, including CAM, SMA and SAM, with a size of RMB297,704 million, RMB841,715 million and RMB249,042 million respectively. The market share of the Company's privately-offered asset management business (excluding pension business, publicly-offered collective investment schemes and asset-backed securitization products) was 13.71%, ranking first in the industry.

Category	AUM (RMB million)		Income from Management Fee (RMB million)	
	2023	2022	2023	2022
CAM	297,704	503,307	1,049	1,507
SMA	841,715	914,485	994	1,366
SAM	249,042	275,271	50	73
Total	1,388,461	1,693,063	2,093	2,946

Source: Statistics from the Company

Note: The AUM includes both the Company and CITIC Securities AM. The CAM includes collective investment schemes, excluding pension products; the SMA includes pension business; and the SAM includes asset-backed securitization products.

# Management Discussion and Analysis

## *Outlook for 2024*

The Company will adhere to a professional, systematic, and refined investment research management philosophy for its asset management business and steadily advance the construction of investment research capabilities, so as to form a portfolio management model that matches the attributes of funds and enhance investors' experience. The Company will continue to improve its capabilities in asset discovery, risk pricing, and customer service. CITIC Securities AM will actively promote the application for public offering licenses, continue to optimize the structure of domestic business, build competitive advantages in asset management with investment banking characteristics, and provide comprehensive services with all scenarios and diversification around customer needs. The Company will expand the scale of cross-border business and enrich the spectrum of product strategies.

## **China AMC**

### *Actions and achievements*

In 2023, China AMC maintained industry leadership in the number of products established, with medium-term results in its equity funds ranking the top in the industry. The performance of its social security investments was outstanding, and its ETF scale and incremental growth maintained industry leadership. The scale of its monetary funds achieved rapid growth. It actively promoted the three pillars of pension business, led the development of consumer REITs business, officially obtained the license for equity investment subsidiary, and efficiently empowered business development with several leading technological applications. Continuously strengthening team building, China AMC further increased its assets under management. As at the end of the Reporting Period, the total AUM of China AMC reached RMB1,823,564 million, of which, the AUM of public funds reached RMB1,317,644 million and the AUM of institutional and international businesses reached RMB505,920 million.

## *Outlook for 2024*

China AMC will continue to uphold the principle of high-quality development. It will persistently improve its product portfolio while reinforcing its core investment research and asset allocation capabilities to consolidate the advantage of its traditional business. Additionally, China AMC will lead the development of innovation business, and expand the scale and scope of its institutional and international business. It will also promote the Company's digital transformation and strengthen the human resources system, thereby maintaining its comprehensive competitiveness in the industry.

## **Custody**

### *Market conditions*

In 2023, due to the market performance, the growth of public fund size slowed down and the asset size of public funds reached RMB27.60 trillion at the end of the year. The reform of the public fund rate was conducted orderly, the reform in the investment side continued to advance, and the structural reform of supply side achieved preliminary success. Regulations on the Supervision and Administration of Private Investment Funds (《私募投資基金監督管理條例》) was officially issued and came into force, under which, the efforts to supervision were continuously strengthened, the admittance threshold of the industry continued to raise, the growth of filing private funds slowed down, and the asset size of private funds reached RMB20.58 trillion at the end of the year.

### *Actions and achievements*

In 2023, the Company continued to enhance its customer service network, focused on improving its capabilities to address customer demand and research and develop new services, and took the lead in the industry by introducing a range of innovative service solutions: CITICS Investment Services Company Limited (中信中證投資服務有限責任公司), a subsidiary of the Company, was the first batch to register through a private investment fund electronic contract service agency; the Company pioneered a new generation of real-time transfer agency (RTA) service in the industry. The Company successively launched a suite of services such as artificial intelligence filling, asset pricing, private fund auditing, automated settlement of funds and the Argos fund investment research platform, among others. The Company also provided the first Hong Kong Limited Partnership Fund (LPF) in the offshore fund service and launched a foreign currency funds clearing system platform. The Company continued to facilitate cross-business synergies and regional collaboration mechanisms to ensure that customer demands for services across markets, channels and product lines were met.

As of the end of the Reporting Period, the Company's asset custody and fund outsourcing business experienced steady growth. The Company provided asset custody services for 15,014 products and fund outsourcing services for 16,983 products.

### *Outlook for 2024*

The Company will enhance the convenience and universality of services for investors, enrich the service categories for professional investment institutions, consolidate and increase the market share of private securities fund, public fund and offshore fund services, actively seek other qualifications for custody business, and participate in the construction of the Company's digital integrated institutional customer service ecosystem to contribute to the high-quality development of the financial services industry.

## **Equity investment**

### *Market conditions*

In 2023, China's equity investment market as a whole continued its downward trend. According to Zero2IPO Research's data, in terms of fundraising, the number of new funds raised in China's equity investment market in 2023 was 6,980, representing a year-on-year decrease of 1.1%; the total amount was RMB1,824.471 billion, representing a year-on-year decrease of 15.5%. In terms of investment, the number of investments in China's equity investment market in 2023 was 9,388, representing a year-on-year decrease of 11.8%; the disclosed investment amount was RMB692.826 billion, representing a year-on-year decrease of 23.7%. Among the investments, state-owned investment institutions remained highly active, guiding market capital injection into semiconductor, new energy, automotive and other fields. In terms of exits, the number of exits in China's equity investment market in 2023 was 3,946 in total, representing a year-on-year decrease of 9.6%. The number of IPO of invested enterprises' A Shares exits in 2023 was 1,348 in aggregate, representing a year-on-year decrease of 38.3%, against the backdrop of a periodic slowdown in new share issuance in Shanghai and Shenzhen.

### **CITIC Securities Investment**

#### *Actions and achievements*

CITIC Securities Investment actively supported the national strategic needs, carried out a systematic layout around strategic emerging industries, deeply explored high-quality enterprises in fields such as new industrialization, transformation and upgrading of the manufacturing industry, independent innovation and cutting-edge technology, focused on enterprises with great growth potential and leading product technology advantages, empowered invested enterprises through synergies, and steadily deployed its investment resources in fields such as advanced intelligent manufacturing, new energy, information technology, new materials and biotechnology.

# Management Discussion and Analysis

## *Outlook for 2024*

CITIC Securities Investment will continue to enhance its research transformation capabilities, implement the ESG investment concepts, continue to be guided by the national strategic needs, endeavour to serve the real economy and scientific and technological innovation, further increase the certainty of investment, and steadily deploy high-level scientific and technological self-reliance and advanced manufacturing industries, so as to inject more vitality into the high-quality development of the economy and society.

## **GoldStone Investment**

### *Actions and achievements*

As a platform for the Company to raise and manage private equity investment funds, GoldStone Investment continued to give play to its own advantages in fundraising, and completed the filing of new funds of RMB16.790 billion in 2023. GoldStone Investment, as a fund manager, supported the layout of emerging industries in line with the national strategies by way of equity investment, continued to invest in technology innovation enterprises that served the real economy, undertook the construction of major national projects, broke through the “stranglehold” key technologies, ensured the stability of industrial chain supply, and implemented the carbon peaking and carbon neutrality strategies. It had invested in a number of enterprises with core competitiveness in fields such as new materials, new energy, new generation of information technology, high-end manufacturing, healthcare and modern services to support the national science and technology innovation strategies by way of equity investment.

From the establishment of the first REITs fund in China in 2014 to the end of the Reporting Period, CITIC GoldStone Fund, a wholly-owned subsidiary of GoldStone Investment, has cumulatively established property private funds of approximately RMB34.982 billion, ranking the forefront among the property funds with the cumulative management scale in China.

## *Outlook for 2024*

GoldStone Investment adopts the method of “top-down, research first” to explore investment targets, and will continue to focus on enterprises with forward-looking technology and high-tech barriers in national strategic emerging industries, and continuously empower enterprises in post-investment management to enhance the industrial value.

## **Research**

In 2023, the research business achieved the integration of domestic and foreign teams, gave full play to the value of research, continued to expand the coverage of global listed companies and enterprises, actively served the Company’s domestic and foreign customers, comprehensively and systematically supported the Company’s various businesses, and created a multi-dimensional brand influence. Research is conducted both domestically and internationally to achieve bi-directional product conversion and service provision. Throughout the year, our domestic team covered 2,400 listed companies and 1,000 unlisted enterprises, while our foreign team covered 1,300 listed companies. We actively explore new models of research business and launch comprehensive research services such as industrial research and ESG consulting for corporate clients. Throughout the year, there were over 3,000 new service agency clients both domestically and internationally, covering a total of 15,000 institutional clients. Throughout the year, 88 on-site conferences were held domestically, covering 24 provinces and municipalities, providing strong support for regional customer development, and 4 large-scale forums were held overseas. The number of citations in the mainstream media and reading volumes on various platforms of research viewpoints has continued to increase, while market influence, industrial influence, and social influence have continued to increase. The Company undertakes various major projects and provides important intellectual support to government authorities.



In 2024, the research business will further expand its research influence, improve the level of global integration research, and consolidate its leading advantages. The research business will further expand the research coverage of listed companies and the service coverage of institutional clients, and continue to increase market share, establish a global-oriented research and service system to provide comprehensive global research services to domestic and foreign clients, strengthen its research support for the Company's various businesses, and continue to provide high-quality intellectual support to government authorities.

### **Core Competitiveness Analysis**

In the course of more than 20 years of development, adhering to the development principle of Seven Commitments and backed by powerful shareholder background, the Company has developed and achieved a sound corporate governance structure, prospective strategic layout and complete business system, solid capital strength and industry-leading operating results, profound customer resources, excellent corporate culture system, all of which contribute to the core competitiveness of the Company.

#### **Adhering to the development principle of “Seven Commitments”**

The Company has summarized and formed the basic principle of “Seven Commitments” followed by business management: We adhere to the commitment to the party's leadership that provides sound political protection for corporate development; the commitment to the business objective of following the national strategy and serving the real economy; the commitment to the client-oriented business approach which allows us to achieve mutual development with clients; the commitment to operating philosophy of compliance operations and stringent risk management; the commitment to innovation and entrepreneurship with a persistent ambition; the commitment to the talent and enterprise nurture strategy which is under people-focused and market-oriented management; and the commitment to uphold and promote the excellent corporate culture and tradition of the Company.

#### **Powerful shareholder background and sound corporate governance structure**

Founded on integrating the securities business under CITIC Group, the Company has grown from a small and medium-sized securities company into a large integrated securities group with the full support from CITIC Group. Listed on SSE in 2003 and on the Hong Kong Stock Exchange in 2011, the Company is China's first listed securities company in terms of A+H share IPO, and its largest Shareholder is CITIC Financial Holdings. The Company has formed a sound corporate governance structure centering on the general meeting, the Board, the Supervisory Committee and the Operation Management, which ensures the Company's sustained healthy development under the long-term market-based operation mechanism.

#### **Prospective strategic layout and comprehensive financial services capabilities**

The Company has been exploring and putting into practice new business models. It took the lead in the industry in proposing and practicing the flow-based business, drives wealth management transformation and engages in innovative business such as direct investment and block trading; by acquisition and continuous cultivation, it has established its leading strength in fund, futures, commodity and other business; it has expanded investment in business such as fixed income, margin financing and securities lending, equity derivatives and alternative investment and established the financial market business system. The Company has obtained qualifications for multiple businesses permitted by domestic and foreign regulatory authorities, forming a full-product, full-market and full-business coverage landscape, with basic financial functions in investment, financing, trading and custody gradually improved.

# Management Discussion and Analysis

## **Solid capital strength and industry-leading operating results**

The Company has boasted prominent scale advantage in net capital, net assets and total assets. It is the first securities company in China with total assets exceeding one trillion yuan and has ranked first in the industry in terms of operating income and net profit for many consecutive years. With sustained leading position in the market in respect of investment banking, wealth management, asset management, financial market and other businesses over the years, it has achieved wide reputation and brand strength in domestic market. Over the years, the Company has won many awards granted by Asiamoney, Financial Times, Forbes, SSE, SZSE and other domestic and overseas institutions.

## **Profound customer resources and extensive network layout**

The Company has kept developing as driven by the philosophy of being client-centric and growing together with clients. Based on serving the real economy, the Company has accumulated a large number of trustworthy strategic customers by carrying out in-depth cooperation around customers' comprehensive financial needs; it implemented the requirements of the innovation-driven development strategy, helped to grow bigger and stronger through the capital market, and served a large number of new economy and innovative enterprise customers; it practiced inclusive finance, assisted to common prosperity and allowed a wide range of investors to share the benefits from China's economic development. At present, the Company has more than 14 million retail clients and 100,000 corporate and institutional clients engaging in key fields of national economy, achieving in-depth coverage of major central SOEs, resident enterprises, important local SOEs and influential listed companies. The Company has set up more than 400 branches and 12 regional branches of investment banking in the territory, which are widely distributed in various provinces and cities, and continues to enhance its regional client service capability.

## **Competitive cross-border integrated customer service network**

The Company has offices in 13 countries around the world, covering major markets that accounted for over 95% of total market value of stock and serving more than 2,000 largest institutional investors of the world. It is the Chinese-funded securities company leading peers in the number of local branches, research coverage, sales network and liquidation and settlement infrastructure in areas along the Belt and Road Initiative and also an investment bank best fitting the Belt and Road Initiative in the world. With its unique industrial position and accumulated strength, it serves Chinese clients to go out and introduce overseas clients to domestic market, providing the best quality and most effective services and advice to enterprises.

## **Sound market-based mechanism and excellent talent**

The Company has continuously improved the market-based mechanism, explored the use of medium and long-term incentive policies, improved the incentive and guarantee mechanism for talent, and thoroughly implemented strategy of strengthening the enterprise with talents. The Company has implemented an open talent policy, cultivated a competitive reserve of young talents, increased the international talents reserve, strengthened professional training and systematic training by business and level, and created a batch of international talents with international vision, proficiency in international operations and creative thinking.

### Excellent corporate culture system

Based on the corporate culture of CITIC Group and guided by the practice of the culture of the securities industry, the Company has adhered to the mission of “supporting improvement in the function of capital markets and serving the high-quality development of the economy”, endeavoured to achieve the vision of “becoming a domestically leading and internationally first-class Chinese investment bank most trusted by clients around the world”, and practiced the core values of “integrity, innovation, excellence, and sharing”. The Company has gradually developed the characters of “seeking excellence and striving to make innovations; respecting market and facing up to problems; staying humble and working hard; being diligent and advocating conciseness”, and widely solidified the consensus of employees. These excellent corporate cultures are the valuable spiritual assets that enable us to stand out in the fierce competition and maintain our advantages for many years.

## Financial Statements Analysis

### Financial statement summary

#### Profitability analysis

In 2023, the Group recognized total revenue and other income of RMB83,725 million, representing a year-on-year decrease of 2.58%. Net profit attributable to owners of the parent amounted to RMB19,721 million, representing a year-on-year decrease of 7.49%. Basic earnings per share amounted to RMB1.30, representing a year-on-year decrease of 8.45%. Return on weighted average equity was 7.81%, representing a year-on-year decrease of 0.86 percentage point.

#### Asset structure and assets quality

As of 31 December 2023, the Group’s total assets amounted to RMB1,453,359 million, representing a year-on-year increase of RMB144,756 million or 11.06% than that as at the end of last year. Excluding customer brokerage deposits and funds payable to securities issuers, the Group’s total assets amounted to RMB1,169,503 million, representing a year-on-year increase of RMB155,556 million or 15.34% than that as at the end of last year. As of 31 December 2023, the Group’s total liabilities amounted to RMB1,179,160 million, representing a year-on-year increase of RMB128,929 million or 12.28% than that as at the end of last year. Excluding customer brokerage deposits and funds payable to securities issuers, the Group’s total liabilities amounted to RMB895,304 million, representing a year-on-year increase of RMB139,729 million or 18.49% than that as at the end of last year.

As of 31 December 2023, the Group’s equity attributable to owners of the parent amounted to RMB268,840 million, representing a year-on-year increase of RMB15,722 million or 6.21% than that as at the end of last year.

Asset and liability structure of the Group maintained stable. As of 31 December 2023, excluding customer brokerage deposits and funds payable to securities issuers, the Group’s total assets amounted to RMB1,169,503 million, among which, investments, which mainly included investments in associates/joint ventures and investments in financial assets, accounted for 64.83% of the total assets; margin accounts and reverse repurchase agreements accounted for 15.47% of the total assets; cash and bank balances accounted for 9.39% of the total assets; and fixed assets, constructions in progress, land-use-rights and intangible assets, investment properties and right-of-use assets in aggregate accounted for 1.32% of the total assets.

## Management Discussion and Analysis

As of 31 December 2023, excluding customer brokerage deposits and funds payable to securities issuers, the Group's total liabilities amounted to RMB895,304 million with a major proportion of short-term liabilities, among which, repurchase agreements were RMB283,346 million, accounting for 31.65% of the total liabilities; debt instruments issued and long-term loans were RMB108,899 million, accounting for 12.16% of the total liabilities; short-term loans, due to banks and other financial institutions, short-term financing instruments payable and non-current liabilities due within one year were RMB154,015 million, accounting for 17.20% of the total liabilities; financial liabilities at fair value through profit or loss and derivative financial liabilities were RMB118,468 million, accounting for 13.23% of the total liabilities; and other liabilities were RMB230,576 million in total, accounting for 25.76% of the total liabilities.

The gearing ratio slightly increased. As of 31 December 2023, excluding customer brokerage deposits and funds payable to securities issuers, the gearing ratio of the Group was 76.55%, representing a year-on-year increase of 2.03 percentage points than that as at the end of last year.

### **Cash flow status**

Excluding the impact of changes in customer brokerage deposits, the Group's net decrease in cash and cash equivalents was RMB4,050 million in 2023, compared with net increase of RMB12,607 million in 2022, which was mainly due to the decrease in net cash inflow from operating and investment activities.

From a structural perspective, the net cash outflow from operating activities in 2023 was RMB34,133 million, compared with an inflow of RMB55,258 million in 2022, which was mainly due to a year-on-year increase in the net cash outflow from investments in financial assets at fair value through profit or loss and margin accounts.

The net cash outflow from investing activities in 2023 was RMB18,198 million, compared with an outflow of RMB792 million in 2022, which was mainly due to the year-on-year increase in net cash flow of financial assets at fair value through other comprehensive income.

The net cash inflow from financing activities in 2023 was RMB48,281 million, compared with an outflow of RMB41,859 million in 2022, which was mainly due to a year-on-year increase in the cash inflow from financing activities that were from borrowing activities and issuing bonds by the Company during the Reporting Period.

## Analysis on items of income statement

### Financial highlights

In 2023, the Group accomplished a profit before income tax of RMB26,185 million, representing a year-on-year decrease of 9.55%. Major financial highlights of the Group are as follows:

*In RMB million*

Items	2023	2022
Fee and commission income	<b>33,747</b>	37,945
Interest income	<b>21,609</b>	21,024
Investment income	<b>21,846</b>	17,636
Income from bulk commodity trading and other income	<b>6,523</b>	9,336
Operating expenses	<b>58,181</b>	57,664
Share of profits and losses of associates/joint ventures	<b>641</b>	673
Profit before income tax	<b>26,185</b>	28,950
Income tax expense	<b>5,646</b>	6,781
Profit attributable to owners of the parent	<b>19,721</b>	21,317

### Structure of the revenue

In 2023, the total revenue and other income of the Group amounted to RMB83,725 million, representing a year-on-year decrease of 2.58%. Structure of the revenue was relatively stable. The following table sets out the revenue structure of the Group in the past 5 years:

Items	2023	2022	2021	2020	2019
Fee and commission income	<b>40.31%</b>	44.15%	42.06%	44.27%	37.69%
Interest income	<b>25.81%</b>	24.46%	21.14%	21.61%	23.23%
Investment income	<b>26.09%</b>	20.52%	23.31%	24.92%	27.84%
Income from bulk commodity trading and other income	<b>7.79%</b>	10.87%	13.49%	9.20%	11.24%
Total	<b>100.00%</b>	100.00%	100.00%	100.00%	100.00%

# Management Discussion and Analysis

## Fee and commission income

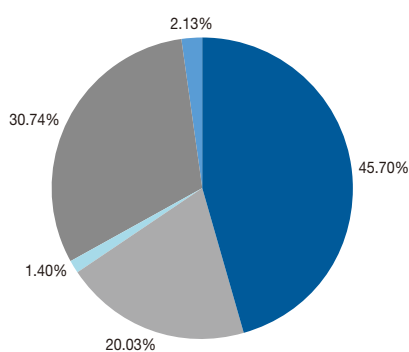
In 2023, the net fee and commission income of the Group amounted to RMB27,202 million, representing a year-on-year decrease of 14.84%, which was mainly due to the decrease in revenue from investment banking and asset management business. The breakdown of fee and commission income of the Group during 2022 and 2023 is as follows:

*In RMB million*

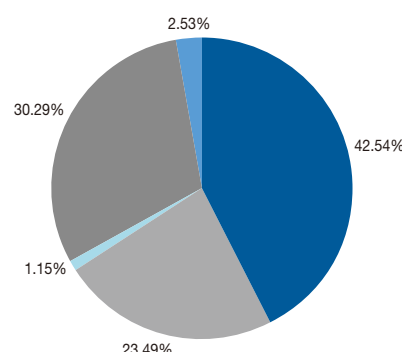
Items	2023	2022	Variance in amount	Variance in percentage
Fee and commission income				
Brokerage	<b>15,421</b>	16,140	-719	-4.45%
Investment banking	<b>6,758</b>	8,915	-2,157	-24.20%
Trading	<b>471</b>	435	36	8.28%
Asset management	<b>10,373</b>	11,493	-1,120	-9.75%
Others	<b>724</b>	962	-238	-24.74%
Fee and commission expenses	<b>6,545</b>	6,002	543	9.05%
Net fee and commission income	<b>27,202</b>	31,943	-4,741	-14.84%

The breakdown of fee and commission income during 2022 and 2023 is as follows:

Breakdown of fee and commission income for 2023



Breakdown of fee and commission income for 2022



■ Brokerage      ■ Investment banking      ■ Trading  
 ■ Asset management      ■ Others

The fee and commission income from brokerage decreased by RMB719 million, representing a year-on-year decrease of 4.45%. In 2023, the average daily trading volume of stocks and funds in the domestic securities market decreased year-on-year by 3.10%.

The fee and commission income from investment banking decreased by RMB2,157 million, representing a year-on-year decrease of 24.20%, mainly due to changes in the scale of equity financing.

The fee and commission income from trading increased by RMB36 million year-on-year, which was relatively stable.

The fee and commission income from asset management decreased by RMB1,120 million, representing a year-on-year decrease of 9.75%, mainly due to changes in assets under management.

### Interest income

In 2023, the net interest income of the Group amounted to RMB4,029 million, representing a year-on-year decrease of 30.61%. The table below sets out the major composition of the net interest income of the Group for the period indicated:

*In RMB million*

Items	2023	2022	Variance in amount	Variance in percentage
Interest income				
— Interest income on financial institutions	<b>8,990</b>	8,988	2	0.02%
— Interest income on margin and other financing	<b>10,105</b>	10,328	-223	-2.16%
— Interest income on financial assets at fair value through other comprehensive income	<b>2,056</b>	1,491	565	37.89%
— Others	<b>458</b>	217	241	111.06%
Interest expenses				
— Customer brokerage deposits	<b>1,675</b>	1,648	27	1.64%
— Due to banks and other financial institutions	<b>8,892</b>	6,029	2,863	47.49%
— Debt instruments issued and short-term financing instruments payable	<b>5,549</b>	5,863	-314	-5.36%
— Others	<b>1,464</b>	1,678	-214	-12.75%
Net interest income	<b>4,029</b>	5,806	-1,777	-30.61%

Bank interest income increased by RMB2 million, representing a year-on-year increase of 0.02%, remaining basically stable.

Interest income on margin and other financing decreased by RMB223 million, representing a year-on-year decrease of 2.16%, mainly due to the decreased scale of financing flow-based business as compared to last year.

Interest income on financial assets at fair value through other comprehensive income increased by RMB565 million, representing a year-on-year increase of 37.89%, mainly due to increased average daily scale of debt investment during the year.

## Management Discussion and Analysis

### Investment income

In 2023, the investment income of the Group amounted to RMB21,846 million, representing a year-on-year increase of 23.87%. The table below sets out the major composition of the investment income of the Group for the period indicated:

*In RMB million*

Items	2023	2022	Variance in amount	Variance in percentage
Net gains from financial assets at fair value through other comprehensive income	999	257	742	288.72%
Net gains/(losses) from financial instruments at fair value through profit or loss	33,021	-24,371	N/A	N/A
Others	-12,174	41,750	N/A	N/A
Total	21,846	17,636	4,210	23.87%

The net gains from financial assets at fair value through other comprehensive income increased by RMB742 million, representing a year-on-year increase of 288.72%. In particular, the investment income from the disposal of financial assets increased by RMB724 million, representing an increase of 281.71%, and the investment income from assets held increased by RMB18 million, which was all arising from investment in equity instruments.

The net gains from financial instruments at fair value through profit or loss amounted to RMB33,021 million. In particular, investment income arising from the holding and disposal of such assets by the Group was RMB20,434 million and the gains arising from changes in the fair value amounted to RMB12,587 million.

Other investment loss was RMB12,174 million, which was mainly attributable to changes in fair value of derivative financial instruments.



### Operating expenses

In 2023, operating expenses of the Group (excluding fee and commission expenses and interest expenses) amounted to RMB34,056 million, representing a year-on-year decrease of RMB2,388 million or 6.55%. The table below sets out the major composition of the operating expenses of the Group for the period indicated:

*In RMB million*

Items	2023	2022	Variance in amount	Variance in percentage
Staff costs	<b>20,786</b>	21,174	-388	-1.83%
Depreciation	<b>1,565</b>	1,350	215	15.93%
Tax and surcharges	<b>358</b>	375	-17	-4.53%
Cost of bulk commodity trading	<b>4,776</b>	7,227	-2,451	-33.91%
Other operating expenses	<b>6,928</b>	6,502	426	6.55%
Credit impairment losses	<b>-365</b>	-698	N/A	N/A
Impairment losses on other assets	<b>8</b>	514	-506	-98.44%
Total	<b>34,056</b>	36,444	-2,388	-6.55%

During the year, staff costs decreased by RMB388 million, representing a year-on-year decrease of 1.83%, mainly due to a decrease in staff remuneration.

During the year, depreciation increased by RMB215 million, representing a year-on-year increase of 15.93%, which was mainly due to the increase in depreciation of right-of-use assets.

During the year, tax and surcharges decreased by RMB17 million, representing a year-on-year decrease of 4.53%, mainly due to a decrease in urban construction tax and education surcharge.

During the year, cost of bulk commodity trading decreased by RMB2,451 million, representing a year-on-year decrease of 33.91%, mainly due to a decrease in cost of sales of bulk commodity trading of its subsidiaries.

In 2023, expected credit losses amounted to RMB-365 million, mainly due to the increase in the credit impairment losses on financial assets (debt instruments) at fair value through other comprehensive income. Impairment losses on other assets amounted to RMB8 million, decreased by RMB506 million year-on-year, which was mainly due to the decrease in the impairment losses on goodwill of subsidiaries.

## Management Discussion and Analysis

The following table sets out the composition of the impairment losses of the Group during the period indicated:

*In RMB million*

Items	2023	2022	Variance in amount	Variance in percentage
Expected credit losses	-365	-698	N/A	N/A
Among which: Reverse repurchase agreements	-729	-262	N/A	N/A
Margin account	-610	-822	N/A	N/A
Financial assets at fair value through other comprehensive income (Debt instruments)	1,027	476	551	115.76%
Other current assets	32	-33	N/A	N/A
Others	-85	-57	N/A	N/A
Impairment losses on other assets	8	514	-506	-98.44%

### Analysis on financial position

As of 31 December 2023, the total assets of the Group were RMB1,453,359 million, representing a year-on-year increase of 11.06%. Excluding the customer brokerage deposits and funds payable to securities issuers, the total assets of the Group amounted to RMB1,169,503 million as at 31 December 2023, representing a year-on-year increase of 15.34%.

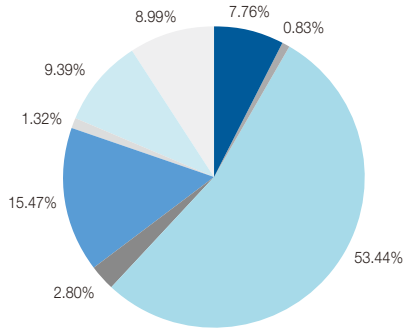
Major changes in the total assets of the Group were as follows:

*In RMB million*

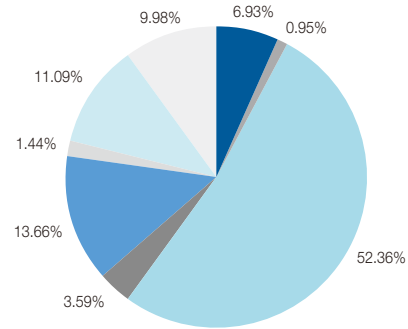
Items	31 December 2023	31 December 2022	Variance in amount	Variance in percentage
Financial assets at fair value through other comprehensive income	90,698	70,278	20,420	29.06%
Investments in associates/joint ventures	9,650	9,649	1	0.01%
Financial assets at fair value through profit or loss	625,047	530,923	94,124	17.73%
Derivative financial assets	32,754	36,389	-3,635	-9.99%
Margin accounts and reverse repurchase agreements	180,955	138,459	42,496	30.69%
Properties, land-use rights and intangible assets, right-of-use assets	15,458	14,600	858	5.88%
Cash and bank balances	109,773	112,402	-2,629	-2.34%
Others	105,168	101,247	3,921	3.87%
Total	1,169,503	1,013,947	155,556	15.34%

The following chart sets forth the composition of the total assets of the Group as of the dates indicated:

Analysis of the components of the Group's assets as at the end of 2023



Analysis of the components of the Group's assets as at the end of 2022



## Investment

The investment of the Group primarily comprises financial assets at fair value through other comprehensive income, investments in associates/joint ventures, financial assets at fair value through profit or loss, derivative financial assets, etc.

As of 31 December 2023, the total investments of the Group were RMB758,149 million, representing a year-on-year increase of RMB110,910 million or 17.14% as compared to the end of last year. Its total investments accounted for 64.83% of the total assets, representing a year-on-year increase of 1.00 percentage point.

The following table sets out, as of the dates indicated, the investments of the Group and its percentage to the total assets by category:

*In RMB million*

Items	31 December 2023		31 December 2022	
	Amount	Percentage to total assets	Amount	Percentage to total assets
Financial assets at fair value through other comprehensive income	90,698	7.76%	70,278	6.93%
Investments in associates/joint ventures	9,650	0.83%	9,649	0.95%
Financial assets at fair value through profit or loss	625,047	53.44%	530,923	52.36%
Derivative financial assets	32,754	2.80%	36,389	3.59%
Total	758,149	64.83%	647,239	63.83%

## Management Discussion and Analysis

### Financial assets at fair value through other comprehensive income

As of 31 December 2023, the Group's financial assets at fair value through other comprehensive income were RMB90,698 million, representing a year-on-year increase of RMB20,420 million or 29.06% as compared to the end of last year. The following table sets forth the components of the Group's financial assets at fair value through other comprehensive income:

*In RMB million*

Items	31 December 2023		31 December 2022	
	Amount	Percentage to total financial assets at fair value through other comprehensive income	Amount	Percentage to total financial assets at fair value through other comprehensive income
Debt instruments investments	81,184	89.51%	70,115	99.77%
Investment in equity instruments	9,514	10.49%	163	0.23%
Total	90,698	100.00%	70,278	100.00%

### Investments in associates/joint ventures

As of 31 December 2023, investments in associates and joint ventures of the Group increased by RMB1 million or 0.01% year-on-year as compared to the end of last year, maintaining relatively stable.

*In RMB million*

Items	31 December 2023	31 December 2022	Variance in amount	Variance in percentage
Investment in associates	9,633	9,639	-6	-0.06%
Investments in joint ventures	17	10	7	70.00%
Total	9,650	9,649	1	0.01%

### Financial assets at fair value through profit or loss

As of 31 December 2023, the Group's financial assets at fair value through profit or loss increased by RMB94,124 million or 17.73% year-on-year as compare to the end of last year, accounting for 53.44% of the total assets of the Group, mainly due to the increase in investment of tradable debt instruments. The following table sets forth the components of the Group's financial assets at fair value through profit or loss:

*In RMB million*

Items	31 December 2023	31 December 2022	Variance in amount	Variance in percentage
Debt instruments investments	297,987	245,668	52,319	21.30%
Investment in equity instruments	287,845	251,472	36,373	14.46%
Financial assets designated as at fair value through profit or loss	10,225	11,055	-830	-7.51%
Others	28,990	22,728	6,262	27.55%
Total	625,047	530,923	94,124	17.73%

### Properties, land-use rights and intangible assets and right-of-use assets

As of 31 December 2023, properties, land-use rights and intangible assets and right-of-use assets of the Group were RMB15,458 million, representing a year-on-year increase of 5.88%. The following table sets forth the properties, land-use rights and intangible assets and right-of-use assets of the Group as of the dates indicated:

*In RMB million*

Items	31 December 2023	31 December 2022	Variance in amount	Variance in percentage
Property, plant and equipment	8,808	8,282	526	6.35%
Investment properties	905	954	-49	-5.14%
Land-use rights and other intangible assets	3,352	3,421	-69	-2.02%
Right-of-use assets	2,393	1,943	450	23.16%
Total	15,458	14,600	858	5.88%

## Management Discussion and Analysis

### Liabilities

As of 31 December 2023, the total liabilities of the Group amounted to RMB1,179,160 million, representing a year-on-year increase of RMB128,929 million or 12.28% as compared to the end of last year. Excluding customer brokerage deposits and funds payable to securities issuers, total liabilities of the Group amounted to RMB895,304 million as at 31 December 2023, representing a year-on-year increase of 18.49%. The following table sets forth the breakdown of the total liabilities of the Group as of the dates indicated:

*In RMB million*

Items	31 December 2023	31 December 2022	Variance in amount	Variance in percentage
Customer brokerage deposits	<b>283,821</b>	279,402	4,419	1.58%
Funds payable to securities issuers	<b>35</b>	15,254	-15,219	-99.77%
Short-term loans, due to banks and other financing institutions, short-term financing instruments payable and non-current liabilities due within one year	<b>154,015</b>	103,926	50,089	48.20%
Financial liabilities at fair value through profit or loss and derivative financial liabilities	<b>118,468</b>	119,238	-770	-0.65%
Repurchase agreements	<b>283,346</b>	214,283	69,063	32.23%
Debt instruments issued and long-term loans	<b>108,899</b>	75,031	33,868	45.14%
Others	<b>230,576</b>	243,097	-12,521	-5.15%
<b>Total</b>	<b>1,179,160</b>	1,050,231	128,929	12.28%

As of 31 December 2023, the customer brokerage deposits of the Group amounted to RMB283,821 million, representing a year-on-year increase of 1.58%, accounting for 24.07% of the total liabilities of the Group. The following table sets forth the Group's customer brokerage deposits as categorized by geographical locations and types of customers as of the dates indicated:

*In RMB million*

Items	31 December 2023	31 December 2022	Variance in amount	Variance in percentage
China's Mainland	<b>256,633</b>	253,009	3,624	1.43%
— Individual	<b>83,797</b>	83,971	-174	-0.21%
— Corporate	<b>172,836</b>	169,038	3,798	2.25%
Outside China's Mainland	<b>27,188</b>	26,393	795	3.01%
<b>Total</b>	<b>283,821</b>	279,402	4,419	1.58%

As of 31 December 2023, short-term loans, due to banks and other financing institutions, short-term financing instruments payable and non-current liabilities due within one year amounted to RMB154,015 million, representing an increase of 48.20% year-on-year, which was mainly attributable to an increase in the scale of short-term financing instruments payable.

As of 31 December 2023, financial liabilities at fair value through profit or loss and derivative financial liabilities amounted to RMB118,468 million, representing a decrease of 0.65% year-on-year, which was mainly attributable to the scale of financial liabilities designated as at fair value through profit or loss and fair value changes.

As of 31 December 2023, amounts from repurchase agreements increased by RMB69,063 million or 32.23% year-on-year as compared to the end of last year, which was mainly attributable to the increase in the scale of pledge-style repo business.

As of 31 December 2023, amounts from debt instruments issued and long-term loans of the Group increased by RMB33,868 million or 45.14% year-on-year as compared to the end of last year, which was mainly attributable to the increase in the scale of debt instruments issued.

### Equity

As of 31 December 2023, the total equity of the Group amounted to RMB274,199 million, representing a year-on-year increase of 6.13%, which was mainly attributable to the issuance of other equity instruments and net profit achieved for the period of the Company. The following table sets forth the components of the Group's total equity as of the dates indicated:

*In RMB million*

Items	31 December 2023	31 December 2022
Share capital	14,821	14,821
Other equity instruments	16,762	13,762
Capital reserve	90,828	90,940
Surplus reserve	11,640	11,294
General reserve	40,251	36,884
Investment revaluation reserve	457	-198
Foreign currency translation reserve	631	386
Retained profits	93,450	85,229
Non-controlling interests	5,359	5,254
<b>Total</b>	<b>274,199</b>	258,372

### Fair value measurement

During the Reporting Period, the valuation principle for fair value is that the fair value of the relevant assets or liabilities of the Group is measured by prices in principal markets. In the absence of a principal market, the fair value of the relevant assets or liabilities will be measured by the prices in the most advantageous market. The fair value of an asset or a liability is measured by using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

The fair values of quoted financial assets or financial liabilities in active markets of the Group are based on quoted market prices. If there is no active market, the Group establishes fair value by using valuation techniques. These include the use of market approach, income approach and cost approach. In the application of valuation techniques, the Group prioritizes the use of relevant observable inputs, and can only use unobservable inputs when the relevant observable inputs are unavailable or impractical to obtain.

## Management Discussion and Analysis

Default Valuation Adjustments (DVA) are considered for the Group's liabilities at fair value, assuming that DVA stay the same before and after the transfer of the liabilities. DVA refers to the risk that enterprises fail to perform their obligation, including but not limited to their own credit.

### Analysis of principal controlling subsidiaries

The Company has eight principal controlling subsidiaries, a summary of which is set out below:

Name	Shareholding of the Company	Date of Establishment	Registered Capital	Place of Business	Registered Address	Legal Representative	Contact Number
CITIC Securities (Shandong)	100%	1988.06.02	RMB2,493.80 million	5/F, East Wing, Tower 1, Longxiang Plaza, No. 28 Dong Hai West Road, Shinan District, Qingdao, 15/F, International Wealth Center, No. 156 Jingqi Road, Shizhong District, Jinan	Unit 2001, Tower 1, No. 222 Shenzhen Road, Laoshan District, Qingdao	XIAO Haifeng	0531-89606168
CSI	100%	1998.04.09	Paid-up capital of HK\$6,516.05 million	26/F, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong	26/F, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong	LI Chunbo	00852-26008888
GoldStone Investment	100%	2007.10.11	RMB3,000 million	Room 1601, 16/F, Building 1, No. 6 Xinyuan South Road, Chaoyang District, Beijing	Room 1601, 16/F, Building 1, No. 6 Xinyuan South Road, Chaoyang District, Beijing	CHANG Junsheng	010-56605201
CITIC Securities Investment	100%	2012.04.01	RMB17,000 million	17/F, CITIC Securities Tower, No. 48 Liangmaqiao Road, Chaoyang District, Beijing	Unit 2001, Tower 1, International Finance Plaza, No. 222 Shenzhen Road, Laoshan District, Qingdao	FANG Hao	010-60833811
CITIC Futures	100%	1993.03.30	RMB7,600 million	Units 1301-1305 of 13/F and 14/F, North Tower, Excellence Times Plaza II, No. 8 Zhong Xin San Road, Futian District, Shenzhen, Guangdong Province	Units 1301-1305 of 13/F and 14/F, North Tower, Excellence Times Plaza II, No. 8 Zhong Xin San Road, Futian District, Shenzhen, Guangdong Province	DOU Changhong	0755-83217780
CITIC Securities South China	100%	1988.03.26	RMB5,091.14 million	Room 901 (Position: Self-edited 01) and Room 1001 (Position: Self-edited 01), No. 395 Linjiang Avenue, Tianhe District, Guangzhou	Room 901 (Position: Self-edited 01) and Room 1001 (Position: Self-edited 01), No. 395 Linjiang Avenue, Tianhe District, Guangzhou	CHEN Keke	020-88836999
CITIC Securities AM	100%	2023.03.01	RMB1,000 million	16/F, CITIC Securities Tower, No. 48 Liangmaqiao Road, Chaoyang District, Beijing	Room 1-288, 6/F, Unit 01, 1-16/F, Building 2, No. 3, Jinli South Road, Fengtai District, Beijing	YANG Bing	010-60838899
China AMC	62.20%	1998.04.09	RMB238 million	Building 7, No. 1 Yuetan South Street, Xicheng District, Beijing	No. A3, Anqing Street, Shunyi District, Beijing	ZHANG Youjun	010-88066688



Particulars of the principal controlling subsidiaries of the Company are as follows:

- (1) CITIC Securities (Shandong) is a wholly-owned subsidiary of the Company with a registered capital of RMB2,493.80 million. As at the end of the Reporting Period, the total assets and net assets of CITIC Securities (Shandong) amounted to RMB34,517.24 million and RMB8,590.19 million, respectively, and the operating revenue, gross profit and net profit realized in 2023 amounted to RMB1,819.06 million, RMB653.14 million and RMB485.44 million, respectively. CITIC Securities (Shandong) had 65 securities branches, 2,719 staff and 34 dispatched staff.

The principal businesses of CITIC Securities (Shandong) include: life insurance and property insurance (other than aviation accident insurance and alternative products) approved by the China Insurance Regulatory Commission; foreign-currency negotiable securities brokerage; securities brokerage (in Shandong and Henan provinces only); securities investment advisory (for securities investment advisory business in Shandong and Henan provinces only); margin financing and securities lending; distribution of securities investment fund; provision of intermediate referral services to futures companies; and agency sale of financial products (in Shandong and Henan provinces only).

- (2) CSI is a wholly-owned subsidiary of the Company with paid-up capital of HK\$6,516.05 million. As at the end of the Reporting Period, under HKFRS, the total assets and net assets of CSI amounted to US\$34,695.54 million and US\$1,709.97 million, respectively; the operating revenue, gross profit and net profit realized in 2023 amounted to US\$1,602.31 million, US\$284.13 million and US\$246.11 million, respectively. CSI had 6 branches in Hong Kong, 1,884 staff and 84 brokers.

The principal businesses of CSI include: holding and investment, and its subsidiaries engage in businesses such as corporate finance and capital market, securities brokerage, futures brokerage, asset management, proprietary business and direct investment.

- (3) GoldStone Investment is a wholly-owned subsidiary of the Company with a registered capital of RMB3.0 billion. As at the end of the Reporting Period, the total assets and net assets of GoldStone Investment amounted to RMB18,690.37 million and RMB10,572.17 million, respectively; the operating revenue, gross profit and net profit realized in 2023 amounted to RMB1,911.42 million, RMB1,511.80 million and RMB1,113.87 million, respectively. GoldStone Investment had 120 staff (including 4 dispatched staff).

The principal businesses of GoldStone Investment include: industrial investment; investment advisory and management.

- (4) CITIC Securities Investment is a wholly-owned subsidiary of the Company with a registered capital of RMB17,000 million. As at the end of the Reporting Period, the total assets and net assets of CITIC Securities Investment amounted to RMB28,856.55 million and RMB24,956.98 million, respectively; the operating revenue, gross profit and net profit realized in 2023 amounted to RMB1,493.69 million, RMB1,481.16 million and RMB1,144.18 million, respectively. CITIC Securities Investment had 39 staff (including 1 dispatched staff).

The principal businesses of CITIC Securities Investment include: financial product investment, securities investment and equity investment.

## Management Discussion and Analysis

- (5) CITIC Futures is a wholly-owned subsidiary of the Company with a registered capital of RMB7,600 million. As at the end of the Reporting Period, the total assets and net assets of CITIC Futures amounted to RMB181,586.88 million and RMB13,020.49 million, respectively; the operating revenue, gross profit and net profit realized in 2023 amounted to RMB7,824.93 million, RMB1,107.58 million and RMB873.28 million, respectively. CITIC Futures had 51 branches and 2,085 staff.

The principal businesses of CITIC Futures include: commodity futures brokerage, financial futures brokerage, futures investment advisory, asset management and fund sales.

- (6) CITIC Securities South China is a wholly-owned subsidiary of the Company with a registered capital of RMB5,091.14 million. As at the end of the Reporting Period, the total assets and net assets of CITIC Securities South China amounted to RMB15,727.47 million and RMB7,135.87 million, respectively; the operating revenue, gross profit and net profit realized in 2023 amounted to RMB830.73 million, RMB366.46 million and RMB284.77 million, respectively. CITIC Securities South China had 32 securities branches and 1,030 staff (including 21 dispatched staff).

The principal businesses of CITIC Securities South China include: margin financing and securities lending; securities proprietary investment services for institutions; securities investment fund distribution services; agency sale of financial products; securities asset management; provision of intermediate referral services to futures companies (limited to securities companies); securities brokerage; securities underwriting and sponsorship; financial advisory services in relation to securities trading and securities investment activities; securities investment consulting.

- (7) CITIC Securities AM is a wholly-owned subsidiary of the Company with a registered capital of RMB1,000 million. As at the end of the Reporting Period, the total assets and net assets of CITIC Securities AM amounted to RMB1,490.37 million and RMB1,405.29 million, respectively; the operating revenue, gross profit and net profit realized in 2023 amounted to RMB168.38 million, RMB98.30 million and RMB73.65 million, respectively. CITIC Securities AM had 303 staff.

The principal businesses of CITIC Securities AM include: securities assets management business (excluding entrusted domestic investment management of National Social Security Fund, securities investment management for basic pension insurance fund, investment management of the enterprise annuity fund and investment management of the occupational pension fund).

- (8) China AMC is held as to 62.20% by the Company and has a registered capital of RMB238 million. As at the end of the Reporting Period, the total assets and net assets of China AMC amounted to RMB18,794.30 million and RMB13,152.00 million, respectively; the operating revenue, gross profit and net profit realized in 2023 amounted to RMB7,326.91 million, RMB2,674.83 million and RMB2,012.99 million, respectively. China AMC had 1,718 staff.

The principal businesses of China AMC include: fund raising; fund sales; asset management; engaging in asset management business for specific clients; and other businesses permitted by the CSRC.

## Securities branch offices of the Company

As of the end of the Reporting Period, the Company has established a total of 45 domestic securities branch offices, particulars of which are as follows:

No.	Name of Branch Office	Responsible Officer	Place of Business	Contact Method
1	Beijing Branch Office	TIAN Bing	Rooms 01 and 02 (inside 101), 1/F, Rooms 01, 02, 03, 05 and 06 (inside 201), 2/F, Room 01 (inside 301), 3/F, Building 1, No. 38 Yard, Dongsanhuan North Road, Chaoyang District, Beijing	010-86601366
2	Shanghai Branch Office	WANG Lihua	3/F and Units 01 to 07, 10/F No. 1568 Century Avenue, Pilot Free Trade Zone, China (Shanghai)	021-61768697
3	Hubei Branch Office	SUN Hongtao	Part of the houses No. 1 to 4, 42/F and 51/F, Building 1, Guangfa Bank Building, No. 737 Construction Avenue, Jiangnan District, Wuhan	027-85355362
4	Jiangsu Branch Office	XIE Siyuan	10/F and Area B of 1/F, Phase II of Sunny World, No. 168 Lushan Road, Jianye District, Nanjing	025-83261298
5	Shanghai Pilot Free Trade Zone Branch Office	ZHANG Bing	19/F and 20/F, No. 1568 Century Avenue, Pilot Free Trade Zone, China (Shanghai)	021-20262005
6	Shenzhen Branch Office	TAN Xiujun	12/F and 20/F, CITIC Securities Tower, No. 8 Center 3rd Road, Futian Street, Futian District, Shenzhen	0755-23916596
7	Northeast Branch Office	LI Zhe	30/F, No. 286 Qingnian Avenue, Heping District, Shenyang	024-23972693
8	Zhejiang Branch Office	CHEN Gang	Units 1703, 1704, 1901, 1902, 2303 and 2304, 6/F and 22/F of Dikai Yinzuo, Sijiqing Street, Shangcheng District, Hangzhou, Zhejiang Province	0571-85783714
9	Jiangxi Branch Office	WU Wenzhang	Units 2801, 2802, 2806, 2807, 2808, 2809 and 2810 (28/F) of Lianfa Plaza Office Building, No. 129 Lvyin Road, Honggutan District, Nanchang, Jiangxi Province	0791-83970561
10	Fujian Branch Office	SUI Yanping	Units 1901, 1902, 1905A, 1907, 2005B, 2006 and 2007 of Sino Plaza, No. 137 Wusi Road, Gulou District, Fuzhou, Fujian Province	0591-87905705
11	Ningbo Branch Office	YAO Feng	7-1-1, 7-1-2, 7-1-3, 7-1-4, No. 455 Haiyan North Road, Fuming Street, Yinzhou District, Ningbo, Zhejiang Province	0574-87033718
12	Wenzhou Branch Office	PAN Ye	Room 201 (2-23), 702 and 703, Fortune Center, No. 577 Station Avenue, Lucheng District, Wenzhou, Zhejiang Province	0577-88107230
13	Sichuan Branch Office	JI Xiangkun	1/F, West Wing, La Defense Building, No. 1480 North Section of Tianfu Avenue, Chengdu Hi-Tech Industrial Development Zone, Sichuan Province	028-63278899
14	Shaanxi Branch Office	SHI Lei	Room 02-03-04, 19/F, Unit 1, Building 1, Hesheng Jingguang Center, No. 11 Tangyan Road, High-tech Zone, Xi'an, Shaanxi Province	029-88601239
15	Tianjin Branch Office	ZHANG Yu	Y5, 1/F, 201 2/F and 7/F, Tianjin Technology Building, No. 23 Youyi Road, Hexi District, Tianjin	022-58816668
16	Inner Mongolia Branch Office	FAN Yaqiong	Jintailiwan No. 10 Complex, Siwei Road, Saihan District, Hohhot, Inner Mongolia Autonomous Region	0471-5982233
17	Anhui Branch Office	YANG Dacui	Room 2501-2504, 25/F, A1 Building, Phase I, and Southeast Corner of 1/F, Podium Building, Zhongan Chuanggu Science Park, No. 900 West Wangjiang Road, High-tech Zone, Hefei, China (Anhui) Pilot Free Trade Zone	0551-65662889
18	Shanxi Branch Office	REN Gaopeng	Shop 1, Northeast Corner of Hongsheng Times Financial Plaza, No. 1 Jifu Road, Jinyuan District, Taiyuan, Shanxi Province	0351-6191968
19	Yunnan Branch Office	ZHANG Rui	Units 2601-2603 and 2612, 26/F, Kunming Henglong Plaza Office Building, No. 23 East Dongfeng Road, Panlong District, Kunming, Yunnan Province	0871-68583323

## Management Discussion and Analysis

No.	Name of Branch Office	Responsible Officer	Place of Business	Contact Method
20	Hunan Branch Office	LUO Hua	2/F and 8/F (Rooms 801, 802, 811, 812, 813), New Century Building, No. 198 Second Section of Furong Middle Road, Chengnanlu Street, Tianxin District, Changsha, Hunan Province	0731-85175379
21	Hebei Branch Office	QIU Zhenying	Rooms 3501-3504, 35/F, Tower B, Letai Center, No. 39 Zhongshan East Road, Chang'an District, Shijiazhuang, Hebei Province	0311-66188908
22	Chongqing Branch Office	LI Xiaoying	5-1 (underground) and 12-1-2, No. 5 Jiangbeichengxi Avenue, Jiangbei District, Chongqing	023-67518668
23	Hainan Branch Office	ZHU Yumei	1-2/F, Block B, East Area of Sheng Da Jing Du, No. 65 Guoxing Avenue, Meilan District, Haikou, Hainan Province	0898-65361268
24	Guangxi Branch Office	LIU Yuyang	Room 1804 and 1805, 18/F, Block C, China Resources Building, No. 136-5 Minzu Avenue, Qingxiu District, Nanning	0771-2539031
25	Gansu Branch Office	XU Ying	4/F, Lanzhou SOHO Tower, No. 9 Minzhu West Road, Chengguan District, Lanzhou, Gansu Province	0931-8631255
26	Ningxia Branch Office	WU Ligang	Room 301, Complex Commercial Building, No. 16 (formerly No. B4) Yuehai Xintiandi, East Side of Yinjiaku and South Side of Zhenshui Road, Jinfeng District, Yinchuan, Ningxia	0951-5102568
27	Jilin Branch Office	LIU Mingxu	C101 on 1-2/F, C301, C302, C303 and C304A on 3/F, Tower C, Pearl Plaza, No. 8988 Renmin Avenue, Nanguan District, Changchun, Jilin Province	0431-81970899
28	Heilongjiang Branch Office	WU Di	No. 1150 Jinjiang Road, Daoli District, Harbin	0451-51176699
29	Jiaxing Branch Office	WU Jinglan	Room D110 on 1/F, 3/F and 4/F, Rooms D111, D113 on 3/F and 4/F, Commercial Office Building, Fortune Plaza, Economic and Technological Development Zone, Jiaxing, Zhejiang Province	0573-82069341
30	Jinhua Branch Office	LI Qiang	1-4/F, Haiyang Building, No. 331 Zhongshan Road, Wucheng District, Jinhua, Zhejiang Province	0579-82337102
31	Shaoxing Branch Office	TONG Weijia	Rooms 102, 205, 206, 207 and 208, No. 177 Jiefang Avenue, Lingzhi Street, Yuecheng District, Shaoxing, Zhejiang Province	0575-88096598
32	Taizhou Branch Office	LIN Binxian	Rooms 2001 and 103, Development and Investment Mansion, No. 188 Fuzhong Road, Taizhou, Zhejiang Province	0576-88896598
33	Xinjiang Branch Office	JIA Haohao	Room 7006, 7007, 7010, 7011, 7012, 7013, 7015, 7016 and 7017 on 7/F, Block A, Yingke Plaza, No. 217 Gaoxin Street, Hi-tech Zone (Xinshi District), Urumqi, Xinjiang	0991-5870063
34	Suzhou Branch Office	WANG Xiaomeng	8/F, No. 308 Suya Road, Suzhou Industrial Park	0512-67615858
35	Foshan Branch Office	CHEN Hengfu	Rooms 2801, 2802, 2803, 2804, 2805 and 2814, Block 1, one of No. 02, Ground Floor, No. 57 Jihua 5th Road, Chancheng District, Foshan	0757-83283939
36	Dongguan Branch Office	CAO Hong	Rooms 1705, 1706, 1707 and 1708, 17/F, and part of the Ground Floor, Yujing Plaza, Gangbei Dongcheng Road, Dongcheng Street, Dongguan	0769-88778300
37	Shenzhen Qianhai Branch Office	XIONG Linsha	Rooms 803B and 804, T1 Office Building, Qianhai Kerry Centre, Qianhai Avenue, Nanshan Street, Qianhai Shenzhen-Hong Kong Cooperation Zone, Shenzhen	0755-26029556
38	Xiamen Branch Office	LI Nan	Units 04, 05 and 06, 16/F, Tower A, China Resources Building, No. 93 Hubin East Road, Siming District, Xiamen	0592-6885548
39	Qinghai Branch Office	CHEN Cunzhe	Shops in East 6/F and No. 17 on 1/F, Building 2, Shengshida Financial Centre, No. 1 Wenyuan Road, Chengxi District, Xining, Qinghai Province	0971-8251122
40	Dalian Branch Office	CHEN Sheng	Room 1-1-4, Building 13, No. 6, B2 Block, Xinghai Plaza, Shahekou District, Dalian, Liaoning Province	0411-84992086
41	Wuxi Branch Office	YAN Jun	Units 2906-2910, 29/F, Block 2, Center 66 Office Building, No. 139 Renmin Middle Road, Liangxi District, Wuxi	0510-81800565

No.	Name of Branch Office	Responsible Officer	Place of Business	Contact Method
42	Zuhai Branch Office	CHEN Zhensheng	Room 301A, No. 91 Jingshan Road, Xiangzhou District, Zuhai	0756-3288918
43	Zhongshan Branch Office	GAO Yong	4/F-2 Dixing Building, No. 82 Zhongshan Fourth Road, East District, Zhongshan	0760-88261265
44	Changzhou Branch Office	YIN Zhonghua	Rooms 101 and 2101, No. 5, Yanzheng Middle Road, Hutang Town, Wujin District, Changzhou	0519-86565278
45	Zhenjiang Branch Office	GAO Qun	No. 39, Zhengdong Road, Jingkou District, Zhenjiang	0511-81983987

### Structured entities controlled by the Company

Please refer to Note 23 to the financial report for details of structured entities controlled by the Company.

### Explanation of change in scope of statement consolidation

During the Reporting Period, the number of structured entities which were included in the consolidation scope of the Company's financial statements was 6. The number of first-level units included in the consolidation scope of the Company's financial statements changed to 20.

### No change in the income tax policy of the Company during the Reporting Period

From 1 January 2008, the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) and the Regulations on the Implementation of Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》) became effective for the Company. The enterprise income tax computation and payment are governed by the requirements of the Announcement of the State Administration of Taxation on Printing and Distributing the Administrative Measures for Collection of Consolidated Payments of Enterprise Income Tax by the Enterprises with Trans-regional Operations (《國家稅務總局關於印發<跨地區經營匯總納稅企業所得稅徵收管理辦法>的公告》) (Public Notice of the State Administration of Taxation [2012] No. 57). The income tax rate applicable to the Company and its major domestic subsidiaries is 25%. Hong Kong and other overseas subsidiaries pay taxes according to the applicable tax rate in the territory where their tax residency is located.

# Management Discussion and Analysis

## Risk Management

The Company has implemented comprehensive risk management mechanism and internal control processes, through which it monitors, evaluates and manages the financial, operational, compliance, legal risks that it is exposed to in its business activities, and implements vertical risk management of its subsidiaries through different models including business guidance, operational support and decision-making management. The Company has established a complete and effective governance structure. The Company's general meeting, the Board and Supervisory Committee perform their duties to oversee and manage the operation of the Company based on the Company Law, Securities Law, and the Articles of Association of the Company. By strengthening the relevant internal control arrangements and improving the Company's internal control environment and internal control structures, the Board has incorporated internal control and risk management as essential elements in the Company's decision-making processes.

The Company has established an overall risk management system led by the Chief Risk Officer, in the charge of the Risk Management Department and involving its departments/business lines, branches, subsidiaries and all its staff, and three lines of defense in risk management and kept optimizing such system. In 2023, the Company further improved risk appetite management, optimized the system of risk appetite and continued to promote the management mechanism for business development based on risk appetite. The Company continuously improved country risk management, completed the supporting systems and processes, optimized the instruments for assessing and rating country risks, enriched the means for identifying and monitoring country risks, and enhanced the ability to manage and control country risk limits. The Company continuously adhered to proactive risk management, deepened industry research and assessment, adjusted risk management strategies in line with market changes, and enhanced forward-looking risk research and judgment. The Company continued to enlarge the range and depth of risk screening, strengthened the assessment and analysis of key positions, promptly identified potential risks and effectively responded to them to protect assets of the Company.

In recent years, the Company has continued to increase its research on and resource contributions to information technology regarding compliance and risk control, promoted the construction and optimization of a globally integrated risk management system and improved the self-research level of the system. The Company strengthened the collection and integration of internal and external risk information, continuously optimized functions such as risk identification, measurement, monitoring, early warning and reporting to ensure effective coverage of domestic and overseas operations under risk management and more refined management needs.

Besides, the Company is continuously exploring the application of financial technologies such as artificial intelligence and big data in the field of risk management to promote the upgrade of digital and intelligent risk management. Relying on its big data platform and artificial intelligence platform, the Company leveraged technical means such as knowledge mapping, data mining and large language model to enrich the dimension and depth of customer portraits and public opinion identification monitoring, enhance risk management foresight and data quality, and optimize the risk measurement performance with the help of high-performance technologies such as distributed and stream-oriented computation and middleware to facilitate management efficiency.

## Structure of risk management

The Company has formed a three-level risk management system featuring collective decision by the Risk Management Committee under the Board, the professional committees under the Operation Management, and close cooperation among internal control departments and business departments/business lines, and managing the risks through review, decision, execution and supervision. At the division and business line level, the Company has established three lines of defense in risk management.

**Level 1: The Board**

The Risk Management Committee of the Board supervises the overall risk management of the Company with the aim of controlling risks within an acceptable scope and ensuring the Company's smooth implementation of effective risk management schemes over risks relating to the operating activities; prepares overall risk management policies for the Board's review; formulates strategic structure and resources to be allocated for the Company's risk management purposes and keeps them in line with the Company's internal risk management policies; sets boundaries for major risk indicators; performs supervision and review on the relevant risk management policies and makes recommendation to the Board.

**Level 2: Operation Management**

The Operation Management shall take the major responsibility for the effectiveness of risk management of the Company, which includes: to formulate risk management systems; to build up and improve the comprehensive risk management structure of the Company; to formulate the risk appetite, risk tolerance and major risk limits, regularly assess the overall risk and various key risk management positions of the Company, address issues in risk management and report to the Board; to build up a performance appraisal system for all employees covering the effectiveness of the risk management; to establish a complete IT system and data quality control mechanism; and to perform other responsibilities related to risk management.

The professional committees under the Operation Management, including the Assets and Liabilities Management Committee, the Capital Commitment Committee, the Risk Management Committee and the Product Committee, are responsible for relevant management work within the authority delegated by the Board and the Operation Management of the Company, respectively.

**Level 3: Division/Business Lines**

Being the Company's first line of defense in risk management, front-office business departments/business lines of the Company bear the first-line responsibility for risk management. These departments are responsible for the establishment of business management systems and risk management systems for various businesses and performing supervision, assessment and reporting on business risks and maintaining such risks within the approved limits.

Internal control departments, such as the Risk Management Department, Compliance Department, Legal Department, and the Office of the Board of the Company, are the Company's second line of defense in risk management. They exercise their respective specialized risk management functions within the scope of their responsibilities.

The Audit Department of the Company is the third line of defense in risk management and has the overall responsibility for internal audit, planning and implementing internal audit of all departments/business lines of the Company, its subsidiaries and branches, monitoring the implementation of internal control systems, preventing various moral and policy risks, and assisting the Company in the investigation of emergency events.

# Management Discussion and Analysis

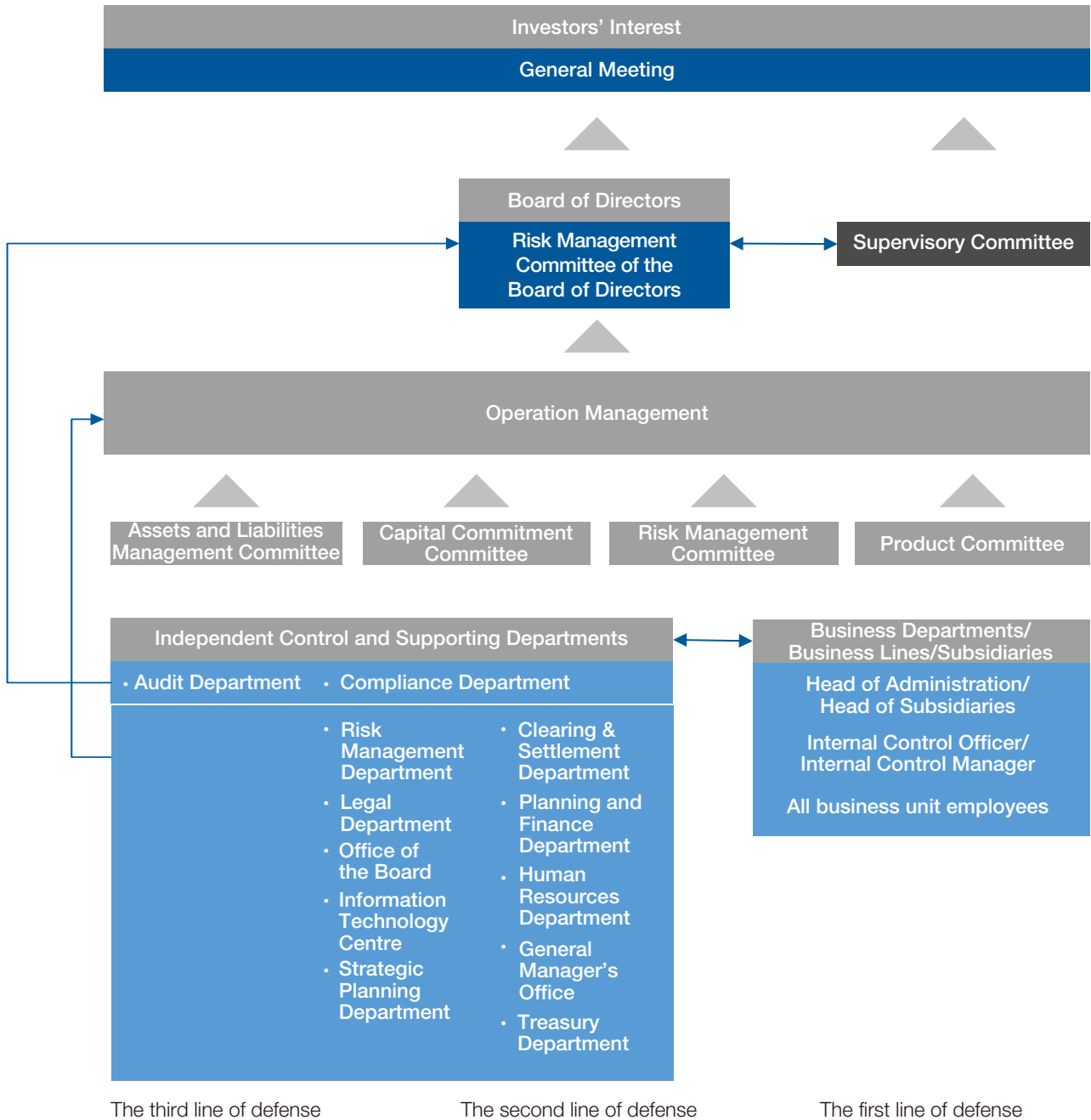


Chart: Structure of the Risk Management



## Market risks

Market risks represent potential losses due to movement in market prices of financial positions held. Financial positions held are derived from the proprietary investment, market-making business and other investment activities. Movements in the financial positions held primarily originated from instructions received from the customers or the relevant strategies of proprietary investment.

Market risks primarily include equity price risk, interest rate risk, commodity price risk and exchange rate risk.

The Company has established a top-down risk limit management system, which ensures that the overall market risk management of the Company is within an acceptable level by allocating the overall risk limit of the Company to different business departments/business lines, the monitoring and implementation by the internal control department, and by timely assessing and reporting of significant risk matters.

During business operations, the front-office business departments/business lines, as the direct bearer of market risks and the frontline risk management team, dynamically manage the market risks arising from its positions held. The Risk Management Department, which is independent from the business departments/business lines, assesses, monitors and manages the risks of each business in a comprehensive manner, and reports and addresses the risk situation.

The Company adopts Value at Risk (VaR) as a major indicator of its overall market risk measurement, and evaluates the possible losses in its proprietary positions arising from extreme situations through a series of stress tests in macro and micro scenarios, compares its risk resistant capacities, and evaluates whether the overall market risk profile of the Company is within an acceptable range.

The Company sets risk limits for its respective business departments/business lines to control market exposures, and conducts daily monitoring, gives timely warning, and makes prompt response.

The Company continues to modify the risk limits system, defines unified limit management measures and a hierarchical authorization mechanism, and adjusts the management measures for the system of risk limit indicators on various levels, such as the Company level, the business departments/business lines level and the business segments/strategies level in accordance with the authorization mechanism.

In respect of foreign assets and assets of subsidiaries, the Company implements centralized management. In respect of foreign currency assets, the Company conducts overall monitoring and management on exchange rate risk, and manages exchange risk exposure through a number of methods such as adjusting foreign currency position, using forward exchange contract/option hedging, currency swap contracts, etc.

The Company continues to update market risk limits, enrich the indicator limit system, and promote the research and improvement of risk measurement methods. The Group closely kept track of market and business changes, promptly identified the latest market risk profile and maintained good communication with relevant regulatory authorities and the Shareholders, with a view to timely controlling the exposure to market risks.

# Management Discussion and Analysis

## Credit risk

Credit risk is the risk in respect of loss arising from the failure to perform obligations by a borrower, counterparty or issuer of financial positions held, or the result of whose credit qualifications deteriorate. The risk exposure of domestic and foreign investments in bonds is as follows:

### Credit risk exposure of investments in bonds (by domestic rating agencies)

*In RMB ten thousand*

Investment Rating	31 December 2023	31 December 2022
China's Sovereign Credit Rating	<b>8,371,728</b>	4,865,309
AAA	<b>12,998,032</b>	11,709,623
AA	<b>1,879,561</b>	1,240,453
A	<b>47,291</b>	11,058
A-1	<b>6,153</b>	23,286
Others	<b>3,193,194</b>	3,375,050
Total exposure	<b>26,495,958</b>	21,224,779

Note: AAA~A represents rating for debts with maturity over one year, of which AAA represents the highest rating; A-1 represents the highest rating for debts with maturity within one year; AA includes products with AA+, AA and AA-actual ratings; A includes products with A+, A and A-actual ratings; others refer to products with ratings below A-(excluding A-) and those without external debt ratings.

### Credit risk exposure of investments in bonds (by foreign rating agencies)

*In RMB ten thousand*

Investment Rating	31 December 2023	31 December 2022
A	<b>87,871</b>	58,373
B	<b>3,520,055</b>	2,635,727
C	<b>1,340,370</b>	976,314
D	<b>5,771</b>	13,967
NR	<b>1,680,508</b>	1,341,685
Total exposure	<b>6,634,574</b>	5,026,066

Note: The foreign bond rating is chosen as the lowest among the ratings granted by Moody's, Standard & Poor's and Fitch Ratings (if any); NR is recorded when no rating has been granted by any of the three agencies. Amongst the ratings, A represents products with ratings of Aaa~Aa3 by Moody's, AAA~AA-by Standard & Poor's and AAA~AA-by Fitch Ratings; B represents products with ratings of A1~Baa3 by Moody's, A+~BBB-by Standard & Poor's and A+~BBB-by Fitch Ratings; C represents products with ratings of Ba1~B3 by Moody's and BB+~B-by Standard & Poor's, and BB+~B-by Fitch Ratings; D represents products with ratings of Caa1~D by Moody's, CCC+~D by Standard & Poor's, and CCC+~D by Fitch Ratings.

The Group continues to maintain strict risk management standards for its securities financing business, and manages its credit risk exposure through timely mark to market.

As at the end of the Reporting Period, the Group maintained an average margin ratio of 275% for the Group's margin financing and securities lending clients with outstanding liabilities; the Group's stock repo trading business amounted to RMB15 million, with an average performance guarantee ratio of 288%; the size of the stock-pledged repo business which uses the Group's proprietary fund amounted to RMB38,651 million, with an average performance guarantee ratio of 223%; and the size of the stock-pledged repo business operated through asset management products managed by the Group amounted to RMB11,033 million.

### Liquidity risk

Liquidity risk refers to the risk that the Company fails to obtain sufficient capital with reasonable cost and in a timely manner to pay its overdue debts, perform other payment obligations or satisfy capital requirements for normal business operations. The responsibilities for centralized management of fund allocation lie within the Company's Treasury Department. In respect of the domestic stock exchanges and interbank market, the Company has a relatively high credit rating, and has secured stable channels for short-term financing, such as borrowing and repurchases. The Company has replenished its long-term working capital through corporate bonds, subordinated bonds and beneficial certificates, so as to enable the Company to maintain its overall liquidity at a relatively secured level.

The Risk Management Department independently monitors and assesses the asset and debt positions of the Company over a certain period of future time span on a daily basis. It measures the solvency of the Company via the measurement of indicators including the funding gap ratio under stress scenarios. It sets warning threshold values for liquidity risk indicators, and reminds the Risk Management Committee, the management and relevant departments of the Company of any indication of tension, and organizes each department to take measures to restore the indicators to a secured level. The Company has established a liquidity reserve pool system, which is managed independently by the Treasury Department from the Business Department, with sufficient high-liquidity assets to meet its emergency liquidity needs.

In 2023, the environment for market liquidity was relatively loose, and the Company maintained its close monitoring and daily management on liquidity risks, to ensure that its liquidity was kept in a good condition. At the same time, the Company strengthened the forward-looking management of liquidity regulatory indicators to ensure that the liquidity regulatory indicators constantly meet regulatory standards.

### Operational risk

Operational risk is the risk of losses to the Company arising from flawed internal processes, breakdown of information system, fault or misconduct of staff, external factors and other reasons.

During the Reporting Period, all the established management tools of the Company were in continuous effective operation. The Company identified, assessed, and mitigated risks through the assessment and review process on new products and new businesses; improved its internal control procedures and prevented risks through streamlined business processes and system function optimization; made early monitoring, warning and analysis of the daily operational risk trends in time through key risk indicator monitoring; investigated and reported on risk cases and self-examined risk cases against peer institutions to identify and mitigate risks in a timely manner; relied on internal control self-assessment to comprehensively identify risk points and regularly evaluated the completeness of internal control process design and implementation effectiveness. The Company improved employees' awareness and ability of operational risk prevention through organizing various forms of training, and collaboratively controlled specific risk sectors, such as information technology risks, employees' conducts, emergency response, procurement and outsourcing through the centralized management and information sharing mechanism among internal control functional departments.

# Report of the Board

## Review of Business

### Business review

The Group is principally engaged in investment banking, wealth management, asset management, financial markets and other related financial services (please refer to “Management Discussion and Analysis” of this report for the Group’s principal businesses, business models and key performance drivers during the Reporting Period).

According to the statistics from Wind Info, as of the end of 2023, the number of A-share listed companies exceeded 5,300, and the total amount of funds raised through IPOs for the whole year of 2023 amounted to RMB350 billion. The capital market has played a more prominent pivotal role in promoting industrial innovation and transformation and improving people’s wealth allocation, which has promoted the high-quality development of the real economy. The securities industry will actively integrate into the overall national development, adhere to financial services for the real economy, smooth the virtuous cycle of science and technology, capital and real economy, and make a greater contribution to the Chinese-style modernization. The Company strives to become the leading investment bank and investment institution to help enhance the function of the capital market and serve the high-quality development of economy. In 2023, the Company made steady progress in various operational and management initiatives and maintained its industry-leading position in key financial indicators and business indicators.

The key financial indicators of the Company are set out in “Key Financial Data” of this report.

### Principal risks and uncertainties

Principal risks to which the Company is exposed include market risk, credit risk, liquidity risk and operational risk. For the objectives and policies of risk management of the Company, please refer to “Risk Management” of this report. For major risks and uncertainties to which the Company was exposed in 2023, please refer to “Possible risks of exposure” of this report.

### Relevant laws and regulations with significant impact

Adhering to the philosophy of operating in compliance with laws and regulations for a long time, the Company complies with the national laws, administrative regulations and various rules and normative documents promulgated by regulatory authorities. In 2023, in accordance with regulatory provisions and business management requirements of the Company, the Company formulated and amended a series of internal management rules to enhance its internal control and management level and improve compliance management systems; formulated and improved business management rules and processes to timely implement all the requirements of regulatory authorities and self-regulatory organizations in all of its business lines; continuously strengthened the publicity and training of laws and compliance culture to enhance the awareness of active prevention against compliance risks in the course of business operations for all the business lines. The Company achieved overall compliance in its operation and management activities. The compliance and risk management mechanism of the Company ran well and no material systematic compliance risks were detected.

### Environmental policies and performance

The Company earnestly learned and implemented the new development concept, actively responded to the national environmental protection and sustainable development strategy, continuously improved the environmental management framework, and integrated the concept of environmental responsibility into daily operation and management, so as to contribute to the construction of beautiful China. The environmental management strategy of the Company was made by the Board and implemented by the management, with all departments and subsidiaries cooperating with each other to jointly carry out the environmental protection measures. The Company conscientiously performed the corporate environmental responsibility, actively promoted the concept of green operation, advocated low carbon and environmentally-friendly operation and working style, and

actively responded to climate change. The Company was committed to the practice of ESG concepts in the financial sector. The Company attached great importance to playing a leading role in promoting sustainable economic growth and national economic transformation, and boosted the promotion and practice of responsible investment and green finance to jointly realize the economic, social and environmental benefits. The specific work is carried out as follows:

### ***Implementing green operation***

#### *Energy conservation and carbon control*

Adhering to the concept of environmental friendliness, the Company is conducting carbon control through energy-saving and emission-reduction environmental protection measures and the use of clean energy, in a bid to reduce the impact of its own operations on the environment. In 2023, the Company took a number of daily energy-saving and carbon-control measures across office locations to improve energy utilization efficiency, including renovating central air-conditioning automatic control system in the headquarters building, and renovating the cooling towers, water pumps and other equipment and achieving a more delicate automatic control on the air-conditioning unit cooling operation, by which the energy saving rate of air-conditioning system is expected to reach 20%; adopting air-conditioning operation by area to save energy, based on the pipeline situation of the equipment's water collector and separator and the temperature differences between the high and low floors of the building, implementing air-conditioning operation by area, during the cold season, the high area is supplied with cooling in advance, and during the heating season, the low area is supplied with heat in advance, which let the floors with actual needs solve the problem of ambient temperatures while saving energy; rationally adjusting the lighting time in public areas of the building through the light control system, inspecting and turning off unnecessary lighting in office area and computer room, strengthening night patrol and inspection, and replacing the Company's headquarters lobby lighting with 28W/lamp LED lamps for energy-saving purpose; encouraging employees to reduce unnecessary business travel, reducing the use of disposable supplies in the travel and the carbon emissions caused by business travel.

In 2023, by means of purchasing green power, the Company aims to achieve the annual short-term carbon reduction target of 30% of clean energy usage in the Beijing headquarters building from 2022 to 2024, and will continue to promote its short, medium-and long-term carbon reduction targets as planned.

In 2023, the Company's Beijing data center put the new cooling tower into operation, which can replace the original two cooling towers that used to run simultaneously to meet the cooling demand and is expected to save nearly RMB0.2 million electricity costs each year.

#### *Water conservation*

The Company actively responded to the national call for water conservation, and developed and implemented water saving and recycling plans according to the actual operation situation. The Company monitored the overall water usage in the office buildings and took regular inspection to see if there were leaks of water in pipelines and facilities and conducted repair in a timely manner in case of any leaks. The Company recycled the water used in the kitchen and avoided wasting water resources by optimizing water management. The Company also remodeled the water purification system of the headquarters building in Beijing to recycle wastewater, thereby enhancing the efficiency of water resources use.

#### *Waste management*

The Company continues to strengthen the management of various solid wastes generated during operations, strictly abides by relevant national laws and regulations in storage, transportation, disposal and other links, prevents and controls

# Report of the Board

environmental pollution risks, and continuously improves the efficiency of comprehensive waste utilization. The Company's waste mainly consists of office and general household waste. The Company carefully selects disposal companies for various kinds of waste to ensure that the disposal of waste is in compliance with laws and will not cause secondary impacts on the environment.

In 2023, the Company actively implemented the "Clean Plate Campaign", advocated food saving and waste reduction, and established a comprehensive food saving management system by providing small-sized servings and half-servings, providing packing services, and applying intelligent billing equipment to optimize the menu, etc.; strengthened publicity and promotional work at the same time, carried out and encouraged the employees to participate in food saving activities, raised the employees' awareness and participation in food saving, and promoted the use of biodegradable and environmentally friendly tableware. Through reducing the amount of waste in the restaurant, strengthening management in all aspects of the procurement, processing and storage of ingredients, and reducing waste by rationalizing menus and improving the utilization rate of ingredients, the Company's headquarters decreased food waste by 36% year-on-year in 2023.

## *Paperless office*

The Company has implemented the "Green Printing" initiative, advocating that employees should preferentially adopt the "double-sided + black and white" printing methods to reduce the consumption of paper and color printing consumables. In 2023, the Company's toner cartridge consumption decreased by 3% year-on-year and toner consumption decreased by 15.6% year-on-year. The Company has handed over the above waste consumables to a professional third party for proper disposal in accordance with environmental standards. It carries out electronic operations, offers online meetings and training, and tries to avoid the use of disposable products to reduce paper consumption and carbon emissions.

## *Green procurement*

The Company attaches importance to the implementation of green procurement. When purchasing products and services, the Company gives priority to equipment and materials that are reliable, energy efficient and environmentally friendly, and requires suppliers to have ISO 14001 environmental management system certification, which is mainly reflected in:

In terms of selection of materials, the Company only chooses qualified materials that meet the national environmental protection standards, and strictly manages the on-site inspection and acceptance testing procedures.

In terms of selection of furniture, the Company only chooses qualified products that meet the national environmental protection standards, and prioritizes products with low-carbon emission labels in selection of main materials such as plates.

In terms of office supplies, the Company favors products with environmental protection certification, for example, FSC certification.

## *Green finance*

The Company is committed to practicing new development concepts in the financial field, attaches great importance to the guiding role of financial institutions in promoting sustainable economic growth and national economic transformation, integrates ESG concepts into various businesses, pushes forward the popularization and practice of responsible investment and green finance, and promotes the realization of economic benefits, social benefits, and environmental benefits.

### *ESG risk management*

The Company gradually incorporates ESG factors into the Company's comprehensive risk management system. Based on the comprehensive risk management framework and through assessment, measurement, monitoring, response, and reporting, etc., the Company continuously strengthens the beforehand prevention, and in-process and post-event control and management of ESG-related risks throughout the Company and in various business lines to further improve the effectiveness of the Company's non-financial risk control and promote the Company's long-term sustainable development. In 2023, under the guidance of the Environmental and Social Risk Management Framework of CITIC Securities, the Company fully considered ESG factors in the process of investment and financing business, incorporated ESG factors in such links as due diligence, risk assessment, and follow-up management, and continued to improve such factors. The Company is working on incorporating ESG factors into the risk appetite indicator system, sets up an appetite indicator linked to green bonds in the risk appetite statement for the first time, and monitors it on a quarterly basis, so as to guide business decisions based on risk appetite.

### *ESG due diligence*

The Company has incorporated ESG factors into the risk management process of each business, and evaluates enterprises in terms of their fulfillment of environmental responsibility, social responsibility and corporate governance. The Company actively supports related companies that demonstrate strict adherence to ESG responsibilities, while also rejecting companies with significant ESG risks. During daily project review and public opinion risk monitoring, the Company places a greater emphasis on credit risk assessments for enterprises involved in energy-intensive industries, and prioritizes its support for industries that are encouraged by national policies. Moreover, ESG due diligence trainings are offered to relevant business personnel and risk management personnel to improve their awareness of ESG risks and ability to manage and mitigate those risks.

### *Responsible investment*

In accordance with the "Responsible Investment Statement of CITIC Securities Company Limited", the Company is consistently enhancing its responsible investment concept, systematically promotes the promotion and implementation of responsible investment concept at the corporate level, and contributes to the national sustainable development strategy with practical actions. The Company considers formulating corresponding responsible investment strategies in the investment of different asset types and different business sectors, incorporates the responsible investment concept into its own investment decision-making system, improves the Company's ability to withstand risks, and then seizes opportunities to create long-term returns. In the investment process, the Company remains steadfast in its commitment to fully integrate ESG factors into the initial screening, investment research, and risk warning and management, in respect of investment targets. This ensures a meaningful impact on the final investment decision.

### *ESG product innovation*

The Company is committed to developing strategic products that align with ESG themes, in order to provide customers with a range of investment services. The first ESG/sustainable investment-themed product of the Company's asset and management business — CITIC Securities Fixed Income ESG Strategy No. 1 Private Collective Plan had expanded to approximately RMB210 million by the end of 2023 and the proportion of products invested in ESG-themed securities was not less than 80% of net worth. CITIC Securities Quantitative ESG Strategy No. 1 Private Collective Plan was established on 15 June 2023. The product constructs ESG index enhancement portfolios based on the price-volume signals of the existing quantitative strategies and the positive exposure of ESG factors compared to the underlying indexes on the basis of strict control and tracking of error and portfolio deviation. Among other things, the ESG factor is constructed using the ESG score data introduced by the Company's research department as the underlying data. The product' excess return reached 2.95% since its establishment and up to the end of 2023.

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In 2023, the Company continued to carry out OTC option business linked to green development goals with a number of bank counterparties to promote and participate in green financial innovation and serve the high-quality development of the real economy through green finance. As at the end of 2023, 796 OTC option transactions linked to “Shanghai Clearing House Carbon-neutral Bond Index” have been concluded by the Company, with a notional principal amount of approximately RMB78.4 billion; and more than 429 OTC option transactions linked to “CDB Green Bond” have been concluded, with a notional principal amount of approximately RMB91.1 billion.

### *ESG and Responsible Investment Research*

The Company conducts in-depth research in the field of responsible investment, establishing both the Company’s ESG scoring system and ESG theme research system. It releases research and analysis reports to improve the participation and overall level of responsible investment. The Company deepens ESG research, deeply interprets global ESG regulatory policies, updates ESG evaluation system, and conducts research on climate investment and financing. In 2023, the Company formally established an ESG research group on the basis of the original ESG research team, and published a total of 38 ESG-related research reports during the year, with a core focus on the upgrading and expansion of the ESG evaluation system, the tracking of ESG standards and policies, and the development of ESG investment and research methodologies such as the measurement of carbon footprints and climate risks, to help asset and management institutions fulfill their obligations of responsible investment, and realize a win-win situation for both investment performance and social performance. The Company has formed a number of in-depth thematic research series, including ESG rating system research series, ESG investment strategy research series, ESG enterprise service series, and ESG regular tracking series.

With the implementation of the corporate ESG service model, the Company provided listed companies with professional ESG services, and developed new business models to support the high-quality development of the real economy. In 2023, the Company, by virtue of its industry influence and solid research foundation, provided guidance services on ESG information disclosure and governance improvement for listed companies, and helped listed companies make disclosure in accordance with the international and domestic authoritative ESG information disclosure standards, reconstruct internal organizational structure to implement ESG principles, calculate the carbon emissions of business and Climate Value-at-Risk of assets, and improve external ESG ratings. In addition, the Company applied artificial intelligence models, professional databases and other technology to iteratively develop ESG panoramic and digital intelligence services, covering six modules such as ESG evaluation of listed companies, ESG research on bond market, ESG analysis of asset and management products, ESG index characteristics, tracking of ESG hotspots in the market, and ESG data marts.

The Company held and attended a number of large-scale ESG conferences and forums, and participated in the construction of national ESG as an expert think tank, so as to spread the ESG influence of CITIC Securities. In 2023, the Company held 8 seminars on the theme of “Corporate ESG Disclosure and Governance Optimization”, and set up an ESG special session in the 2023 Capital Market Forum and the 2024 Annual Capital Conference to introduce the Company’s ESG research results. The Company cooperated with huanqiu.com to create “ESG Parlor” (“ESG會客廳”) series of programs to share ESG research results on various industries and carry out the ESG public science education, with a single episode of 10 million views. As a co-organizer, the Company supported the organization of the forum of “China’s Sustainable Investment (ESG) and the Construction of Hainan Free Trade Port”. The Company also provided ESG-related think tank support to the Ministry of Ecology and Environment, Beijing Municipal Commission of Development and Reform and other governmental departments, and worked with the China Pharmaceutical Industry Association to formulate the ESG Management Standard for Pharmaceutical Healthcare Industry (《醫藥健康行業ESG管理規範》), which was the ESG risk management and disclosure standards for medical and health industries with Chinese characteristics.



### *Support sustainable financing*

To execute the country's major decision-making and deployment of "carbon peak and carbon neutrality", the Company continues to promote and participate in green financial innovation, provides enterprises with green financing solutions such as green equity, green bonds and asset-backed securities, and employs capital allocation to steer the transformation of industrial and energy structures towards green and low-carbon alternatives.

In 2023, the Company acted as an underwriter for a total of 150 green bonds (including carbon-neutral bonds and blue bonds), with a combined underwriting value of RMB71.6 billion. This resulted in the fund raising of RMB377.4 billion, securing the first place for the Company in the industry. As for overseas, the Company underwrote 40 overseas ESG bonds, with a total fund raising of US\$13.25 billion and a combined underwriting value of US\$0.78 billion. The Company underwrote the first offshore wind power REITs and the green financial bonds of the Agricultural Development Bank of China and the long-term green corporate bonds of Three Gorges Corporation, respectively; and assisted Fujian Zhanglong Group with the issuance of overseas blue bonds amounting to US\$500 million, which was the first issuance of overseas blue bonds by a non-financial state-owned enterprise in the country. The Company actively promoted domestic and overseas equity financing for green industries, completed the material assets restructuring of Yangtze Power and raised supporting funds, which has become the largest asset restructuring project of A-share listed companies since 2022; assisted Guangdong No. 2 Hydropower Engineering Company, Ltd. with the issuance of shares to purchase assets and raise supporting funds, and assisted JA Solar Technology Co., Ltd. with the completion of the issuance of convertible bonds of nearly RMB9 billion.

In 2023, the Company was actively involved in underwriting ESG interest rate products and successfully underwrote 6 green policy bank financial bonds, with a total issuance amount of RMB39.0 billion and underwriting amount of RMB0.46 billion. The Company was ranked as one of the top performers in underwriting several bonds, with the related bonds extensively invested in climate investment and financing areas such as the construction and operation of wind power generation facilities, the construction and operation of distributed energy projects and the recycling of waste resources, as well as the construction and operation of freight transportation railroads and energy-saving and environmentally friendly renovation projects of railroads.

### *Supporting the construction of carbon trading market*

The Company took the lead to set up the professional team engaged in carbon finance in the industry. Since then, we have provided comprehensive carbon trading and carbon finance services to emission control enterprises in sectors such as the steel, building materials, petrochemical, chemical and non-ferrous metals, as well as the owners of emission reduction projects in the fields such as forestry, renewable energy and methane emission reduction across the nation, to help them reduce performance cost, obtain carbon reduction funds and realize income from carbon emission reduction, which has been widely recognized by the market. The Company provides normalized quotation and trading services in various regional carbon markets approved by the government, helping to improve the activity and effectiveness of the carbon market. Our trading volume was among the top in the industry. The Company focuses on the development of innovative models and financial instruments in the carbon market, and has conducted the first batch of carbon asset transactions in China, the first carbon asset repurchase transaction and the first carbon asset swap transaction in China. The Company has also created the first risk mitigation tool for pledged loans of carbon asset nationwide, which has provided financial support for the transformation of the real economy to reduce carbon emissions. The Company continues to serve the carbon market infrastructure construction and function mechanism improvement, facilitates the launch of carbon repurchases and land the

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first transaction in Beijing, Tianjin, Shanghai, Hubei, Shenzhen, Fujian and other carbon trading pilots, and attracts more social capital to invest in the field of carbon reduction and transformation. The Company actively promotes carbon market industry exchanges, assists multiple governments to promote climate investment and financing pilots and enhance carbon sink capacity, and participates in the formulation of a number of rules and standards. The Company's innovative ability and policy recommendations have been highly evaluated by the competent authorities, and it has been awarded many awards such as the "Excellent Member Award" and "Excellent Transaction Performance Unit" issued by the competent units in the carbon market. In 2023, the "comprehensive services on carbon trading and carbon finance of CITIC Securities" were honored with the International Finance Forum's "Global Green Finance Award – Innovation Award" for its leading innovation capability and outstanding contribution to China's carbon market.

### Measures taken for reducing carbon emissions during the Reporting Period and the results

The carbon emissions of the Company mainly come from the consumption of electricity, gasoline, diesel and other related energy in its daily operation. During the Reporting Period, the Company increased efforts in energy conservation and carbon control, water conservation, waste management and paperless office, and promoted the use of renewable energy and renewable resources, so as to reduce carbon emissions in its operation.

For other information relating to environmental policies and performance, please refer to the 2023 Social Responsibility Report of CITIC Securities Company Limited published by the Company on 26 March 2024.

### Social responsibility

External donations and public welfare projects	Quantity/content
Total input (RMB0'000)	5,517
Of which: Funds (RMB0'000)	5,107
Funds converted from materials (RMB0'000)	410
Number of people benefited (people)	69,700

Shouldering the mission of implementing national strategies, serving the real economy, and creating greater value for the society, the Company actively fulfilled its corporate social responsibilities from the aspects of sound operation, sustainable finance, employee development, environmental friendliness, and giving back to society. Throughout 2023, the Company remained dedicated to implementing the new development concept, promoting sustainable financial growth, taking proactive measures to address climate change, supporting employee development, steadily advancing business development, prioritizing the well-being of people, and generating value for customers, Shareholders, employees, society, and other stakeholders.

The Company has established and has been continuously improving its social responsibility management structure by integrating the concept of social responsibility into every aspect of daily operation and management. It has continuously promoted the integration of the concept of social responsibility with business development to ensure the implementation of social responsibility initiatives. The Company's social responsibility management strategy was made by the Board, and coordinated and implemented by the management, with all departments and subsidiaries cooperating with each other to jointly carry out and promote social responsibility initiatives. In 2023, the Company's MSCI ESG rating was upgraded to A.

For details of the related work, please refer to the 2023 Social Responsibility Report of CITIC Securities Company Limited published by the Company on 26 March 2024.

### **Significant subsequent events**

Since the end of the Reporting Period to the date of publication of this report, save as those disclosed in “Other Significant Events and Subsequent Events” and Note 61 “Events After the Reporting Period” to the Financial Statements as set out in this report, there was no other subsequent event which had a material impact on the Group.

### **Future development/prospects**

Please refer to “Development strategy of the Company” and “Business plan” of this report on the Company’s future development prospects.

## **Profit Distribution and Proposed Dividend**

### **Profit distribution policy**

The Articles of Association of the Company specifies the decision-making procedures and mechanisms for profit distribution plans, especially the cash dividend plans, and clarifies that priority is given to cash dividend in profit distribution, and stipulated that “the Company shall ensure that the annual profit distribution scale is not less than 20% of the net profit attributable to shareholders of the parent Company for that year”.

The formulation and revision of the Company’s profit distribution policy are transparent and compliant, and comply with the Articles of Association and the discussion procedures of the Company. The standards and proportions of dividends are clear and unambiguous, and decision-making procedures and mechanisms are well established.

On 28 June 2023, the 2022 Annual General Meeting of the Company considered and approved the profit distribution plan for 2022, namely: cash dividend of RMB4.90 (tax inclusive) for every 10 shares, which was implemented on 25 August 2023. The cash dividend distributed accounted for 34.88% of the net profit attributable to ordinary Shareholders of listed company in the consolidated statement of 2022, which was in compliance with the relevant provisions of the Regulatory Guidelines for Listed Companies No. 3 – Cash Dividend of Listed Companies (2023 Revision) (《上市公司監管指引第3號 — 上市公司現金分紅(2023年修訂)》) issued by the CSRC, the Self-regulatory Guidelines for Listed Companies on the Shanghai Stock Exchange No. 1 – Standardized Operation (《上海證券交易所上市公司自律監管指引第1號 — 規範運作》) and the Articles of Association of the Company. The independent non-executive Directors of the Company have given their independent opinions on the profit distribution plan of the Company for 2022, which they consider is beneficial to the long-term development of the Company and in line with the overall interests and long-term interests of Shareholders.

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## Profit distribution plans in 2023:

In consideration of composite factors such as the future development of the Company and the interests of the Shareholders, the Company proposes the profit distribution plan of 2023 as follows:

1. The Company proposes to adopt cash dividend payment method for its 2023 profit distribution (i.e. 100% cash dividend) and distribute a dividend of RMB4.75 (tax inclusive) for every 10 Shares to the A Shareholders and H Shareholders whose names appear on the register of members of the Company on the record date for the distribution of the 2023 cash dividend. Based on the total number of issued Shares of the Company as at the end of 2023, i.e. 14,820,546,829 Shares, the cash dividend proposed to be distributed totals RMB7,039,759,743.78 (tax inclusive), representing 36.67% of the net profit attributable to Shareholders of ordinary Shares of the Company as shown in the 2023 consolidated financial statements. In the event of change in total number of issued Shares of the Company after the date of the abovementioned Board meeting but before the record date for payment of the cash dividend, the total distribution amount shall remain unchanged while the distribution amount per Share will be adjusted accordingly. The outstanding balance of the retained profit available for distribution for 2023 will be carried forward to the next year.
2. Cash dividend is denominated and declared in RMB and payable in RMB to the A Shareholders and in HKD to the H Shareholders. The actual amounts to be paid in HKD will be calculated based on the average benchmark exchange rate for RMB to HKD as announced by the People's Bank of China for the five business days before the date of the 2023 Annual General Meeting of the Company.

After the 2023 profit distribution plan being approved by the 2023 Annual General Meeting of the Company, payment of the 2023 cash dividend will be made before 31 August 2024. The Company will publish separate announcement on the record date and the book closure period for the payment of the dividends in relation to H Shares, as well as the record date and the date for the payment of the dividends in relation to A Shares.

## Tax Deduction and Exemption A Shareholders

Pursuant to Notice on Issues Concerning the Implementation of Differentiated Individual Income Tax Policies on Dividends and Bonuses of Listed Companies (Cai Shui [2012] No. 85) and Notice on Issues Concerning Differentiated Individual Income Tax Policies on Dividends and Bonuses of Listed Companies (Cai Shui [2015] No. 101) issued by the Ministry of Finance, the State Administration of Taxation and the CSRC, for dividends obtained from listed companies by individual investors, if the holding period between the date of obtaining the Company's Shares by the individual investor and the record date is more than one year, individual income tax shall be exempted; if the holding period between the date of obtaining the Company's Shares by the individual investor and the record date is less than one year (inclusive), listed companies temporarily are not required, in respect of their individual income tax, to pay withholding tax, subject to corresponding adjustment to be made in accordance with the aforementioned Notices at the time when the individual investors transferred their respective Shares.

For Shareholders who are resident enterprises, the income tax on their cash dividends shall be payable by themselves.

For Qualified Foreign Institutional Investors (QFII), listed companies are required to withhold and pay enterprise income tax at a rate of 10% pursuant to the requirements of the Notice Concerning the Relevant Questions on the Withholding and Payment of Enterprise Income Tax Relating to the Payment of Dividends, Bonus and Interest by PRC Resident Enterprises to QFII of the State Administration of Taxation (Guo Shui Han [2009] No. 47). Shareholders who are QFII and who wish to enjoy the treatment of tax treaties (arrangements) shall apply to the competent taxation authority for tax rebates according to the relevant rules and regulations after they receive the dividends.

Pursuant to the requirements of the Notice of the Ministry of Finance, the State Administration of Taxation, and the CSRC on Taxation Policies Concerning the Pilot Program of an Interconnection Mechanism for Transactions in the Shanghai and Hong Kong Stock Markets (Cai Shui [2014] No. 81), for dividends derived by investors (including enterprise and individual investors) in the Hong Kong market from investing in A shares listed on SSE, and prior to Hong Kong Securities Clearing Company Limited is able to furnish the identity, holding period and other detailed data of investors in the Hong Kong market to CSDC, the differentiated tax policy based on the holding period of shares will temporarily not be implemented. Listed companies shall withhold income tax at a tax rate of 10% and make withholding and payment filings with their competent tax authorities. For those investors in Hong Kong who are tax residents of other countries and the income tax rate applicable to dividends is lower than 10% under the tax treaties between China and their residence countries, enterprises or individuals may by themselves or ask the withholding and payment agent to act on their behalf to apply to the competent tax authorities of the listed companies for the application of preferential treatment under the tax treaties. With the approval of the competent tax authorities, the difference between the tax paid and the payable tax calculated at the rate as prescribed under the corresponding tax treaty shall be refunded.

## H Shareholders

Pursuant to the requirements of the Notice of the State Administration of Taxation on Issues Concerning Individual Income Tax Collection and Management after the Repeal of Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348), the dividends received by overseas resident individual shareholders from the shares issued by domestic non foreign-invested enterprises in Hong Kong are subject to the payment of individual income tax according to the items of "interests, dividend and bonus income", which shall be withheld and paid by the withholding and payment agents according to the relevant laws. The overseas resident individual shareholders who hold the shares issued by domestic non foreign-invested enterprises in Hong Kong are entitled to the relevant preferential tax treatment pursuant to the provisions in the tax agreements signed between the countries where they are residents and China or the tax arrangements between Mainland and Hong Kong (Macau). The relevant dividend tax rate under the relevant tax agreements and tax arrangements is generally 10%, and for the purpose of simplifying tax collection and administration, domestic non foreign-invested enterprises issuing shares in Hong Kong may, when distributing dividend, generally withhold and pay individual income tax at the rate of 10%, and are not obligated to file an application.

Pursuant to the requirements of the Notice on the Issues Concerning Withholding and Paying the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to H Shareholders Which Are Overseas Non-resident Enterprises (Guo Shui Han [2008] No. 897) of the State Administration of Taxation, a PRC resident enterprise, when distributing dividends for the year 2008 and the years thereafter to H Shareholders which are overseas non-resident enterprises, shall be subject to enterprise income tax withheld and paid at a uniform rate of 10%.

Pursuant to the requirements of the Notice of Ministry of Finance, the State Administration of Taxation, and the CSRC on Taxation Policies Concerning the Pilot Program of an Interconnection Mechanism for Transactions in the Shanghai and Hong Kong Stock Markets (Cai Shui [2014] No. 81) and Notice on Taxation Policy Concerning the Pilot Program of an

## Report of the Board

Interconnection Mechanism for Transactions in the Shenzhen and Hong Kong Stock Markets (Cai Shui [2016] No. 127), for dividends derived by Mainland individual investors from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect, H-share companies shall withhold individual income tax at a tax rate of 20% for the investors. For dividends derived by Mainland securities investment funds from investing in shares listed on Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect or Shenzhen Hong Kong Stock Connect, the above rules also apply and individual income tax shall be levied on dividends derived therefrom. For dividends derived by Mainland enterprise investors from investing in shares listed on Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect, the company of such H shares will not withhold the income tax of dividends for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax themselves. For dividends derived by Mainland resident enterprises where the relevant H shares have been continuously held for more than 12 months, the enterprise income tax thereon will be exempt according to the laws and regulations.

Shareholders of the Company are taxed and/or enjoy tax relief in accordance with the aforementioned regulations.

### Use of Proceeds

#### Public issuance of shares by way of the rights issue

The Company shall deposit, use and manage the proceeds in accordance with the Administrative Measures on the Use of Proceeds by CITIC Securities Company Limited (《中信証券股份有限公司募集資金使用管理辦法》), Tripartite Regulatory Agreement on the Deposit of Proceeds into Special Accounts (《募集資金專戶存儲三方監管協議》) and relevant laws and regulations. As at the end of the Reporting Period, the proceeds from A+H Share rights issuance (the net proceeds from the rights issue of the Company to existing A Shareholders amounted to approximately RMB22.318 billion, and the net proceeds from H Shareholders amounted to approximately HK\$5.976 billion, equivalent to approximately RMB4.839 billion) of the Company in 2022, among which approximately RMB18.155 billion equivalent was used for the development of flow-based business; RMB5 billion equivalent was used for the increase in investments to the subsidiaries; approximately RMB2.999 billion equivalent was used for the strengthening of the construction of the information system; RMB1 billion equivalent was used for the replenishment of other working capital; the unutilised amount was RMB519.72, which were used in line with commitments in the prospectus and the Company's announcements.

(In RMB'000)

Source of proceeds	The time of receiving the proceeds	Total proceeds	Of which: the amount of the over subscription proceeds	Net proceeds after deduction of issuance expenses	Total promised investment amounts out of proceeds	Total promised investment amounts out of proceeds after adjustments (1)	Accumulated investment amounts out of proceeds as of the end of the Reporting Period (2)	Process of accumulated investment as of the end of the Reporting Period (%) (3)=(2)/(1)	Investment amount for the year (4)	Proportion of the investment amount for the year (%) (5)=(4)/(1)
Proceeds from the A-Share Rights Issue	27 January 2022	2,239,567.23	0.00	2,231,819.57	2,231,819.57	2,231,819.57	2,231,819.52	100	148,677.72	6.66
Proceeds from the H-Share Rights Issue	4 March 2022	488,917.92	23,031.12	483,877.63	483,877.63	483,877.63	483,727.37	99.97	658.85	0.14
<b>Total</b>	/	2,728,485.15	23,031.12	2,715,697.20	2,715,697.20	2,715,697.20	2,715,546.89	99.99	149,336.57	5.50

Note: The proceeds from H Shares rights issue have been fully utilized for the development of flow-based business by 31 December 2023. The difference between the actual investment amount and the promised investment amount is caused by the fluctuation of the Hong Kong dollar exchange rate between the date of actual use and the verification date of the funds

# Report of the Board

(In RMB0'000)

Name of project	Nature of project	Whether the change is involved	Source of proceeds	The time of receiving the proceeds	Whether over subscription proceeds used	Total promised investment amounts out of project proceeds	Total proceeds investment after adjustments (1)	Investment amount for the year	Accumulated investment amount as of the end of the Report Period (2)	Process of accumulated investment as of the end of the Reporting Period (%) (3)=(2)/(1)	Closed or not	Whether process of investment is in line with plan process	Amount of savings
A+H Share Rights Issue	the development of flow-based business	No	Proceeds from the A+H Share Rights Issue	27 January 2022 4 March 2022	Yes	1,815,697.20	1,815,697.20	678.43	1,815,546.95	99.99	Yes	Yes	0.00
A Share Rights Issue	the increase in investments to the subsidiaries	No	Proceeds from the A-Share Rights Issue	27 January 2022	No	500,000.00	500,000.00	100,000.00	500,000.00	100	Yes	Yes	0.00
A Share Rights Issue	the strengthening of the construction of the information system	No	Proceeds from the A-Share Rights Issue	27 January 2022	No	300,000.00	300,000.00	48,658.15	299,999.95	100	No	Yes	0.05
A Share Rights Issue	the replenishment of other working capital	No	Proceeds from the A-Share Rights Issue	27 January 2022	No	100,000.00	100,000.00	0.00	100,000.00	100	Yes	Yes	0.00
Total	/	/	/	/	/	2,715,697.20	2,715,697.20	149,336.58	2,715,546.90	99.99	/	/	0.05

Note 1: All the raised funds for the development of fund intermediary business have been used up. The difference between the actual investment amount and the promised investment amount is caused by the fluctuation of Hong Kong dollar exchange rate between the date of actual use and the verification date of H-share raised funds.

Note 2: Due to rounding, there are differences between the total amounts in this table and the above table.



## Bond issuance

During the Reporting Period, the Company publicly issued sixteen tranches of corporate bonds with an aggregate issuance amount of RMB65 billion, publicly issued thirteen tranches of short-term corporate bonds with an aggregate issuance amount of RMB54 billion, publicly issued one tranche of subordinated bonds with an issuance amount of RMB2 billion and publicly issued one tranche of perpetual subordinated bonds with an issuance amount of RMB3 billion to replenish working/liquid capital of the Company or repay debt financing instruments; the Company issued 3,583 tranches of beneficiary certificates with an aggregate issuance amount of RMB141.516 billion to replenish working capital of the Company.

In accordance with the relevant requirements of the Administrative Measures for the Issuance and Transactions of Corporate Bonds, the Company established special accounts for the proceeds from issuance of each tranche of corporate bonds, subordinated bonds and perpetual subordinated bonds for the collection, storage and transfer of proceeds, and the collection and management of the payment of interest and redemption of principal.

As at the end of the Reporting Period, proceeds of each tranche of bonds were used up and were used in line with the purpose, usage plan and other agreements in the offering circulars.

Please refer to “Issuance and Listing of Securities” of this report for details about the shares and debentures issued by the Company during the Reporting Period.

## Purchase, Sale or Redemption of the Company’s Securities

During the Reporting Period, neither the Company nor its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

## The Directors, Supervisors and Senior Management

Please refer to “Changes in the Shares held by and information on remuneration of Directors, Supervisors and Senior Management who held office or resigned during the Reporting Period” of this report for the list of the Company’s Directors during the Reporting Period and from the end of the Reporting Period to the date of publication of this report.

Please refer to “Changes of Directors, Supervisors and Senior Management” of this report for the details of the resignation of the Directors during the Reporting Period.

Biographical details of the Directors, Supervisors and Senior Management are set out in “Major working experience of the incumbent Directors, Supervisors and Senior Management” of this report.

## Directors’ and Supervisors’ Service Contracts

The Directors’ Service Contracts and the Supervisors’ Service Contracts were entered into by the Company with each of the Directors of the Board and each of the Supervisors of the Supervisory Committee. The Directors’ Service Contracts and the Supervisors’ Service Contracts set out provisions regarding the Directors’ and the Supervisors’ appointments, terms of office, duties, remuneration and expenses, non-competition, confidentiality obligations, termination of appointments, breach of contract and arbitration, etc. The term of office of the Directors and the Supervisors commenced from the date of election at a general meeting of the Company until the expiry date of the term of office of the Board and the Supervisory Committee. Where the regulatory authority of the place where the Company’s shares are listed has other provisions on the term of office of the independent non-executive Directors, such provisions shall prevail.

# Report of the Board

In addition, none of the Directors or Supervisors entered into a service agreement with the Company or its subsidiaries which could not be terminated within one year without paying compensation (other than statutory compensation).

## Permitted Indemnity Provisions

In 2023 and when the Report of the Board of this report is approved, no permitted indemnity provision (whether made by the Company or otherwise) was made or in force for the benefit of the Directors or former Directors of the Company or any directors or former directors of the associated companies of the Company (if made by the Company).

The Company has purchased insurance for the Directors against legal liabilities arising from performance of their duties. The governing law of relevant insurance policies was PRC law. The Company reviews the coverage of the director's liability insurance each year. In 2023, there were no claims for compensation against the Directors and Senior Management.

## Management Contracts

During the Reporting Period, no management or administrative contracts were entered into or subsisting in respect of the whole or a substantial part of any business of the Company.

## Remuneration Policies

The details of remuneration policies and share incentive scheme in respect of the Directors, Supervisors and Senior Management are set out in "Remuneration of Directors, Supervisors and Senior Management for the year" and "Share incentives regarding Directors, Supervisors and Senior Management" of this report.

Details of the Company's employee remuneration policies and employee compensations are set out in "Remuneration policy" and Note 10 to the Consolidated Financial Statements of this report.

## Directors' and Supervisors' Interests in Material Contracts

The Company or its subsidiaries did not enter into any transaction, arrangement or contract of significance in which the Directors or Supervisors had a material interest during the Reporting Period, whether directly or indirectly.

## Directors' Interests in Businesses Competing with the Company

None of the Directors has interests in any business which competes with businesses of the Company.

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

As at 31 December 2023, the following persons had interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (as defined in Part XV of the Securities and Futures Ordinance), which were required, pursuant to Section 352 of the Securities and Futures Ordinance, to be entered into the register referred to therein, or required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Hong Kong Listing Rules, to be notified to the Company and the Hong Kong Stock Exchange as follows.

Name	Position	Nature of Interest	Class of Shares	Number of Shares Held (shares)	Percentage of Total Number of Issued Shares of the Company (%)
ZHANG Youjun	Chairman and Executive Director	Beneficial owner	A Shares	430	0.000003

Pursuant to the Securities and Futures Ordinance, the chief executive who was required to disclose his interests to the Hong Kong Stock Exchange was the General Manager and did not include other Senior Management personnel. For details of the shareholdings of other Senior Management, please refer to “Changes in the Shares held by and information on remuneration of Directors, Supervisors and Senior Management who held office or resigned during the Reporting Period” of this report. In addition, as of 31 December 2023, no other Directors, Supervisors and Senior Management or their respective spouses or children under 18 years of age had been granted equity securities or warrants of the Company.

### **Pre-emptive Rights**

The Company was incorporated in accordance with the PRC laws with no arrangement regarding pre-emptive rights.

### **Reserves and Reserves for Distributable Profits**

Please refer to the “Consolidated Statement of Changes in Equity” and Note 51 to the Consolidated Financial Statements of this report for details of changes in the reserves and the reserves for distributable profits of the Company.

### **Fixed Assets**

Please refer to Note 19 to the Consolidated Financial Statements of this report for details of the Group’s fixed assets as at 31 December 2023.

### **Major Clients and Suppliers**

The Company serves institutional and individual clients in various sectors. The Company’s clients range from multinational corporations and SMEs to high-net-worth clients and retail customers. The clients are primarily located in China. The Company expects to serve more overseas clients as the Company taps into overseas market in the future. In 2023, the revenue from rendering services attributable to the Group’s five largest clients accounted for less than 30% of the total revenue of the Group.

Save as disclosed above, none of the Directors, Supervisors, their respective close associates and Shareholders holding more than 5% of the issued share capital of the Company has any interests in any of the five largest clients of the Company in 2023. The Company has no major supplier due to the nature of its business.

### **Relationship with Employees, Clients and Suppliers**

Employees’ remuneration of the Company consists of base annual salary, performance-based annual salary, special rewards and insurance benefits. The Company continues to promote and implement staff training programs with comprehensive planning, implementation by levels and clear purposes. For details about the remuneration and training plans for employees of the Company, please refer to “Number and composition of staff”, “Remuneration policy” and “Training program” of this report. CSI’s subsidiaries had 84 brokers. For information on relationship between the Group and its securities brokers, please refer to “Information on brokers” of this report. For information on relationship between the Group and its major clients and suppliers, please refer to “Major Clients and Suppliers” of this report.

# Report of the Board

## Sufficient Public Float

At the time of listing of the H Shares, the Hong Kong Stock Exchange granted a waiver to the Company, accepting the minimum public float of the Company for the H Shares to be the higher of: (i) 10% of the total issued Shares; or (ii) the percentage of H Shares held by the public immediately after the completion of the global offering (including the H Shares issued pursuant to the exercise of the over-allotment option and the transfer and conversion of the relevant State-owned shares into H Shares pursuant to the PRC regulations on reduction of State-owned shares). Upon the completion of the global offering and based on the minimum public float granted by the Hong Kong Stock Exchange, the minimum public float of the Company for the H Shares is 10.70%.

As at the date of this report, based on the information available to the public and the knowledge of the Directors, the public float of the Company is in compliance with Rule 8.08 of the Hong Kong Listing Rules and the requirements for minimum public float as set out in the waiver granted by the Hong Kong Stock Exchange at the time of listing.

## Donations

During the Reporting Period, the Group's charitable and other donations amounted to approximately RMB55.1707 million in total.

Other sections, chapters or notes of this report as mentioned in this section (Report of the Board) shall constitute part of the Report of the Board.

By Order of the Board  
**ZHANG Youjun**  
*Chairman*



Beijing, 26 March 2024

# Significant Events

## Performance of Undertakings

Undertakings of the de facto controller, Shareholders, related parties, acquirer of the Company and the Company made or subsisting during the Reporting Period

### Undertakings of Shareholders and related/connected parties and performance thereof

Background of undertaking	Type of undertaking	Undertaking party	Contents of undertaking	Time of undertaking	Any term for performance	Term of validity of undertaking	Whether timely and strictly performed	Description of specific reasons if not performed timely	Description of plans for next steps if not performed timely
Undertaking in respect of the share reform	Shares subject to trading moratorium	CITIC Group. Since CITIC Group has transferred all the Shares held by it to CITIC Corporation Limited, the above undertaking is taken up by CITIC Corporation Limited.	Not to transfer its Shares within 12 months from the date of listing of the Shares of the Company or upon expiry of the non-transfer undertaking, whenever it transfers through the stock exchange any Shares of the Company amounting to 1% of total issued Shares of the Company, it shall announce within two working days of such transfer; in addition, any such transfers shall not exceed 5% of the total issued Shares of the Company within the 12-month period and not exceed 10% within the 24-month period.	July 2005	No	The undertaking shall remain in force for a long term commencing from the Company's implementation of the share reform in 2005.	Yes	N/A	N/A
	Shares subject to trading moratorium	CITIC Financial Holdings. Since CITIC Corporation Limited has transferred all the Shares held by it to CITIC Financial Holdings (hereinafter referred to as the shares), the above undertaking shall be re-issued and continued to be performed by CITIC Financial Holdings.	Whenever it transfers through the stock exchange the shares amounting to 1% of total issued Shares of the Company, it shall announce within two working days of such transfer; Whenever it transfers through the stock exchange the shares shall not exceed 5% of the total issued Shares of the Company within the 12-month period and not exceed 10% within the 24-month period.	August 2023	No	The undertaking shall remain in force for a long term commencing from the date of issuance.	Yes	N/A	N/A

## Significant Events

Background of undertaking	Type of undertaking	Undertaking party	Contents of undertaking	Time of undertaking	Any term for performance	Term of validity of undertaking	Whether timely and strictly performed	Description of specific reasons if not performed timely	Description of plans for next steps if not performed timely
Undertakings in the report on changes in equity	Others	CITIC Financial Holdings	<p>1. Maintaining the business independence of the Company</p> <p>CITIC Financial Holdings will not unlawfully interfere with the normal operating activities of the Company. CITIC Financial Holdings will minimize the related party transactions between CITIC Financial Holdings and other enterprises controlled by CITIC Financial Holdings and the Company; in case of an inevitable related party transaction, an agreement shall be signed in accordance with the law and necessary procedures shall be performed in accordance with relevant laws and regulations.</p> <p>2. Maintaining the asset independence of the Company</p> <p>CITIC Financial Holdings will not misappropriate, in violation of regulations, the assets, funds and other resources of the Company or its controlled enterprises through CITIC Financial Holdings itself or its controlled affiliates.</p> <p>3. Maintaining the personnel independence of the Company</p> <p>CITIC Financial Holdings will continue to maintain the independence of the Company's senior management and financial staff. CITIC Financial Holdings will ensure and maintain the integrity of the Company's labor, personnel, salary and social security management system.</p>	June 2022	No	The undertaking shall remain in force for a long term commencing from the date of CITIC Financial Holdings' acquisition of the equity interest of the Company in 2023.	Yes	N/A	N/A

Background of undertaking	Type of undertaking	Undertaking party	Contents of undertaking	Time of undertaking	Any term for performance	Term of validity of undertaking	Whether timely and strictly performed	Description of specific reasons if not performed timely	Description of plans for next steps if not performed timely
			<p>4. Maintaining the financial independence of the Company</p> <p>CITIC Financial Holdings will warrant the independence of the financial accounting department of the Company and its establishment of an independent accounting system and financial management system, and will set up an independent financial department to be responsible for the specific operations of relevant businesses. The Company maintains segregated bank accounts, and does not share the bank accounts with CITIC Financial Holdings and other enterprises controlled by CITIC Financial Holdings. The financial staff of the Company do not hold part-time positions in CITIC Financial Holdings and other enterprises controlled by CITIC Financial Holdings. The Company pays taxes independently in accordance with the law. The Company will make independent financial decisions, and CITIC Financial Holdings will not interfere with the capital use of the Company in violation of laws and regulations.</p>						

## Significant Events

Background of undertaking	Type of undertaking	Undertaking party	Contents of undertaking	Time of undertaking	Any term for performance	Term of validity of undertaking	Whether timely and strictly performed	Description of specific reasons if not performed timely	Description of plans for next steps if not performed timely
			<p>5. Maintaining the institutional independence of the Company</p> <p>CITIC Financial Holdings will ensure that the Company will operate independently from the institutions of CITIC Financial Holdings and other enterprises controlled by CITIC Financial Holdings. CITIC Financial Holdings warrants that the Company can maintain a sound corporate governance structure as a joint stock company. The general meeting, the Board, the Supervisory Committee and functional departments of the Company all exercise their functions and powers independently in accordance with laws, regulations and the Articles of Association of the Company, and there is no institutional confusion with the functional departments of other enterprises controlled by CITIC Financial Holdings. CITIC Financial Holdings shall be liable for compensation for any loss caused to the listed company as a result of its failure to perform the above-mentioned undertakings.</p>						



Background of undertaking	Type of undertaking	Undertaking party	Contents of undertaking	Time of undertaking	Any term for performance	Term of validity of undertaking	Whether timely and strictly performed	Description of specific reasons if not performed timely	Description of plans for next steps if not performed timely
	Resolving horizontal competition	CITIC Financial Holdings	<p>1. CITIC Financial Holdings and the enterprises controlled by CITIC Financial Holdings will not, in any manner, directly or indirectly engage in any business or operating activity that is in substantial competition with the principal business engaged in by the listed company and its subsidiaries.</p> <p>2. CITIC Financial Holdings will not use its position as the largest Shareholder of the listed company to seek illegitimate interests or to jeopardize the interests of the listed company and its minority Shareholders. The above-mentioned undertakings shall remain in force during the period in which CITIC Financial Holdings is the largest Shareholder of the listed company. CITIC Financial Holdings shall be liable for compensation for any loss caused to the listed company as a result of its failure to perform the above-mentioned undertakings.</p>	June 2022	No	The undertaking shall remain in force for a long term commencing from the date of CITIC Financial Holdings' acquisition of the equity interest of the Company in 2023.	Yes	N/A	N/A

## Significant Events

Background of undertaking	Type of undertaking	Undertaking party	Contents of undertaking	Time of undertaking	Any term for performance	Term of validity of undertaking	Whether timely and strictly performed	Description of specific reasons if not performed timely	Description of plans for next steps if not performed timely
	Resolving related party transactions	CITIC Financial Holdings	1. CITIC Financial Holdings and its controlled enterprises will continue to regulate related party transactions with the Company and its subsidiaries in accordance with relevant laws and regulations and the Administrative Measures on Related Party Transactions of the Company. In the event of necessary and inevitable related party transactions, CITIC Financial Holdings and its controlled enterprises will enter into agreements with the Company and its subsidiaries in accordance with the principles of fairness, impartiality and openness and the law, and perform legal procedures to ensure the fairness of the prices of related party transactions.	June 2022	No	The undertaking shall remain in force for a long term commencing from the date of CITIC Financial Holdings' acquisition of the equity interest of the Company in 2023.	Yes	N/A	N/A

Background of undertaking	Type of undertaking	Undertaking party	Contents of undertaking	Time of undertaking	Any term for performance	Term of validity of undertaking	Whether timely and strictly performed	Description of specific reasons if not performed timely	Description of plans for next steps if not performed timely
			<p>2. CITIC Financial Holdings warrants that it will exercise relevant Shareholders' rights and assume corresponding obligations in accordance with relevant laws and regulations and the Articles of Association of the Company and other requirements in relation to internal control system. It will not use its position as a Shareholder to seek illegitimate interests, or illegally transfer funds and profits of the Company and its subsidiaries through related party transactions, or maliciously jeopardize the legitimate rights and interests of other Shareholders of the Company by means of related party transactions. CITIC Financial Holdings shall be liable for compensation for any loss caused to the listed company as a result of its failure to perform the above-mentioned undertakings.</p>						
Undertaking in respect of IPO	Resolving horizontal competition	CITIC Group. Since CITIC Group has transferred all the Shares of the Company held by it to CITIC Corporation Limited, the above undertaking is taken up by CITIC Corporation Limited.	Undertaking that there did not exist and it will not establish any new companies engaging in securities business. In respect of those businesses which are the same or similar as the securities company engaged by banking and trust investment businesses, our Company can make adequate disclosure of such business; undertaking that it will not misuse its Shareholder position to act to the detriment of interests of the Company and other Shareholders.	December 2002	No	The undertaking shall remain in force for a long term commencing from the initial public offering of A Shares of the Company in 2002.	Yes	N/A	N/A

## Significant Events

Background of undertaking	Type of undertaking	Undertaking party	Contents of undertaking	Time of undertaking	Any term for performance	Term of validity of undertaking	Whether timely and strictly performed	Description of specific reasons if not performed timely	Description of plans for next steps if not performed timely
Undertaking in relation to asset restructuring	Others	CITIC Corporation Limited	<p>1. Maintaining the business independence of the Company</p> <p>CITIC Corporation Limited will not unlawfully interfere with the normal operating activities of the Company. CITIC Corporation Limited will minimize the related party transactions between CITIC Corporation Limited and other enterprises controlled by CITIC Corporation Limited and the Company; in case of an inevitable related party transaction, an agreement shall be signed in accordance with the law and necessary procedures shall be performed in accordance with relevant laws and regulations.</p> <p>2. Maintaining the asset independence of the Company</p> <p>CITIC Corporation Limited will not misappropriate, in violation of regulations, the assets, funds or other resources of the Company or its controlled enterprises through CITIC Corporation Limited itself or its controlled affiliates.</p>	March 2019	No	The undertaking shall remain in force for a long term commencing from the Company's acquisition of assets by issuance of Shares in 2019.	Yes	N/A	N/A

Background of undertaking	Type of undertaking	Undertaking party	Contents of undertaking	Time of undertaking	Any term for performance	Term of validity of undertaking	Whether timely and strictly performed	Description of specific reasons if not performed timely	Description of plans for next steps if not performed timely
			<p>3. Maintaining the personnel independence of the Company</p> <p>CITIC Corporation Limited warrants that the President, the Chief Financial Officer, the Board Secretary and other members of the Senior Management of the Company will not hold other positions other than directors and supervisors in or receive remuneration from CITIC Corporation Limited and/or other enterprises controlled by CITIC Corporation Limited. CITIC Corporation Limited will ensure and maintain the integrity of the Company's labor, personnel, salary and social security management system.</p>						

## Significant Events

Background of undertaking	Type of undertaking	Undertaking party	Contents of undertaking	Time of undertaking	Any term for performance	Term of validity of undertaking	Whether timely and strictly performed	Description of specific reasons if not performed timely	Description of plans for next steps if not performed timely
			<p>4. Maintaining the financial independence of the Company</p> <p>CITIC Corporation Limited will warrant the independence of the financial accounting department of the Company and its establishment of an independent accounting system and financial management system, and will set up an independent financial department to be responsible for the specific operations of relevant businesses. The Company maintains segregated bank accounts, and does not share the bank accounts with CITIC Corporation Limited and other enterprises controlled by CITIC Corporation Limited. The financial staff of the Company do not hold part-time positions in CITIC Corporation Limited and other enterprises controlled by CITIC Corporation Limited. The Company pays taxes independently in accordance with the law. The Company will make independent financial decisions, and CITIC Corporation Limited will not interfere with the capital use of the Company in violation of laws and regulations.</p>						

Background of undertaking	Type of undertaking	Undertaking party	Contents of undertaking	Time of undertaking	Any term for performance	Term of validity of undertaking	Whether timely and strictly performed	Description of specific reasons if not performed timely	Description of plans for next steps if not performed timely
			<p>5. Maintaining the institutional independence of the Company</p> <p>CITIC Corporation Limited will ensure that the Company will operate independently from the institutions of CITIC Corporation Limited and other enterprises controlled by CITIC Corporation Limited. CITIC Corporation Limited warrants that the Company can maintain a sound corporate governance structure as a joint stock company. The general meeting, the Board, the Supervisory Committee and functional departments of the Company all exercise their functions and powers independently in accordance with laws, regulations and the Articles of Association of the Company, and there is no institutional confusion with the functional departments of other enterprises controlled by CITIC Corporation Limited.</p>						

## Significant Events

Background of undertaking	Type of undertaking	Undertaking party	Contents of undertaking	Time of undertaking	Any term for performance	Term of validity of undertaking	Whether timely and strictly performed	Description of specific reasons if not performed timely	Description of plans for next steps if not performed timely
	Others	Yuexiu Capital, Guangzhou Yuexiu Capital	<p>1. Maintaining the business independence of the Company</p> <p>Yuexiu Capital and Guangzhou Yuexiu Capital will not unlawfully interfere with the normal operating activities of the Company. Yuexiu Capital and Guangzhou Yuexiu Capital will minimize the related party transactions between Yuexiu Capital, Guangzhou Yuexiu Capital and other enterprises controlled by them and the Company; in case of an inevitable related party transaction, an agreement shall be signed in accordance with laws and necessary procedures shall be performed in accordance with relevant laws and regulations.</p> <p>2. Maintaining the asset independence of the Company</p> <p>Yuexiu Capital and Guangzhou Yuexiu Capital will not misappropriate, in violation of regulations, the assets, funds or other resources of the Company or its controlled enterprises through Yuexiu Capital and Guangzhou Yuexiu Capital themselves or their controlled affiliates; nor will the Company or its controlled enterprises be required to provide guarantees for Yuexiu Capital, Guangzhou Yuexiu Capital and other enterprises controlled by them.</p>	March 2019	No	The undertaking shall remain in force for a long term commencing from the Company's acquisition of assets by issuance of Shares in 2019.	Yes	N/A	N/A



Background of undertaking	Type of undertaking	Undertaking party	Contents of undertaking	Time of undertaking	Any term for performance	Term of validity of undertaking	Whether timely and strictly performed	Description of specific reasons if not performed timely	Description of plans for next steps if not performed timely
			<p>3. Maintaining the personnel independence of the Company</p> <p>Yuexiu Capital and Guangzhou Yuexiu Capital warrant that the President, the Vice President, the Chief Financial Officer, the Board Secretary and other members of the Senior Management of the Company will not hold other positions other than directors and supervisors in or receive remuneration from Yuexiu Capital, Guangzhou Yuexiu Capital and/or other affiliates controlled by them. Yuexiu Capital and Guangzhou Yuexiu Capital will ensure and maintain the integrity of the Company's labor, personnel, salary and social security management system.</p>						

## Significant Events

Background of undertaking	Type of undertaking	Undertaking party	Contents of undertaking	Time of undertaking	Any term for performance	Term of validity of undertaking	Whether timely and strictly performed	Description of specific reasons if not performed timely	Description of plans for next steps if not performed timely
			<p>4. Maintaining the financial independence of the Company</p> <p>Yuexiu Capital and Guangzhou Yuexiu Capital warrant that they will not interfere with the independence of the financial accounting department of the Company and its establishment of an independent accounting system and financial management system, and will set up an independent financial department to be responsible for the specific operations of relevant businesses. The Company maintains segregated bank accounts, and does not share the bank accounts with Yuexiu Capital, Guangzhou Yuexiu Capital and other affiliates controlled by them. The financial staff of the Company do not hold part-time positions in Yuexiu Capital, Guangzhou Yuexiu Capital and other enterprises controlled by them. The Company pays taxes independently in accordance with laws. The Company will make independent financial decisions, and Yuexiu Capital and Guangzhou Yuexiu Capital will not interfere with the capital use of the Company in violation of laws and regulations.</p>						

Background of undertaking	Type of undertaking	Undertaking party	Contents of undertaking	Time of undertaking	Any term for performance	Term of validity of undertaking	Whether timely and strictly performed	Description of specific reasons if not performed timely	Description of plans for next steps if not performed timely
			<p>5. Maintaining the institutional independence of the Company</p> <p>Yuexiu Capital and Guangzhou Yuexiu Capital will ensure that the Company will operate independently from the institutions of Yuexiu Capital, Guangzhou Yuexiu Capital and other enterprises controlled by them. Yuexiu Capital and Guangzhou Yuexiu Capital will supervise and support the Company to maintain a sound corporate governance structure as a joint stock company. The general meeting, the Board, the Supervisory Committee and functional departments of the Company all exercise their functions and powers independently in accordance with laws, regulations and the Articles of Association of the Company, and there is no subordinate relationship with the functional departments of other affiliates controlled by Yuexiu Capital and Guangzhou Yuexiu Capital.</p>						

## Significant Events

Background of undertaking	Type of undertaking	Undertaking party	Contents of undertaking	Time of undertaking	Any term for performance	Term of validity of undertaking	Whether timely and strictly performed	Description of specific reasons if not performed timely	Description of plans for next steps if not performed timely
	Resolving related party transactions	CITIC Corporation Limited	<p>1. CITIC Corporation Limited and its controlled enterprises will continue to regulate related party transactions with the Company and its subsidiaries in accordance with relevant laws and regulations and the Administrative Measures on Related Party Transactions of the Company. In the event of necessary and inevitable related party transactions, CITIC Corporation Limited and its controlled enterprises will enter into agreements with the Company and its subsidiaries in accordance with the principles of fairness, impartiality and openness and laws, and perform legal procedures to ensure the fairness of the prices of related party transactions.</p> <p>2. CITIC Corporation Limited warrants that it will exercise relevant Shareholders' rights and assume corresponding obligations in accordance with relevant laws and regulations and the Articles of Association of the Company and other requirements in relation to internal control system. It will not use its position as a Shareholder to seek illegitimate interests, or illegally transfer funds and profits of the Company and its subsidiaries through related party transactions, or maliciously jeopardize the legitimate rights and interests of other Shareholders of the Company by means of related party transactions.</p>	March 2019	No	The undertaking shall remain in force for a long term commencing from the Company's acquisition of assets by issuance of Shares in 2019.	Yes	N/A	N/A

Background of undertaking	Type of undertaking	Undertaking party	Contents of undertaking	Time of undertaking	Any term for performance	Term of validity of undertaking	Whether timely and strictly performed	Description of specific reasons if not performed timely	Description of plans for next steps if not performed timely
	Resolving related party transactions	Yuexiu Capital, Guangzhou Yuexiu Capital	<p>1. Upon the completion of this transaction, Yuexiu Capital, Guangzhou Yuexiu Capital and their controlled enterprises will minimize the related party transactions with the Company and its subsidiaries as much as possible. In the event of necessary and inevitable related party transactions, Yuexiu Capital, Guangzhou Yuexiu Capital and their controlled enterprises will enter into agreements with the Company and its subsidiaries in accordance with the principles of fairness, impartiality and openness and the law, and perform legal procedures to ensure the fairness of the prices of related party transactions.</p> <p>2. Yuexiu Capital and Guangzhou Yuexiu Capital warrant that they will exercise relevant Shareholders' rights and assume corresponding obligations in accordance with relevant laws and regulations and the Articles of Association of the Company and other requirements in relation to internal control system. They will not use their positions as Shareholders to seek illegitimate interests, or illegally transfer funds and profits of the Company and its subsidiaries through related party transactions, or maliciously jeopardize the legitimate rights and interests of other Shareholders of the Company by means of related party transactions.</p>	March 2019	No	The undertaking shall remain in force for a long term commencing from the Company's acquisition of assets by issuance of Shares in 2019.	Yes	N/A	N/A

## Significant Events

Background of undertaking	Type of undertaking	Undertaking party	Contents of undertaking	Time of undertaking	Any term for performance	Term of validity of undertaking	Whether timely and strictly performed	Description of specific reasons if not performed timely	Description of plans for next steps if not performed timely
	Shares subject to trading moratorium	Yuexiu Capital, Guangzhou Yuexiu Capital	<p>1. The consideration Shares subscribed by Yuexiu Capital and Guangzhou Yuexiu Capital in this transaction shall not be transferred within 48 months from the issuance completion date (Note: "issuance completion date of the consideration Shares" refers to the date on which the consideration Shares were registered under the name of Yuexiu Capital/Guangzhou Yuexiu Capital, same as below), unless a longer lock-up period is required by CSRC or other regulatory authorities.</p> <p>2. Upon the completion of this transaction, the above-mentioned agreements shall also apply to the additional Shares of the Company to be issued to Yuexiu Capital and Guangzhou Yuexiu Capital in the event of distribution of dividends, bonus issue, rights issue and conversion of capital reserve into share capital of the Company, etc.</p>	March 2019	Yes	The undertaking shall remain in force for a long term commencing from the Company's acquisition of assets by issuance of Shares in 2019 to the expiration of lock-up period.	Yes	N/A	N/A

Background of undertaking	Type of undertaking	Undertaking party	Contents of undertaking	Time of undertaking	Any term for performance	Term of validity of undertaking	Whether timely and strictly performed	Description of specific reasons if not performed timely	Description of plans for next steps if not performed timely
	Shares subject to trading moratorium	Yuexiu Capital	Considering the confidence in sustained development and the recognition of the Company's value, as well as the stable income brought by holding shares of the Company to Yuexiu Capital, and to support the healthy development of capital market and safeguard the interests of public investors, the Board of Yuexiu Capital resolved to extend the lock-up period of six months for 931 million A shares in the Company held by Yuexiu Capital, Guangzhou Yuexiu Capital, being expired on 10 September 2024.	March 2024	Yes	From 10 March 2024 to 10 September 2024.	Yes	N/A	N/A
	Others	Yuexiu Capital, Guangzhou Yuexiu Capital	In order to protect the legitimate rights and interests of the Company and Guangzhou Securities, Yuexiu Capital and Guangzhou Yuexiu Capital hereby irrevocably warrant that they will not misappropriate the funds of the Company, Guangzhou Securities or their controlled enterprises, or require them to provide guarantees for Yuexiu Capital, Guangzhou Yuexiu Capital and their controlled enterprises, otherwise, the Company shall be timely compensated for any losses incurred thereby.	March 2019	No	The undertaking shall remain in force for a long term commencing from the Company's acquisition of assets by issuance of Shares in 2019.	Yes	N/A	N/A

## Significant Events

Background of undertaking	Type of undertaking	Undertaking party	Contents of undertaking	Time of undertaking	Any term for performance	Term of validity of undertaking	Whether timely and strictly performed	Description of specific reasons if not performed timely	Description of plans for next steps if not performed timely
	Resolving horizontal competition	The Company	Upon the completion of this transaction, Guangzhou Securities will become a wholly-owned subsidiary directly or indirectly held by the Company, and its existing business may have conflicts of interest and compete with the business of the Company and its controlled subsidiaries. The Company undertakes to integrate its assets and businesses within 5 years upon the completion of this transaction, so as to resolve the possible conflicts of interest and competition between the parent company and its subsidiaries in compliance with relevant laws, regulations and regulatory requirements.	March 2019	No	The undertaking shall remain in force for a long term commencing from the Company's acquisition of assets by issuance of Shares in 2019. To resolve the problem of horizontal competition within 5 years from the date of the Company's holding of Guangzhou Securities.	Yes	N/A	N/A
	Others	CITIC Corporation Limited	<ol style="list-style-type: none"> <li>Not to interfere with the operation and management of the Company beyond its authority, or encroach on the interests of the Company;</li> <li>If the violation of the abovementioned undertakings causes losses to the Company, the warrantor shall be liable for compensation in accordance with the law.</li> </ol>	March 2019	No	The undertaking shall remain in force for a long term commencing from the Company's acquisition of assets by issuance of Shares in 2019.	Yes	N/A	N/A

There are no unperformed public undertakings by other Shareholders or related/connected parties of the Company.



## Appointment or Termination of Service of Accounting Firms

In RMB ten thousand

	Former Appointment	Current Appointment
Name of the domestic accounting firm	PwC Zhong Tian	KPMG Huazhen
Remuneration for the domestic accounting firm	202	200
Duration of audit service of the domestic accounting firm	8 Years	1 Year
Name of the certified public accountants of the domestic accounting firm	HAN Dan, LU Yibin	Abby Wang, CHENG Hailiang
Cumulative duration of audit service by the certified public accountants of the domestic accounting firm	8 Years	1 Year
Name of the overseas accounting firm	PwC Hong Kong	KPMG Hong Kong
Remuneration for the overseas accounting firm	37	37
Duration of audit service of the overseas accounting firm	8 Years	1 Year

Note: the remuneration listed in the table above is the audit fee in respect of the annual financial report of the Company for 2022 of the formerly appointed accounting firm and the audit fee in respect of the annual financial report for 2023 of the currently appointed accounting firm respectively, which does not include the audit fees in respect of consolidated subsidiaries

In RMB ten thousand

	Name	Remuneration
Accounting firm for internal control audit	KPMG Huazhen	43

## Explanation on Appointment or Termination of Service of Accounting Firms

After the completion of the 2022 annual audit work, PwC Zhong Tian and PwC Hong Kong have provided audit services for the Company for eight consecutive years, reaching the maximum term of consecutive engagement of the same accounting firm by a financial institution stipulated by the Ministry of Finance, and the Company is required to change its accounting firm for 2023.

As approved at the 2022 Annual General Meeting of the Company, KPMG Huazhen was appointed as the domestic accounting firm of the Company for 2023, and KPMG Hong Kong as the international accounting firm of the Company for 2023, to respectively provide relevant annual audit, interim review, internal control audit and other relevant audit services in compliance with PRC Accounting Standards for Enterprises and the International Financial Reporting Standards. In 2023, the total fees for the above-mentioned services provided by KPMG Huazhen and KPMG Hong Kong shall not exceed RMB19.88 million (tax inclusive), of which the total fees for the parent company's audit, review and other services shall not exceed RMB4 million, the specific amount of which shall be subject to that agreed in the audit service agreement. If additional fees are incurred due to a change in the scope or contents of the audit or review services, the Board has been authorized by the 2022 Annual General Meeting to determine the amount according to the actual scope and contents of the audit or review services.

# Significant Events

## Material Litigation and Arbitration

During the Reporting Period, the Group had not been involved in any material litigation or arbitration with an involved amount of over RMB10 million and accounting for over 10% of the absolute value of the net assets as shown in the latest audited accounts of the Company, which is required to be disclosed pursuant to the SSE Listing Rules. The litigation or arbitration matters of the Group which have been disclosed and have made progress as of the date of publication of this report, are as follows (The Company has made sufficient provision in respect of the potential losses involved in the cases in accordance with the relevant regulations):

### Dispute between the Company and Zhifu Leather on Breach of Private Bonds

Due to the breaches of private bonds of Suqian Zhifu Leather Industry Co., Ltd. (hereinafter referred to as “Zhifu Leather”), the Company initiated an arbitration at China International Economic and Trade Arbitration Commission (hereinafter referred to as “CIETAC”) on 29 April 2015 to request Zhifu Leather to settle the principal and unpaid interest of the bonds totalling RMB46,090,000 as well as the interest subsequently incurred, liquidated damages and expenses incurred for realizing the creditor’s rights. After winning the case, the Company applied to the Intermediate People’s Court of Suqian to take compulsory enforcement measures against Zhifu Leather, which later led to Zhifu Leather entering bankruptcy proceedings, and the Company is currently participating in its bankruptcy liquidation.

On 3 August 2015, the Company filed a lawsuit to the Third Intermediate People’s Court of Beijing Municipality (hereinafter referred to as “Beijing Third Intermediate Court”) against Sino-Capital Guaranty Trust Company Limited (hereinafter referred to as “Sino-Capital”), the guarantor, and ZHOU Likang, the de facto controller of Zhifu Leather, for failure to fulfill the guarantee obligations, requesting the guarantor Sino-Capital and ZHOU Likang to assume their joint and several guarantee liability to settle the principal and interest of the bonds totalling RMB46,090,000 as well as the interests subsequently incurred, liquidated damages and expenses incurred for realizing the creditor’s rights. The Beijing Third Intermediate Court gave its first instance verdict in favor of the Company on 29 November 2017. On 2 May 2018, the Beijing Third Intermediate Court issued the enforcement judgement, ruling that enforcement actions be taken against Sino-Capital and ZHOU Likang. On 3 December 2018, the Beijing Third Intermediate Court ruled to terminate the enforcement procedure on the ground that the person subject to enforcement had no property available for enforcement (please refer to the Company’s 2018 Annual Report for relevant case information). After the First Intermediate People’s Court of Beijing Municipality (hereinafter referred to as “Beijing First Intermediate Court”) ruled to accept the bankruptcy liquidation of Sino-Capital, the Company has claimed its creditor’s rights according to law.

### Dispute between the Company and HITHT on Margin Financing and Securities Lending Transaction

Due to the breach of contract by Harbin Institute of Technology High-Tech Development Corporation (hereinafter referred to as “HITHT”) during the margin financing and securities lending transaction with the Company, the Company applied for arbitration to the Beijing Arbitration Commission (hereinafter referred to as “BAC”) on 4 June 2018, requesting HITHT to repay the principal of RMB406,730,000, the corresponding interest, liquidated damages and expenses incurred for realizing the creditor’s rights, and applied for property preservation. On 8 June 2018, the BAC accepted the case. The case was heard on 5 September 2018. On 28 September 2018, the BAC made a ruling that HITHT should repay the principal, the corresponding interest, liquidated damages and case-handling costs to the Company, which was amounted to RMB418,624,645.99 in total as at 4 June 2018. On 26 October 2018, the Company applied to the Beijing Third Intermediate Court for compulsory enforcement. On 14 January 2019, the case was transferred to the Intermediate People’s Court of Harbin for enforcement (please refer to the Company’s 2019 Interim Report for relevant case information). During the enforcement process, the Intermediate People’s Court of Harbin ruled that 73 companies, including HITHT, were substantively merged and reorganized, and the Company has claimed its creditor’s rights according to law.

### **Dispute between CITIC Securities South China and CITIC Guoan on Bond Transaction**

Due to the breach of contract on bond transaction by CITIC Guoan Group Co., Ltd. (hereinafter referred to as “CITIC Guoan”), Guangzhou Securities (as previously named) filed a lawsuit against CITIC Guoan with the Beijing Third Intermediate Court in May 2019. The subject matter of the lawsuit was the principal of RMB480 million as well as the corresponding interest, liquidated damages, expenses incurred for realizing the creditor’s rights and other fees. The case was formally accepted on 14 May 2019, and heard on 24 September 2019 and 11 December 2019. On 16 December 2020, CITIC Securities South China received the verdict issued by Beijing Third Intermediate Court, supporting all the claims made by CITIC Securities South China, and it has applied to the Beijing Third Intermediate Court for enforcement. After the Beijing First Intermediate Court ruled to accept CITIC Guoan’s reorganization, CITIC Securities South China has claimed its creditor’s rights according to law. On 18 January 2023, the Beijing First Intermediate Court ruled to approve the substantive merger and reorganization scheme of seven companies including CITIC Guoan (please refer to the Company’s 2023 Interim Report for relevant case information). On 16 November 2023, the Beijing First Intermediate Court ruled to confirm the completion of the reorganization scheme of seven companies including CITIC Guoan and terminate the reorganization procedure.

### **Dispute between CITIC Securities South China and Haoxuan Company and DING Kongxian on Stock-pledged Repo Transaction**

Due to the breach of contract by Alashankou Haoxuan Equity Investment Co., Ltd. (阿拉山口市灝軒股權投資有限公司, hereinafter referred to as “Haoxuan Company”) in conducting the stock-pledged repo transaction, CITIC Securities South China filed a lawsuit against Haoxuan Company and its guarantor, DING Kongxian, with the Guangzhou Intermediate People’s Court (hereinafter referred to as “Guangzhou Intermediate Court”) on 31 July 2020. The subject matter of the lawsuit was the principal of RMB149 million as well as the corresponding interest, liquidated damages, expenses incurred for realizing the creditor’s rights and other fees. Guangzhou Intermediate Court accepted the case on the same day. The Court supported the claims of CITIC Securities South China after the first instance verdict was made in March 2021. Later, Haoxuan Company and DING Kongxian appealed to the Higher People’s Court of Guangdong Province (hereinafter referred to as “Guangdong Higher Court”). On 19 May 2022, CITIC Securities South China received the second civil ruling from the Guangdong Higher Court, and the Court rejected the appeal of Haoxuan Company and DING Kongxian, still affirming the original judgement. After the verdict came into effect, CITIC Securities South China applied to the Guangzhou Intermediate Court for compulsory enforcement. The case was accepted on 22 June 2022 and is in the process of compulsory enforcement (please refer to the Company’s 2022 Interim Report for relevant case information). Later, the People’s Court of Alashankou ruled to accept the case of Haoxuan Company’s bankruptcy liquidation and CITIC Securities South China has claimed its creditor’s rights according to law.

### **Punishment and Rectifications of the Listed Company and its Directors, Supervisors, Senior Management and the Largest Shareholder**

#### **During the Reporting Period, the administrative regulatory measures taken by the regulatory authorities against the Company are as follows:**

On 16 January 2023, the Shenzhen Securities Regulatory Bureau issued the ‘Decision on the Measures of Issuing a Warning Letter to CITIC Securities Company Limited’ ([2023] No. 6) to the Company. The Shenzhen Securities Regulatory Bureau pointed out that there existed circumstances in respect of the privately-offered asset management business of the Company and its private subsidiary, GoldStone Investment, such as the failures to implement the rectifications of new regulations on capital management, to adjust the valuing and auditing methods of some asset management products in a timely manner and to deal with default assets with impairment timely, the existence of multilevel nesting products at the end of the transition period, the inaccurate data of the privately-offered asset management business that was filled in, the missing part of the periodic and provisional reporting materials of certain single product, and the additional entrusted investment during the closed operation period. Upon conducting serious summary and profound reflection on the issues raised by the regulatory authority, the Company has revised and adjusted the relevant systems and processes of asset management business and carried out the rectifications.

## Significant Events

On 8 February 2023, the People's Bank of China issued the 'Decision of Administrative Penalty' (Yin Fa Jue Zi [2023] No. 6) (《行政處罰決定書》(銀罰決字[2023]6號)) to the Company, which imposed a fine of RMB13.76 million on the Company. The People's Bank of China pointed out that the Company was in breach of the Anti-Money Laundering Law of the People's Republic of China and other laws, and failed to perform its obligations of distinguishing clients' identities, preserve the data for clients' identities and records of transactions and submit reports on transactions involving large sums of money or on dubious transactions, etc. as required. This penalty was made upon the special law enforcement inspection of anti-money laundering conducted by the People's Bank of China on the Company during the period from December 2020 to January 2021. After the inspection, the Company continuously increased resource investment and thoroughly implemented all the rectifications. This administrative penalty would have no impact on the normal operations of each business of the Company. Currently, the Company has completed the rectifications on issues identified during the law enforcement inspection, and optimized the long-term management mechanism of money laundering risks and improved the prevention and control level of money laundering risks by adjusting the organizational structure of anti-money laundering work, improving the consideration and discussion procedures of the management, optimizing the information system and carrying out the assessment on money laundering risks on an ongoing basis and other measures.

On 4 April 2023, the Tibet Securities Regulatory Bureau issued the 'Decision on the Measures of Issuing a Warning Letter to CITIC Securities Company Limited, XU Xin and SONG Yongxin' ([2023] No. 9) (《關於對中信証券股份有限公司、徐欣、宋永新採取出具警示函措施的決定》([2023]9號)) to the Company. The Tibet Securities Regulatory Bureau pointed out that the Company, as the sponsor for the initial public offering and listing of Tibet Huayu Mining Co., Ltd., had not fully examined the related party and related party transactions onsite or conducted a comprehensive verification on the sales revenue and abnormal changes in major customers during its continuous supervision work from 2017 to June 2018. Upon conducting serious summary and profound reflection on the issues raised by the regulatory authority, further urging the investment banking personnel to improve their professional capacities to perform duties, carrying out continuous supervision, and strengthening the quality control of investment banking business projects, the Company submitted rectification reports to the regulatory authority on time.

On 7 July 2023, the Shenzhen Securities Regulatory Bureau issued the 'Decision on the Measures of Issuing a Warning Letter to CITIC Securities Company Limited' ([2023] No. 102) to the Company, pointing out that there remained problems such as the insufficient security of computer room infrastructure construction and the negligence or omission in the reliability management of information system equipment during the cybersecurity incident of the Company on 19 June 2023. The Company conscientiously implemented the safety production responsibility system, strengthened the construction of responsibility culture, raised the risk awareness of all employees, strengthened the management of the network and information security, carried out in-depth investigation and rectification work of network and information security risks and submitted rectification reports to the regulatory authorities on schedule.

On 28 September 2023, the China Securities Regulatory Commission (CSRC) issued the 'Decision on the Measures of Having Regulatory Conversation with CITIC Securities Company Limited' (《關於對中信証券股份有限公司採取監管談話措施的決定》) ([2023] No. 30) to the Company. The CSRC pointed out that the Company, serving as the financial consultant of the major asset restructuring caused by the Aerospace Communications Holdings Co., Ltd.'s acquisition of Smart Haipai Technology Co., Ltd. (智慧海派科技有限公司), failed to conduct a prudent review of the target company's main suppliers, major customers and related relationships during the restructuring stage; failed to conduct a prudent review of the authenticity of sales of listed companies during the continuous supervision stage; failed to achieve an actual profit of 50% of the predicted amount from the purchased assets of listed companies after the completion of major asset restructuring; and failed to strictly implement the internal control system. Upon conducting serious reflection on the issues raised by the regulatory authority, establishing, improving and strictly implementing the management system, processes and specifications of financial advisory business, the Company submitted rectification reports on schedule.

On 9 October 2023, the Shenzhen Securities Regulatory Bureau issued the 'Decision on Ordering of CITIC Securities Company Limited to Take Rectification Measures' (《關於對中信證券股份有限公司採取責令改正措施的決定》) ([2023] No. 169) to the Company. The Shenzhen Securities Regulatory Bureau pointed out that there remained problems such as incomplete rectification plans submitted and reported during the Company's rectification of normative organizational structure, and failure to complete multiple pending rectification projects of GoldStone Investment and Qingdao GoldStone Haorui Investment Company Limited as required. The company conscientiously implemented rectifications on the relevant issues raised in the regulatory letters, further improved the Company's management systems and processes, and submitted rectification reports to the regulatory authorities on time.

On 23 October 2023, the Tianjin Securities Regulatory Bureau issued the 'Decision on the Measures of Issuing a Warning Letter to the Huanghai Road Securities Outlet in Binhai New Area, Tianjin of CITIC Securities Company Limited' (《關於對中信證券股份有限公司天津濱海新區黃海路證券營業部採取出具警示函措施的決定》) ([2023] No. 30) to the Huanghai Road Outlet in Binhai New Area, Tianjin of the Company. The Tianjin Securities Regulatory Bureau pointed out that individual employees of the Huanghai Road Outlet in Binhai New Area, Tianjin of the Company provided investors with answers to key risk assessment questions, returned WeChat red packet to investors, and promised investors guaranteed principal and interest while engaging in securities brokerage business marketing activities. The outlet did not properly manage the marketing activities of employees' securities brokerage business, failed to strictly regulate the professional behavior of employees, and had deficiencies in compliance management. The Company strengthened the training, supervision and inspection of employees' professional behavior, and submitted rectification reports to regulatory authorities on schedule.

**During the Reporting Period, the Company was not subject to investigation for suspected criminal liability. None of the Company's largest Shareholder, Directors, Supervisors or Senior Management was subject to enforcement actions for suspected criminal liability; None of the Company, the Company's largest Shareholder, Directors, Supervisors or Senior Management was subject to criminal punishments, investigations or administrative punishments by the CSRC for suspected incompliance of laws and regulations, or significant administrative punishments by other competent authorities; None of the Company's largest Shareholder, Directors, Supervisors or Senior Management was retained by disciplinary inspection authorities for suspected incompliance of laws and regulations or duty-related crime, which may affect the performance of duties; None of the Company's Directors, Supervisors or Senior Management was subject to enforcement actions by other competent authorities for suspected incompliance of laws and regulations, which may affect the performance of duties.**

### **Credibility of the Company and its Largest Shareholder during the Reporting Period**

During the Reporting Period, neither the Company nor the largest Shareholder had unperformed obligations determined by court legal instruments or unpaid debts with large sums at maturity.

# Significant Events

## **Material Related Party Transactions/Non-exempt Connected Transactions**

### **Related party transactions in relation to day-to-day operation/non-exempt continuing connected transactions**

#### **Progress of matters which had been disclosed in interim announcements**

The Group conducted the related party/connected transactions in strict compliance with the listing rules of the listed places and the Information Disclosure Management System and the Administrative Measures on Related Party Transactions of the Company. The Group's related party/connected transactions were conducted in accordance with the principles of fairness, openness and impartiality, and the related party/connected transaction agreements were entered into in accordance with the principles of equality, voluntariness, equivalence and consideration and at market prices.

#### ***Day-to-day related party transactions under the SSE Listing Rules/continuing connected transactions under the Hong Kong Listing Rules***

##### *Background*

The day-to-day related party/continuing connected transactions of the Group are mainly conducted with CITIC Group, its subsidiaries and associates. CITIC Group is the de facto controller of CITIC Financial Holdings, the largest shareholder of the Company, therefore, CITIC Group, its subsidiaries and associates are related party/connected persons of the Company according to the SSE Listing Rules and the Hong Kong Listing Rules. CITIC Group engages in a wide range of businesses and has plenty of subsidiaries. The Group, as a participant in the financial market, would inevitably transact with China CITIC Bank, CITIC Trust, CITIC Prudential, each a subsidiary of CITIC Group, and other companies that have strong market influences, and jointly provide comprehensive financial services to clients domestic and overseas. On the one hand, this is favorable for the expansion of the Group's scope of services and enhancement of its service level; on the other hand, it also brings business opportunities to the Group. Therefore, conducting relevant businesses between the Group and its related party/connected persons will be favorable to promote the business growth, and increase investment returns. Relevant related party/connected transactions are in line with the Group's actual situation and thus favorable to the long-term development of the business.

Based on the analysis of the types and basic contents of existing and possible ongoing related party/connected transactions between the Group and CITIC Group and its subsidiaries and associates, the Group delineated the nature of such transactions and classified into three major categories, namely securities and financial products transactions and services, miscellaneous services and property leasing. Since the Company's H Shares were listed in 2011, upon the approval of the general meeting of shareholders and the board of directors, the Company and CITIC Group renewed the Securities and Financial Products Transactions and Services Framework Agreement, the Miscellaneous Services Framework Agreement and the Property Leasing Framework Agreement on a regular basis, to reach an agreement on the contents of the day-to-day related party/continuing connected transactions thereunder and set respective annual caps for the transaction amount.

During the Reporting Period, all above day-to-day related party/continuing connected transactions were conducted pursuant to the relevant framework agreements entered into between the Company and CITIC Group and in strict compliance with the pricing principles of relevant transactions. The transaction amount and the transaction content did not exceed the scope of such agreements. Details were as follows:

*Securities and Financial Products Transactions and Services Framework Agreement*

Pursuant to the agreement, the Group and CITIC Group and its subsidiaries and associates conduct various securities and financial products transactions and provide mutual securities and financial services during the ordinary course of business. Both the Company and CITIC Group agreed that: 1. the subscription of securities and financial products shall be conducted at subscription prices and terms of such products; for transactions of securities and financial products through exchanges, such transactions shall be conducted at the prevailing market prices or market rates applicable to such type of securities and financial products; for transactions over the counter and other transactions of securities and financial products, such transactions shall be conducted at the prevailing market prices or market rates applicable to such type of securities and financial products and shall be conducted by mutual agreement; in the absence of prevailing market price or market rate applicable to such type of securities and financial products, the price or rate of such transaction shall be determined by the mutual agreement pursuant to the principle of fair market rate. Interest rates of interbank loans and repurchase agreements shall be conducted at the prevailing market interest rates and prices applicable to independent counterparties of such type of transactions or determined by mutual agreement. The prices of the beneficiary certificates issued by the Company shall be determined based on the prevailing market interest rate applicable to independent counterparties of such type of beneficiary certificates. 2. securities and financial services — (1) interest rates on deposits: shall not be lower than the interest rates on deposits published by the People's Bank of China for the commercial banks for the corresponding period and the terms of the Company's deposit with the subsidiaries of CITIC Group shall not be inferior to those provided by an independent third party. (2) Commissions or service fees charged by CITIC Group: shall be determined by mutual agreement with reference to the prevailing market rates and in accordance with the requirements of the applicable and relevant laws and regulations, provided that they do not exceed the standard commission or service fee charged by CITIC Group for the same type of service provided to an independent third party. (3) Brokerage fees, commissions or service fees charged by the Company: shall be determined by mutual agreement with reference to the prevailing market rates and in accordance with the requirements of the applicable and relevant laws and regulations, provided that they do not exceed the standard commission or service fee charged by the Company for the same type of service provided to an independent third party. The agreement is for a term of three years, commencing from 1 January 2023 and ending on 31 December 2025, subject to renewal.

The Hong Kong Stock Exchange has granted a waiver to the Company from setting up the maximum daily balance of the deposits (including the Group's proprietary funds and customers' funds) placed with the banking subsidiaries of CITIC Group in the PRC and Hong Kong during 2023 to 2025.

## Significant Events

For the year of 2023, the amount of day-to-day related party/continuing connected transactions in relation to the Securities and Financial Products Transactions and Services Framework Agreement, between the Group and the CITIC Group and its subsidiaries and associates, was as follows:

*In RMB ten thousand*

Type of related party/connected transactions	Annual caps for transaction amount in 2023	Actual transaction amount/highest balance in a single day in 2023	Percentage of the total amount of similar transactions (%)	Impact on profit of the Company
Net cash inflow derived from securities and financial products transactions (excluding financing transactions <sup>Note 1</sup> )	15,500,000	6,495,790	—	—
Net cash outflow incurred for securities and financial products transactions (excluding financing transactions <sup>Note 1</sup> )	19,000,000	7,142,255	—	—
Amount of inter-financial institutions borrowings and beneficiary certificates issued by the Group	Not applicable <sup>Note 2</sup>	31,627,467	—	—
Maximum daily balance (including interests) of financing transactions <sup>Note 1</sup> provided to the Company	2,000,000	355,117	—	—
Maximum daily balance (including interests) of financing transactions <sup>Note 1</sup> provided by the Company	800,000	—	—	—

Type of related party/connected transactions	Annual caps for transaction amount in 2023	Actual transaction amount in 2023	Percentage of operating revenue/expenses of the Company (%)	Impact on profit of the Company
Income derived from securities and financial services	350,000	99,983	1.66	99,983
Expenses incurred for securities and financial services	110,000	14,395	0.42	-14,395

Note 1: Financing transactions include, but are not limited to, repurchase agreements, margin financing, and loans to inter-financial institutions

Note 2: The subscriptions by CITIC Group and its associates of the beneficiary certificates issued by the Group and the inter-financial institutions borrowings and corporate overdraft provided by CITIC Group and its associates to the Group are based on its interests and provided on normal commercial terms; and the Group is not required to provide any guarantee for such financing transactions. Such financing transactions are exempted continuing connected transactions under Rule 14A.90 of the Listing Rules of the Stock Exchange. As such, no cap has been set by the Company on such financing transactions provided by CITIC Group and its associates to the Group

Note 3: Amounts shown in the table above are determined in accordance with the relevant rules in relation to related party/connected transactions in the listing rules of the place where the Company is listed, excluding the amount of the related party transactions exempted from disclosure in accordance with the listing rules



#### Miscellaneous Services Framework Agreement

Pursuant to the agreement, the Company and CITIC Group both agreed to determine the price of relevant services by fair and mutual agreement under conditions no less favorable than such services received from or provided to independent third parties in compliance with the relevant laws and regulations and under normal commercial terms. For construction project services, if the service providers are determined for the relevant services through open tender process, the Company will select the general contractor for construction pursuant to the Construction Law of the People's Republic of China, the Bidding Law of the People's Republic of China, the Civil Code of the People's Republic of China, and other applicable laws, regulations and relevant provisions, after taking into consideration various factors including the bidding price, the performance of general contracting, and whether the general contractor has the top grade qualification in general contracting of housing engineering and construction. The agreement is for a term of three years, commencing from 1 January 2023 and ending on 31 December 2025, subject to renewal.

In 2023, the amount of the day-to-day related party/continuing connected transactions under the Miscellaneous Services Framework Agreement between the Group and CITIC Group and its subsidiaries and associates, was as follows:

*In RMB ten thousand*

	<b>Annual caps for transaction amount in 2023</b>	<b>Actual transaction amount for the year 2023</b>	<b>Percentage of operating revenue/expenses (%)</b>	<b>Impact on profit of the Company</b>
<b>Miscellaneous services</b>				
Income derived from miscellaneous services	45,000	2,833	—	—
Expenses incurred for miscellaneous services	250,000	26,863	—	—

#### Property Leasing Framework Agreement

Pursuant to the agreement, the Company and CITIC Group both agreed that the rentals shall be determined by both parties through negotiation with reference to the prevailing market rentals. In determining the annual rentals, both parties shall refer to recent fair transaction prices for the leased properties in comparable rental markets; the government guidance price at the location of leased property (if any); the relevant factors such as the location, size and utilities of the properties. For the properties leased by the Company from CITIC Group, the terms of the lease shall be no less favorable than those offered to the Company by an independent third party for the leasing of properties of the same class in the vicinity of the location; and for the properties leased by CITIC Group from the Company, the terms of the lease shall be no more favorable than those offered to an independent third party for the leasing of the properties. The agreement is for a term of three years, commencing from 1 January 2023 and ending on 31 December 2025, subject to renewal.

## Significant Events

In 2023, the amount of transactions in relation to day-to-day related party/continuing connected transactions under the Property Leasing Framework Agreement between the Group and CITIC Group and its subsidiaries and associates were as follows:

*In RMB ten thousand*

<b>Property leasing</b>	<b>Annual caps for transaction amount in 2023</b>	<b>Actual transaction amount for the year 2023</b>	<b>Percentage of operating revenue/ expenses (%)</b>	<b>Impact on profit of the Company</b>
Rental income from lease of properties	60,000	3,700	0.06	3,700
Rental expenses paid for lease of properties/Increase in total value of right-of-use assets	100,000	1,289	—	—

The auditor engaged by the Company have reviewed the above-mentioned day-to-day related party transactions/continuing connected transactions and issued a letter to the Board stating that: nothing has come to its attention that may cause it to believe that such disclosed day-to-day related party transactions/continuing connected transactions have not been approved by the Board; if the transactions involve the provision of goods or services by the Group, nothing has come to its attention that may cause it to believe that these transactions were not, in all material respects, in accordance with the pricing policy of the Group; nothing has come to its attention that may cause it to believe that these transactions were not entered into, in all material respects, in accordance with the relevant agreements governing these transactions; and with respect to the total amounts for each of such continuing connected transactions specified in the appendix of the day-to-day related party/continuing connected transactions letter, nothing has come to its attention that may cause it to believe that such disclosed day-to-day related party/continuing connected transactions have exceeded the annual transaction caps set by the Company.

**Other related party transactions under the SSE Listing Rules in relation to day-to-day operation**

*Related party transactions between the Group and the companies in which the Directors, Supervisors or members of Senior Management hold positions as directors or the senior management*

According to the SSE Listing Rules, in addition to CITIC Group and its subsidiaries and associates, related parties of the Company also include the companies in which the Directors, Supervisors or members of the Senior Management hold positions as directors or the senior management, but they are not defined as connected persons under the Hong Kong Listing Rules. Related party transactions between the Company and such parties are conducted in compliance with the relevant requirements under the SSE Listing Rules, and will not constitute connected transactions under the Hong Kong Listing Rules. During the Reporting Period, these related party transactions had been carried out in accordance with the Resolution on Estimation of Related Party/Continuing Connected 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.

*In RMB ten thousand*

<b>Related party</b>	<b>Type of related party transactions</b>	<b>Estimated transaction amount for the year 2023</b>	<b>Actual transaction amount for the year 2023</b>	<b>Percentage of operating revenue/expenses of the Company (%)</b>	<b>Impact on profit of the Company</b>
E-Capital Transfer	Expense	1,500	112.84	Less than 0.01	-112.84
Yuexiu Industrial Investment	Income	1,000	70.75	Less than 0.01	70.75
Yuexiu Industrial Investment Fund	Income	1,000	47.17	Less than 0.01	47.17
Qianhai Infrastructure Investment	Income	500	0.02	Less than 0.01	0.02
	Expense	500	0.02	Less than 0.01	-0.02

**Related party transactions between the Group and the companies holding over 5% equity interest in the Company as well as their party acting in concert**

Yuexiu Financial Holdings and its wholly-owned subsidiary, Financial Holdings Limited, jointly hold over 5% equity interest in the Company, thus are the related parties of the Company under SSE Listing Rules but not connected persons under Hong Kong Listing Rules. The related party transactions between the Company and them shall be conducted in accordance with the relevant provisions of the SSE Listing Rules and are not the connected transactions under the Hong Kong Listing Rules. During the Reporting Period, the following related party transactions were carried out pursuant to the Resolution on Estimation of Related Party/Continuing Connected 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.

## Significant Events

In RMB ten thousand

Related party	Type of related party transactions	Estimated transaction amount for the year 2023	Actual transaction amount for the year 2023	Percentage	Impact on Company profit of the Company
				of operating revenue/expenses of the Company (%)	
Yuexiu Capital	Income	1,500	111.32	Less than 0.01	111.32
	Expense	1,000	0.14	Less than 0.01	-0.14
Guangzhou Yuexiu Capital	Income	1,500	155.21	Less than 0.01	155.21
	Expense	1,000	1.89	Less than 0.01	-1.89

### Material related party/connected transactions in relation to joint external investment

#### Overview of matters

On 30 September 2022, the 45th Meeting of the Seventh Session of the Board of Directors of the Company considered and approved the Proposal on the External Investment through a Subsidiary and agreed that CITIC Securities Investment would make capital contribution to Xinchun Fund as a limited partner at a cash consideration of RMB141 million. Later, due to change in the list of the limited partners and the amount of capital contribution from some of the limited partners of Xinchun Fund, the investment amount of CITIC Securities Investment changed accordingly. On 14 June 2023, the 8th Meeting of the Eighth Session of the Board of Directors of the Company considered and approved the Proposal on Changing the External Investment Amount of Subsidiaries, and agreed that the investment amount of CITIC Securities Investment investing in Xinchun Fund in cash would be changed to RMB122 million. Upon approval by the Board of Directors on the same day, CITIC Securities Investment completed the signing of the changed fund partnership contract with its related/connected investor CITIC Prudential and other unrelated unconnected investors. As at the date of the 2023 annual results announcement, CITIC Securities Investment has completed an investment of RMB36.60 million.

#### Query Index

For details, please refer to the announcements disclosed by the Company on the HKEXnews website of HKEX (<https://www.hkexnews.hk>) on 30 September 2022 and 14 June 2023 and the prior approvals and independent opinions issued by the independent non-executive Directors on the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>) on 1 October 2022 and 15 June 2023. For details of the investment authorization, please refer to the Company's report for the third quarter of 2022.

## Overview of matters

On 21 July 2023, the 9th Meeting of the Eighth Session of the Board of Directors of the Company considered and approved the Proposal on the External Investment through a Subsidiary and agreed that GoldStone Investment would invest in GoldStone Growth Equity Investment (Hangzhou) Partnership (Limited Partner) (金石成長股權投資(杭州) 合夥企業(有限合夥)) (the name is subject to the industrial and commercial registration) in cash, with an investment amount of RMB620 million. Upon approval by the Board of Directors on the same day, GoldStone Investment signed the limited partnership agreement with its related/connected investors, namely CITIC Trust, CITIC City West Kechuang Large Corridor (Hangzhou) Equity Investment Fund Partnership (Limited Partnership) (中信城西科創大走廊(杭州)股權投資基金合夥企業(有限合夥)) and other unrelated/unconnected investors. As at the date of the 2023 annual results announcement, GoldStone Growth Equity Investment (Hangzhou) Partnership (Limited Partner) has completed the industrial and commercial registration, and GoldStone Investment has completed an investment of RMB186 million.

On 8 September 2023, the 11th Meeting of the Eighth Session of the Board of Directors of the Company considered and approved the Proposal on the External Investment through a Subsidiary and agreed that GoldStone Investment would invest in Anhui Conch Goldstone Innovation Development Investment Fund Partnership (Limited Partnership) (安徽海螺金石創新發展投資基金合夥企業(有限合夥)) (the name is subject to the industrial and commercial registration) in cash, with an investment amount of RMB500 million. Upon approval by the Board of Directors on the same day, GoldStone Investment signed the limited partnership agreement with its related/connected investors, namely CITIC City West Kechuang Large Corridor (Hangzhou) Equity Investment Fund Partnership (Limited Partnership), CITIC Private Fund Management Co., Ltd. (中信私募基金管理有限公司) and other unrelated/unconnected investors. Anhui Conch Goldstone Innovation Development Investment Fund Partnership (Limited Partnership) has completed the industrial and commercial registration. As at the date of the 2023 annual results announcement, GoldStone Investment has completed an investment of RMB50 million.

## Query Index

For details, please refer to the announcement disclosed by the Company on the HKEXnews website of HKEX (<https://www.hkexnews.hk>) on 21 July 2023 and the prior approvals and independent opinions issued by the independent non-executive Directors on the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>) on 22 July 2023. For details of the investment authorization, please refer to the Company's 2023 Interim Report.

For details, please refer to the announcement disclosed by the Company on the HKEXnews website of HKEX (<https://www.hkexnews.hk>) on 8 September 2023 and the prior approvals and independent opinions issued by the independent non-executive Directors on the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>) on 9 September 2023.

# Significant Events

## Related party credits and debts

In RMB Yuan

Related party	Related party relationship	Provision of funds to the related party		Provision of funds by the related party to listed companies			
		Balance at the beginning of the Reporting Period		Balance at the end of the Reporting Period	Balance at the beginning of the Reporting Period		Balance at the end of the Reporting Period
		Period	Amount incurred	Period	Period	Amount incurred	Period
Subsidiaries of CITIC Group	Subsidiaries of Shareholder	177,581,146.78	(76,334,176.89)	101,246,969.89	26,276,801.88	33,621,275.76	59,898,077.64
Guangzhou Yuexiu Capital	Shareholder with non-controlling interest	—	—	—	3,543,889.32	84,432.59	3,628,321.91
<b>Total</b>		<b>177,581,146.78</b>	<b>(76,334,176.89)</b>	<b>101,246,969.89</b>	<b>29,820,691.20</b>	<b>33,705,708.35</b>	<b>63,526,399.55</b>
Causes of the related party credits and debts		Mainly include payables to the above related parties in connection with fund sales agency services, prepayments, receivables from/payables to the above related parties in respect of deposits, margins and the project payment of CITIC Financial Center					
Impact of the related party credits and debts on the Company		No adverse impact					

## Other related party/connected transactions

CITIC Securities Investment, a wholly-owned subsidiary of the Company, participated in the capital increase of China Economic Information Service through public bidding on Shanghai United Assets and Equity Exchange, and held 1.24% of its equity after the capital increase. Among the 12 investors participated in the capital increase, CITIC Press and CITIC Investment Holdings are related/connected parties of the Company, and the investment constitutes a related/connected transaction of the Company. On 4 August 2023, CITIC Securities Investment signed a capital increase agreement with China Economic Information Service and its former shareholders, pursuant to which CITIC Securities Investment agreed to make a capital contribution of RMB100 million in aggregate to China Economic Information Service. Such capital contribution shall be completed on 7 August 2023. Such event does not constitute a material related party transaction of the Company under the SSE Listing Rules. As the highest applicable percentage ratios in respect of the capital contribution did not exceed 0.1%, such transaction was exempt from the reporting, annual review, announcement and independent shareholders' approval requirements under the Hong Kong Listing Rules.

## Opinions of independent Directors

The aforesaid related party/connected transactions were conducted at market prices based on pricing principles that are reasonable and fair. Such transactions are not prejudicial to the interests of the non-related/connected Shareholders and do not have any adverse effect on the independence of the Company.

The independent non-executive Directors have confirmed, by way of special meetings of independent Directors and resolutions of the Related Party Transactions Control Committee, that they have reviewed the above-mentioned non-exempt day-to-day related party transactions/continuing connected transactions and considered that the transactions were:

- conducted in the ordinary course of business of the Group;
- on normal commercial terms, or if there is no comparable transaction to determine whether the terms of the transaction are on normal commercial terms, on terms no less favorable to the Group than those available from or to (as the case may be) independent third parties;
- conducted according to the terms set out in relevant agreement, which were fair and reasonable and in the interests of the Shareholders as a whole.

Save as disclosed above, there is no related party transaction or continuing related party transaction set out in Note 56 to the Consolidated Financial Statements that falls into the category of connected transactions or continuing connected transactions that need to be disclosed under the Hong Kong Listing Rules. The Company has complied with the disclosure requirements under Chapter 14A of the Hong Kong Listing Rules with respect to the connected transactions and continuing connected transactions of the Company.

## Guarantees

During the Reporting Period, the total amount of guarantees provided by the Company and its subsidiaries to subsidiaries was RMB80,640 million. As at the end of the Reporting Period, the balance of guarantees by the Company was RMB103,761 million, all of which were guarantees provided by the Company and its subsidiaries to subsidiaries, representing 38.60% of the equity attributable to owners of the parent company as at the end of the Reporting Period.

### Guarantees provided by the Company

According to the resolution approved at the Shareholders' general meeting, and upon deliberation by the duly authorized working group, the Company provided an unconditional and irrevocable guarantee on a joint and several basis for repayment obligations under each batch of notes to be issued pursuant to an overseas medium-term notes program set up by CITIC Securities Finance MTN, an indirect wholly-owned subsidiary of the Company. The guarantee amount was US\$3 billion and the scope of the guarantee includes the principal, interest and other contingent account payables of overseas notes. As at the end of the Reporting Period, the aggregate balance of existing notes under the above-mentioned medium-term notes program was US\$1,172 million, specifically: in 2019, CITIC Securities Finance MTN made a drawdown under the medium-term notes program to issue five-year notes with an issue size of US\$200 million; in 2020, CITIC Securities Finance MTN made a drawdown under the medium-term notes program with an issue of five-year notes of US\$500 million; in 2022, CITIC Securities Finance MTN made a drawdown under the medium-term notes program with an issue size of US\$175 million; in 2023, CITIC Securities Finance MTN made a drawdown under the medium-term notes program with an issue size of US\$297 million, including two-year notes of US\$200 million and three-year notes of RMB700 million.

According to the resolution approved at the Shareholders' general meeting and upon deliberation by the Company's management, the Company provided an unconditional and irrevocable guarantee for the Euro-commercial papers project set up by CITIC Securities Finance MTN with a guarantee period from 12 May 2023 to 12 May 2028 and an amount of US\$3 billion. The scope of the guarantee includes the principal, interest and other contingent account payables of overseas notes. During the Reporting Period, CITIC Securities Finance MTN issued five tranches of Euro-commercial papers in aggregate with a total issue size of US\$160 million. As at the end of the Reporting Period, the balance of existing notes was US\$120 million.

## Significant Events

The Proposal on the Establishment of an Asset Management Subsidiary and the Corresponding Change to the Business Scope of the Company was considered and approved at the 2021 First Extraordinary General Meeting of the Company, which agreed that the Company would, in accordance with the regulatory requirements and depending on the risk control indicators of the asset management subsidiary, provide an aggregate of no more than RMB7 billion (inclusive) of net capital guarantee commitment to the asset management subsidiary, with an effective period of the net capital guarantee commitment from the date of the establishment of the subsidiary to the time when its capital condition can meet the requirements of regulatory authorities continuously; and authorized the operational management to complete the relevant procedures according to practical needs and in compliance with regulatory requirements. During the Reporting Period, the Company provided a total of RMB5 billion in net capital guarantees for CITIC Securities AM.

### Guarantees provided by subsidiaries

During the Reporting Period, among all the subsidiaries of the Company, CSI had provided guarantees. All those guarantees were provided by CSI and its subsidiaries in favour of their relevant subsidiaries for their business operations, which mainly included loan guarantees and guarantees for medium-term notes, etc. The balance of the above-mentioned guarantee was approximately RMB89,610 million as at 31 December 2023.

The above-mentioned debt guarantees directly or indirectly provided to guaranteed parties with a gearing ratio of more than 70% amounted to RMB98,761 million, all of which were guarantees provided by the Company and its overseas subsidiaries to their respective subsidiaries to meet the needs of business operations. Among them, CLSA B.V. provided a debt guarantee of maximum US\$100 million to its 11 subsidiaries, and such guarantee of US\$100 million has not been distributed to guaranteed parties, nine of which had their gearing ratios of more than 70% as of the end of the Reporting Period.

In addition, CSI and its subsidiaries have issued guarantees for various International Swaps and Derivatives Association agreements (ISDA), Global Master Repurchase agreements (GMRA), Global Master Securities Lending agreements (GMSLA) and Broker-Dealer agreements, some of which are unlimited guarantees. The above-mentioned unlimited guarantees have been issued in accordance with normal practices in the international banking industry and capital market, which allow the banks and other financial institutions trading with CSI, CLSA B.V. and their subsidiaries to assume large market trading volume and fluctuating demands, therefore ensuring CSI, CLSA B.V. and their subsidiaries are not unnecessarily constrained in the normal course of business. Since both CSI and CLSA B.V. are companies with limited liabilities, the absolute maximum exposure of these guarantees in aggregate would alternatively be limited to the respective net asset value of CSI and CLSA B.V.



## Other Significant Events and Subsequent Events

### Changes to the branches

#### The Company

During the Reporting Period, the Company dissolved its Zhuji Daqiao Road Securities Outlet, completed the same-city relocation of 35 branches, details of which are as follows:

Details are as follows:

No.	Original Name of Branches	Current Name of Branches	Address After Relocation
1	Wuhan Dongwu Avenue Securities Outlet	Wuhan Guanshan Avenue Securities Outlet	No. 1 & No. 2, 24/F, Building T2, II Fanyue City, No. 21 Guanshan Avenue, Hongshan District, Wuhan, Hubei Province
2	Beijing Dongsanhuan Central Road Securities Outlet	Beijing Asian Games Village Securities Outlet	No. 107, Inner 101, 1/F & No. 2906–2912 and 2915, Inner 2901, 29/F, Building 1, No. 8 Yard, Beichen East Road, Chaoyang District, Beijing
3	Shenyang Fengtian Street Securities Outlet	Shenyang Shifu Road Securities Outlet	1–2/F, 338A (338A), Shifu Road, Shenhe District, Shenyang, Liaoning Province
4	Yichun Gaoshi Road Securities Outlet	Yichun Yiyang Avenue Securities Outlet	No. 1–7 & 2–2, 1/F & 2/F, Building 60, Yongyi • Feicuicheng, No. 505 Yiyang Avenue, Yuanzhou District, Yichun, Jiangxi Province
5	Ganzhou Changzheng Avenue Securities Outlet	Ganzhou Dengfeng Avenue Securities Outlet	Shops 6#, 7#, 8#, 9#, 18#, 19#, Building 6, Qidian Xintiandi, No. 19 Dengfeng Avenue, Zhanggong District, Ganzhou, Jiangxi Province
6	Shanghai Anting Securities Outlet	Shanghai Shuangdan Road Securities Outlet	Rooms 1703 & 1705–1708, No. 1068 Shuangdan Road, Jiading District, Shanghai
7	Fenghua Nanshan Road Securities Outlet	Ningbo Tiantong South Road Securities Outlet	101–8 & 2001–1, No. 639 Tiantong South Road, Shouan Subdistrict, Yinzhou District, Ningbo, Zhejiang Province
8	Chenzhou Yongjun Road Securities Outlet	Chenzhou Nanhu Road Securities Outlet	111, 112 and 113, Building 1, Lehuo Gold Street, No. 126 Nanhu Road, Chenjiang Subdistrict, Beihu District, Chenzhou, Hunan Province
9	Guangzhou Huacheng Square Securities Outlet	Guangzhou Huacheng Square Securities Outlet	Rooms 1601 & 1606, Yuehai Financial Center, Huacheng Square, No. 21 Zhujiang West Road, Tianhe District, Guangzhou

## Significant Events

No.	Original Name of Branches	Current Name of Branches	Address After Relocation
10	Zhuzhou Huanghe North Road Securities Outlet	Zhuzhou Zhujiang North Road Securities Outlet	No. 104 & 116, Building 6, Lot B, Shennong Culture & Leisure Street, No. 199 Zhujiang North Road, Tianyuan District, Zhuzhou, Hunan Province
11	Shijiazhuang Huailing Road Securities Outlet	Shijiazhuang Huai'an East Road Securities Outlet	No. 101-9, Commercial Building, Ximei Fifth Avenue, No. 145 Huai'an East Road, Yuhua District, Shijiazhuang, Hebei Province
12	Ninghai Qixiang North Road Securities Outlet	Ninghai Qixiang North Road Securities Outlet	No. 572 & 574 Qixiang North Road, Taoyuan Subdistrict, Ninghai County, Ningbo, Zhejiang Province
13	Shanghai Ruijin South Road Securities Outlet	Shanghai Kaibin Road Securities Outlet	Room 201-3, No. 199 Kaibin Road, Xuhui District, Shanghai
14	Shanghai Century Avenue Securities Outlet	Shanghai Shiboguan Road Securities Outlet	Room 102-111, 1/F, No. 112 & 138 Shiboguan Road, China (Shanghai) Pilot Free Trade Zone
15	Dalian Zhongshan Road Securities Outlet	Dalian High-Tech Industrial Zone Securities Outlet	No. 01-06, 4/F, No. 6 Huoju Road, High-Tech Industrial Zone, Dalian, Liaoning Province
16	Mianyang Linyuan Road Securities Outlet	Mianyang Linyuan Road Securities Outlet	No. 1, 1/F, Building 1, Meile • Stars of the City, No. 23 Linyuan Road West Section, Fucheng District, Mianyang
17	Fushun Yumin Road Securities Outlet	Fushun Linjiang East Road Securities Outlet	Shop No. 1 and No. 2, Building 69-2, Linjiang East Road, Shuncheng District, Fushun, Liaoning Province
18	Tangshan Jianshe North Road Securities Outlet	Tangshan Dali North Road Securities Outlet	North 1-2/F and South 3/F, No. 1, 14/F, Yufengli Yasongju, Chaoyang Road, Lubei District, Tangshan, Hebei Province
19	Hangzhou Hangda Road Securities Outlet	Hangzhou Jiaogong Road Securities Outlet	Rooms 106 (C Area), 1301 (D Area), 1302 (D Area), 1303 (D Area) and 1305 (D Area), Building 1, Occidental Center, World Trade Lijing City, Xihu District, Hangzhou, Zhejiang Province
20	Shanghai Mudanjiang Road Securities Outlet	Shanghai Baoshan District Tongji Road Securities Outlet	Rooms 1508 & 1509, No. 7 Lane 669, Tongji Road, Baoshan District, Shanghai
21	Shanghai Changshou Road Securities Outlet	Shanghai Putuo District Changde Road Securities Outlet	Unit 401, 4/F (Nominal Floor: Unit 501, 5/F), No. 10 Lane 309, Changshou Road, Putuo District, Shanghai

No.	Original Name of Branches	Current Name of Branches	Address After Relocation
22	Changzhou Branch Office	Changzhou Branch Office	101 & 2101, No.5 Yanzheng Middle Road, Hutang Town, Wujin District, Changzhou
23	Baoding Dongfeng Middle Road Securities Outlet	Baoding Fuxing Middle Road Securities Outlet	No. 1773 Fuxing Middle Road, Lianchi District, Baoding, Hebei Province
24	Qinghai Branch Office	Qinghai Branch Office	Shop 17, East 6/F & 1/F, Building 2, Shengshida Finance Center, No.1 Wenyuan Road, Chengxi District, Xining, Qinghai Province
25	Beijing Tiantongyuan Securities Outlet	Beijing Tiantongyuan Securities Outlet	A2, 1/F, Inner 103, -2 to 3/F, Building 45, 2304-2306, 23/F and 2401-2412, 24/F, Building 46, II Tiantongzhongyuan, Changping District, Beijing
26	Shenzhen Qianhai Branch Office	Shenzhen Qianhai Branch Office	Rooms 803B & 804, T1 Office Building, Qianhai Jiali Business Center, Qianhai Avenue, Nanshan Street, Qianhai Shenzhen-Hong Kong Co-operation Zone, Shenzhen
27	Hangzhou Gudun Road Securities Outlet	Hangzhou Gudun Road Securities Outlet	Room 103 (a shop along Gudun Road, facing Gudun Road), 1/F, and Rooms 305 & 306, 3/F, Building 1, No. 8 Gutian Lane (Gujing Business Center), Xihu District, Hangzhou, Zhejiang Province
28	Jiujiang Changhong Avenue Securities Outlet	Jiujiang Changjiang Avenue Securities Outlet	104 & 105, Building 34 & 35, I Xinqu Chaisang Spring, No. 358 Changjiang Avenue, Economic Development Zone, Jiujiang, Jiangxi Province
29	Haiyan Hebin West Road Securities Outlet	Haiyan Haifeng Middle Road Securities Outlet	1/F & 3/F, Hai Feng Building, No. 132 Hai Feng Middle Road, Wuyuan Street, Haiyan County, Jiaxing, Zhejiang Province
30	Yancheng Yingbin South Road Securities Outlet	Yancheng Jiefang South Road Securities Outlet	Room 111, Building 57, and Room 111-1, Building 57, South, Qianjiang Fangzhou Community, Huanghai Street, Yannan High-tech Zone, Yancheng
31	Xuzhou Jiefang South Road Securities Outlet	Xuzhou Jianguo West Road Securities Outlet	8#-1-101, 8#-1-201 and 8#-1-202, Jinxiu Jiayuan, Jianguo West Road, Quanshan District, Xuzhou
32	Hangzhou Shixin North Road Securities Outlet	Hangzhou Shixin North Road Securities Outlet	Room 2102, Building 2, Bodi Century Center, Ningwei Street, Xiaoshan District, Hangzhou, Zhejiang Province

## Significant Events

No.	Original Name of Branches	Current Name of Branches	Address After Relocation
33	Shanghai Hengfeng Road Securities Outlet	Shanghai Jing'an District Shanxi North Road Securities Outlet	Units 01–06, 07, 08, 09, 10 and 11, 2/F, No. 99 Shanxi North Road, Jing'an District, Shanghai
34	Shanghai Gonghe New District Securities Outlet	Shanghai Songjiang District New Songjiang Road Securities Outlet	19/F, No. 909 New Songjiang Road, Songjiang District, Shanghai
35	Shanghai Jiading Securities Outlet	Shanghai Qingpu District Xumin Road Securities Outlet	Room 602 (Nominal: Room 702), 6/F, No. 1 & 5 Lane 168, Xumin Road, Qingpu District, Shanghai

As at the end of the Reporting Period, the Company had 45 branch offices and 222 securities outlets.

### CITIC Securities (Shandong)

During the Reporting Period, CITIC Securities (Shandong) dissolved its Qingdao Fuzhou South Road Securities Outlet, Qingdao Jingsong 7th Road Securities Outlet, Liaocheng Huangshan Road Securities Outlet and Zibo Food Street Securities Outlet, and completed the same-city relocation of 4 branches, details of which are as follows:

No.	Original Name of Branches	Current Name of Branches	Address after Relocation
1	Binzhou Huanghe 2nd Road Securities Outlet	Binzhou Huanghe 6th Road Securities Outlet	Rooms 101–104 on the east first floor and rooms 201–218 on the second floor of Building No. 11 (living security housing), Tiantaixuefu, No. 498-1 Huanghe 6th Road, Bincheng District, Binzhou, Shandong Province
2	Linyi Jinqueshan Road Securities Outlet	Linyi Jinqueshan Road Securities Outlet	Rooms 2601–2604 & 2607–2609, 26/F, Block A, Kaiyuan Shangcheng International, No. 10 Jinqueshan Road, Lanshan District, Linyi, Shandong Province
3	Qingdao West Coast New District Jिंगgangshan Road Securities Outlet	Qingdao West Coast New District Lushan Road Securities Outlet	Huangdao District (original east side of Household 101 and west side of Household 201, No. 57-1 Lushan Road, Development Zone), Qingdao, Shandong Province
4	Tengzhou Xinxing North Road Securities Outlet	Tengzhou Tasi North Road Securities Outlet	2/F, No. A66 Business Room, Building 6, Xiangyu Jingdian Community, No. 888 Tasi North Road, Tengzhou, Shandong Province

As at the end of the Reporting Period, CITIC Securities (Shandong) had 6 branch offices and 59 securities outlets.

### CITIC Futures

During the Reporting Period, CITIC Futures established one new branch office and completed the relocation of 6 branches.

Details of the new establishment are as follows:

No.	Name of the Branch Office	New Address
1	Fuzhou Branch Office	Office 04, 10/F, Hengli Finance Center, No. 6 Guanfengting Street, Gudong Street, Gulou District, Fuzhou, Fujian Province

Details of the relocation are as follows (no change of name is involved):

No.	Name of Branches	Address after Relocation
1	Xinjiang Branch Office	Rooms R, S, T, U, V and W, 34/F, Zhongtian Building, No. 165 Xinhua North Road, Tianshan District, Urumqi, Xinjiang
2	Shanghai Branch Office	Units 1301-1 & 1802, No. 799 Yanggao South Road, China (Shanghai) Pilot Free Trade Zone
3	Heilongjiang Branch Office	Units 8, 9, 10 and 11, 10/F, No. 1895 Qunli Fourth Avenue, Daoli District, Harbin, Heilongjiang
4	Wuhu Branch Office	Rooms 1706 & 1707, Weixing Times Financial Center, Jinghu District, Wuhu
5	Shanxi Branch Office	No. 601, 6/F, Unit 1, Building 1, Hongsheng Times Financial Plaza, No. 1 Jifu Road, Jinyuan District, Taiyuan
6	Shaoxing Outlet	Room 1611-1616, Xiangyuan Building, No. 299 Houshu Road, Yuecheng District, Shaoxing, Zhejiang Province

As at the end of the Reporting Period, CITIC Futures had 47 branch offices and 4 futures outlets.

### CITIC Securities South China

During the Reporting Period, CITIC Securities South China newly established one securities outlet and completed the same-city relocation of nine branches.

Details of the new establishment are as follows:

No.	Name of the Outlets	Address
1	Zhanjiang North Renmin Boulevard Securities Outlet	Shops 07-11, LG 1, Building 26, Prosperous Palace, No. 3 North Renmin Boulevard, Zhanjiang Economic and Technological Development Zone

## Significant Events

Details of the relocation are as follows:

No.	Original Name of Branches	Current Name of Branches	Address After Relocation
1	Guangzhou Chenyue Road Securities Outlet	Guangzhou Chenyue Road Securities Outlet	Shops 107–109, No. 1 Chenyue Road, Haizhu District, Guangzhou
2	Guangzhou Fengle Middle Road Securities Outlet	Guangzhou East Huangpu Avenue Securities Outlet	Room 3303, No. 840 East Huangpu Avenue, Huangpu District, Guangzhou
3	Guangzhou Panyu Dashi Securities Outlet	Guangzhou Panyu Fuhua Road Securities Outlet	No. 11-2 Fuhua Road, 225 & 226, No. 15 Fuhua Road, Zhongcun Street, Panyu District, Guangzhou
4	Guangzhou Panyu Fuhua West Road Securities Outlet	Guangzhou Panyu Qinghe East Road Securities Outlet	201, No. 266 Qinghe East Road, Shiqiao Street, Panyu District, Guangzhou
5	Guangzhou Airport Road Securities Outlet	Guangzhou Airport Road Securities Outlet	Units 02 and 03A, 13/F, No. 31 Airport Road, Baiyun District, Guangzhou
6	Guangzhou Jiangnan Avenue Securities Outlet	Guangzhou Changgang East Road Securities Outlet	Room 1202, Room 1203, Room 1204, No. 257-1, Changgang East Road, Haizhu District, Guangzhou
7	Guangdong Branch Office	Guangdong Branch Office	Room 1001 (Position: Self-edited 02) and Room 1101 (Position: Self-edited 04), No. 395 Linjiang Avenue, Tianhe District, Guangzhou
8	Guangzhou Ruifeng Avenue Securities Outlet	Guangzhou East Huangpu Avenue Xingxin Center Securities Outlet	Room 3303, No.840 East Huangpu Avenue, Huangpu District, Guangzhou
9	Guangzhou Zhujiang West Road Securities Outlet	Guangzhou Zhujiang West Road Securities Outlet	Room 5901 (Part: Self-edited Unit B), No. 5, Zhujiang West Road, Tianhe District, Guangzhou

As at the end of the Reporting Period, CITIC Securities South China had two branch offices and 30 securities outlets.

### CSI

During the Reporting Period, CSI newly established one branch, details of which are as follows:

No.	Name of Branch	Address
1	Tsim Sha Tsui Branch	G15–16, G/F, Park Lane (Site D), 111–181 Nathan Road, Tsim Sha Tsui, Kowloon, Hong Kong

As at the end of the Reporting Period, CSI had six branches.

### **Kington Securities**

During the Reporting Period, there were no changes in the branches of Kington Securities. As at the end of the Reporting Period, Kington Securities had two securities outlets.

### **Subsequent progress of matters previously announced**

#### **Deregistration of CITIC Securities Qingdao Training Centre**

On 28 October 2021, the 29th Meeting of the Seventh Session of the Board of the Company considered and approved the Resolution on the Deregistration of Qingdao Training Centre, and agreed to deregister CITIC Securities Qingdao Training Centre; agreed to exempt the remaining shareholder loans that cannot be repaid by CITIC Securities Qingdao Training Centre from debt. CITIC Securities Qingdao Training Centre signed a Debt Exemption Agreement with the Company on 8 May 2023, and completed the deregistration on 18 December 2023.

#### **External Investment through Subsidiaries**

On 8 July 2022, the 43rd Meeting of the Seventh Session of the Board of Directors of the Company considered and approved the Proposal on Subscription of Additional Fund Interests by a Subsidiary, agreeing that GoldStone Investment could make an additional capital contribution of RMB1.1 billion to GoldStone New Materials Fund for Manufacturing Transformation and Upgrading (Limited Partnership) (金石製造業轉型升級新材料基金(有限合夥)) with its self-owned funds, with its total capital contribution increasing to RMB2.1 billion. GoldStone Investment completed this additional subscription in December 2023.

#### **Deregistration of CITIC Securities Overseas Investment**

On 19 January 2023, the Second Meeting of the Eighth Session of the Board of the Company considered and approved the Resolution on the Deregistration of CITIC Securities Overseas Investment Company Limited, and agreed to deregister CITIC Securities Overseas Investment Company Limited (formerly a wholly-owned subsidiary of the Company, hereinafter referred to as CITIC Securities Overseas Investment), and to authorize the Company's management to handle relevant audit evaluations and issue shareholder decisions related to the deregistration all specific matters related to liquidation and deregistration procedures. CITIC Securities Overseas Investment was deregistered on 6 October 2023.

# Changes in Shares and Information on Substantial Shareholders

## Issuance and Listing of Securities

In RMB100 million

Bonds	Date of Issue	Issue price (or interest rate)	Issue size	Date of listing	Amount approved for listing and trading	Maturity date
<b>Bonds (including enterprise bonds, corporate bonds and debt financing instrument of non-financial enterprises)</b>						
Short-term Corporate Bonds	2023.01.11	2.58%	30	2023.01.18	30	2023.07.12
Corporate Bonds	2023.02.06	2.95%	30	2023.02.13	30	2025.02.08
Short-term Corporate Bonds	2023.02.09	2.65%	30	2023.02.16	30	2023.11.10
Corporate Bonds	2023.02.17	2.89%	15	2023.02.24	15	2025.02.21
Corporate Bonds	2023.02.17	3.06%	30	2023.02.24	30	2026.02.26
Short-term Corporate Bonds	2023.03.03	2.70%	40	2023.03.10	40	2023.09.07
Corporate Bonds	2023.03.09	3.01%	20	2023.03.16	20	2025.03.13
Corporate Bonds	2023.03.09	3.32%	20	2023.03.16	20	2028.03.13
Short-term Corporate Bonds	2023.03.23	2.58%	50	2023.03.30	50	2023.09.27
Corporate Bonds	2023.04.17	2.87%	20	2023.04.24	20	2025.04.19
Corporate Bonds	2023.04.17	3.17%	25	2023.04.24	25	2028.04.19
Short-term Corporate Bonds	2023.04.24	2.55%	50	2023.05.04	50	2023.10.26
Corporate Bonds	2023.05.11	2.53%	35	2023.05.18	35	2024.05.17
Corporate Bonds	2023.05.11	2.90%	35	2023.05.18	35	2026.05.15
Short-term Corporate Bonds	2023.05.22	2.35%	40	2023.05.29	40	2023.11.24
Corporate Bonds	2023.05.26	2.47%	30	2023.06.02	30	2024.05.24
Corporate Bonds	2023.05.26	2.89%	20	2023.06.02	20	2026.05.30
Corporate Bonds	2023.06.09	2.64%	5	2023.06.16	5	2025.06.13
Corporate Bonds	2023.06.09	2.80%	25	2023.06.16	25	2026.06.13
Corporate Bonds	2023.07.05	2.64%	20	2023.07.12	20	2025.07.07
Corporate Bonds	2023.07.05	2.75%	5	2023.07.12	5	2026.07.07
Corporate Bonds	2023.08.10	2.54%	25	2023.08.17	25	2025.08.14
Corporate Bonds	2023.08.10	2.72%	20	2023.08.17	20	2026.08.14
Short-term Corporate Bonds	2023.08.17	2.12%	40	2023.08.24	40	2024.02.21
Corporate Bonds	2023.08.28	2.53%	10	2023.09.04	10	2025.08.30
Corporate Bonds	2023.08.28	2.70%	20	2023.09.04	20	2026.08.30
Short-term Corporate Bonds	2023.09.07	2.45%	50	2023.09.14	50	2024.09.11
Corporate Bonds	2023.09.08	2.93%	25	2023.09.15	25	2026.09.12
Short-term Corporate Bonds	2023.09.14	2.52%	40	2023.09.21	40	2024.09.18
Corporate Bonds	2023.09.18	2.86%	18	2023.09.25	18	2026.09.20
Corporate Bonds	2023.09.18	3.10%	22	2023.09.26	22	2028.09.20
Short-term Corporate Bonds	2023.09.25	2.53%	40	2023.10.10	40	2024.06.27
Perpetual subordinated bonds	2023.10.13	3.58%	30	2023.10.20	30	—
Corporate Bonds	2023.10.17	2.80%	13	2023.10.24	13	2025.10.19
Corporate Bonds	2023.10.17	2.90%	27	2023.10.24	27	2026.10.19
Short-term Corporate Bonds	2023.10.27	2.72%	60	2023.11.03	60	2024.10.31
Corporate Bonds	2023.11.03	2.78%	25	2023.11.10	25	2025.11.07
Corporate Bonds	2023.11.03	3.10%	35	2023.11.10	35	2028.11.07
Short-term Corporate Bonds	2023.11.09	2.70%	30	2023.11.16	30	2024.11.13



<b>Bonds</b>	<b>Date of Issue</b>	<b>Issue price (or interest rate)</b>	<b>Issue size</b>	<b>Date of listing</b>	<b>Amount approved for listing and trading</b>	<b>Maturity date</b>
Subordinated bonds	2023.11.10	2.75%	10	2023.11.17	10	2024.11.14
Subordinated bonds	2023.11.10	3.10%	10	2023.11.17	10	2026.11.14
Corporate Bonds	2023.11.17	2.87%	25	2023.11.24	25	2026.11.21
Short-term Corporate Bonds	2023.11.23	2.64%	40	2023.11.30	40	2024.05.29
Corporate Bonds	2023.12.18	2.80%	10	2023.12.25	10	2025.12.20
Corporate Bonds	2023.12.18	2.90%	40	2023.12.25	40	2026.12.20

On 11 January 2023, the Company issued the 2023 public short-term corporate bonds (Tranche 1) with an issue size of RMB3.0 billion, a nominal interest rate of 2.58% and a term of 180 days. The 2023 public short-term corporate bonds (Tranche 1) were listed on the SSE on 18 January 2023.

On 6 February 2023, the Company issued the 2023 public corporate bonds (Tranche 1) with an issue size of RMB3.0 billion, a nominal interest rate of 2.95% and a term of two years. The 2023 public corporate bonds (Tranche 1) were listed on the SSE on 13 February 2023.

On 9 February 2023, the Company issued the 2023 public short-term corporate bonds (Tranche 2) with an issue size of RMB3.0 billion, a nominal interest rate of 2.65% and a term of 270 days. The 2023 public short-term corporate bonds (Tranche 2) were listed on the SSE on 16 February 2023.

On 17 February 2023, the Company issued the 2023 public corporate bonds (Tranche 2) consisting of two types, among which, type 1 had an issue size of RMB1.5 billion with a nominal interest rate of 2.89% and a term of two years, and type 2 had an issue size of RMB3.0 billion with a nominal interest rate of 3.06% and a term of 1,101 days. The 2023 public corporate bonds (Tranche 2) were listed on the SSE on 24 February 2023.

On 3 March 2023, the Company issued the 2023 public short-term corporate bonds (Tranche 3) with an issue size of RMB4.0 billion, a nominal interest rate of 2.70% and a term of 184 days. The 2023 public short-term corporate bonds (Tranche 3) were listed on the SSE on 10 March 2023.

On 9 March 2023, the Company issued the 2023 public corporate bonds (Tranche 3) consisting of two types, among which, type 1 had an issue size of RMB2.0 billion with a nominal interest rate of 3.01% and a term of two years, and type 2 had an issue size of RMB2.0 billion with a nominal interest rate of 3.32% and a term of five years. The 2023 public corporate bonds (Tranche 3) were listed on the SSE on 16 March 2023.

On 23 March 2023, the Company issued the 2023 public short-term corporate bonds (Tranche 4) with an issue size of RMB5.0 billion, a nominal interest rate of 2.58% and a term of 184 days. The 2023 public short-term corporate bonds (Tranche 4) were listed on the SSE on 30 March 2023.

## Changes in Shares and Information on Substantial Shareholders

On 17 April 2023, the Company issued the 2023 public corporate bonds (Tranche 4) consisting of two types, among which, type 1 had an issue size of RMB2.0 billion with a nominal interest rate of 2.87% and a term of two years, and type 2 had an issue size of RMB2.5 billion with a nominal interest rate of 3.17% and a term of five years. The 2023 public corporate bonds (Tranche 4) were listed on the SSE on 24 April 2023.

On 24 April 2023, the Company issued the 2023 public short-term corporate bonds (Tranche 5) with an issue size of RMB5.0 billion, a nominal interest rate of 2.55% and a term of 183 days. The 2023 public short-term corporate bonds (Tranche 5) were listed on the SSE on 4 May 2023.

On 11 May 2023, the Company issued the 2023 public corporate bonds (Tranche 5) consisting of two types, among which, type 1 had an issue size of RMB3.5 billion with a nominal interest rate of 2.53% and a term of 368 days, and type 2 had an issue size of RMB3.5 billion with a nominal interest rate of 2.90% and a term of three years. The 2023 public corporate bonds (Tranche 5) were listed on the SSE on 18 May 2023.

On 22 May 2023, the Company issued the 2023 public short-term corporate bonds (Tranche 6) with an issue size of RMB4.0 billion, a nominal interest rate of 2.35% and a term of 184 days. The 2023 public short-term corporate bonds (Tranche 6) were listed on the SSE on 29 May 2023.

On 26 May 2023, the Company issued the 2023 public corporate bonds (Tranche 6) consisting of two types, among which, type 1 had an issue size of RMB3.0 billion with a nominal interest rate of 2.47% and a term of 360 days, and type 2 had an issue size of RMB2.0 billion with a nominal interest rate of 2.89% and a term of three years. The 2023 public corporate bonds (Tranche 6) were listed on the SSE on 2 June 2023.

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On 9 June 2023, the Company issued the 2023 public corporate bonds (Tranche 7) consisting of two types, among which, type 1 had an issue size of RMB0.5 billion with a nominal interest rate of 2.64% and a term of two years, and type 2 had an issue size of RMB2.5 billion with a nominal interest rate of 2.80% and a term of three years. The 2023 public corporate bonds (Tranche 7) were listed on the SSE on 16 June 2023.

On 5 July 2023, the Company issued the 2023 public corporate bonds (Tranche 8) consisting of two types, among which, type 1 had an issue size of RMB2.0 billion with a nominal interest rate of 2.64% and a term of two years, and type 2 had an issue size of RMB0.5 billion with a nominal interest rate of 2.75% and a term of three years. The 2023 public corporate bonds (Tranche 8) were listed on the SSE on 12 July 2023.

On 10 August 2023, the Company issued the 2023 public corporate bonds (Tranche 9) consisting of two types, among which, type 1 had an issue size of RMB2.5 billion with a nominal interest rate of 2.54% and a term of two years, and type 2 had an issue size of RMB2.0 billion with a nominal interest rate of 2.72% and a term of three years. The 2023 public corporate bonds (Tranche 9) were listed on the SSE on 17 August 2023.

On 17 August 2023, the Company issued the 2023 public short-term corporate bonds (Tranche 7) with an issue size of RMB4.0 billion, a nominal interest rate of 2.12% and a term of 184 days. The 2023 public short-term corporate bonds (Tranche 7) were listed on the SSE on 24 August 2023.

On 28 August 2023, the Company issued the 2023 public corporate bonds (Tranche 10) consisting of two types, among which, type 1 had an issue size of RMB1.0 billion with a nominal interest rate of 2.53% and a term of two years, and type 2 had an issue size of RMB2.0 billion with a nominal interest rate of 2.70% and a term of three years. The 2023 public corporate bonds (Tranche 10) were listed on the SSE on 4 September 2023.

On 7 September 2023, the Company issued the 2023 public short-term corporate bonds (Tranche 8) with an issue size of RMB5.0 billion, a nominal interest rate of 2.45% and a term of one year. The 2023 public short-term corporate bonds (Tranche 8) were listed on the SSE on 14 September 2023.

On 8 September 2023, the Company issued the 2023 public corporate bonds (Tranche 11) consisting of two types, among which, type 1 had not been issued yet, and type 2 had an issue size of RMB2.5 billion with a nominal interest rate of 2.93% and a term of three years. The 2023 public corporate bonds (Tranche 11) were listed on the SSE on 15 September 2023.

On 14 September 2023, the Company issued the 2023 public short-term corporate bonds (Tranche 9) with an issue size of RMB4.0 billion, a nominal interest rate of 2.52% and a term of one year. The 2023 public short-term corporate bonds (Tranche 9) were listed on the SSE on 21 September 2023.

On 18 September 2023, the Company issued the 2023 public corporate bonds (Tranche 12) consisting of two types, among which, type 1 had an issue size of RMB1.8 billion with a nominal interest rate of 2.86% and a term of three years, and type 2 had an issue size of RMB2.2 billion with a nominal interest rate of 3.10% and a term of five years. The 2023 public corporate bonds (Tranche 12) were listed on the SSE on 25 and 26 September 2023.

On 25 September 2023, the Company issued the 2023 public short-term corporate bonds (Tranche 10) with an issue size of RMB4.0 billion, a nominal interest rate of 2.53% and a term of 274 days. The 2023 public short-term corporate bonds (Tranche 10) were listed on the SSE on 10 October 2023.

On 13 October 2023, the Company issued the 2023 public perpetual subordinated bonds (Tranche 1) which had an issue size of RMB3.0 billion with a nominal interest rate of 3.58% (fixed in the first five years when the bonds subsist. If the Company does not exercise its redemption rights, the nominal interest rate will be reset once every five years from the beginning of the sixth year) and a basic term of five years. The 2023 public perpetual subordinated bonds (Tranche 1) were listed on the SSE on 20 October 2023.

On 17 October 2023, the Company issued the 2023 public corporate bonds (Tranche 13) consisting of two types, among which, type 1 had an issue size of RMB1.3 billion with a nominal interest rate of 2.80% and a term of two years, and type 2 had an issue size of RMB2.7 billion with a nominal interest rate of 2.90% and a term of three years. The 2023 public corporate bonds (Tranche 13) were listed on the SSE on 24 October 2023.

On 27 October 2023, the Company issued the 2023 public short-term corporate bonds (Tranche 11) with an issue size of RMB6.0 billion, a nominal interest rate of 2.72% and a term of one year. The 2023 public short-term corporate bonds (Tranche 11) were listed on the SSE on 3 November 2023.

On 3 November 2023, the Company issued the 2023 public corporate bonds (Tranche 14) consisting of two types, among which, type 1 had an issue size of RMB2.5 billion with a nominal interest rate of 2.78% and a term of two years, and type 2 had an issue size of RMB3.5 billion with a nominal interest rate of 3.10% and a term of five years. The 2023 public corporate bonds (Tranche 14) were listed on the SSE on 10 November 2023.

## Changes in Shares and Information on Substantial Shareholders

On 9 November 2023, the Company issued the 2023 public short-term corporate bonds (Tranche 12) with an issue size of RMB3.0 billion, a nominal interest rate of 2.70% and a term of one year. The 2023 public short-term corporate bonds (Tranche 12) were listed on the SSE on 16 November 2023.

On 10 November 2023, the Company issued the 2023 public subordinated bonds (Tranche 1) consisting of two types, among which, type 1 had an issue size of RMB1.0 billion with a nominal interest rate of 2.75% and a term of one year, and type 2 had an issue size of RMB1.0 billion with a nominal interest rate of 3.10% and a term of three years. The 2023 public subordinated bonds (Tranche 1) were listed on the SSE on 17 November 2023.

On 17 November 2023, the Company issued the 2023 public corporate bonds (Tranche 15) consisting of two types, among which, type 1 had not been issued yet, and type 2 had an issue size of RMB2.5 billion with a nominal interest rate of 2.87% and a term of three years. The 2023 public corporate bonds (Tranche 15) were listed on the SSE on 24 November 2023.

On 23 November 2023, the Company issued the 2023 public short-term corporate bonds (Tranche 13) with an issue size of RMB4.0 billion, a nominal interest rate of 2.64% and a term of 184 days. The 2023 public short-term corporate bonds (Tranche 13) were listed on the SSE on 30 November 2023.

On 18 December 2023, the Company issued the 2023 public corporate bonds (Tranche 16) consisting of two types, among which, type 1 had an issue size of RMB1.0 billion with a nominal interest rate of 2.80% and a term of two years, and type 2 had an issue size of RMB4.0 billion with a nominal interest rate of 2.90% and a term of three years. The 2023 public corporate bonds (Tranche 16) were listed on the SSE on 25 December 2023.

### Information on Shareholders

Total number of Shareholders of the Company as at 31 December 2023: 535,516 Shareholders, including 535,359 A Shareholders and 157 registered H Shareholders.

Total number of Shareholders of the Company as at the end of the month immediately preceding the date of publication of the 2023 annual results announcement (i.e. 29 February 2024): 518,695 Shareholders, including 518,536 A Shareholders and 159 registered H Shareholders.

## Shareholdings of the top 10 Shareholders as at 31 December 2023

Unit: Share

### Shareholdings of the top 10 Shareholders (excluding lending of shares through refinancing)

Full name of Shareholder	Change during the Reporting Period	Number of Shares held at the end of the period	Percentage (%)	Number of Shares held subject to trading moratorium	Shares pledged, marked or frozen		Nature of the Shareholder
					Status	Number	
HKSCC Nominees Limited <sup>Note 1</sup>	114,480	2,619,001,276	17.67	—	Unknown	—	Foreign legal person
China CITIC Financial Holdings Co., Ltd. <sup>Note 2</sup>	—	2,299,650,108	15.52	—	Nil	—	State-owned legal person
Guangzhou Yuexiu Capital Holdings Co., Ltd. <sup>Note 3</sup>	—	626,191,828	4.23	626,191,828	Nil	—	State-owned legal person
Hong Kong Securities Clearing Company Limited <sup>Note 4</sup>	-105,221,490	440,826,356	2.97	—	Nil	—	Foreign legal person
Guangzhou Yuexiu Capital Holdings Group Co., Ltd. <sup>Note 3</sup>	—	305,155,945	2.06	305,155,945	Nil	—	State-owned legal person
China Construction Bank Corporation — Guotai CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund	9,526,310	210,325,343	1.42	—	Nil	—	Unknown
Central Huijin Asset Management Corporation Limited	—	205,146,964	1.38	—	Nil	—	State-owned legal person
Da Cheng Fund — Agricultural Bank — Da Cheng China Securities and Financial Assets Management Program	—	176,785,150	1.19	—	Nil	—	Unknown
China AMC Fund — Agricultural Bank — China AMC China Securities and Financial Assets Management Program	—	166,143,027	1.12	—	Nil	—	Unknown
Zhong Ou Fund — Agricultural Bank — Zhong Ou China Securities and Financial Assets Management Program	—	161,205,735	1.09	—	Nil	—	Unknown

# Changes in Shares and Information on Substantial Shareholders

## Shareholdings of the top 10 holders of tradable Shares not subject to trading moratorium

Unit: Share

Name of Shareholders	Number of tradable Shares held not subject to trading moratorium	Class and number of Shares	
		Class	Number
HKSCC Nominees Limited	2,619,001,276	Overseas-listed foreign shares	2,619,001,276
China CITIC Financial Holdings Co., Ltd.	2,299,650,108	RMB ordinary Shares	2,299,650,108
Hong Kong Securities Clearing Company Limited	440,826,356	RMB ordinary Shares	440,826,356
China Construction Bank Corporation — Guotai CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund	210,325,343	RMB ordinary Shares	210,325,343
Central Huijin Asset Management Corporation Limited	205,146,964	RMB ordinary Shares	205,146,964
Da Cheng Fund — Agricultural Bank — Da Cheng China Securities and Financial Assets Management Program	176,785,150	RMB ordinary Shares	176,785,150
China AMC Fund — Agricultural Bank — China AMC China Securities and Financial Assets Management Program	166,143,027	RMB ordinary Shares	166,143,027
Zhong Ou Fund — Agricultural Bank — Zhong Ou China Securities and Financial Assets Management Program	161,205,735	RMB ordinary Shares	161,205,735
GF Fund — Agricultural Bank — GF China Securities and Financial Assets Management Program	161,057,499	RMB ordinary Shares	161,057,499
China Southern Fund — Agricultural Bank — China Southern China Securities and Financial Assets Management Program	160,527,420	RMB ordinary Shares	160,527,420
Details of related party or concert party relationship among the above Shareholders	Guangzhou Yuexiu Capital Holdings Co., Ltd. is a wholly-owned subsidiary of Guangzhou Yuexiu Financial Holdings Group Co., Ltd., and the two companies are parties acting in concert. The Company is unaware of whether there is any related party or concert party relationship among the other Shareholders listed above.		

Note 1: HKSCC Nominees Limited is the nominal holder of the Shares held by non-registered H Shareholders of the Company.

Note 2: In August 2023, the Company's former largest Shareholder CITIC Corporation Limited and its party acting in concert CITIC Limited, gratuitously transferred 2,299,650,108 A Shares and 434,311,604 H Shares of the Company held by them to CITIC Financial Holdings. For further details, see the "Detailed Report on Changes in Equity of CITIC Securities Company Limited" disclosed on the website of the Shanghai Stock Exchange on 23 June 2022. As at 31 December 2023, CITIC Financial Holdings held 2,299,650,108 A Shares, 551,231,104 H Shares of the Company, and a total of 2,850,881,212 Shares of the Company, accounting for 19.24% of the total issued Shares of the Company.

Note 3: As at 31 December 2023, Yuexiu Capital directly held 305,155,945 A Shares of the Company, Guangzhou Yuexiu Capital directly held 626,191,828 A Shares of the Company, indirectly held 229,673,100 H Shares of the Company as a non-registered Shareholder of the Southbound Trading Connect, and indirectly held 125,966,093 H Shares of the Company through its wholly-owned subsidiary of Yuexiu Financial International, totaling 1,286,986,966 Shares of the Company, accounting for 8.68% of the total issued Shares of the Company.

Note 4: The Shares held by Hong Kong Securities Clearing Company Limited refer to Shares held by non-registered Shareholders of the Shanghai- Hong Kong Stock Connect.

Note 5: Nature of A Shareholders represents the nature of account held by A Shareholders registered with the Shanghai branch of CSDC.

Note 6: As the Shares of the Company could be used as underlying securities for margin financing and securities lending, the shareholdings of the Shareholders are the aggregate of all the Shares and interests held in ordinary securities accounts and credit securities accounts.

## Lending shares of top 10 holders engaging in refinancing business

Unit: Shares

Name of shareholders (full name)	Shareholdings for ordinary account and credit account at the beginning of the period		Lending shares for refinancing business and outstanding at the beginning of the period		Shareholdings for ordinary account and credit account at the end of the period		Lending shares for refinancing business and outstanding at the end of the period	
	Total Number	Percentage (%)	Total Number	Percentage (%)	Total Number	Percentage (%)	Total Number	Percentage (%)
China Construction Bank Corporation – Guotai CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund	200,799,033	1.35	935,800	0.01	210,325,343	1.42	1,630,000	0.01

Note: Based on the data provided by the China Securities Finance Corporation Limited, the Company discloses the above lending shares of holders engaging in refinancing business, which are not included in Shareholdings of the top 10 Shareholders (excluding lending of shares through refinancing) and Shareholdings of the top 10 holders of tradable Shares not subject to trading moratorium.

## Changes in Shares and Information on Substantial Shareholders

The changes of top 10 holders as compared with the last period

Unit: Shares

The changes of top 10 holders as compared with the end of the last period

Name of Shareholder (full name)	Newly-Added/exit during this Reporting Period	Lending shares for refinancing business and outstanding at the end of the period		Shareholdings for shareholders' ordinary account and credit account and number of lending shares for refinancing business and outstanding at the end of the period	
		Total Number	Percentage (%)	Total Number	Percentage (%)
CITIC Corporation Limited	Exit	—	—	—	—
China CITIC Financial Holdings Co., Ltd.	Newly-Added	—	—	2,299,650,108	15.52

Note: The changes in the table above are resulted from the fact that the former largest Shareholder CITIC Corporation Limited and its party acting in concert CITIC Limited gratuitously transferred all the Shares of the Company held by them to CITIC Financial Holdings during the Reporting Period.



**Shareholdings of the Company's holders of tradable Shares subject to trading moratorium as of 31 December 2023**

Unit: Shares

No.	Name of Shareholders subject to trading moratorium	Listing and trading of Shares subject to trading moratorium			Terms of trading moratorium
		Number of Shares held subject to trading moratorium	Date eligible for listing and trading	Number of Shares newly eligible for listing and trading	
1	Guangzhou Yuexiu Capital Holdings Co., Ltd.	626,191,828	2024.09.11	—	Shareholder undertook to comply with the trading moratorium for 48 months, and undertook to extend the trading moratorium period for six months
2	Guangzhou Yuexiu Financial Holdings Group Co., Ltd.	305,155,945	2024.09.11	—	Shareholder undertook to comply with the trading moratorium for 48 months, and undertook to extend the trading moratorium period for six months
3	Incentive shares held under custody and others	23,919,000	To be determined after the implementation of the incentive share scheme	—	To be determined after the implementation of the incentive
Details of related party or concert party relationship among the above Shareholders		Guangzhou Yuexiu Capital Holdings Co., Ltd. is a wholly-owned subsidiary of Guangzhou Yuexiu Capital Holdings Group Co., Ltd., and the two companies are parties acting in concert. The Company is unaware of whether there is any related party or concert party relationship among the other Shareholders listed above.			

Note: Yuexiu Capital acquired 265,352,996 shares subject to trading moratorium in the acquisition of assets by issuance of shares by the Company, and 39,802,949 committed shares subject to trading moratorium in the rights issue of the Company in 2022. Yuexiu Capital held 305,155,945 shares subject to trading moratorium in total. Guangzhou Yuexiu Capital acquired 544,514,633 shares subject to trading moratorium in the acquisition of assets by issuance of shares by the Company, and 81,677,195 committed shares subject to trading moratorium in the rights issue of the Company in 2022. Guangzhou Yuexiu Capital held 626,191,828 Shares subject to trading moratorium in total. On 8 March 2024, the Board of Yuexiu Capital resolved to extend the lockup period of six months for 931,347,773 A shares in the Company held by Yuexiu Capital and Guangzhou Yuexiu, being expired on 10 September 2024.

# Changes in Shares and Information on Substantial Shareholders

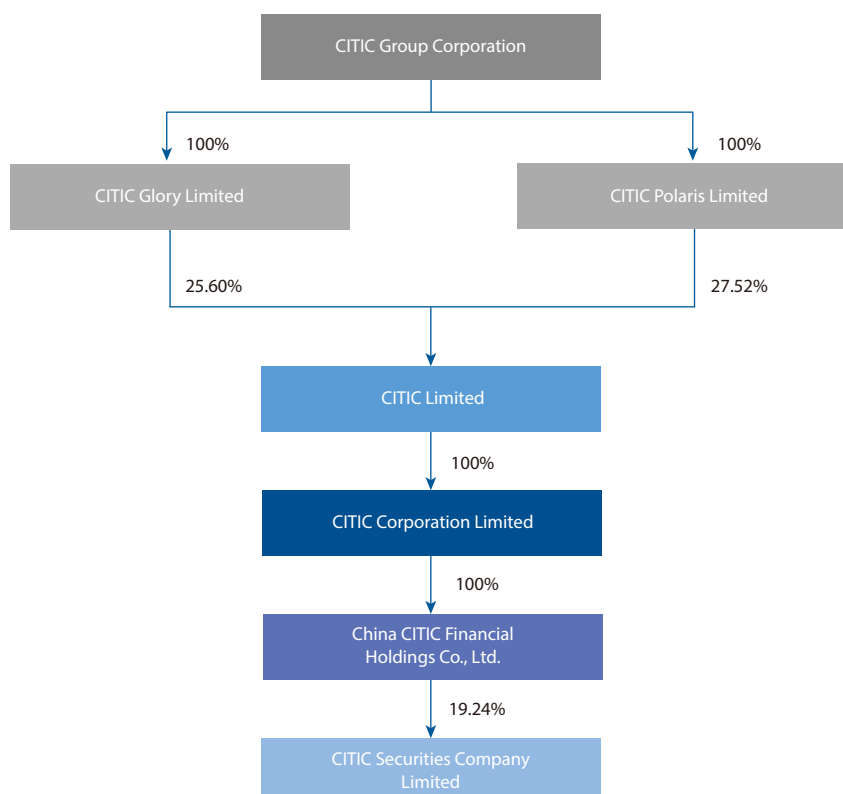
## Information on substantial Shareholders of the Company

Unit: RMB100 million

Currency: RMB

Name of legal person shareholder	Legal representative	Date of establishment	Organization code	Registered capital	Main business or management activities, etc.
China CITIC Financial Holdings Co., Ltd. Details	Xi Guohua	2022.03.24	91110105MA7K30YL2P	338	Please refer to the details below  General projects: management of the headquarter of the company. (except for projects subject to approval according to law, business activities shall be carried out independently with a business license) Licensed projects: financial holding company business. (for the projects requiring approval according to laws, the operating activities that can only be carried out upon approval from relevant authority(ies), and specific licensed projects that should be determined by approval documentations or licenses issued by relevant government agencies) (Operating activities prohibited and restricted by the industrial policies of the state and this city shall not be carried out.)

As at the end of the Reporting Period, the structure of the Company's largest shareholders was as follows:



As at the end of the Reporting Period, CITIC Financial Holdings held 28,938,928,294 A shares and 2,468,064,479 H shares of China CITIC Bank (stock code: 601998.SH; 0998.HK), accounting for 64.14% of its issued shares in aggregate. CITIC Financial Holdings is the controlling shareholder of China CITIC Bank. Save as mentioned above, CITIC Financial Holdings does not control or hold shares of any domestic and foreign listed companies except the Company.

Information of other major listed companies controlled or invested, directly or indirectly by CITIC Group, CITIC Limited or CITIC Corporation Limited was as follows:

No.	Name of Listed Company	Stock code	Shareholding percentage	Name of shareholder
1	CITIC Limited	00267.HK	53.12%	CITIC Polaris Limited 27.52% CITIC Glory Limited 25.60%
2	CITIC Heavy Industries Co., Ltd.	601608.SH	67.27%	CITIC Corporation Limited 60.49% CITIC Investment Holdings Limited 4.52% CITIC Automobiles Limited 2.26%
3	CITIC Offshore Helicopter Co., Ltd.	000099.SZ	38.71%	CITIC Offshore Helicopter Limited Liabilities Company 30.18% CITIC Investment Holdings Limited 8.45% CITIC Guoan Co., Ltd. 0.08%
4	CITIC Pacific Special Steel Group Co., Ltd. <sup>Note 1</sup>	000708.SZ	83.85%	CITIC Pacific China Holdings Limited 4.26% Hubei Xinye Steel Limited 4.53% CITIC Pacific Special Steel Investment Limited 75.05%
5	CITIC Metal Co., Ltd.	601061.SH	89.77%	CITIC Metal Group Limited 89.71% CITIC United Asia (Beijing) Enterprise Management Consulting Co., Ltd. 0.06%
6	CITIC Press Corporation	300788.SZ	73.50%	CITIC Corporation Limited 62.70% CITIC Investment Holdings Limited 10.80%
7	CITIC Guoan Information Industry Co., Ltd.	000839.SZ	36.44%	CITIC Guoan Co., Ltd. 36.44%
8	CITIC Niya Wine Co., Ltd.	600084.SH	44.93%	CITIC Guoan Industry Group Co., Ltd. 44.93%
9	Nanjing Iron&Steel Co., Ltd.	600282.SH	59.10%	Nanjing Nangang Iron and Steel United Co., Ltd. 57.13% Nanjing Iron&Steel United Co., Ltd. 1.97%
10	CITIC Resources Holdings Limited	01205.HK	59.50%	Keentech Group Ltd 49.57% CITIC Australia Pty Limited 9.55% Fortune Class Investments Limited 0.38%
11	CITIC Telecom International Holdings Limited	01883.HK	57.55%	Richtone Enterprises Inc. 3.64% Ease Action Investments Corp. 33.56% Silver Log Holdings Ltd 16.52% Perfect New Holdings Limited 3.83%
12	Yuan Long Ping High-Tech Agriculture Co., Ltd.	000998.SZ	17.36%	CITIC Industrial Investment Group Corp., Ltd. 0.82% CITIC Agriculture., LTD. 16.54%

## Changes in Shares and Information on Substantial Shareholders

No.	Name of Listed Company	Stock code	Shareholding percentage	Name of shareholder
13	China Overseas Land & Investment Limited	00688.HK	10.01%	Complete Noble Investments Limited 10.01%
14	Frontier Services Group Limited	00500.HK	25.28%	Easy Flow Investments Limited 25.28%
15	Ivanhoe Mines Ltd.	IVN.TSX IVPAF.OTCQX	24.81%	CITIC Metal Africa Investments Limited 24.81%
16	Alumina Limited	AWC.ASX AWC.OTC	18.92%	CITIC Resources Australia Pty Limited 9.61% CITIC Australia Pty Limited 1.37% Bestbuy Overseas Co Ltd 7.94%
17	China CITIC Financial Asset Management Co., Ltd. <sup>Note 2</sup>	02799.HK	26.46%	CITIC Group Corporation 26.46%

Note 1: The slight difference between the total shareholding in CITIC Pacific Special Steel Group Co., Ltd. controlled or invested, directly or indirectly by CITIC Limited and CITIC Corporation Limited and the sum of the shareholding percentage of respective immediate shareholders was due to rounding.

Note 2: China Huarong Asset Management Co., Ltd. published the announcement on the change of company name on the Hong Kong Stock Exchange on 26 January 2024. The company name was officially changed to China CITIC Financial Asset Management Co., Ltd. on 25 January 2024.

Note 3: The shareholding percentages listed in this table were those of the direct shareholders.

Other Shareholders holding more than 5% of the Shares:

As at the end of the Reporting Period, Yuexiu Capital and its wholly-owned subsidiaries, Guangzhou Yuexiu Capital and Yuexiu Financial International, in aggregate hold 8.68% of the Shares of the Company.

## Interest and short positions of substantial Shareholders

Pursuant to Section 336 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), substantial Shareholders of the Company are required to disclose their interests, and are required to make further disclosure when the changes of their interest reached the prescribed threshold. The following table is derived from the latest interest information of the substantial Shareholders disclosed on the HKEXnews website of HKEX as of 31 December 2023. As they are only required to disclose the change of their interests when it reaches certain prescribed threshold, the information set out in the following table may be inconsistent with their actual interests as of 31 December 2023.

Name of Shareholders	Capacity	Class of Shares	Number of Shares (Shares)/ type of Shares held	Percentage of the	Percentage of total
				number of issued A Shares/ H Shares of the Company as at 31 December 2023 (%) <sup>Note 6</sup>	issued Shares of the Company as at 31 December 2023 (%)
CITIC Group Corporation	Interest of corporation controlled by you <sup>Note 1</sup>	A Shares	2,299,650,108/Long positions	18.85	15.52
	Interest of corporation controlled by you <sup>Note 1</sup>	H Shares	550,276,104/Long positions	21.00	3.71
Guangzhou Yue Xiu Holdings Limited	Interest of corporation controlled by you <sup>Note 2</sup>	A Shares	809,867,629/Long positions	6.64	5.46
	Interest of corporation controlled by you <sup>Note 1</sup>	H Shares	344,126,193/Long positions	13.13	2.32
National Council for Social Security Fund	Beneficial owner	H Shares	690,359,200 <sup>Note 3</sup> /Long positions	26.35	4.66
The Bank of New York Mellon Corporation	Interest of corporation controlled by you <sup>Note 4</sup>	H Shares	291,135,354/Long positions	11.11	1.96
			287,574,164/Shares available for lending	10.98	1.94
JPMorgan Chase & Co.	Interest of corporation controlled by you	H Shares	134,063,620 <sup>Note 5</sup> /Long positions	5.11	0.90
			18,118,559 <sup>Note 5</sup> /Short positions	0.69	0.12
	Approved lending agent		22,101,011 <sup>Note 5</sup> /Shares available for lending	0.84	0.15

Note 1: As known to the Company, as at 31 December 2023, CITIC Group indirectly held 2,299,650,108 A Shares of the Company through its controlled corporation (namely, CITIC Financial Holdings), and indirectly held 550,276,104 H Shares of the Company through its controlled corporation (namely, CITIC Financial Holdings).

Note 2: As known to the Company, as at 31 December 2023, Guangzhou Yue Xiu Holdings Limited indirectly held 809,867,629 A Shares of the Company through its controlled corporations (namely, Yuexiu Financial Holdings and Financial Holdings Limited), and indirectly held 344,126,193 H Shares of the Company through its controlled corporations (namely, Financial Holdings Limited and Yuexiu Financial International).

## Changes in Shares and Information on Substantial Shareholders

Note 3: According to the notices of disclosure of interests on the HKEXnews website of HKEX, the National Council for Social Security Fund held 690,359,200 H Shares of the Company, including a total of 640,000,000 H Shares to be subscribed for under the subscription agreement entered into with ICBC Credit Suisse Asset Management (International) Company Limited and the subscription agreement entered into with Bosera Asset Management Company Limited and Bosera Asset Management (International) Company Limited on 8 June 2015. The above private placement of H Shares was considered and approved at the 2015 Second Extraordinary General Meeting of the Company and is yet to take place. The resolution had expired on 24 August 2016.

Note 4: The Bank of New York Mellon Corporation indirectly held a long position in 291,135,354 H Shares of the Company through its controlled corporation (The Bank of New York Mellon), of which 287,574,164 Shares were available for lending.

Note 5: JPMorgan Chase & Co. through a series of its controlled corporations, held the relevant interests of a long position in 134,063,620 H Shares of the Company, of which 22,101,011 Shares were shares available for lending held in the capacity of approved lending agent, and a short position in 18,118,559 H Shares of the Company.

Note 6: The relevant percentages are calculated based on 2,620,076,855 H Shares or 12,200,469,974 A Shares of the Company in issue as of 31 December 2023.

Save as disclosed above, as at 31 December 2023, the Directors were not aware of any other persons (other than the Directors, Supervisors and the Chief Executive) having any interest or short position in the Shares or underlying Shares of the Company as recorded in the register to be kept under Section 336 of the Securities and Futures Ordinance.

# Directors, Supervisors, Senior Management and Employees

## Directors, Supervisors, Senior Management

### Changes in the Shares held by and information on remuneration of Directors, Supervisors and Senior Management who held office or resigned during the Reporting Period

Unit: Shares

Name	Positions	Gender	Age	Term of office commencing from	Term of office until	Number of Shares held at the beginning of the year	Number of Shares held at the end of the year	Change (increase/decrease) in shareholding during the year	Reason for the change (increase/decrease)	Total remuneration before tax received from the Company during the Reporting Period (RMB ten thousand)	Whether received remuneration from the Company's related parties or not
ZHANG Youjun	Executive Director, Chairman	Male	58	2016.01.19	Until expiry of term	430	430	–	–	504.72	No
YANG Minghui	Executive Director, President and Executive Member	Male	59	2016.01.19	Until expiry of term	–	–	–	–	528.94	No
ZHANG Lin	Non-executive Director	Male	58	2022.12.30	Until expiry of term	–	–	–	–	–	No
FU Linfang	Non-executive Director	Female	48	2022.04.13	Until expiry of term	–	–	–	–	–	Yes
ZHAO Xianxin	Non-executive Director	Male	54	2022.04.13	Until expiry of term	–	–	–	–	–	Yes
WANG Shuhui	Non-executive Director	Male	52	2020.06.23	Until expiry of term	–	–	–	–	–	Yes
LI Qing	Independent Non-executive Director	Male	61	2021.06.29	Until expiry of term	–	–	–	–	30.50	No
SHI Qingchun	Independent Non-executive Director	Male	50	2022.04.13	Until expiry of term	–	–	–	–	31.00	No
ZHANG Jianhua	Independent Non-executive Director	Male	59	2022.12.30	Until expiry of term	–	–	–	–	31.50	No
ZHANG Changyi	Supervisor and Chairman of the Supervisory Committee	Male	56	2020.06.23	Until expiry of term	–	–	–	–	485.53	No
GUO Zhao	Supervisor	Male	67	1999.09.26	Until expiry of term	–	–	–	–	21.00	No
RAO Geping	Supervisor	Male	76	2016.03.23	Until expiry of term	–	–	–	–	21.50	No
NIU Xuekun	Employee Representative Supervisor	Female	50	2019.12.31	Until expiry of term	–	–	–	–	216.41	No
YANG Liqiang	Employee Representative Supervisor	Male	43	2022.12.30	Until expiry of term	–	–	–	–	350.98	No
SHI Benliang	Executive Member	Male	49	2021.12.10	Until expiry of term	–	–	–	–	478.99	No
ZHANG Hao	Chief Financial Officer, Executive Member	Male	54	2017.10.31	Until expiry of term	–	–	–	–	526.86	No
WANG Junfeng	Board Secretary	Male	55	2020.07.30	Until expiry of term	–	–	–	–	463.96	No
LI Jiong	Chief Treasurer	Male	54	2017.10.24	Until expiry of term	–	–	–	–	501.37	No
ZHANG Guoming	Chief Compliance Officer, Chief Risk Officer	Male	59	2013.09.10	Until expiry of term	–	–	–	–	473.96	No
FANG Xing	Chief Information Officer	Male	55	2022.11.30	Until expiry of term	–	–	–	–	434.29	No
MA Yao	Executive Member	Male	52	2017.11.28	Until expiry of term	23,000	23,000	–	–	546.49	No
SUN Yi	Member of the Senior Management	Male	52	2018.08.06	Until expiry of term	–	–	–	–	406.72	No
YE Xinjiang	Member of the Senior Management	Male	59	2018.11.06	Until expiry of term	–	–	–	–	356.39	No
XUE Jirui	Executive Member	Male	50	2017.10.24	Until expiry of term	–	–	–	–	546.45	No
YANG Bing	Executive Member	Male	51	2017.10.24	Until expiry of term	–	–	–	–	466.37	No

## Directors, Supervisors, Senior Management and Employees

Name	Positions	Gender	Age	Term of office commencing from	Term of office until	Number of Shares held at the beginning of the year	Number of Shares held at the end of the year	Change (increase/decrease) in shareholding during the year	Reason for the change (increase/decrease)	Total remuneration before tax received from the Company during the Reporting Period (RMB ten thousand)	Whether received remuneration from the Company's related parties or not
LI Yongjin	Executive Member	Male	53	2017.09.07	Until expiry of term	–	–	–	–	496.49	No
LI Chunbo	Executive Member	Male	48	2017.11.17	Until expiry of term	–	–	–	–	589.51	No
GAO Yuxiang	Member of the Senior Management	Male	55	2019.01.22	Until expiry of term	–	–	–	–	476.49	No
ZOU Yingguang	Former Executive Member	Male	53	2017.09.07	2023.10.23	–	–	–	–	476.64	No
Total	/	/	/	/	/	23,430	23,430	–	/	9,463.06	/

Note 1: Where any of the above-mentioned persons has more than one position, the "term of office" will only show the term of office of the first position held by that person in that column. The starting date of the "term of office" of a re-elected Director, Supervisor or member of the Senior Management disclosed here is the date of his/her first appointment as a Director, Supervisor, or member of the Senior Management.

Note 2: Shares held by Directors and Senior Management are all A Shares, which include incentive shares initially granted upon the implementation of the share incentive scheme, the shares issued under placing, the shares issued under right issue and the bonus shares under capitalization issue.

Note 3: According to a resolution approved at the 2021 First Extraordinary General Meeting of the Company, since August 2021, the Company shall pay an allowance of RMB300,000 per year (tax inclusive) to each of the independent non-executive Directors and an allowance of RMB200,000 per year (tax inclusive) to each of the external Supervisors. The Company shall pay a subsidy of RMB5,000 per person per meeting to each of the independent non-executive Directors and external Supervisors who attends an on-site meeting of the Board or the Supervisory Committee.

Note 4: The total remuneration before tax for the executive Directors, Chairman of the Supervisory Committee, employee representative Supervisors and Senior Management of the Company as listed above includes basic annual salary, annual salary linked to performance (including bonuses paid in 2023), special rewards and insurance benefits.

Note 5: The amounts of remuneration before tax attributable to the above-mentioned persons in 2022 and previous years and deferred to 2023 are as follows: RMB2.30 million for FANG Xing, RMB3.70 million for GAO Yuxiang, RMB3.30 million for LI Jiong, RMB2.95 million for LI Chunbo, RMB3.00 million for LI Yongjin, RMB2.70 million for SHI Bentiang, RMB4.70 million for SUN Yi, RMB3.00 million for MA Yao, RMB0.60 million for NIU Xuekun, RMB2.20 million for WANG Junfeng, RMB2.70 million for XUE Jirui, RMB4.20 million for YANG Bing, RMB1.60 million for YANG Liqiang, RMB3.30 million for YE Xinjiang, RMB3.56 million for YANG Minghui, RMB3.90 million for ZOU Yingguang, RMB2.70 million for ZHANG Changyi, RMB2.10 million for ZHANG Guoming, RMB3.40 million for ZHANG Hao and RMB3.70 million for ZHANG Youjun.

Note 6: Mr. LI Chunbo, an executive member, receives remuneration of RMB739,200 from the Company and remuneration of HK\$5,830,400 from CITIC Securities International.



## Major working experience of the incumbent Directors, Supervisors and Senior Management

### *Executive Directors (2 individuals)*



#### **ZHANG Youjun**

Secretary to the Communist Party Committee of the Company, an executive Director and Chairman of the Company. Mr. ZHANG joined the Company at the time of the establishment of the Company in 1995, and was appointed as an executive Director and Chairman of the Company on 19 January 2016. Mr. ZHANG also serves as assistant to the general manager of each of CITIC Group, CITIC Limited and CITIC Corporation Limited, the vice chairman of CITIC Financial Holdings, and the chairman of China AMC. Mr. ZHANG had worked as a general manager of the trading department of the Company, an assistant manager and a deputy general manager of the Company since 1995, and was appointed as a Director of the Company from September 1999 to June 2012. Mr. ZHANG previously worked as the general manager of Changsheng Fund Management Co., Ltd. from 1998 to 2001, worked as the general manager of the Company from May 2002 to October 2005 and successively served as the general manager and the chairman of CSC from 2005 to 2011, a director of the board office of CITIC Group from December 2011 to December 2015 and a director of Zhongzheng International Company Limited from April to December 2020. Mr. ZHANG successively served as the chairman of CSI and CLSA (i.e. CLSA B.V. and its subsidiaries), a director of each of CLSA Limited and Sailing Capital Management Co., Ltd. and the chairman of each of GoldStone Investment and CITIC Securities Investment from January 2016 to September 2023, Mr. ZHANG obtained a Bachelor's degree in economics (majoring in money and banking) in 1987 from Renmin University of China and a Master's degree in economics (majoring in money and banking) in 1990 from Central University of Finance and Economics.



#### **YANG Minghui**

Deputy secretary to the Communist Party Committee of the Company, an executive Director, the President and an executive member of the Company. Mr. YANG joined the Company at the time of the establishment of the Company in 1995 and was appointed as a Director of the Company on 19 January 2016. Mr. YANG served as a Director, an assistant manager and a deputy general manager of the Company; a director and executive vice-president of CITIC Holdings and a director of CITIC Trust from May 2002 to August 2005; the chairman of CITIC-Prudential Fund Management Co., Ltd. from July 2005 to January 2007; an executive director and the president of China Jianyin Investment Securities Company Limited from August 2005 to October 2011; and the chairman of China AMC from October 2013 to September 2023. Mr. YANG was granted the title of senior economist by China International Trust and Investment Corporation, the predecessor of CITIC Group, in October 1996. Mr. YANG obtained a Bachelor's degree in engineering (majoring in mechanical manufacturing technology and equipment) from the Department of Mechanical Engineering of East China Institute of Textile Science and Technology in 1982 and obtained a Master's degree in engineering (majoring in textile machinery) from the Department of Mechanical Engineering of East China Institute of Textile Science and Technology in 1985.

# Directors, Supervisors, Senior Management and Employees

## *Non-executive Directors (4 individuals)*



### **ZHANG Lin**

Non-executive Director of the Company. Mr. ZHANG was appointed as a non-executive Director of the Company on 30 December 2022. Mr. Zhang is currently a non-executive director of CITIC Group, CITIC Limited and CITIC Corporation Limited and a director of CITIC Financial Holdings. Mr. ZHANG successively served in the Ministry of Finance as the senior staff member at China Enterprise Division of Finance Department of Gansu Province, the senior staff member, principal staff member, deputy director of the Executive Office of Gansu Supervision & Inspection Office, a member of the leading Party members group and the assistant inspector of Gansu Supervision & Inspection Office, a member of the leading Party members group, the deputy inspector and leader of Discipline Inspection and Supervision Group of Ningxia Supervision & Inspection Office, the secretary of the leading Party members group and chief inspector of Shaanxi Supervision & Inspection Office, the secretary of the leading Party members group and director of Shaanxi Supervision Bureau from 1987 to 2021. Mr. ZHANG graduated from Lanzhou University with a bachelor degree in Business Administration in 2002.



### **FU Linfang**

Non-executive Director of the Company. Ms. FU was appointed as a non-executive Director of the Company on 13 April 2022. Ms. FU is currently the deputy general manager of the Strategic Development Department of CITIC Group, a director of CITICS Industrial Investment Group Corp., Ltd. and a director of CITIC Finance Company Limited. Ms. FU successively served as deputy head, project manager, senior project manager and director of Business Division II of the Integrated Planning Department of CITIC Corporation (中信公司) (later renamed as the Strategy and Planning Department and Strategic Development Department of CITIC Group) and division head of the Secretariat of the Strategic Investment Committee from 2000 to 2017. From 2017 to 2020, she was the assistant to the general manager of the Strategic Development Department and concurrently the head of the Secretariat of the Strategic Investment Committee of CITIC Group. Ms. FU obtained a bachelor degree in economics from Tianjin University of Commerce in 1997, majoring in real estate business management, a master degree in management from Nankai University in 2000, majoring in business management, and a master degree in business administration (MBA) from the University of Bath in the United Kingdom in 2006.



### **ZHAO Xianxin**

Non-executive Director of the Company. Mr. ZHAO was appointed as a non-executive Director of the Company on 13 April 2022. Mr. Zhao serves as general manager of Risk Compliance Department of CITIC Financial Holdings. Mr. Zhao served as a clerk of ICBC Fujian Branch from 1995 to 1997 and successively served as deputy director and director of Asset and Liability Management Department of Bank of China Head Office from 2000 to 2007. From 2007 to 2018, he successively served as the general manager of the Risk Policy Management Department and the director of the Basel Agreement Office of Shanghai Pudong Development Bank. From 2018 to 2021, he successively served as the deputy director general of the Second Department of Monetary Policy of the People's Bank of China and deputy director general of the Macro-Prudential Authority. From 2021 to 2023, he served as the deputy general manager of Risk Compliance Department of CITIC Group. Mr. ZHAO obtained a Bachelor of Science degree in Urban Planning from Nanjing University in 1992, a master's degree in regional economics from Renmin University of China in 1995, and a doctor's degree in western economics from Peking University in 2000.



### **WANG Shuhui**

Non-executive Director of the Company. Mr. WANG was appointed as a non-executive Director of the Company on 23 June 2020. Mr. WANG currently serves as the chairman of each of Yuexiu Capital, Guangzhou Yuexiu Capital, Yuexiu Industrial Investment and Yuexiu Industrial Investment Fund. Mr. WANG successively served as the business manager of the securities issuance consultancy department, the deputy manager of the research and development department, secretary to the board of directors and vice president of Guangzhou Securities Co., Ltd. from 1994 to 2006; successively served as the office general manager and general manager of the development department of Guangzhou Yue Xiu Holdings Limited (廣州越秀集團股份有限公司) from 2006 to 2010; and successively served as an assistant to general manager, director and deputy general manager of Guangzhou Yue Xiu Holdings Limited and Yuexiu Enterprises (Holdings) Limited (越秀企業(集團)有限公司) from 2010 to 2016. Mr. WANG obtained a bachelor's degree in economics from Southwestern University of Finance and Economics in 1993 and a master's degree in economics from Jinan University in 2000.

### ***Independent Non-executive Directors (3 individuals)***



### **LI Qing**

Independent non-executive Director of the Company. Mr. LI was appointed as an independent non-executive Director of the Company on 29 June 2021. Mr. LI has served as a Chair Professor and the Department Head of the Department of Computing of the Hong Kong Polytechnic University since December 2018. Mr. LI successively served as an assistant professor, associate professor and full professor of the City University of Hong Kong from 1998 to 2018. From 2013 to 2018, Mr. LI served as the Founding Director of the Multimedia-software Engineering Research Center (MERC) of the City University of Hong Kong. From 2003 to 2005, Mr. LI set up and served as manager of the Mobile Information Management Division at the CityU R&D Center in Zhuhai. From 2005 to 2012, Mr. LI established and served as the general manager and the chairman of Zhuhai Faster Software Technology Ltd. Mr. LI obtained a bachelor's degree from Hunan University in 1982, and obtained a master's degree in computer science and a doctor's degree in computer science from the University of Southern California in the United States of America in 1985 and 1988, respectively.



### **SHI Qingchun**

Independent non-executive Director of the Company. Mr. SHI was appointed as an independent non-executive Director of the Company on 13 April 2022. Mr. SHI joined the School of Management of Lanzhou University in April 2012 and served as an associate professor of the School of Management of Lanzhou University since May 2016. Mr. SHI graduated from Lanzhou University of Finance and Economics in 2002, majoring in accounting, obtained a master degree in management from Lanzhou University in 2006, majoring in business management, and a doctoral degree in management from Xi'an Jiaotong University in 2011, majoring in business administration (accounting).

## Directors, Supervisors, Senior Management and Employees



### **ZHANG Jianhua**

Independent non-executive Director of the Company. Mr. ZHANG was appointed as an independent non-executive Director of the Company on 30 December 2022. Mr. Zhang is an expert who enjoys the government special allowance of the State Council, currently serves as the researcher, adjunct professor and doctoral supervisor of the Tsinghua University PBC School of Finance and the director of Research Center for Financial Development and Regtech of Tsinghua University PBC School of Finance, as well as the editor-in-chief of the Tsinghua Financial Review. Mr. ZHANG also serves as an independent director of Capital Securities Corporation Limited (首創證券股份有限公司) (a company listed on the Main Board of SSE) and Hunan Sanxiang Bank Co., Ltd. (湖南三湘銀行股份有限公司). From 1989 to 2015, Mr. ZHANG successively served as the senior staff member and principal staff member of the Trust Company Management Division of the Financial Management Department of the People's Bank of China, principal staff member, deputy director and director of the Financial Lease Company Supervision Division of the Non-bank Financial Institutions Supervision Department, director of the Supervision Division III of the Non-bank Financial Institutions Supervision Department, director of the Fiscal and Taxation Research Division of the Research Bureau, deputy director-general of the Financial Stability Bureau, director-general of the Research Bureau, secretary to the Communist Party Committee and president of the Hangzhou Central Sub-branch (currently known as the Zhejiang Branch) and concurrently director-general of the State Administration of Foreign Exchange Zhejiang Branch; he served as the deputy secretary to the Communist Party Committee, director and president of Beijing Rural Commercial Bank Co., Ltd. from 2015 to 2016, and served as deputy secretary to the Communist Party Committee, director and president of Hua Xia Bank Co., Limited from January 2017 to February 2022. Mr. ZHANG obtained a bachelor degree in engineering from the Department of Management Information Systems of Tsinghua University in 1987, graduated as a major in monetary banking from the Graduate School of the Financial Research Institute of the People's Bank of China in 1989, and graduated as a major in technical economy and management from Tsinghua University and obtained a doctoral degree in management in 2003.

### ***Supervisors (5 individuals)***



### **ZHANG Changyi**

Deputy secretary to the Communist Party Committee, chairman of the Supervisory Committee and chairman of the labor union of the Company. Mr. ZHANG joined the Company in 2018 and was appointed as chairman of the Supervisory Committee on 23 June 2020. Mr. ZHANG successively served as an officer, staff and associate principal staff of the education department of the Ministry of Construction from August 1989 to November 1995, and successively served as principal staff and assistant consultant of the general office of the Ministry of Construction from November 1995 to June 1997, the second secretary (deputy-division-head level), deputy division head, the first secretary and deputy division head (division-head level) of the second secretary bureau of the General Office of the State Council from June 1997 to April 2001 and secretary of division-head level, secretary of deputy bureau level, secretary of bureau-head level in the General Office of the State Council from April 2001 to August 2018. Mr. ZHANG also serves as the chairman of GoldStone Zexin. Mr. ZHANG obtained a bachelor's degree in engineering (majoring in industrial and civil architecture) from the Architectural Engineering Department of Northwest Institute of Construction Engineering in 1989 and obtained a master's degree in engineering (majoring in management engineering) from Harbin University of Civil Engineering and Architecture in 1999.



### **GUO Zhao**

Supervisor of the Company. Mr. GUO was appointed as a Supervisor of the Company on 26 September 1999. Mr. GUO previously worked as the deputy chief accountant of Nanjing International Container Handling Co., Ltd. from 1988 to 1992; as the secretary to the board of directors of Nanjing Xingang High-Tech Co., Ltd. from 1992 to 2002; as director of Nanjing Xingang High-Tech Co., Ltd. from January 2001 to January 2013; as vice president of Nanjing Gaoke Co., Ltd. from June 2003 to December 2016; and as director and general manager of Nanjing Chengong Pharmaceuticals Co., Ltd. from January 2001 to January 2017. Mr. GUO obtained the accountant certificate in September 1993, which was granted by the Committee for Assessment of Academic Qualifications of the PRC Ministry of Transport. Mr. GUO obtained a college diploma in water transport finance and accounting in 1988 from Wuhan River Transportation College.



### **RAO Geping**

Supervisor of the Company. Mr. RAO was appointed as a Supervisor of the Company on 19 January 2016 and formally took office on 23 March 2016. Mr. RAO is also a professor of Peking University Law School, honorary chairman of the Academy of Hong Kong and Macao Studies in Peking University and the deputy chairman of Chinese Judicial Studies Association (中華司法研究會). Mr. RAO previously served as a member of 12th CPPCC National Committee, a member of the Hong Kong Special Administrative Region Basic Law Committee of the Standing Committee of the NPC, the executive vice-chairman of Chinese Society of International Law and the deputy chairman of Chinese Association of Hong Kong & Macao Studies, an independent supervisor of TravelSky Technology Limited, an independent non-executive Director of the Company and an independent non-executive director of Yangguang Xinye Real Estate Co., Ltd. Mr. RAO obtained master's degree in law in 1982 from Peking University and was a visiting scholar at the University of Washington, New York University, and Max Planck Institute of International Law.



### **NIU Xuekun**

Employee representative Supervisor and the chief officer of the Planning and Finance Department of the Company. Ms. NIU joined the Company in 2000 and previously worked as the accountant of Shenzhen Property Management Co., Ltd., and senior manager, vice president and senior vice president of the Planning and Finance Department of the Company. Ms. NIU concurrently serves as a supervisor of each of CITIC Securities Investment, GoldStone Zexin and GZS Lingxiu Investment Company Limited. Ms. NIU obtained a bachelor's degree in economics and a master's degree in management from Dongbei University of Finance & Economics in 1996 and 1999, respectively. Ms. NIU was qualified as a Chinese CPA and a senior accountant in 2002 and 2015, respectively, and was qualified as a senior accountant (正高級會計師) in 2023.

## Directors, Supervisors, Senior Management and Employees



### **YANG Liqiang**

Employee representative Supervisor, and the principal and executive general manager of the digital development center of the Wealth Management Committee of the Company. Mr. YANG joined the Company in 2009 and previously served as the senior engineer of Shenzhen Kingdom Sci-Tech Co., Ltd., the vice president, senior vice president, director of the Information and Technology Center of the Company. Mr. YANG obtained a bachelor degree in engineering from Sichuan University in 2001.

### **Members of the Senior Management (15 individuals)**

### **YANG Minghui**

(For his biographical details, please refer to the relevant statements in that of the Executive Directors)



### **SHI Benliang**

A member of CPC Committee, an executive member and director of the Wealth Management Committee of the Company. Mr. SHI joined the Company in 2000, and had served as director of the asset management business accountant, joint person and administrative person in charge of the Planning and Finance Department and Chief Financial Officer of the Company. He currently serves as the director of GSI, CLSA B.V., CLSA Limited, China AMC, CITIC Securities (Shandong) and CITIC Securities South China, and an executive director, general manager, legal representative of Kington Securities, and the chairman of CITIC PE Fund. He currently also serves as the vice chairman of the Securities Brokerage and Wealth Management Committee of the Securities Association of China, the vice chairman of the Banking Accounting Society of China and the deputy chairman of the Council of Shenzhen Wealth Management Association. Mr. SHI obtained a bachelor's degree in finance from Shanghai University of Finance and Economics in 1997 and a master's degree in finance from Nankai University in 2000.



### **ZHANG Hao**

A member of the Communist Party Committee, Chief Financial Officer (CFO), an Executive Member of the Company. Mr. ZHANG joined the Company in 1997 and previously served as teaching assistant of Shanghai Institute of Urban Construction, head of the B-share Business Department of Shanghai Trust Investment Corporation of China Construction Bank as well as deputy general manager of the Shanghai B-share Business Department of the Company, general manager of the Shanghai Fuxing Middle Road Securities Outlet, general manager of the Shanghai Huaihai Middle Road Securities Outlet, deputy general manager of the Shanghai Management Headquarter, general manager of Shanghai Branch, chief marketing officer of the Company, and secretary to the Communist Party Committee and chairman of CITIC Futures Company Limited. Mr. ZHANG concurrently serves as a director of CITIC Securities AM, and a member of the board risk committee of China Financial Futures Exchange. Mr. ZHANG was awarded the title of "Skilled Young Worker of SOEs" in 2001. Mr. ZHANG obtained dual bachelor's degrees in engineering mechanics and industrial management engineering from Shanghai Jiao Tong University in 1991 and an MBA degree from Shanghai Jiao Tong University in 2001.



### **WANG Junfeng**

Board Secretary, the deputy secretary of the disciplinary inspection committee, the director of the Party Work Department and the chief executive of the General Manager's Office of the Company. Mr. WANG joined the Company in 1999 and previously served as an officer of the headquarter of the People's Bank of China, deputy general manager of the Brokerage Management Department of the Company, and business coordination supervisor of the General Manager's Office. Mr. WANG concurrently serves as a member representative of the third session of Council of the China Association for Listed Companies. Mr. WANG obtained a bachelor's degree in economics in finance from Zhengzhou University in 1990 and a master's degree in economics from Graduate School of the People's Bank of China (中國人民銀行總行金融研究所) (currently known as the PBC School of Finance, Tsinghua University) in 1997.



### **LI Jiong**

Treasurer of the Company and secretary to the Communist Party Committee of CITIC Futures. Mr. LI joined the Company in 1996 and previously worked as the manager of International Cooperation Office of the Information Center of China International Trust and Investment Corporation Company (the predecessor of CITIC Group), manager of the Development Department of CITIC International Cooperation Company, manager of the Bonds Department and deputy general manager of the Capital Operation Department (later renamed as the Treasury Department), the chief executive of the Treasury Department as well as the chief executive of the Prime Service Business Line and the Chief Financial Officer of the Company and director of CSI. Mr. LI concurrently serves as the director of each of CITIC Global Leasing, CLSA Premium Limited and CITIC Securities International USA, LLC. Mr. LI obtained a bachelor's degree in international finance from the University of International Business and Economics in 1992 and an MBA degree from Tsinghua University in 2000.



### **ZHANG Guoming**

Chief Compliance Officer, Chief Risk Officer, deputy secretary of the disciplinary inspection committee, chief executive of the Legal Department of the Company. Before joining the Company in 2010, Mr. ZHANG worked as deputy chief judge, chief judge and a member of the Judge Committee of the Higher People's Court of Henan Province, the judge of the Supreme People's Court, the chief executive of Compliance Department, Risk Management Department and Special Asset Management Department of the Company. Mr. ZHANG concurrently also serves as a supervisor of each of CITIC Futures and CITIC Securities South China, the chief compliance officer and chief risk officer of Kington Securities. Mr. ZHANG obtained his master's degree in law and doctor's degree in law from the Renmin University of China in 1994 and 2008, respectively.

## Directors, Supervisors, Senior Management and Employees



### **FANG Xing**

Chief Information Officer, and the head of administration of information and technology center of the Company. Mr. FANG joined the Company in 2000 and successively worked as the project leader, director, executive general manager of the information and technology center of the Company, the deputy general manager and general manager of CITIC Futures. Mr. FANG concurrently serves as the chief information officer of CITIC Securities South China, the chief information officer of CITIC Securities AM, the director of E-Capital Transfer, and the executive director and legal representative of CITIC Securities Information and Quantitative Service (Shenzhen) Co., Ltd. Mr. FANG obtained a bachelor's degree in radio technology from Shanghai Jiao Tong University in 1990 and a master's degree in electromagnetic field and microwave technology from Shanghai Jiao Tong University in 1993.



### **MA Yao**

An executive member, the head of the Investment Banking Management Committee of the Company. Mr. MA joined the Company in 1998 and previously served as the deputy general manager of the Risk Control Department, deputy general manager of the Bond Distribution and Trading Department, deputy general manager of the Trading Department, chief executive of the Capital Market Department, head of the Financial Industry Group and member of the Investment Banking Management Committee of the Company. Mr. MA concurrently serves as a director of CLSA Limited and CITIC Securities (Hong Kong) Limited. Mr. MA obtained a bachelor's degree in automatic control from Xi'an Jiaotong University in 1994, a master's degree in monetary banking and a doctor's degree in international finance from the Graduate School of the People's Bank of China in 1998 and 2012, respectively.



### **SUN Yi**

A member of the Senior Management, joint head of the Investment Banking Management Committee, head of the financial and technical industry group, as well as head of the M&A business line. Mr. SUN joined the Company in 1998. He once served as the deputy general manager of the Investment Banking Department of the Company (in charge of business in Shenzhen), managing director of CSI, and head of the Operations Department, head of ECM team and head of the transport industry team under the Investment Banking Management Committee of the Company, as well as the deputy general manager of China AMC and concurrently served as the general manager of China AMC Capital Management Limited. Mr. SUN concurrently serves as a director of CITIC Securities (Hong Kong) Limited. Mr. SUN obtained a bachelor's degree in economics in July 1993 from Jiangxi University of Finance and Economics and a master's degree in economics in June 1996 from Xiamen University.





### **YE Xinjiang**

A member of the Senior Management of the Company. Mr. YE joined the Company in 2005. He was formerly the head of the medical and health industry group, head of the regional IBS group, head of the New OTC Market Business Department, member of the Investment Banking Management Committee, head of the quality control group and head of the M&A business line of the Company. Mr. YE obtained a bachelor's degree in agricultural economics in July 1985 and a master's degree in management in July 1990 from Zhejiang University (formerly Zhejiang Agricultural University).



### **XUE Jirui**

An executive member of the Company. Mr. XUE joined the Company in 2000 and previously served as a manager of the financial products development group, researcher of the Research Department, head of the product development group of the trading and derivatives business line, the head of the equity derivatives business line, the head of the prime service business line, and head of the Equity Investment Department of the Company. Mr. XUE obtained a bachelor's degree, a master's degree and a doctor's degree in statistics from Renmin University of China in 1997, 2000 and 2006, respectively.



### **YANG Bing**

An executive member of the Company and the secretary to the Communist Party Committee and chairman of CITIC Securities AM. Mr. YANG previously worked as a teacher of Shaoguan University from 1993 to 1996 and joined the Company in 1999. He once served in the Company as an assistant trader of the Trading Department, trader of the Fixed Income Department as well as investment manager and investment supervisor of the asset management business, the chief executive of the asset management business as well as director of China AMC. Mr. YANG obtained a bachelor's degree in fine chemicals from Nanchang University in 1993 and a master's degree in national economics from Nanjing University in 1999.



### **LI Yongjin**

An executive member of the Company. Mr. LI joined the Company in 1998 and previously worked as a staff of the International Business Department of Dalian Branch of Agricultural Bank of China, department manager of Dalian Securities Outlet of Shenyin Wanguo Securities, assistant to general manager, deputy general manager and general manager of Dalian Securities Outlet of the Company, senior vice president and director of the Brokerage Management Department of the Company, and general manager of the Zhejiang Branch Office of CITIC Securities and its predecessor, CITIC Securities (Zhejiang) Co., Ltd, a director of China AMC and director of the Wealth Management Committee of the Company, a director of each of CITIC Securities Brokerage (HK), CITIC Securities Futures (HK) Limited, CITIC Securities (Shandong) and CITIC Securities South China, as well as an executive director and general manager of Kington Securities. Mr. LI concurrently serves as the executive director of CITICS Investment Services Company Limited. Mr. LI obtained a bachelor's degree in economics and a master's degree in finance from Dongbei University of Finance and Economics in 1992 and 2000, respectively.

## Directors, Supervisors, Senior Management and Employees



### **LI Chunbo**

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An executive member of the Company, and chairman and chief executive officer of CSI Group and CITIC CLSA Group. Mr. LI joined the Company in 2001 and previously worked as an analyst of the Research Consulting Department (later renamed as the Research Department), chief analyst of the Research Department, as well as the chief executive of the Research Department and the Equity Sales & Trading Department. Mr. LI concurrently serves as a director of China AMC, a member of Development Strategy Committee of the Securities Association of China and a member of the International Development Committee of Shanghai Stock Exchange. Mr. LI obtained a bachelor's degree in vehicle engineering and a master's degree in management science and engineering from Tsinghua University in 1998 and 2001, respectively.



### **GAO Yuxiang**

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A member of the Senior Management and Chief Equity Investment Officer of the Company. Mr. GAO joined the Company in 2004 and served as the deputy head of the real estate and construction materials industry team, the transport industry team and the infrastructure and real estate industry team under the Investment Banking Management Committee of the Company, member of Investment Banking Management Committee and the head of the infrastructure and real estate industry team, deputy head of the Investment Banking Management Committee and head of the infrastructure and modern service industry group. Mr. GAO served as an executive director of Xinjiang Equity Exchange Center Co., Ltd. from March 2019 to March 2021 and a director of Zhongzheng International Company Limited from December 2020 to December 2021. Mr. GAO concurrently serves as the director of Bona Film Group Co., Ltd. Mr. GAO obtained a college degree in financial accounting from Qingdao Radio and Television University in July 1990 and a bachelor's degree in national economic management from Peking University in July 1995. Mr. GAO obtained a doctor's degree in industrial economics from Beijing Jiaotong University in July 2004. Mr. GAO obtained the qualification of technical specialty of senior economist in September 2006.

## Positions held by incumbent Directors, Supervisors and Senior Management and those resigned during the Reporting Period

### Positions held in Shareholders by incumbent Directors, Supervisors, Senior Management and those resigned during the Reporting Period

Name	Name of Shareholder	Positions held in Shareholders	Term of office commencing from	Term of office until
ZHANG Youjun	CITIC Corporation Limited	General Manager Assistant	2015.11.12	Expiry of term
	CITIC Limited	General Manager Assistant	2015.11.12	Expiry of term
	CITIC Financial Holdings	Director Vice-chairman	2022.03.16 2023.05.30	Expiry of term Expiry of term
ZHANG Lin	CITIC Corporation Limited	Non-executive Director	2021.12.27	Expiry of term
	CITIC Limited	Non-executive Director	2022.01.04	Expiry of term
	CITIC Financial Holdings	Director	2022.03.16	Expiry of term
WANG Shuhui	Yuexiu Capital	Chairman	2016.08.25	Expiry of term
	Guangzhou Yuexiu Capital	Chairman	2016.10.18	Expiry of term
Description of the positions held in Shareholders	For other positions held by the Directors, Supervisors and Senior Management of the Company, please refer to the major working experience of the Directors, Supervisors and Senior Management in this section			

## Directors, Supervisors, Senior Management and Employees

### Positions held in other entities by incumbent Directors, Supervisors, Senior Management and those resigned during the Reporting Period

Name	Names of other entities	Position held in other entities	Term of office commencing from	Term of office until
LI Qing	Department of Computing of The Hong Kong Polytechnic University	Chair Professor and Head of the Department	2018.12.01	Expiry of term
SHI Qingchun	School of Management, Lanzhou University	Associate Professor	2016.05.31	Expiry of term
ZHANG Jianhua	Tsinghua University PBC School of Finance	Researcher, Adjunct Professor and Doctoral Supervisor	2022.03.01	Expiry of term
	Capital Securities Corporation Limited	Independent Director	2023.09.15	Expiry of term
	The Bank of Sanxiang Co. Ltd. of Hunan Province	Independent Director	2023.10.27	Expiry of term
RAO Geping	Peking University Law School	Professor	1994.08.01	Expiry of term
Description of the positions held in other entities	For other positions held by the Directors, Supervisors and Senior Management of the Company, please refer to the major working experience of the Directors, Supervisors and Senior Management in this section			

### Changes of Directors, Supervisors and Senior Management

Name	Position	Change	Cause of Change
ZOU Yingguang	Former executive member	Resignation	Work arrangement
ZHANG Hao	Chief Financial Officer	Appointment	Appointed by the Board
SHI Benliang	Former Chief Financial Officer	Dismissal	Ceasing to serve concurrently
ZHANG Guoming	Chief Risk Officer	Appointment	Appointed by the Board

Details of changes of Directors, Supervisors and Senior Management of the Company:

On 23 October 2023, as approved by the 12th Meeting of the Eighth Session of the Board of Directors of the Company, Mr. ZOU Yingguang ceased to serve as the executive member of the Company.

On 5 January 2024, after being appointed at the 15th Meeting of the Eighth Session of the Board of Directors of the Company, Mr. ZHANG Hao served as the Chief Financial Officer (CFO) of the Company, and Mr. SHI Benliang ceased to concurrently serve as the Chief Financial Officer (CFO) of the Company.

On 24 February 2023, after being appointed at the Third Meeting of the Eighth Session of the Board of Directors of the Company, Mr. ZHANG Hao was proposed to serve as the Chief Risk Officer of the Company. On 5 January 2024, after being appointed at the 15th Meeting of the Eighth Session of the Board of Directors of the Company, Mr. ZHANG Guoming officially served as the Chief Risk Officer of the Company.

## Relationships between Directors, Supervisors and Senior Management

There is no relationship among the Directors, Supervisors or Senior Management, including relationships in terms of finance, business, family or other significant relationships.

## Performance Appraisal and Remuneration of Directors, Supervisors and Senior Management

### Performance appraisal of Directors and Supervisors

During the Reporting Period, the Directors and Supervisors of the Company strictly complied with the laws, administrative rules and Articles of Association, and diligently and faithfully performed their responsibilities and obligations.

The Directors of the Company attended meetings of the Board and meetings of relevant specialized committees in accordance with the relevant requirements, at which every proposal was duly considered, and opinions and advice were put forward. They read all sorts of documents and reports provided by the Company carefully during the period between each Board meeting, which enabled them to understand the operating and management condition of the Company in time.

Executive Directors of the Company duly performed their dual duties of making and executing decisions, actively implemented the decisions made by the general meetings and the Board, thus effectively served as the bridge between the Board and the management. Non-executive Directors conducted thorough study on the development strategy and operation strategy of the Company, and understood the operating and management condition and the scientific and sound decision making of the Company in time through investigations and research, seminars and communication, which demonstrated their high level of responsibility. Independent non-executive Directors maintained communication with the Company through various ways, such as on-site visits and seminars, attended meetings of the Board and the relevant specialized committees, expressed independent and objective opinions, actively protected the interest of minority Shareholders, gave full play to their professional strengths, and actively contributed to the Company's development.

Supervisors of the Company attended meetings of the Supervisory Committee in accordance with the rules and they also attended on-site Board meetings and general meetings as observers. They supervised and inspected the operation in accordance with laws, major decisions, major business activities and the financial position of the Company.

For details of the performance of duties of Directors and Supervisors of the Company, please refer to the "Performance of duties by Directors" and "Supervisors and the Supervisory Committee" in this report.

# Directors, Supervisors, Senior Management and Employees

## Performance of duties and Performance appraisal of Senior management

During the Reporting Period, the Company provided clear targets for the Senior Management within the scope of their duties and evaluated their performances by year end. In addition to focusing on financial performances, market influences, completion of annual key tasks in their respective work sectors and performance of compliance duties, their appraisals were also closely linked with the performance of the Company.

During the Reporting Period, the Senior Management of the Company conscientiously performed their duties, obtained good overall performance, completed the tasks assigned to them by the Board and further enhanced the internal control system and risk control mechanisms of the Company during their term. Under the guidance of the Board, the Senior Management grasped the development opportunities of the industry, expedited innovations, optimized the operation structures, enhanced cooperation and deepened the Company's strategic implementations in all respects, achieving relatively good operating results.

## Remuneration of Directors, Supervisors and Senior Management for the year

Procedures for determination of the remuneration of the Directors, Supervisors and Senior Management	The Remuneration and Appraisal Committee of the Board is responsible for making recommendations to the Board on the remuneration policy and structure for all Directors and the Senior Management, as well as the establishment of formal and transparent procedures for the formulation of remuneration policy. The Board is responsible for decision making regarding the remuneration, reward and punishment issues for the Senior Management, whereas the remuneration of the Directors and Supervisors is determined by the general meetings. The Company will continue to improve the performance, remuneration and other management systems in accordance with the relevant regulatory requirements and the Company's actual conditions.
Whether the Directors abstained when the Board were discussing their own remuneration	When the 18th meeting of the eighth session of the Board considers the Plan on the Total Remuneration Paid to Directors of the Company in 2023, the executive Directors and independent non-executive Directors who have received remuneration shall abstain from voting.
Details of the recommendations provided by the Remuneration and Appraisal Committee or special meeting of independent Directors on the remuneration of the Directors, Supervisors and Senior Management	It is emphasized to design a scientific and reasonable deferral period and proportion based on the risk cycle of the business, so as to further improve the remuneration management mechanisms, such as remuneration deferral.
Criteria for determination of the remuneration of the Directors, Supervisors and Senior Management	The remuneration of the Directors, Supervisors and Senior Management is determined in strict accordance with the Remuneration Management System of the Company, and is linked with their respective positions and performance.

Actual payment of the remuneration of the Directors, Supervisors and Senior Management	For details, please refer to “Changes in the Shares held by and information on remuneration of Directors, Supervisors and Senior Management who held office or resigned during the Reporting Period” in this section. Allowances for the external Directors and Supervisors are calculated on a yearly basis, provided for on a monthly basis, and paid twice a year.
Total remuneration actually received by all the Directors, Supervisors and Senior Management at the end of the Reporting Period	RMB94,630,600

## Share incentives regarding Directors, Supervisors and Senior Management

### Implementation of share incentive scheme of the Company

The Company did not implement any new share incentive scheme during the Reporting Period. For share incentive scheme implemented by the Company in 2006, please refer to China Securities Journal, Shanghai Securities News, Securities Times and the SSE website on 7 September 2006. For details of shares held by Directors, Supervisors and Senior Management of the Company, please refer to “Changes in the Shares held by and information on remuneration of Directors, Supervisors and Senior Management who held office or resigned during the Reporting Period” of this report.

The Company had not revised the scope of eligible participants for share incentives during the Reporting Period.

# Directors, Supervisors, Senior Management and Employees

## Staff Information

### Number and composition of staff

As at the end of the Reporting Period, the Group had a total of 26,822 staff, of which 16,244 were staff of the Company, and their compositions are set out below:

Number of in-service staff of the Parent	16,244
Number of in-service staff of subsidiaries	10,578
Total number of in-service staff	26,822
Number of retired staff for which the Group are responsible for their expenses	634

<b>Types of profession</b>	<b>Profession</b>	<b>Number of staff</b>
Business staffs		21,343
IT staffs		1,916
Financial staffs		526
Administrative staffs		447
Others (including clearing & settlement, risk management, legal, compliance, supervision and audit, etc.)		2,590
Total		26,822

<b>Type of education</b>	<b>Education level</b>	<b>Number</b>
Doctor's degree		359
Master's degree		11,517
Bachelor's degree		13,904
Associate's degree and below		1,042
Total		26,822

### Remuneration policy

The Company implements payroll management. Employees' remuneration and benefits consist of fixed salary, annual performance bonus, special rewards and insurance benefits. The fixed salary is the employees' annual base income and is determined according to the employees' remuneration standards in line with positions and ranks. The remuneration standards in line with positions and ranks are mainly based on factors such as the position's duties, responsibilities, importance, scale of operation, and industry practice. In order to strike a balance between business risks and financial goals, the Company adopts a shared performance bonus incentive system. Conditional on recognizing that the business department is profitable, performance bonus will be distributed "in favour of the business, the profitable business sections and business with major innovation" while also fully affirming the role and value of other middle-office and back-office departments to the Company.

The Company has established a number of special rewards such as "Chairman's Incentive Funds" to develop the Company's core competitiveness, to encourage innovation and team spirit, and to maintain the stability of the core human resources team.



The Company and its employees take part in various social insurance, enterprise annuity and housing fund programs following China's relevant regulations. The social insurance and housing fund programs are regulated in accordance with local policies.

In order to raise the level of employee's medical insurance, the Company sets up commercial complementary medical insurance and accident insurance, in addition to basic medical insurance, at its own expense for the employees.

The Company has no share option program for now.

### **Pension schemes**

The Group provides its full-time employees in China's Mainland and certain countries or jurisdictions outside China's Mainland with relevant pension plans as required by the government authorities or by local labour laws (including the basic pension insurance in China's Mainland, the Mandatory Provident Funds in Hong Kong and other statutory schemes in certain countries outside China's Mainland). The Group did not have any forfeited contributions under these pension plans.

The Group also provided certain defined contribution plans, including corporate annuity scheme in China's Mainland, provident fund scheme in Hong Kong and Master Pooled Fund in Thailand to some of its employees in China's Mainland and outside China's Mainland. As for the corporate annuity scheme in China's Mainland, according to the requirements of the scheme, when an employee resigns, part of the amounts of the Company's contributions not vested in the employee may be reallocated to the corporate annuity account based on the employee's actual working time. Such reallocated contributions would not affect the annuity contribution level of existing employees. The Group did not utilize any of forfeited contributions to reduce the current contribution levels. As for certain defined contribution plans outside China's Mainland, the Group will not utilize any of forfeited contributions to reduce the existing contribution levels of the relevant plans.

For details of the pension schemes provided by the Group, please refer to Note 10 Operating Expenses to the Consolidated Financial Statements in this report.

### **Training program**

The Company focuses on talent development, continuously refining and optimizing its talent training system and providing personalized and high-quality training for new recruits, professional talents, management talents and all employees to constantly improve employees' overall quality and achieve common growth of employees and the Company.

During the Reporting Period, the Company strengthened the publicity and implementation of its corporate culture and the training of its key talent echelons to improve the effectiveness of its talent development. First, comprehensively enhance the training courses for new recruits to help them better fit into its corporate culture. The Company help new recruits in developing a comprehensive understanding of the Company's culture, professional skills and teamwork through the four major courses set up in "integration plan", namely "integrity, innovation, excellence, and sharing", and the four major onsite courses set up in the centralized face-to face training, namely "remain true to our original aspirations and move forward with perseverance", "stick to the bottom line and make steady progress", "put business first and press ahead with unwavering commitment and perseverance" and "go forward hand in hand and with one heart". Second, launch training for managers at different levels and in different categories. The Company launched thematic education training in rotation for

## Directors, Supervisors, Senior Management and Employees

the Company's core management personnel, "Voyage Plan" and "Sailing Plan" training for middle management personnel, and "Starting Plan" training for reserve cadres, etc. The Company also systematically set up rich courses from the aspects such as party spirit, corporate culture, management concepts, industry trend, business synergy, management skills, to comprehensively enhance the political qualities and performance capabilities of management personnel at all levels. Third, establish systems and platforms to carry out the training for professional talents. In 2023, the Company reviewed its "Professional Talent Training System" based on its key business strategies and actual development, established its professional talent training system centered on the business lines, and successively launched programs such as the "Professional Empowerment Training Camp for Sales Elite Hub (銷售精英匯專業賦能訓練營)", "Buffet Meeting Business and Collaboration (業務協同冷餐會)", "Professional Empowerment Training Camp for Researching and Creating of the Future (研創未來專業賦能訓練營)", "Fintech Empowerment Training Camp (金融科技賦能訓練營)" and the Investment Banking Talent Cultivation Program. These programs helped business staff, especially junior staff, master in-depth product knowledge and skills related to their positions, learn from the Company's excellent business cases, and promoted to enhance the Company's per capita efficiency. Fourth, organize various training for all employees by both online and onsite forms. For all employees, the Company organized on-the-job training and promotion training for employees at various levels, and held a series of lectures on the "CITIC Securities Lecture" and "Workplace Gas Station", to help them continuously improve their working skills.

### Information on brokers

As at the end of the Reporting Period, CSI's subsidiaries had 84 brokers, all of whom were incorporated into its front office management system and carries out daily supervision over the occupational behaviors of the brokers by a licensed officer of the SFC. The Company has confirmed organization system, practicing conditions, scope of authorities and standards of behaviors of the brokers and has established a filing and inquiry systems for the brokers. The brokers would engage in activities such as customer solicitation and customer services only after obtaining a licence from the SFC, and required to comply with the laws and regulations, accept internal compliance management, attend training, etc. as a licensee.



# Corporate Governance Report

## Overview of Corporate Governance

As an A+H company, the Company has operated its business in strict compliance with the requirements set forth in the laws, regulations and normative documents of the PRC and the overseas jurisdiction where the Shares of the Company are listed, and has made continuous efforts to maintain and enhance the good image of the Company in the market. The Company keeps improving its corporate governance structure according to the requirements of the Company Law, the Securities Law and relevant rules and regulations of the CSRC. The corporate governance of the Company complies with the requirements of the relevant laws and regulations by having established a corporate governance structure characterized by checks and balances among the general meeting, the Board, the Supervisory Committee and the Operation Management, with each of them being separated from the others and performing its own functions and responsibilities corresponding to its position within the specified terms of reference, thereby ensuring that all the operational activities of the Company are carried out according to the rules and regulations.

During the Reporting Period, the Company strictly complied with the Corporate Governance Code and Corporate Governance Report (hereinafter referred to as the “Code”) as set out in Appendix C1 of the Hong Kong Listing Rules, and observed all the Code provisions and satisfied the requirements of most recommended best practices in the Code.

## Establishment and Implementation of the Registration and Administration System for Persons Informed of Inside Information

Upon consideration and approval by the Board, the Registration System for Persons Informed of Inside Information of the Company became effective from 29 September 2009 and was amended on 18 March 2021. During the Reporting Period, the Company managed to achieve the due implementation of inside information management and registration of persons informed of inside information in accordance with the requirements under the System. The Company also maintained the relevant documents for inspection by the Company itself and relevant regulatory authorities, including a true and complete list of persons informed of inside information in various processes such as reporting, circulation, preparation, audit and disclosure prior to dissemination of inside information, as well as the content of the inside information and the timing it became known to such persons. The Company was not aware of any non-compliance with the System.

The Company formulated the Registration System of Persons Informed of Undisclosed Information and established the information reporting mechanism and procedure regarding the information on persons informed of undisclosed information in various departments/business lines of the Company, specifying the responsibilities of the management personnel of undisclosed information in the Compliance Department and in each department/business line, administrators of each department/business line and persons informed of undisclosed information. During the Reporting Period, in strict compliance with the System, the Company conducted its registration of persons informed of undisclosed information on a quarterly basis, and managed and registered the persons informed of undisclosed information in the course of business within the scope of responsibility of various departments/business lines of the Company.

## Dealing in Securities by Directors, Supervisors and Related Employees

According to the domestic regulatory requirements, the Board of the Company approved the formulation of the Company's Measures for the Management of the Holdings in the Shares of CITIC Securities Company Limited by Directors, Supervisors and Senior Management and Relevant Changes (hereinafter referred to as the “Management Measures”) on 13 March 2008 and amended it on 30 May 2023, to regulate the behaviour of holdings of and dealings in the Shares of the Company by Directors, Supervisors and Senior Management of the Company. The Measures are stricter than the compulsory provisions in the Model Code for Securities Transactions by Directors of Listed Issuers (hereinafter referred to as the

# Corporate Governance Report

“**Model Code**”) set out in Appendix C3 to the Hong Kong Listing Rules. Having made enquiries, all Directors, Supervisors and Senior Management had confirmed that they had strictly complied with the relevant provisions of the Management Measures and the Model Code during the Reporting Period. For details about the shareholdings of the Directors, Supervisors and Senior Management in the Company, please refer to “Directors, Supervisors and Senior Management (1) Changes in the Shares held by and information on remuneration of Directors, Supervisors and Senior Management who held office or resigned during the Reporting Period” of this report.

## Shareholders and the General Meetings

The general meeting is the highest authority of the Company, and Shareholders can exercise their rights through the general meeting. The Company convenes and holds the general meeting in strict compliance with the relevant regulations, so as to ensure all Shareholders, especially the minority Shareholders, are being treated equally and can fully exercise their rights. Following the guidance of the Articles of Association of the Company, the Company operates in an orderly manner and maintains healthy and stable development, thus effectively protecting the interests of the Company and its Shareholders.

Pursuant to Article 96 of the Articles of Association of the Company, Shareholders that hold, individually or collectively, 10% or more of the shares in the Company shall have the right to request in writing the Board of Directors to hold an extraordinary General Meeting of Shareholders. The Board of Directors shall, in accordance with relevant laws, regulations and the Articles of Association, give a written response on whether or not it agrees to call such an extraordinary General Meeting of Shareholders within 10 days after receipt of the proposal from the abovementioned shareholders to call such meeting. If the Board of Directors agrees to hold an extraordinary General Meeting of Shareholders, it will issue a notice calling such meeting within 5 days after it has so resolved. The consent of the relevant shareholders shall be secured if any change is to be made in the notice to the original request. If the Board of Directors disagrees on holding an extraordinary General Meeting of Shareholders or fails to give a response within 10 days after the receipt of the proposal, the Shareholders that hold, individually or collectively, 10% or more of the shares in the Company shall have the right to propose to the Supervisory Committee to hold an extraordinary General Meeting of Shareholders in writing. If the Supervisory Committee agrees to hold an extraordinary General Meeting of Shareholders, it will issue a notice calling such meeting within 5 days after it has so resolved. The consent of the relevant Shareholders shall be secured if any change is to be made in the notice to the original request. If the Supervisory Committee fails to issue the notice calling such meeting within the period specified hereinabove, it shall be deemed to have failed to convene and preside over such meeting. The Shareholders that hold, individually or collectively, 10% of the shares in the Company for 90 days or more consecutively may convene and preside such meeting.

In addition, pursuant to Article 101 of the Articles of Association of the Company, the Board of Directors, the Supervisory Committee and shareholders that hold, individually or collectively, 3% or more of the shares in the Company shall have the right to propose motions to the Company at the General Meeting of Shareholders. Shareholders that hold, individually or collectively, 3% or more of the shares in the Company may submit extempore motions in writing to the convener 10 days prior to the date of such meeting. The convener shall, within two days after receipt of the motion, issue a supplementary notice of the General Meeting of Shareholders and make a public announcement of the contents of such extempore motion. Except as provided in the preceding paragraph, the convener may not, after publishing the notice of the General Meeting of Shareholders, make any change to the motions set forth in such notice or add any new motions. The General Meeting of Shareholders shall not vote or resolve on any motions which are not contained in a notice of the General Meeting of Shareholders or are not in compliance with the provisions of the preceding article.

The Company attaches great importance to the management of investor relations, and pursuant to the Management System for Information Disclosure and the Management System for Investor Relations of the Company, the Board Secretary is designated to handle information disclosure matters, and to receive visits and enquiries from the Shareholders, thereby having established a relatively well-managed and effective channel for communication with the Shareholders. In addition to the information disclosure channels prescribed in the laws and regulations, the Company mainly communicates with its investors through telephone, email, online platform, receiving visits, and attending investor meetings, to ensure that all Shareholders, especially the minority Shareholders, can fully exercise their rights. During the Reporting Period, the Company has reviewed above communicating policies between the Company and its Shareholders. The Board of Directors is of the view that the views of the Shareholders have been properly received and addressed and that the policies have been effectively implemented.

The Company fully respects and protects the lawful interests of the Shareholders and other creditors, employees, clients and other stakeholders, and involves them in a joint effort to promote the sustained and healthy development of the Company.

The 2023 First Extraordinary General Meeting of the Company was held at Beijing Ruicheng Four Seasons Hotel, and two special resolutions were considered and approved; the 2022 Annual General Meeting of the Company was held at Kempinski Hotel, Beijing, and nine ordinary resolutions were considered and approved. The two shareholders' meetings, taken by poll through a combination of on-site voting and online voting, were chaired by Mr. ZHANG Youjun, the Chairman of the Company, and Directors, Supervisors and certain members of the Senior Management of the Company attended the meetings.

Note: For details of the resolutions of the meetings mentioned above, please refer to the announcements published on the HKEXnews website of HKEX on the date of the meeting, and the announcements published on the SSE website, China Securities Journal, Shanghai Securities News and Securities Times published on the following day

During the Reporting Period, the attendances of Directors at the general meetings/class meetings are as follows:

Name of Director	Whether an Independent Director or not	Required attendance at Board meetings held during the year	Attendance in Board meetings				Whether failure to attend two consecutive meeting in person or not	Attendance in general meetings	
			Attendance in person	Attendance by tele-communication	Attendance by proxy	Absence			Actual attendance
ZHANG Youjun	No	14	14	9	–	–	No	2	
YANG Minghui	No	14	14	9	–	–	No	2	
ZHANG Lin	No	14	14	9	–	–	No	2	
FU Linfang	No	14	14	9	–	–	No	2	
ZHAO Xianxin	No	14	14	9	–	–	No	2	
WANG Shuhui	No	14	14	9	–	–	No	2	
LI Qing	Yes	14	14	9	–	–	No	2	
SHI Qingchun	Yes	14	14	9	–	–	No	2	
ZHANG Jianhua	Yes	14	14	9	–	–	No	2	

# Corporate Governance Report

## Board and the Operation Management

### Composition of the Board

The Company strictly complies with the requirements of the Articles of Association of the Company for elections and changes of the Directors. The number and composition of the Board have complied with the requirements of the relevant laws and regulations. Besides, the Board also kept improving the Rules of Procedure of the Board. The convening, holding, as well as the voting procedures of all the Board meetings were legitimate and valid. The independent non-executive Directors of the Company are able to protect the interests of minority Shareholders independently and objectively, and play a role of checks and balance in the decision-making of the Board.

As at the end of the Reporting Period, the Eighth Session of the Board consisted of nine Directors, including two executive Directors (Mr. ZHANG Youjun and Mr. YANG Minghui), four non-executive Directors (Mr. ZHANG Lin, Ms. FU Linfang, Mr. ZHAO Xianxin and Mr. WANG Shuhui) and three independent non-executive Directors (Mr. LI Qing, Mr. SHI Qingchun and Mr. ZHANG Jianhua), and the independent non-executive Directors reached one third of the Board. Mr. ZHANG Youjun is the Chairman of the Company.

Directors (including executive Directors, non-executive Directors and independent non-executive Directors) are elected by the general meeting for a term of three years commencing from the date on which their appointments are approved at the general meeting. Directors are eligible for re-election upon the expiration of their terms. The terms of independent non-executive Directors are the same as the other Directors, but shall not be re-elected for more than two consecutive sessions. In accordance with relevant requirement of Measures for the Administration of Independent Directors of Listed Companies (上市公司獨立董事管理辦法) of CSRC and Rule 3.13 of the Hong Kong Listing Rules, the Company has received the self-examination report and annual written confirmation from each of the independent non-executive Director with regard to his independence. Based on these self-examination and confirmations and the relevant information available to the Board, the Company continues to confirm their independence.

Pursuant to the authorisation of the 2011 Fifth Extraordinary General Meeting, the Company has purchased liability insurance for the Directors, Supervisors and Senior Management, so as to protect them against the compensation liabilities that may arise from performing their duties and to encourage them to earnestly fulfil their duties and responsibilities.

### Duties and responsibilities of the Board

The Board is the decision-making body of the Company and is responsible to the general meeting. The Board is principally responsible for making the overall and long-term decisions of the Group, as well as making decisions on corporate governance, development strategy, risk management, financial operation and other aspects. The Board is also responsible for reviewing and approving of the major financial and investment decisions, business strategies and other plans of the Company.

The Board shall exercise the following major functions and powers in accordance with the Articles of Association of the Company: to convene general meeting and report its work to the general meeting; to report at the annual general meeting and to disclose the performance of duties by the directors in the annual report, including the attendance of Board meetings and votes of the directors during the Reporting Period; to implement the resolutions of the general meeting; to decide on the business plans and investment plans of the Company; to formulate the annual financial budget plan and the final account plan of the Company; to formulate the profit distribution plan and loss recovering plan of the Company; to formulate proposals for the increase or reduction of the registered capital, the issuance of bonds or other securities and

the listing plan of the Company; to prepare plans for material acquisitions, purchase of the Company's Shares, or merger, separation, dissolution or change of the corporate form of the Company; to decide on the external investment, acquisition and disposal of assets, mortgage of assets, external guarantee, entrusted wealth management, related party/connected transactions, external donations, etc. of the Company in accordance with the laws and regulations or the listing rules of the stock exchange where the Company's shares are listed or within the scope of the authorisation of the general meeting; to decide on the establishment of the internal management structure of the Company; to decide on the appointment of Senior Management of the Company, and assess and determine their remuneration, rewards and punishments; and to decide on the dismissal of Senior Management (including but not limited to the person who assumes the primary or leadership responsibility for the occurrence of major compliance risks); to formulate the basic management system of the Company; to formulate the amendment to the Articles of Association of the Company; to manage information disclosures of the Company; to propose to the general meeting on the engagement or replacement of the accounting firms of the Company who conduct audit for the Company; to listen to the work report and check the work of the President of the Company; to consider and approve the fundamental system of compliance management and overall risk management of the Company; to consider and approve the risk appetite, risk tolerance and major risk limits of the Company; to consider the regular risk assessment reports of the Company; to listen to the work report of the Chief Compliance Officer and Chief Risk Officer; to consider and approve the annual compliance report; to assess the effectiveness of compliance management and procure solutions for the problems in the compliance management; to consider the information technology management objectives and assume responsibilities for the effectiveness of the information technology management; to perform other duties and powers granted under relevant laws, administrative regulations and departmental rules.

### **Responsibilities of the Operation Management**

The Operation Management of the Company is responsible for implementing the development strategies and policies approved by the Board, as well as the daily operation and management of the Group. The Company sets up the Operation Management Committee, the highest operation management authority of the Company, which shall exercise the following functions and powers in accordance with the Articles of Association of the Company: to carry through and implement the operation guidelines of the Company set by the Board, and decide on material matters in respect of the operation and management of the Company; to formulate and implement the financial budget plan of the Company; to formulate financial account plan, profit distribution plan and loss recovering plan of the Company; to formulate proposals for altering the registered capital of the Company and bonds issuance; to formulate proposals for merging, splitting, transforming the form of and dissolution of the Company; to formulate operational plans and proposals for investment, financing and disposal of assets of the Company, and submit the proposals to the Board for approval according to its terms of reference; to formulate risk management system and to make adjustment as appropriate; to formulate the risk appetite, risk tolerance and major risk limits, regularly assess the overall risk and various key risk management positions of the Company, address issues in risk management and report to the Board; to establish a complete IT system and data quality control mechanism; to implement the IT management objectives set by the Board and take responsibility for IT management; to formulate proposals on the establishment of the management structure of the Company; to build up and improve the comprehensive risk management structure of the Company; to build up a performance appraisal system for all employees covering the effectiveness of the risk management, to formulate and approve the proposal of remuneration, rewards and punishments of employees; to build up and improve an organizational structure for compliance management, to comply with the order of the compliance management, equip sufficient and appropriate compliance management personnel, and provide adequate human, material, financial and technical support and guarantee for them to perform their duties; to promptly report and rectify any irregularities found and implement accountability; to perform other functions and powers delegated by the Board.

# Corporate Governance Report

During the Reporting Period, the Operation Management of the Company firmly performed their duties. Various operational and management works were steadily promoted and positive results had been achieved, and the Company's business results and market rankings of various main businesses continued to maintain in top tier of the industry. Focusing on risk prevention, the Company further improved the global risk compliance control system. Strengthening data governance and application, the Company continued to promote the development of its digital transformation towards the overall business, overall process and overall mode. Putting great efforts in the construction of the talent team, the Company further optimized the composition of personnel. Further promoting the construction of corporate culture, the Company actively fulfilled its social responsibilities.

## Performance of duties by Directors

### Board meeting and attendance of Directors

Sessions	Date of Meeting	Resolutions of the Meetings
The 2nd Meeting of the Eighth Session of the Board	19 January 2023	Considered and approved: <ol style="list-style-type: none"><li>1. Proposal on Amendments to the Articles of Association of the Company</li><li>2. Proposal on the Cancellation of CITIC Securities Overseas Investment Company Limited</li></ol>
The 3rd Meeting of the Eighth Session of the Board	24 February 2023	Considered and approved: Proposal on Change of the Chief Risk Officer of the Company
The 4th Meeting of the Eighth Session of the Board	30 March 2023	Considered and approved: <ol style="list-style-type: none"><li>1. 2022 Annual Report</li><li>2. 2022 Profit Distribution Plan</li><li>3. Proposal on the Distributed Total Remuneration of the Directors of the Company for 2022</li><li>4. 2022 Work Report of the Board</li><li>5. Proposal on the Estimated Investment Amount for the Proprietary Business of the Company for 2023</li><li>6. 2023 Financing Guarantee Plan of the Company</li><li>7. Proposal on Estimation of Related Party/Continuing Connected Transactions Contemplated in the Ordinary Course of Business of the Company in 2023</li><li>8. 2022 Duty Performance Report of the Independent Non-executive Directors</li><li>9. Internal Control Audit Report</li><li>10. 2022 Assessment Report on the Internal Control</li><li>11. 2022 Compliance Report</li><li>12. 2022 Evaluation Report on the Compliance Management Effectiveness</li><li>13. 2022 Anti-money Laundering Work Report</li><li>14. Work Report on the Self-assessment of Money Laundering and Terrorist Financing Risks</li></ol>



Sessions	Date of Meeting	Resolutions of the Meetings
		15. 2022 Integrity Practice Management Report 16. 2022 Comprehensive Risk Management Report 17. 2022 Risk Appetite Management Report 18. Risk Appetite Statement for 2023 19. Proposal on the Distributed Total Remuneration of the Senior Management of the Company for 2022 20. Proposal on Annual Assessment on the Chief Compliance Officer of the Company 21. 2022 Corporate Governance Report 22. 2022 Audit Work Report 23. 2022 Social Responsibility Report 24. 2022 Special Report on Information Technology Management 25. Special Audit Report on the Implementation of the Relevant Requirements of Notice No. 128 of Shenzhen Securities Regulatory Bureau 26. 2022 Special Report on the Depository and Actual Use of the Proceeds 27. Proposal on the Authorization of Convening the 2022 Annual General Meeting and considered: Report on the Assets for Write-off of Bad Debts in 2022
The 5th Meeting of the Eighth Session of the Board	27 April 2023	Considered and approved: 1. 2023 First Quarterly Report 2. Proposal on Amendments to Detailed Rules for the Work of the Executive Committee 3. Proposal on Change of Company Secretary and Authorized Representative of Hong Kong Stock Exchange and Principal Authorized Person of the Electronic Submission System
The 6th Meeting of the Eighth Session of the Board	12 May 2023	Considered and approved: Proposal on Change of Accounting Firms
The 7th Meeting of the Eighth Session of the Board	30 May 2023	Considered and approved: 1. Proposal in Relation to the Amendments to the Rules of Procedures of the Nomination Committee of the Board of Directors and the Rules of Procedures of the Remuneration and Appraisal Committee of the Board of Directors of the Company 2. Proposal in Relation to the Amendments to the Measures for the Management of the Holdings in the Shares of CITIC Securities Company Limited by Directors, Supervisors and Senior Management and Relevant Changes of the Company 3. Proposal in Relation to the Amendments to the Internal Information Management Work Guidelines of the Company

# Corporate Governance Report

Sessions	Date of Meeting	Resolutions of the Meetings
The 8th Meeting of the Eighth Session of the Board	14 June 2023	Considered and approved: Proposal on Changing the External Investment Amount of Subsidiaries
The 9th Meeting of the Eighth Session of the Board	21 July 2023	Considered and approved: Proposal on the External Investment through a Subsidiary
The 10th Meeting of the Eighth Session of the Board	29 August 2023	Considered and approved: <ol style="list-style-type: none"> <li>1. 2023 Interim Report</li> <li>2. 2023 Interim Compliance Report</li> <li>3. 2023 Interim Comprehensive Risk Management Report</li> <li>4. 2023 Interim Risk Appetite Management Report</li> <li>5. Proposal in Relation to the Amendments to the Company's Risk Appetite Statement for 2023</li> <li>6. 2023 Interim Special Report on the Depository and Actual Use of the Proceeds</li> <li>7. Special Audit Report on the Material Related Party Transactions</li> <li>8. Proposal on the Election of Members of the Nomination Committee of the Board of the Company</li> </ol> <p>and reviewed: the Progress on Evaluation of New Products and New Businesses of the Company</p>
The 11th Meeting of the Eighth Session of the Board	8 September 2023	Considered and approved: Proposal on the External Investment through a Subsidiary
The 12th Meeting of the Eighth Session of the Board	23 October 2023	Considered and approved: Proposal on Mr. ZOU Yingguang Ceasing to Serve as the Executive Member of the Company
The 13th Meeting of the Eighth Session of the Board	30 October 2023	Considered and approved: <ol style="list-style-type: none"> <li>1. 2023 Third Quarterly Report</li> <li>2. Proposal on Improving the Company's Basic Management System of Integrity Practice</li> <li>3. Proposal on Improving the Company's Basic Anti- Money Laundering Management System</li> </ol>

Sessions	Date of Meeting	Resolutions of the Meetings
The 14th Meeting of the Eighth Session of the Board	19 December 2023	<p>Considered and approved:</p> <ol style="list-style-type: none"> <li>Proposal on the Amendments to the Rules of Procedures of the Strategic Planning and ESG Committee of the Board of the Company</li> <li>Proposal on the Amendments to the Rules of Procedure of the Audit Committee of the Board of the Company</li> <li>Proposal on the Amendments to the Rules of Procedures of the Remuneration and Appraisal Committee of the Board of the Company</li> <li>Proposal on the Amendments to the Rules of Procedures of the Nomination Committee of the Board of the Company</li> <li>Proposal on the Amendments to the Rules of Procedure of the Risk Management Committee of the Board of the Company</li> <li>Proposal on the Amendments to the Rules of Procedure of the Related Party Transactions Control Committee of the Board of the Company</li> <li>Proposal on the Amendments to the Working System for Independent Directors of the Company</li> <li>Proposal on the Appointment of the Securities Affairs Representative of the Company</li> <li>Proposal on Considering Audit Report of Anti-money Laundering Work of the Company</li> </ol>
The 15th Meeting of the Eighth Session of the Board <sup>Note</sup>	5 January 2024	<p>Considered and approved:</p> <ol style="list-style-type: none"> <li>Proposal on the Change of Chief Financial Officer of the Company</li> <li>Proposal on the Change of the Chief Risk Officer of the Company</li> <li>Proposal on Amendments to the Measures for Performance Appraisal and Compensation Management for Senior Executives of the Company</li> </ol>

Note: The 15th Meeting of the Eighth Session of the Board was a communication voting meeting, and the notice of the meeting was issued in December 2023.

# Corporate Governance Report

During the Reporting Period, the attendances of Directors at the Board meetings are as follows:

Name of Director	Whether an Independent Director or not	Required attendance at Board meetings held during the year	Attendance in Board meetings				Failure to attend two consecutive meetings in person or not
			Attendance in person	Attendance by tele-communication	Attendance by proxy	Absence	
ZHANG Youjun	No	14	14	9	—	—	No
YANG Minghui	No	14	14	9	—	—	No
ZHANG Lin	No	14	14	9	—	—	No
FU Linfang	No	14	14	9	—	—	No
ZHAO Xianxin	No	14	14	9	—	—	No
WANG Shuhui	No	14	14	9	—	—	No
LI Qing	Yes	14	14	9	—	—	No
SHI Qingchun	Yes	14	14	9	—	—	No
ZHANG Jianhua	Yes	14	14	9	—	—	No

Note: The attendance listed in the table above represents the number of meetings attended by the Directors in their terms of office during the Reporting Period

## Implementation of resolutions approved at the General Meetings by the Board

- (1) On 29 June 2021, the Resolution on the Re-authorisation of Issuances of Onshore and Offshore Corporate Debt Financing Instruments by the Company was considered and approved at the 2020 Annual General Meeting of the Company. As at the end of 2023, the resolution was in effect and the aggregate existing size of debt financing instruments issued under the resolution was approximately RMB161.982 billion.
- (2) On 9 August 2021, the Proposal on the Establishment of an Asset Management Subsidiary and the Corresponding Change to the Business Scope of the Company was considered and approved at the 2021 First Extraordinary General Meeting of the Company. The establishment of the asset management subsidiary of the Company was approved by the CSRC on 30 December 2022. CITIC Securities AM has completed the industrial and commercial registration and obtained its business license on 1 March 2023. The Company has renewed the new Securities and Futures Business License on 30 October 2023 and provided net capital guarantees to CITIC Securities AM in the aggregate amount of RMB5 billion during the Reporting Period.
- (3) On 9 March 2023, the 2023 First Extraordinary General Meeting of the Company considered and approved a proposal on the amendment of the Articles of Association of the Company, adjusting the highest operation management authority and the business scope of the Company, etc. The amended Articles of Association of the Company came into effect from 9 March 2023.
- (4) On 28 June 2023, the 2022 Profit Distribution Plan was considered and approved at the 2022 Annual General Meeting of the Company. The Company adopted the cash dividend payment method for its 2022 profit distribution, and all cash dividends had been fully paid on 25 August 2023.

- (5) On 28 June 2023, the Proposal on Changing the Accounting Firms was also considered and approved at the 2022 Annual General Meeting of the Company, and appointed KPMG Huazhen as the Company's domestic accounting firm for the 2023, and KPMG Hong Kong as the Company's international accounting firm for the 2023, which will be responsible for the provision of the relevant annual audit, interim review, internal control audit and other relevant auditing services in accordance with the China Accounting Standards and the International Financial Reporting Standards, respectively. On 26 March 2024, KPMG issued unqualified audit's reports and the Audit Report on the Internal Control for the Company.

The main measures taken by the Board in corporate governance during the Reporting Period

- (1) Corporate governance of the Company and related suggestions: Facing the complex economic and market environment in 2023, the Board and specialized committees of the Board of the Company continued to pay attention to the conditions of the Company and of the market and regulatory requirements, and helped the Company to further sort out the internal management process, strengthen the internal control mechanism and establish a sound risk management system.
- (2) Development of directors and senior management: The Company provided professional training for directors and senior management to perform their duties, and provided them with relevant information on the securities industry and the Company's development trends in a timely manner to facilitate their performance of duties.
- (3) Compliance management of laws and regulations: The Board revised the Articles of Association of the Company and its appendixes, the rules of procedures of each committee of the Board, the Rules of Procedure of the Executive Committee and the Working System for Independent Directors in accordance with the provisions and requirements of various laws and regulations and normative documents as amended by regulatory authorities and taking into consideration the Company's business operation and development needs.
- (4) ESG governance: The Board of the Company comprehensively oversaw the implementation of the Company's ESG policies and plans, supervised the Company's environmental, social and governance matters with the assistance of its subordinate Strategic Planning and ESG Committee, controlled the Company's ESG strategies, approaches and targets, listened to the reports on the implementation of the Company's ESG works and provided guidance and suggestions.
- (5) Construction of corporate culture: During its nearly 30 years of development, CITIC Securities has developed a corporate culture system incorporating the mission, vision, core values, characters and consensus of the Company. The Company has established a management mechanism for the construction of corporate culture, with the leading group as the leading organization, while the working group performing the responsibilities of daily management and all departments, business lines, and subsidiaries (branch offices) serving as the executing organization. The Company formulated a scientific and systematic annual work plan for the construction of corporate culture. In 2023, the Company guided all employees to inherit cherished culture by holding a series of activities such as creating connections between young employees and the real economy and the subsidiaries and branches in need and the promotion month centering on the corporate culture. The Company has achieved the highest rating in the cultural construction practice evaluation of the securities industry for three consecutive years since 2020.

# Corporate Governance Report

## Training of Directors

Training of Directors is a continuous program. The Company will arrange induction training for all newly appointed Directors according to their experiences and backgrounds. The Company will also provide relevant various kinds of reading materials to newly appointed Directors to enhance their knowledge and understanding about the corporate culture and operation of the Group. The content of the training and reading materials generally include brief introduction about the structure, business and corporate governance of the Group, as well as an introduction on the securities industry and investment banking business in China.

In addition, every Director will receive a guideline on code of conduct and other documents when joining the Board. During the Reporting Period, the Directors were periodically or occasionally provided with reporting information about the business operations of the Group, as well as the introduction on the changes and latest development of the relevant legislative and regulatory environment. Besides, the Company also encouraged all Directors to participate in relevant training courses at the cost of the Company. All Directors have provided regular training records to the Company.

During the Reporting Period, the Directors of the Company attached great importance to updating their professional knowledge and skills to cater for the needs of the Company's development, the methods and the details of which are as follows:

Name	Positions	Methods and Details of the Training
ZHANG Youjun	Executive Director, Chairman	<p>In April 2023, he participated in Studying and Implementing Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and the reading training on the Spirit of the 20th National Congress of the CPC organized by CITIC Group</p> <p>In May 2023, he attended the online specialized thematic courses on Strengthening the Party's Innovative Theoretical Knowledge, Enhancing Party Construction in Corporations organized by China E-learning Academy for Leadership</p> <p>In September 2023, he attended the typical case column online courses on Carbon Dioxide Peaking and Carbon Neutrality organized by China E-learning Academy for Leadership</p> <p>In November 2023, he attended the financial system specialized training courses on Studying and Implementing the Central Financial Work Conference organized by the Central Communist Party School</p> <p>In December 2023, he attended the column online courses on Correctly Understanding and Vigorously Promoting Chinese Modernization Learning organized by China E-learning Academy for Leadership</p>

Name	Positions	Methods and Details of the Training
YANG Minghui	Executive Director	<p>In April 2023, he participated in Studying and Implementing Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and the reading training on the Spirit of the 20th National Congress of the CPC organized by CITIC Group</p> <p>In September 2023, he attended the typical case column online courses on Carbon Dioxide Peaking and Carbon Neutrality organized by China E-learning Academy for Leadership</p> <p>In November 2023, he attended the financial system specialized training courses on Studying and implementing the Central Financial Work Conference organized by the Central Communist Party School</p> <p>In December 2023, he attended the column online courses on Correctly Understanding and Vigorously Promoting Chinese Modernization Learning organized by China E-learning Academy for Leadership</p>
ZHANG Lin	Non-executive Director	<p>In July 2023, he participated in the training course for the Directors and Supervisors of Central Huijin Investment Ltd.</p> <p>In July 2023, he participated in the training course of Hong Kong Governance Institute</p> <p>In September 2023, he participated in the training course on the rule of law ideology of the Renmin University of China organized by the Corporate Governance Committee of the Central Huijin Investment Ltd.</p> <p>In October 2023, he participated in the training course for Directors and Executives sent by the Ministry of Finance</p> <p>In October 2023, he participated in the Shenzhen Public Companies Association's 2023 training course for Directors, Supervisors and Senior Management of Listed Companies in Shenzhen</p>
FU Linfang	Non-executive Director	<p>In October 2023, she participated in the Shenzhen Public Companies Association's 2023 training course for Directors, Supervisors and Senior Management of Listed Companies in Shenzhen</p>
ZHAO Xianxin	Non-executive Director	<p>In October 2023, he participated in the Shenzhen Public Companies Association's 2023 training course for Directors, Supervisors and Senior Management of Listed Companies in Shenzhen</p>

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Name	Positions	Methods and Details of the Training
WANG Shuhui	Non-executive Director	<p>In August 2023, he participated in the distance course on “How Public Companies Improve ESG Ratings” organized by the China Association for Public Companies</p> <p>In October 2023, he participated in the investor relations management special training on “2023 Investor Relations Management Monthly Activities for Public Companies in Guangdong” organized by Guangdong Office of CSRC and The Listed Companies Association of Guangdong</p> <p>In December 2023, he participated in the online training on “Interpretation of the Reform of the Independent Director System of Listed Companies” organized by Guangdong Office of CSRC and The Listed Companies Association of Guangdong</p>
LI Qing	Independent Non-executive Director	In December 2023, he participated in the Fifth Follow-up Training for Independent Directors of Listed Companies of SSE for 2023
SHI Qingchun	Independent Non-executive Director	In November 2023, he participated in the Fourth Follow-up Training for Independent Directors of Listed Companies of SSE for 2023
ZHANG Jianhua	Independent Non-executive Director	In December 2023, he participated in the Sixth Follow-up Training for Independent Directors of Listed Companies of SSE for 2023

## Chairman

The Chairman is the Company’s legal representative, whose responsibilities are to take charge of the operation of the Board and to ensure that the Board acts in the best interest of the Company, that the Board operates effectively, fulfills its duties and discusses all important and appropriate issues, and that the Directors can receive information in an accurate, timely and clear manner.

## President

Mr. YANG Minghui serves as the President of the Company. The President is responsible for presiding over the Company’s daily work, which mainly includes, organizing to carry out the Board’s resolutions, organizing the implementation of the Company’s annual business plan and investment plan, formulating the Company’s basic management system, formulating the specific rules and regulations of the Company, drafting plans for the establishment of the Company’s internal management structure, proposing the appointment or dismissal of other Senior Management other than the President, the Chief Compliance Officer and the Board Secretary, deciding on the appointment or dismissal of management personnel other than those required to be appointed or dismissed by the Board, implementing the risk control system of the Company, ensuring that the Company meets the requirements of the risk control indicators set by the CSRC, and exercising other powers granted by the Articles of Association of the Company and the Board of the Company. The President shall be accountable to the Board and report his work to the Board.



## Non-executive Directors

The Company currently has seven non-executive Directors, three of which are independent non-executive Directors. For details about the terms of office of the non-executive Directors, please refer to “Directors, Supervisors, Senior Management and Employees” of this report.

## Specialized Committees under the Board of the Company

The Eighth Session of the Board of the Company has established the Strategic Planning and ESG Committee, the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee, the Risk Management Committee and the Related Party Transactions Control Committee, which are responsible for assisting the Board to perform its duties from various aspects.

On 29 August 2023, the Tenth Meeting of the Eighth Session of the Board of the Company elected Mr. ZHANG Jianhua, the Independent Non-executive Director, as the member of the Nomination Committee of the Board of the Company. Up to now, the composition of the specialized committees of the Eighth Session of the Board is as follows:

Category of specialized committees	Name of member
Strategic Planning and ESG Committee	ZHANG Youjun (Chairman), YANG Minghui, FU Linfang, WANG Shuhui
Audit Committee	SHI Qingchun (Chairman), LI Qing, ZHANG Jianhua
Remuneration and Appraisal Committee	ZHANG Jianhua (Chairman), LI Qing, SHI Qingchun
Nomination Committee	LI Qing (Chairman), ZHANG Youjun, ZHANG Lin, SHI Qingchun, ZHANG Jianhua
Risk Management Committee	YANG Minghui (Chairman), ZHAO Xianxin, WANG Shuhui, ZHANG Jianhua
Related Party Transactions Control Committee	SHI Qingchun (Chairman), LI Qing, ZHANG Jianhua

During the Reporting Period, the specialized committees of the Board of the Company cordially performed their duties, actively discussed the changes in internal and external environment, participated in the collective decision-making of material matters of the Company, and provided a number of constructive and professional opinions and recommendations on the rapid and healthy development of the Company. In response to the financial situation of global economy, the national macroeconomic policies and the regulatory requirements on the securities industry, the specialized committees of the Board of the Company affirmed the Company’s strategic goals and made recommendations to the Board in respect of deeply advancing the internationalization process, improving internal control, preventing business risks, exploring more efficient management structures, establishing incentive policies matching the industry positioning of the Company and other aspects. During the Reporting Period, none of the committee members raised objection to the matters being considered.

## Strategic Planning and ESG Committee

The primary responsibilities of the Strategic Planning and ESG Committee of the Board of the Company are: to understand and master the overall operations of the Company; to understand, analyze and master the current conditions of the international and domestic industries; to understand and master relevant policies of China; to research on the short-term, mid-term and long-term development strategies of the Company and other related issues; to advise on the long-term development strategies, major investments, reforms and other major decisions of the Company; to research and provide the advice for decision-making on ESG governance of the Company, including the prospects, objectives and policies of ESG governance; to review, evaluate the implementation of the above items and timely make recommendations for adjustment; other duties conferred by the Board.

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During the Reporting Period, the Strategic Planning and ESG Committee held three meetings in total, details of which are as follows:

<b>Date of Meeting</b>	<b>Proposals Passed</b>
19 January 2023	Considered and approved: Proposal on Cancellation of CITIC Securities Overseas Investment Company Limited
28 March 2023	Considered and approved: 2022 Social Responsibility Report
19 December 2023	Considered and approved: Proposal on Amendments to the Rules of Procedures of the Strategic Planning and ESG Committee of the Board of the Company

All members of the Strategic Planning and ESG Committee attended the above meetings.

## Audit Committee

The primary responsibilities of the Audit Committee of the Board of the Company are: to make recommendations to the Board on the appointment, re-appointment and removal of the external audit institution; to approve the remuneration and terms of engagement of the external audit institution, and to deal with any questions relating to the resignation or dismissal of the audit institution; to review and monitor the independence and objectivity of the external audit institution and the effectiveness of the auditing procedures in accordance with applicable standards; to discuss with the audit institution the nature and scope of the audit and related reporting obligations before the audit commences; to develop and implement policies on engaging an external audit institution to supply non-audit services. The Audit Committee shall report to the Board, identifying and making recommendations on any matters where action or improvement is needed. An external audit institution includes any institution that is under the common control, ownership or management with such external audit institution or any entity that a reasonable and informed third party knowing all relevant information would reasonably conclude to be part of the audit firm nationally or internationally.

During the Reporting Period, the Audit Committee held ten meetings in total. The Audit Committee convened its meetings, considered relevant matters and made decisions in accordance with the Rules of Procedure of the Audit Committee of the Board of the Company, and made efforts to enhance the efficiency of its work and the soundness of its decision-making. The Audit Committee diligently performed its duties, actively participated in the preparation, audit and disclosure of annual financial reports according to the rules and regulations of the Company, ensured the independence of audit, enhanced the audit quality, and protected the overall interests of the Company and its Shareholders.

The Audit Committee and its members have fully played their roles of audit and supervision according to the relevant laws and regulations, diligently performed their duties and made great contributions to improving corporate governance structure and enhancing the audit quality.

The Audit Committee prudently reviewed the financial status of the Company and examined the financial statements prepared by the Company, and considered that the Company's financial system is under stable operation and the financial status is good. Besides, the Board, through the Audit Committee, also reviewed and was satisfied with the adequacy of resources, staff qualifications and experience, training programmes for employees and relevant budget in relation to the Company's accounting and financial reporting functions.

Major accomplishments of the Audit Committee in 2023 included:

- reviewing periodic financial reports
- reviewing the summary of the internal audits and approving the annual internal audit plan
- reviewing the major findings on the audits of the internal audit departments and external auditors, and responses of the management to the recommendations on such audits
- reviewing the effectiveness of the internal control system and adequacy of accounting and financial reporting functions
- reviewing the statutory scope of review of the external auditors
- considering the audit fee and appointment of the external auditors
- reviewing and monitoring the independence of the external auditors and the non-audit services provided by them
- revising the Terms of Reference of Committee
- conducting preliminary review on the change of the Chief Financial Officer

During the Reporting Period and up to the date of this report, the Audit Committee held 12 meetings, details of which are as follows:

<b>Date of Meeting</b>	<b>Proposals Passed</b>	<b>Important Comments and Suggestions</b>	<b>Other Duties Performed</b>
9 January 2023	Considered and approved: the 2022 Audit Plan of the Company	—	The independent non-executive Directors attended the training and sharing activities, and listened to the explanation on recent regulatory policy updates by PwC.

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Date of Meeting	Proposals Passed	Important Comments and Suggestions	Other Duties Performed
10 March 2023	Considered and approved: <ol style="list-style-type: none"> <li>1. Preliminary Audit Results for 2022 of the Company from PwC</li> <li>2. 2023 Audit Work Plan of the Company</li> <li>3. 2022 Audit Work Report of the Company</li> </ol>	Emphasize importance of digital audit.	The independent non-executive Directors inspected the Company's operation, listened to the report on the financial position and the business performance of the Company in 2022, and communicated with the management; independent non-executive Directors attended meetings with the accounting firms and listened to Preliminary Audit Results for 2022 of the Company from PwC.
28 March 2023	Considered and approved: <ol style="list-style-type: none"> <li>1. Audit Work Summary of PwC</li> <li>2. 2022 Annual Report</li> <li>3. Audit Report on the Internal Control</li> <li>4. 2022 Assessment Report on the Internal Control</li> <li>5. Performance Report of the Audit Committee of the Board for 2022</li> </ol>	—	—
26 April 2023	Considered and approved: 2023 First Quarterly Report	—	—
11 May 2023	Considered and approved: Proposal on Change of Accounting Firms	—	—

<b>Date of Meeting</b>	<b>Proposals Passed</b>	<b>Important Comments and Suggestions</b>	<b>Other Duties Performed</b>
14 August 2023	Considered and approved: Proposal on Considering 2023 Interim Review Work of the Company	Suggest that stronger focus on data governance.	The independent non-executive Directors inspected the Company's operation and listened to the report on the financial position and the business performance of the Company in the first half of 2023; independent non-executive Directors attended meetings with the accounting firms and listened to the report of the 2023 Interim Review Work.
28 August 2023	Considered and approved: 1. 2023 Interim Report 2. 2023 Interim Special Report on the Depository and Actual Use of the Proceeds	—	—
27 October 2023	Considered and approved: 1. 2023 Third Quarterly Report 2. 2023 Interim Special Inspection Report	—	—
15 December 2023	Considered and approved: 1. Proposal on Amending the Company's Rules of Procedure of the Audit Committee of the Board 2. Proposal on Considering Audit Report of Anti-money Laundering Work of the Company 3. 2023 Audit Plan of the Company	In terms of the measurement basis of financial instruments, it is suggested to fully consider the changes in the macro-economy, industry environment and capital market and make full use of information technology to further strengthen the construction of anti-money laundering management system of the Company.	Listening to the explanation on recent regulatory policy updates by accounting firms.
5 January 2024 <sup>Note</sup>	Considered and approved: Proposal on the Change of the Chief Financial Officer of the Company	—	—

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Date of Meeting	Proposals Passed	Important Comments and Suggestions	Other Duties Performed
8 March 2024	Considered and approved: <ol style="list-style-type: none"> <li>1. Audit Work Report of the Company for 2023</li> <li>2. Audit Work Plan of the Company for 2024</li> <li>3. Proposal on Amendments to the Internal Audit Work Management System of the Company</li> <li>4. Report of KPMG on the Company's Preliminary Audit Results for 2023</li> </ol>		The independent non-executive Directors inspected the Company's operation, listened to the report on the financial position and the business performance of the Company in 2023 and communicated with the management; independent non-executive Directors met the accounting firms and held thematic opinion exchange session on "Theory and practice of inclusion of data resource in table".
25 March 2024	Considered and approved: <ol style="list-style-type: none"> <li>1. A Summary of Audit Work of KPMG on the Company for 2023</li> <li>2. Duty Performance Report of the Audit Committee of the Board for 2023</li> <li>3. 2023 Annual Report</li> <li>4. Internal Control Audit Report</li> <li>5. 2023 Assessment Report on the Internal Control</li> <li>6. 2023 Performance Assessment Report of the External Audit Institution and the Performance Report of the Audit Committee on Supervising the External Audit Institution</li> </ol>	—	—

Note: The 2023 10th Meeting of the Audit Committee was a communication voting meeting, and the notice of the meeting was issued in December 2023

All members of the Audit Committee attended above meetings. They carefully reviewed the meeting documents beforehand, making full preparation for performing their duties. During the process of considering the relevant proposals at the meetings, all the members put forward pertinent suggestions leveraging on their own professional background and experience, and actively guided the Company for relevant improvements.

Overview of audit work of the Company:

KPMG carried out the 2023 audit work on the Company mainly by two stages, the preliminary audit and year-end audit. KPMG adopted the “Integrated Audit” method to complete the audit work in combination of the audit on financial statements and the audit on internal control. At the preliminary audit stage, KPMG conducted the audit on internal control and carried out internal control testing at the enterprise level and the business process level under the Chinese Certified Public Accountants Auditing Standards, the Guidelines for Audit on Enterprise Internal Control and the Opinions on the Implementation of the Guidelines for Audit on Enterprise Internal Control issued by the Chinese Institute of Certified Public Accountants. Meanwhile, the IT auditors of KPMG also asked for information about and conducted testing on major computer systems used by the Company. At the year-end audit stage, KPMG focused on the implementation of principal accounting policies and the application of critical accounting judgements and accounting estimations adopted by the Company. KPMG conducted detailed testing such as external confirmations, review and re-calculation and substantive analysis to conduct audit on financial statements items.

In order to successfully complete the audit on the 2023 annual financial statements of the Company and procure auditors to issue relevant reports within the agreed period, the Audit Committee of the Board of the Company authorized the Planning and Financial Department of the Company to supervise on KPMG in relation to the planning of audit work, impairments of goodwill, valuation of financial instruments, impairments of financing business, judgement on scope of consolidation, audit progress, timing of initial draft and final draft of the audit report, etc. during the auditing period. The Audit Committee convened the 2023 9th meeting of the Audit Committee of the Eighth Session of the Board of the Company on 15 December 2023 on site, at which the Audit Committee considered and unanimously approved the 2023 Audit Plan of the Company. On 26 March 2024, KPMG issued the unqualified audit reports for the Company within the scheduled time.

In addition, the Audit Committee conducted an annual appraisal on KPMG. In the appraisal, major considerations of the Audit Committee include requirements of the laws and regulations of the China’s Mainland and Hong Kong and relevant professional provisions in relation to the external auditors, and the external auditors’ compliance with such laws, regulations and provisions and their overall performance during the Reporting Period. The Audit Committee is also responsible for reviewing the independence of KPMG to ensure that the reports issued by KPMG can provide truly and objective opinions. The Audit Committee has received a written confirmation from KPMG on their independence and objectivity prior to the audit of the Company’s 2023 financial statements. KPMG shall not offer any other non-assurance service unless otherwise specially approved, to ensure that their judgment and independence in the audit are not undermined. The Audit Committee of the Board of the Company was of the opinion that KPMG conducted its independent audit on the 2023 financial statements of the Company in a diligent, fair and objective manner, and successfully completed the annual audit work.

On 25 March 2024, the Audit Committee considered and approved the 2023 Assessment Report on the Internal Control and the Audit Report on Internal Control of the Company, and was of the view that the internal control system of the Company was effective and well-performed, and the sound development of the Company is effectively secured.

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## Remuneration and Appraisal Committee

The primary responsibilities of the Remuneration and Appraisal Committee of the Board of the Company are: to establish and implement the performance appraisal system, the remuneration policy and the reward and punishment and incentive measures, and to make recommendations to the Board on the remuneration and its structure of all the Directors and Senior Management of the Company and on the establishment of a formal and transparent procedure for developing such remuneration policy; to establish appraisal standards for Directors and Senior Management, and review the performance of the Directors and Senior Management of the Company, carry out annual performance appraisals over them; and review and approve performance-based remuneration proposals with reference to the Board of Directors' corporate goals; to determine with delegated responsibility by the Board of Directors, the remuneration packages of all executive directors and senior management, including benefits in kind, pension rights and compensation payments (including any compensation payable for loss or termination of their office or appointment), and to make recommendations to the Board of Directors on the remuneration of non-executive directors. The Remuneration and Appraisal Committee shall consider factors such as characteristics of the financial and securities industries, salaries paid by comparable companies, time commitment and responsibilities of the directors, individual performance, employment conditions elsewhere in the Company, and applicability of performance-based remuneration. In the remuneration structure of an executive director, a major part of his or her remuneration shall depend on his or her personal performance and the performance of the Company; and to supervise the implementation of the remuneration system of the Company.

Major accomplishments of the Remuneration and Appraisal Committee in 2023 included:

- reviewing the performance of the Directors and Senior Management of the Company, and carrying out annual performance appraisals over them
- reviewing the remuneration level of the Directors and Senior Management and making recommendations to the Board in this regard
- supervising the implementation of the remuneration system of the Company
- revising the Terms of Reference of Committee



During the Reporting Period, the Remuneration and Appraisal Committee held four meetings, details of which are as follows:

<b>Date of Meeting</b>	<b>Proposals Passed</b>	<b>Important opinions and Recommendations</b>
30 March 2023	<p>Considered and approved:</p> <ol style="list-style-type: none"> <li>Proposal on Considering the Report of the Duty Performance of the Remuneration and Appraisal Committee of the Board of the Company in 2022</li> <li>Proposal on the Distributed Total Remuneration of Senior Management of the Company for 2022</li> <li>Proposal on Annual Assessment on the Chief Compliance Officer of the Company</li> <li>Proposal on the Distributed Total Remuneration of the Directors of the Company for 2022</li> </ol>	<p>It is emphasized to design a scientific and reasonable deferral period and proportion of the risk cycle of the business, so as to further improve compensation management mechanisms such as compensation deferral.</p>
29 May 2023	<p>Considered and approved:</p> <p>Proposal on Amendment of the Terms of Reference of the Remuneration and Appraisal Committee of the Board of Directors of the Company</p>	—
19 December 2023	<p>Considered and approved:</p> <p>Proposal on Amendment of the Terms of Reference of the Remuneration and Appraisal Committee of the Board of Directors of the Company</p>	—
27 December 2023	<p>Considered and approved:</p> <ol style="list-style-type: none"> <li>Proposal on Amendment of the Performance Appraisal and Remuneration Management Measures for Executive Officers of the Company</li> <li>Proposal on Considering the Achievement of Performance Targets in 2022 and the Implementation Plan of Annual Performance-based Remuneration Policy for Leadership Personnel of the Company</li> </ol>	—

All members of the Remuneration and Appraisal Committee attended the above meetings.

During the Reporting Period, the Remuneration and Appraisal Committee supervised the implementation of the remuneration system of the Company, and was of the opinion that the Company strictly implemented the remuneration system established by the Board of the Company, and that the information about the remuneration of the Directors, Supervisors and Senior Management disclosed in the 2023 annual report of the Company was true, accurate and complete, and in compliance with the relevant requirements of the CSRC and the Hong Kong Stock Exchange.

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## Nomination Committee

The primary responsibilities of the Nomination Committee of the Board of the Company are: to review the structure, number and composition of the Board (including skills, knowledge, experience and diversity of the Board members) at least once a year, and make recommendations on any proposed changes to the Board, if necessary, to match up with the strategies of the Company; to study the selection criteria and procedures of the Directors and Senior Management and make recommendations to the Board; to conduct extensive searches for qualified candidates for the Directors and Senior Management, select and nominate relevant candidates of Directors or make recommendations to the Board in this regard; to review the qualification of the relevant nominees and form the specific recommendations for review and so on.

In order to achieve Board diversity, the Terms of Reference of the Nomination Committee of the Board of the Company clearly states that the Nomination Committee should select the Director candidates based on objective standards, and relevant standards include but are not limited to:

- considering a combination of factors, such as gender, age, cultural and educational background, as well as professional experience of the Director candidates
- considering the Company's business features and future development needs, etc.

The Nomination Committee selects Director candidates and periodically reviews the measurable objectives of selecting Director candidates, including but not limited to, gender, age, culture background, education background, professional experience, years of service, etc., based on the abovementioned diversity principles. After taking into comprehensive consideration the Company's business and development needs, the Nomination Committee believes that the current session of the Board fully reflects a diversified composition in terms of skills, experience, knowledge and independence. As at the date of this report, the Company consists of nine Directors, the composition of the Board from the view of diversity is summarized as follows: (1) education background: four of them hold Doctor's degree and four hold Master's degree; (2) age: one of them is at or beyond the age of 60 and the other eight are below the age of 60; (3) role: two of them are executive Directors, four of them are non-executive Directors and the other three are independent non-executive Directors.

The Company provides the Nomination Committee with sufficient resources to perform its duties. The Nomination Committee may, if necessary, seek independent professional advice when performing its duties at the Company's expense.

Major accomplishments of the Nomination Committee in 2023 included:

- conducting preliminary review on the change of senior management of the Company
- revising the Rules of Procedures of the Committee

During the Reporting Period, the Nomination Committee held four meetings, details of which are as follows:

<b>Date of Meeting</b>	<b>Proposals Passed</b>
17 February 2023	Considered and approved: Proposal on Change of Chief Risk Officer of the Company
29 May 2023	Considered and approved: Proposal on Amendments to the Terms of Reference of the Nomination Committee of the Board of Directors of the Company
19 December 2023	Considered and approved: Proposal on Amendments to the Terms of Reference of the Nomination Committee of the Board of Directors of the Company
5 January 2024 <sup>Note</sup>	Considered and approved: <ol style="list-style-type: none"> <li>1. Proposal on Change of Chief Financial Officer of the Company</li> <li>2. Proposal on Change of Chief Risk Officer of the Company</li> </ol>

Note: The 4th Meeting of the Nomination Committee for 2023 was a communication voting meeting, and the notice of the meeting was issued in December 2023

All members of the Nomination Committee attended the above meetings.

Pursuant to the Articles of Association of the Company, Director candidates shall be nominated by the Board or the Shareholders who individually or jointly hold more than 3% of the total voting shares in the Company. The methods and procedures for nomination of independent non-executive Directors shall be implemented in accordance with laws, regulations, regulatory requirements and the relevant independent non-executive director system. The list of the Director and the Supervisor candidates shall be submitted to the general meeting for approval by way of resolution.

Before the list of the Director candidates is presented to the Board, the Nomination Committee must conduct a review and make recommendations to the Board and the Shareholders. The Nomination Committee will review the biography of each of the candidates, conduct due diligence and evaluate the candidates' skills, knowledge, experience and diversification, etc.

During the Reporting Period, the Nomination Committee extensively searched for qualified senior management candidates, conducted review over the candidates and provided opinions to the Board of Directors for decision. The Nomination Committee selects and recommends senior management candidates based on the following criteria:

Familiar with domestic and overseas securities business, with many years of experience in securities and finance; have a deep understanding and unique insight into each of the Company's main businesses, and have achieved excellent results in a certain main business; have strong strategic analysis ability, leadership, executive force and business coordination ability; have an international vision; comply with the relevant provisions of the CSRC's Measures for the Supervision and Administration of Directors, Supervisors, Senior Management Members and Practitioners of Securities Fund Operating Institutions; have the time and energy necessary for performing duties; comply with other conditions stipulated by laws, administrative regulations and the Articles of Association of the Company.

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## Risk Management Committee

The primary responsibilities of the Risk Management Committee of the Board of the Company are: to review and advise on the basic system of the overall risk management subject to the consideration and approval by the Board of Directors; to review and advise on risk preference, risk tolerance and significant risk limits of the Company subject to consideration and approval by the Board of Directors; to review and advise on the general objectives of compliance management and fundamental policies, etc.

Major accomplishments of the Risk Management Committee in 2023 included:

- reviewing various reports in relation to risk control, compliance management and internal control and governance

During the Reporting Period, the Risk Management Committee held four meetings, details of which are as follows:

<b>Date of Meeting</b>	<b>Proposals Passed</b>
28 March 2023	Considered and approved: <ol style="list-style-type: none"><li>1. Audit Report on the Internal Control</li><li>2. 2022 Assessment Report on the Internal Control</li><li>3. 2022 Compliance Report</li><li>4. 2022 Evaluation Report on the Compliance Management Effectiveness</li><li>5. 2022 Anti-money Laundering Work Report</li><li>6. Work Report on the Self-assessment of Money Laundering and Terrorist Financing Risks</li><li>7. 2022 Integrity Practices Management Report</li><li>8. 2022 Comprehensive Risk Management Report</li><li>9. 2022 Risk Appetite Management Report</li><li>10. 2023 Risk Preference Statement</li><li>11. Special Report on Information Technology Management for 2022</li></ol>
28 August 2023	Considered and approved: <ol style="list-style-type: none"><li>1. 2023 Interim Compliance Report</li><li>2. 2023 Interim Comprehensive Risk Management Report</li><li>3. 2023 Interim Risk Appetite Management Report</li><li>4. Proposal on Amendment to 2023 Risk Preference Statement</li></ol>
27 October 2023	Considered and approved: <ol style="list-style-type: none"><li>1. Proposal on Improving Basic Management System of Integrity Practices of the Company</li><li>2. Proposal on Improving Basic Management System of Anti-money Laundering of the Company</li></ol>
19 December 2023	Considered and approved: <ol style="list-style-type: none"><li>1. Proposal on Amendments to the Terms of Reference of the Risk Management Committee of the Board of the Company</li><li>2. Proposal on Considering Audit Report of Anti-money Laundering Work of the Company</li></ol>

All members of Risk Management Committee attended the above meetings.

## Related Party Transactions Control Committee

The primary responsibilities of the Related Party Transactions Control Committee of the Board of the Company are: to establish and amend the related party transactions management system of the Company and monitor its implementation; to identify the list of related parties of the Company and report it timely to the Board and the Supervisory Committee; to define the types of the related party/connected transactions and determine their approval procedures, standards and other matters; to define the types of the related party transactions and determine their approval procedures, standards and other matters; to review contemplated major related party transactions of the Company with any related parties, form a written opinion to the Board for review and report the same to the Supervisory Committee; to review the information disclosure of any related party transaction; and other responsibilities conferred by the Board.

During the Reporting Period, the Related Party Transactions Control Committee held six meetings, details of which are as follows:

<b>Date of Meeting</b>	<b>Proposals Passed</b>
23 February 2023	Considered and Passed: 1. Proposal on Considering New Related Party Transactions of the Company in 2022 2. Resolution on Estimation of Related Party/Continuing Connected Transactions Contemplated in the Ordinary Course of Business of the Company in 2023
12 June 2023	Considered and Passed: Proposal on Changing the External Investment Amount of Subsidiaries
20 July 2023	Considered and Passed: Proposal on the External Investment through a Subsidiary
28 August 2023	Considered and Passed: 1. Proposal on Considering the Implementation of Related Party/Continuing Connected Transactions in the Ordinary Course of Business of the Company in the First Half of 2023 2. Proposal on Special Audit Report on Material Related Party Transactions of the Company
7 September 2023	Considered and Passed: Proposal on the External Investment through a Subsidiary
19 December 2023	Considered and Passed: Proposal on Amendment to the Rules of Procedures of the Related Party Transactions Control Committee of the Board of the Company

All members of the Related Party Transactions Control Committee attended the above meetings.

# Corporate Governance Report

## Performance of Duties by Independent Non-executive Directors

### Work in relation to periodic reports

#### Preparation and review of 2022 Annual Report

On 9 January 2023, the 2023 1st meeting of the Audit Committee of the Eighth Session of the Board considered and approved the 2022 Audit Plan of the Company.

On 10 March 2023, the independent non-executive Directors inspected the Company's operation, listened to the report on the financial position and the business performance of the Company in 2022, and communicated with the operation management; independent non-executive Directors attended meetings with the accounting firms and listened to the Preliminary Audit Results for 2022 of the Company from PwC. As members of the Audit Committee, all the independent non-executive Directors of the Company considered and approved the Preliminary Audit Results for 2022 of the Company from PwC, the 2022 Audit Work Report of the Company, and the 2023 Audit Work Plan of the Company.

On 28 March 2023, as members of the Audit Committee, all the independent non-executive Directors of the Company considered and approved the Audit Work Summary of PwC, the Performance Report of the Audit Committee of the Board for 2022, the 2022 Annual Report, the 2022 Assessment Report on the Internal Control, and the Audit Report on the Internal Control.

#### Preparation and review of 2023 Annual Report

On 15 December 2023, the 2023 9th meeting of the Audit Committee of the Eighth Session of the Board considered and approved the 2023 Audit Plan of the Company.

On 8 March 2024, the independent non-executive Directors of the Company inspected the Company's operation, listened to the report on the financial position and operating results for 2023 of the Company, and communicated with the operation management; independent non-executive Directors attended meetings with the accounting firms and listened to the Preliminary Audit Results for 2023 of the Company from KPMG. As members of the Audit Committee, all the independent non-executive Directors of the Company considered and approved the Preliminary Audit Results for 2023 of the Company from KPMG, the 2023 Audit Work Report of the Company, the 2024 Audit Work Plan of the Company, the Proposal on Amendments to the Internal Audit Work Management System of the Company.

On 25 March 2024, as members of the Audit Committee, all the independent non-executive Directors of the Company considered and approved the Audit Work Summary for 2023 of the Company from KPMG, the Performance Report of the Audit Committee of the Board for 2023, the 2023 Annual Report, the 2023 Assessment Report on the Internal Control, the Internal Control Audit Report, the Performance Assessment Report of the External Audit Institution for 2023 and the Performance Report of the Audit Committee for Supervising the External Audit Institution.

### **Review of related party/connected transactions**

On 23 February, 12 June, 20 July, 28 August and 7 September 2023, respectively, the independent non-executive Directors of the Company, all being members of the Related Party Transactions Control Committee, considered and approved the Proposal on Considering New Related Party Transactions of the Company in 2022, the Resolution on Estimation of Related Party/Continuing Connected Transactions in the Ordinary Course of Business of the Company in 2023, the Proposal on Changing the External Investment Amount of Subsidiaries, the Proposal on the External Investment through a Subsidiary, the Proposal on Considering the Implementation of Related Party/Continuing Connected Transactions in the Ordinary Course of Business of the Company in the First Half of 2023, the Special Audit Report on Major Related Party Transactions of the Company and the Proposal on the External Investment through a Subsidiary.

On 30 March, 12 June, 14 June, 20 July, 21 July, 7 September and 8 September 2023, respectively, the independent non-executive Directors of the Company gave their Prior Approval Opinions and Independent Opinions about the Company's annual daily related party/continuing connected transactions and forecast, external investment through subsidiaries and other related party/connected transactions.

### **Other performance of duties**

The independent non-executive Directors of the Company regularly listen to the annual, semi-annual and quarterly reports on the finance and operation of the Company, and fully communicate with the management of the Company; join the Company's performance conference and explanation meeting in each period; conduct thematic exchange with accounting firms on "IT internal control priorities and IT audit focus of securities companies"; understand the international business development of the Company, communicate the development plan of financial technology and discuss the application of big data in the Company's business development; participate in the thematic exchange activities such as the international development strategies of the Company; and go to the branch office to investigate and understand its operation.

On 20 February, 30 March, 11 May, 12 May, 29 August 2023, respectively, the independent non-executive Directors of the Company issued the Prior Approval, Special Explanations and Independent Opinions on matters in respect of the appointment of Chief Risk Officer, the management of fund raising, the guarantee situation, profit distribution, the assessment report of internal control, total annual remuneration for directors and senior management, and the change of accounting firms, etc.

### **Establishment and improvement of working system in relation to the independent non-executive Directors and performance of independent non-executive Directors**

In order to improve the corporate governance structure, promote the regulated operations, safeguard the overall interests of the Company and protect the lawful rights and interests of all Shareholders, particularly the minority Shareholders, the Working System for Independent Directors of the Company was formulated in July 2008 by the 28th Meeting of the Third Session of the Board and considered and amended in December 2022 and 2023 by the 48th Meeting of the Seventh Session of the Board and the 14th Meeting of the Eighth Session of Board of the Company, respectively. The contents of the system include: qualifications of independent Directors; nomination, election and replacement of independent Directors; performance of independent Directors; independent opinions of independent Directors; necessary conditions being provided for independent Directors; and working system regarding the annual report.

# Corporate Governance Report

During their term of office, all independent non-executive Directors complied with relevant requirements of the laws, regulations and the Articles of Association of the Company, and had devoted sufficient time and energy to performing their duties. When making an independent judgment, the independent non-executive Directors were not affected by the substantial Shareholders of the Company or any other entity or individual having an interest in the Company; and they endeavored to protect the interests of the Company and minority Shareholders.

The independent non-executive Directors actively participated in all the meetings of the Board. Among the members of the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee, the Risk Management Committee and the Related Party Transactions Control Committee of the Board, the Company has appointed the requisite number of independent non-executive Directors as required by their respective rules. Among, each of the chairman of the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee and the Related Party Transactions Control Committee is assumed by an independent non-executive Director. All the chairmen of the committees convened the meetings according to the relevant rules of procedure.

## Supervisors and the Supervisory Committee

The Supervisory Committee is the supervisory body of the Company and is accountable to the general meeting. According to the Company Law and the Articles of Association of the Company, the Supervisory Committee is responsible for overseeing the financial activities and internal control of the Company, and the legality and compliance of the Board, the Operation Management and its members in the performance of their duties.

In 2023, the Supervisory Committee of the Company strictly complied with the Company Law, the Articles of Association of the Company and other relevant requirements, lawfully and diligently performed its duties, observed the relevant procedures, attended all on-site meetings of the Board and general meetings, made reports to the general meeting and submitted its working reports and relevant proposals. Based on the spirit of being accountable to all Shareholders, the Supervisory Committee effectively supervised the legality and compliance of the Company's finance and the performance of duties by the Board and the Operation Management of the Company.



## Meetings of the Supervisory Committee and attendance of Supervisors during the Reporting Period

In 2023, the Supervisory Committee of the Company convened four meetings in total. Details of which are as follows:

Session	Date of Meeting	Proposals Passed
The 2nd Meeting of the Eighth Session of the Supervisory Committee	30 March 2023	<p>Considered and approved:</p> <ol style="list-style-type: none"> <li>1. 2022 Annual Report</li> <li>2. Proposal on 2022 Profit Distribution Plan</li> <li>3. 2022 Work Report of the Supervisory Committee</li> <li>4. Proposal on the Distributed Total Remuneration of the Supervisors of the Company for 2022</li> <li>5. 2022 Social Responsibility Report</li> <li>6. 2022 Special Report on the Depository and Actual Use of the Proceeds</li> </ol> <p>and considered:</p> <ol style="list-style-type: none"> <li>1. 2022 Report on the Assets After the Write-off of Bad Debts</li> <li>2. 2022 Audit Work Report</li> <li>3. 2022 Assessment Report on Internal Control</li> <li>4. 2022 Compliance Report</li> <li>5. 2022 Integrity Practice Management Report</li> <li>6. 2022 Comprehensive Risk Management Report</li> </ol>
The 3rd Meeting of the Eighth Session of the Supervisory Committee	27 April 2023	<p>Considered and approved:</p> <p>2023 First Quarterly Report</p>
The 4th Meeting of the Eighth Session of the Supervisory Committee	29 August 2023	<p>Considered and approved:</p> <ol style="list-style-type: none"> <li>1. 2023 Interim Report</li> <li>2. 2023 Interim Special Report on the Depository and Actual Use of the Proceeds</li> </ol> <p>and considered:</p> <ol style="list-style-type: none"> <li>1. 2023 Interim Compliance Report</li> <li>2. 2023 Interim Comprehensive Risk Management Report</li> <li>3. 2023 Interim Risk Appetite Management Report</li> <li>4. Special Audit Report on Major Related Party Transactions of the Company</li> </ol>
The 5th Meeting of the Eighth Session of the Supervisory Committee	30 October 2023	<p>Considered and approved:</p> <p>2023 Third Quarterly Report</p>

# Corporate Governance Report

During the Reporting Period, the attendances of Supervisors at the meetings of the Supervisory Committee:

Name of the Supervisor	Position	Required attendance at meetings of the Supervisory Committee held during the year	Attendance in meetings of the Supervisory Committee				Attendance in general meetings
			Attendance in person	Attendance by tele-communication	Attendance by proxy	Absence	
ZHANG Changyi	Supervisor, Chairman of the Supervisory Committee	4	4	—	—	—	2
GUO Zhao	Supervisor	4	4	—	—	—	2
RAO Geping	Supervisor	4	4	—	—	—	2
NIU Xuekun	Employee Representative Supervisor	4	4	—	—	—	2
YANG Liqiang	Employee Representative Supervisor	4	4	—	—	—	2
Meetings of the Supervisory Committee held during the year					4		
Of which: number of meetings held on-site					4		

## Participating in the audit project of the Company and conducting on-site inspections

To ensure the Supervisors to perform their supervision duties, the Supervisory Committee continued to strengthen its supervision and inspection of the Company's day-to-day operations. In March, July and December 2023, the Supervisors of the Company participated in the on-site activities on performance of duties, listened to the research reports of the senior executives and business departments of the Company with regard to the macroeconomy and capital market, the report of the KPMG on the 2023 Interim Review Work and other reports, respectively, and engaged in the on-site opinion exchange sessions on business departments and branches held by the audit department of the Company.

## Appointment of Auditors

For information in relation to the appointment of auditors and the audit fee, please refer to "Appointment or Termination of Service of Accounting Firms" of this report.

The Directors are responsible for the preparation of the accounts and the auditors are responsible for the issuance of audit opinions on the financial statements based on their audit work.

## Non-audit Work

During the Reporting Period, the Company engaged KPMG to provide non-audit services to the Company, including tax assurance, ESG report assurance and consultancy services with a total non-audit service fee of RMB2,743,200.

## Responsibilities of Directors for the Financial Statements

The following responsibility statement of Directors regarding the financial statements shall be read in conjunction with the responsibility statement of the certified public accountants included in the audit report. Each responsibility statement shall be understood separately.

All Directors of the Company confirm that they have the responsibilities to compile the financial statements which can truly reflect the operating results of the Company in each financial year. To the best knowledge of all Directors, there are no events or situations which may cause a material adverse impact on the ongoing operations of the Company.

## Company Secretary

During the Reporting Period, in order to better perform duties and in accordance with the Hong Kong Listing Rules and other relevant requirements, Ms. YANG Youyan had received over 40 hours of professional training, including: participated in “the continuous professional training for board secretaries of listed companies (A+H Share Session) organized by the Shanghai Stock Exchange and Hong Kong Chartered Governance Institute; the Series Training for Securities Institution Practitioners held by the Securities Association of China; participated in compliance training including securities investment behavior compliance management, anti-money laundering. Ms. YU Hiu Kwan, Hilda had received 15 hours of professional training, including the following areas: suspension and resumption practical considerations and case studies, corporate crisis management, notifiable transactions-practices and applications, interpretation of Board of Directors of listed companies in Hong Kong.

## Investor Relations

### Work conducted relating to investor relations during the Reporting Period

As the first securities company listed on A+H Share in China, the Company is committed to building an open, transparent and interactive investor relations management system, and ensuring full, timely and transparent communication with global investors, analysts and media by building a professional investor relations management team and an efficient investor communication platform. The Company pays high attention to the protection of the lawful interests of shareholders and investors, especially those of minority shareholders and investors. Through the shareholder hotline, e-mail, SSE “e-interaction” and other network platforms, the Company takes the General Meetings, investor briefings, road shows, analyst meetings, visitor receptions, discussions, and other methods to listen to the investors’ opinions and suggestions in all aspects and respond to investors’ demands in a timely manner.

In 2023, the Company continues to optimize the performance of investor relations work by organizing high-quality investor relations activities and expanding investor communication channels, among others. On 19 September 2023, the Company held an activity of “Together with CITICS, Faith to the Future” of the 20th anniversary of A-share listing and the investors’ open day for 2023. More than 100 institutional investors, analysts, customer representatives and media reporters attended the event and interacted with the Company’s management. The event provided investors with a high-quality platform for direct communication with the Company’s management, and showed the capital market and the public the business development of the Company since its 20th anniversary of listing.

At the same time, the Company took the results conferences as an important channel to communicate with investors in the form of “live streaming video + online roadshow + telephone communication”. In 2023, the Company held three results conferences, served the communication needs of approximate 160,000 investors and the Company was once again awarded the “Best Practice of 2022 Annual Results Announcement of Public Companies” by China Association for Public Companies.

In addition, the Company participated in roadshow “Central Enterprises’ ESG” of the listed companies on Shanghai Stock Exchange, the online collective reception day for investors in Shenzhen area and other investor relations activities, and exchanged opinion with investors and analysts in the terms of business development of the Company and hot market issues in time to enhance the frequency and effect of communication with investors.

# Corporate Governance Report

## Risk Management and Internal Control

### Statement of the Board regarding the responsibility of risk management and internal control

In accordance with the requirements of the corporate internal control standard system, it is the responsibility of the Board of the Company to establish, improve and effectively implement internal control, assess its effectiveness and truthfully disclose the assessment report on internal control. The Supervisory Committee oversees the establishment and implementation of internal control by the Board. The manager level is responsible for organizing and steering the day-to-day operation of corporate internal control.

The goal of the Company's internal control is to provide reasonable assurance for the legal compliance of the operation and management, safety of the assets, truthfulness and completeness of the financial reports and relevant information, improve operational efficiency and effectiveness so as to facilitate the realization of development strategies. Due to its inherent limitations, internal control can only provide reasonable assurance for the achievement of the above objectives. Moreover, as changes in circumstances may render the internal control to be inappropriate, or reduce the degree of compliance with policies and procedures of the internal control, predicting the effectiveness of future internal control based on the assessment results of internal control may involve certain risks.

The Audit Committee of the Board assists the Board in independently reviewing the Company's financial condition and the implementation and effects of the internal control system, and reviewing and supervising the results of the Company's internal audit work. There were no significant internal control issues found during the relevant review. The Board was of the view that the existing risk management and internal control systems were effective and sufficient in 2023 and as at the date of this report.

### Risk management system and procedures for identifying, assessing, and managing significant risks

For details of the Company's risk management system and the Company's procedures for identifying, assessing and managing significant risks, please refer to the section "Risk Management" of this report.

### Procedures for resolving severe defects in internal control

The Company conducts a self-evaluation of the risk management systems during its annual internal control assessment. If any defect is found, the Company will formulate a rectification plan to diminish the defect. Risk events and potential defects that arise in the day-to-day risk management work are effectively managed according to the procedures of risk management systems. Under its comprehensive risk management system, the Company regularly updates and revises risk management systems and processes so as to adapt to the changing risk exposures and management requirements. The Audit Department of the Company inspects the internal controls of each business and issues audit reports, offers advice for rectification and provides management proposals on issues found during the audit. The Compliance Department of the Company formulates defect rectification plans in accordance with laws and regulations as well as the regulatory requirements, and is also responsible for the specific implementation of defect rectification work.

### Basis of establishment of internal control over financial reporting

According to the criteria for determining major defects, important defects and general defects as defined by the corporate internal control standard system and in light of the factors including the Company's scale, industry-specific features, risk appetite and risk tolerance, the Board of the Company distinguished internal control over financial reporting and internal control over non-financial reporting and studied and defined the criteria suitable for the specific determination of internal control defects of the Company and kept it consistent with the criteria of the previous years.

An internal control defect should be recognized as a major defect if it is reasonably possible that such defect, alone or in combination with other defects, may lead to the failure to prevent or detect and correct the material misstatement in the financial report in time. An internal control defect is recognized as an important defect if it is reasonably possible that such defect, alone or in combination with other defects, may lead to the failure to prevent or detect and correct the misstatement in the financial report that has not reached the level of major defects but has come to the attention of the Board and the management. Internal control defects that do not constitute major defects or important defects are recognized as general defects.

According to the determination of major defects in the Company's internal control over financial reporting, there were no major defects in the Company's internal control over financial reporting as at the benchmark date of the internal control evaluation report. The Company has maintained effective internal control over financial reporting in all material aspects in accordance with the requirements of the corporate internal control standard system and relevant regulations.

### **Overall view on establishment of the internal control system**

The Company has attached great importance to the development of its internal rules and regulations and its management systems since the Company was established. The Company has continued to improve its internal control according to the latest regulatory requirements and made consistent efforts to improve internal control in every aspect of its business development.

With the authorization of the Board of the Company, the Compliance Department of the Company has led the establishment of the internal control evaluation working group of the Company to independently conduct the internal control evaluation working. After years of accumulating experience, the Company has established a relatively stable system of personnel allocation and responsibilities and cultivated its internal control evaluation working procedures and mechanism which are in line with the actual situations of the Company, thereby enabling the assessment results to reflect a real and accurate picture of the Company's internal control.

As of the end of the Reporting Period, the Company has established an internal control system in line with its business nature, scale and degree of complexity, as well as achieved remarkable results in ensuring the compliance of the Company's operations and management, safety of the assets, truthfulness and integrity of the financial reports and relevant information, and the improvement of business efficiency and effectiveness.

The Company has established, improved and implemented a set of systems, including the information segregation wall, the registration system of persons informed of undisclosed information, and the registration system for persons informed of insider information, according to the regulatory requirements. It effectively prevented the improper use and dissemination of sensitive information. Meanwhile, the Company disclosed the relevant information in a true, accurate, complete and timely manner strictly in compliance with the laws, regulations and the Articles of Association, and ensured that all investors have equal opportunities of promptly accessing the Company's information.

### **Management and control over subsidiaries during the Reporting Period**

The Company formulated the Measures for the Management over Subsidiaries, Associated Companies and Joint Ventures of CITIC Securities Company Limited and the Measures for the Management of Designated Directors or Supervisors of CITIC Securities Company Limited, to strengthen the management over subsidiaries and standardize their operation and management, effectively control risks and safeguard the interests of the Company. The Company fully performed the duties

# Corporate Governance Report

as shareholders and designated directors and supervisors to get involved in the significant business decisions of subsidiaries via participating in the corporate governance of subsidiaries according to laws, thereby implementing unified management requirements of the Company for corporate governance. Subject to compliance with regulatory requirements, the Company managed its controlled subsidiaries through management in terms of human resources, finance, assets and liabilities, legal affairs, risks, compliance, auditing and other aspects.

## Related information on the internal control auditing report

KPMG Huazhen engaged by the Company has given an audit opinion on the effectiveness of the internal control over the financial reporting of the Company and issued the Internal Control Auditing Report of CITIC Securities Company Limited (《中信証券股份有限公司內部控制審計報告》), which is of the opinion that the Company has maintained effective internal control over financial reporting in all material aspects as at 31 December 2023 in accordance with the Fundamental Norms on Enterprise Internal Control and relevant regulations. The Company disclosed the Internal Control Evaluation Report for the Year 2023 (《2023年度內部控制評價報告》) and the Internal Control Auditing Report (《內部控制審計報告》) of the Company when disclosing the 2023 annual results announcement, and there was no disagreement.

Whether to disclose the internal control auditing report: Yes

Type of opinion on the Audit Report of Internal Control: Standard unqualified opinion

## Implementation of the Company's accountability system for material errors in information disclosure in the annual report

In order to further improve the Company's internal control system and reinforce the financial accountability system, the Board of the Company developed the Accountability System for Material Errors in Information Disclosure in the Annual Report, and this system became effective on 29 March 2010.

During the Reporting Period, the system had been implemented satisfactorily, and there had been no material accounting error, material omission of information which needed to be supplemented, or correction on the preliminary announcement on the Company's results.

## Other matters of report

### Establishment of the compliance management system

The Company attaches great significance to compliance management. Positioning around the objective of "Comprehensively Improving Compliance Management Capabilities, Providing Timely and Effective Compliance Support for the Company's Business Development to Realize Sustainable and Standardized Development of the Company", the Company continues to improve the compliance management system, enhance the compliance risk management and control capabilities and promote the construction of the compliance culture through systems, processes, training, consultation, inspection, monitoring and other means.

The Company constantly establishes and improves a comprehensive and multi-level organizational system for compliance management. The compliance management of the Company is led by the Board, supervised by the Supervisory Committee and implemented by the Chief Compliance Officer and Compliance Department. The Operation Management, head of each department and branches and the Compliance Specialist shall perform their duties of compliance management within their own scope of authorities, respectively.

### Internal audit

During the Reporting Period, the Audit Department of the Company completed routine audits, resignation audits, special audits and compulsory resignation audits on general managers of securities outlets for a total of 177 projects among 9 departments/business lines at the headquarter, 114 securities outlets and 16 subsidiaries of the Company. Details of which are as follows:

The 34 audit projects for the headquarter of the Company include: routine audits on New OTC Market business of the Investment Banking Management Committee; special audits on anti-money laundering of the Company, credit business, material related party transactions, transactions with overseas subsidiaries and public securities investment fund sales business and the Company's write-off of bad debts and the rectification of the audit findings; resignation audit on former Senior Management of the Company; and resignation review on investment managers in the equity investment department, equity derivatives business line, alternative investment business line and the asset management business.

The 122 audit projects for the securities outlets include: compulsory resignation audit projects on general managers of 71 securities outlets and resignation audit projects on general managers of 51 securities outlets.

The 21 audit projects for subsidiaries include: routine audits including CITIC Buyout Fund Management Company Limited (中信併購基金管理有限公司), Qingdao GoldStone Runhui Investment Management Company Limited (青島金石潤匯投資管理有限公司), and special audits including anti-money laundering of the Kington Securities Limited Liability Company.

Through the audits mentioned above, the Audit Department of the Company evaluated the soundness and effectiveness of internal control in the audited units, revealed the existing major risks and promoted the progress in increasing the awareness towards risk prevention among departments/business lines, securities outlets and subsidiaries and in improving the risk management of the Company.

### The Status of the Establishment of Monitoring and Replenishment Mechanism of the Risk Control Indicators of the Company

The Company continues to attach great importance to the supervision indicators. It has established a dynamic monitoring system of risk control indicators in accordance with the requirements under the Measures for the Administration of the Risk Control Indicators of Securities Companies, achieving T+1 dynamic monitoring and automatic early warning of risk control indicators, and setting up the trans-departmental communication & coordination mechanism to ensure the risk control indicators kept staying within the supervision limit consistently. Meanwhile, by continuously calculating and analyzing risk control indicators for a period of time in the future, the Company is able to identify risks and make warning in advance, so as to reasonably arrange the financing activities and usage of funds.

In 2023, the Company's main risk control indicators remained good, keeping within the supervision limit.

The Company has established the net capital replenishment mechanism to ensure continued compliance of risk control indicators, such as the net capital, in accordance with the requirements of the securities regulatory authorities. As at the end of the Reporting Period, the net capital of the Company was RMB139.6 billion and all types of risk control indicators were in compliance with the relevant regulatory requirements.

# Corporate Governance Report

## **Account regulation of the Company**

In 2023, the Company continued to strengthen its day-to-day regulation over accounts, implement the real-name system management requirement in CSDC accounts, organize on-site inspections on the branches' businesses of real-name based accounts, and continue to follow the supplemental record of information for the integrated securities account, and report on the interest holders' data and products' net value, inspect the CSDC securities accounts, regulate categories of occupations, etc. The Company provided special trainings for each branch of the Company, and also improved the process control of accounts opening through technical means, in order to eliminate the occurrence of opening non-compliance accounts.

As of 31 December 2023, the Company's wealth management business had 25,186,361 securities accounts, of which 23,713,141 were normal securities accounts, representing 94.15% of the total; 1,422,016 were dormancy securities accounts, representing 5.65% of the total; 49,364 securities accounts were frozen, representing 0.20% of the total; 1,840 were unqualified securities accounts, representing 0.01% of the total and there was no risk disposal securities account.

As of 31 December 2023, the Company's wealth management business had 14,750,671 capital accounts, of which 11,459,370 were normal capital accounts, representing 77.69% of the total; 3,276,691 were internal dormancy capital accounts, representing 22.21% of the total; 10,582 were unqualified capital accounts, representing 0.07% of the total; 4,028 securities accounts were frozen, representing 0.03% of the total and there was no risk disposal capital account. The above account regulation condition is also disclosed in the 2023 Assessment Report on Internal Control of the Company.

## **Self-assessment on the Implementation of the Management Measures on Information Disclosure by the Board**

During the Reporting Period, the Company managed to disclose information in a manner that is true, accurate and complete in strict compliance with the laws, regulations, the Articles of Association of the Company and the Management Measures on Information Disclosure, so as to ensure the timely and fair information disclosure.

In 2023, the Management Measures on Information Disclosure, the Registration System for Persons Informed of Inside Information, and other relevant policies were effectively implemented. The Company further regulated information disclosure and improved the management and quality of information disclosure of the Company. At the same time, the Management Measures on Information Disclosure and other internal systems of the Company clearly specify the reporting, delivery, reviewing and disclosing procedures for material events of the Company. All these systems were effectively implemented.

## **There are no overdue debts for the Company**



# Independent Auditor's Report and Notes to Financial Statements



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# Independent Auditor's Report

## To the Shareholders of CITIC Securities Company Limited

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

### Opinion

We have audited the consolidated financial statements of CITIC Securities Company Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”), which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes, comprising material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (“**IFRSs**”) issued by the International Accounting Standards Board (“**IASB**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (“**IESBA Code**”) together with any ethical requirements that are relevant to our audit of the consolidated financial statements in the People's Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

# Independent Auditor's Report

## The Key Audit Matter

## How the matter was addressed in our audit

### Goodwill impairment assessment relating to China Asset Management Co., Ltd. ("China AMC")

Refer to note 3(20), 4(1) and 21 to the consolidated financial statements.

As at 31 December 2023, the Group's accumulated impairment of goodwill was RMB3,496 million and the carrying amount of goodwill was RMB8,440 million. The Group's goodwill is primarily resulted from the acquisition of China AMC with a carrying amount of RMB7,419 million with no impairment recognised.

Management performs goodwill impairment assessment annually. The impairment assessment relies upon the calculation of the recoverable amount for each of the Group's cash generating units ("CGUs") or groups of CGUs. The recoverable amount of CGUs or groups of CGUs is the higher of its fair value less costs of disposal and its value in use ("VIU").

Management considers China AMC as a separate CGUs. Management used the VIU approach to assess the recoverable amount of China AMC by applying a discounted cash flow ("DCF") model based on key assumptions and inputs including estimated revenue growth rate, terminal growth rate and discount rate.

We identified goodwill impairment assessment as a key audit matter because of its significance to the financial statements, the significant management judgements and estimates involved, and the fact that these judgements are inherently uncertain and might be affected by management's bias.

Our audit procedures to assess goodwill impairment relating to China AMC included the following:

- understanding and evaluating the effectiveness of the design, implementation and operating effectiveness of key internal controls over the assessment of goodwill impairment;
- based on our understanding on the Group's business and prevailing accounting standards, assessing management's identification of each of the CGUs or groups of CGUs, the method in preparing the discounted cash flow forecast and the allocation of goodwill to each CGUs or groups of CGUs;
- involving KPMG valuation specialists to evaluate the appropriateness of the method and the reasonableness of the assumptions, including discount rate the management used when estimating the discounted cash flows of China AMC;
- assessing the appropriateness of the key assumptions and judgments applied, including estimated revenue growth rate in the forecast period and terminal growth rate adopted in the discounted cash flow forecast of China AMC by comparing with approved budgets and business plan prepared by management and historical data;
- performing sensitivity analyses on the discount rate and other key assumptions adopted by management to assess the impact of the impairment test result arising from the change in key assumptions and whether there is any indication of management bias; and
- assessing whether the disclosures in the consolidated financial statements in relation to goodwill impairment comply with the requirements of the prevailing accounting standards.

## Key Audit Matter

## How the matter was addressed in our audit

### Assessment of fair value of financial instruments held at fair value classified under Level 3 in the fair value hierarchy

Refer to note 3(3)(c), 4(3) and 57(a)(c)(d) to the consolidated financial statements.

The Group's financial instruments included those classified under Level 3 in the fair value hierarchy ("**Level 3 Financial Instruments**"), which were measured using valuation techniques that involve significant inputs that were not based on observable market data ("**unobservable inputs**"). Where unobservable inputs were used in the valuation, estimates need to be developed which can involve significant management judgement.

We identified assessing the fair value of Level 3 Financial Instruments as a key audit matter because of the degree of complexity involved in valuing Level 3 Financial Instruments and because of the significant degree of judgement exercised by management in determining the inputs used in the valuation models.

Our audit procedures to assess the fair value of Level 3 Financial Instruments included the following:

- assessing the design, implementation and operating effectiveness of key internal controls over the valuation, independent price verification and valuation model approval, ongoing monitoring and optimisation for financial instruments;
- on a sample basis, reviewing investment agreements for Level 3 financial instruments to understand the relevant investment terms and identify any conditions that were relevant to the valuation of financial instruments;
- involving KPMG valuation specialists to evaluate the appropriateness of valuation models used by management to value the fair value of Level 3 Financial Instruments and to perform, on a sample basis, independent valuations of Level 3 Financial Instruments and compare these valuations with the Group's valuations. This included comparing the Group's valuation models used by management with our knowledge of current market practice, testing inputs and reperforming the calculations; and
- evaluating the reasonableness of the disclosures on fair values of Level 3 Financial Instruments with reference to the requirements of the prevailing accounting standards.

# Independent Auditor's Report

## Key Audit Matter

## How the matter was addressed in our audit

### **Expected credit impairment allowance of margin accounts and reverse repurchase agreements (“Financing Assets”)**

Refer to note 3(3)(e), 4(5), 13, 30, 33 and 58(a) to the consolidated financial statements.

The Group applies an expected credit loss (“**ECL**”) model to measure the loss allowance for Financing Assets. For Financing Assets classified under Stages 1 and 2, management assesses credit loss allowances using the risk parameter modelling approach that incorporated key parameters, including exposure at default and loss ratio after taking into consideration forward looking factors. For credit-impaired Financing Assets classified under Stage 3, management assesses the credit loss allowance by estimating the future cash flows. The measurement model for ECL involves significant management judgments and assumptions.

Management also exercises significant judgement in determining the quantum of loss allowance based on a range of factors, including:

- The appropriateness of selection of models and assumptions;
- Determination of the criteria for significant increase in credit risk, standard of default and credit impairment;
- Determination of the number and relative weightings of forward-looking scenarios.

Our audit procedures to assess ECL of Financing Assets included the following:

- understanding and assessing the design, implementation and operating effectiveness of key internal controls of financial reporting over the approval, recording and monitoring the Financial Assets, the credit risk staging process and the measurement of ECL for Financing Assets;
- involving KPMG financial risk management specialists to evaluate the appropriateness of the ECL model in determining loss allowance and the appropriateness of the key parameters and assumptions in the model, including loss ratio and adjustments for forward-looking scenarios, and assessing the appropriateness of related key management judgement;

## Key Audit Matter

## How the matter was addressed in our audit

### Expected credit impairment allowance of margin accounts and reverse repurchase agreements (“Financing Assets”) (Continued)

Loss ratio represents Management’s expectation of the amount of loss on exposure. Management uses historical loss ratio and assesses their appropriateness. Management determines loss ratio based on factors including: the coverage ratio of related loan to underlying collateral value and the volatility of such collateral’s valuation, the realised value of collateral upon forced liquidation taking into account of the estimated volatility over the realisation period.

We identified the measurement of ECL for Financing Assets as a key audit matter because of the inherent uncertainty and management judgement involved and because of its significance to the financial results and capital of the Group.

- Understanding and assessing the completeness and accuracy of data used in the ECL model. For key parameters derived from internal inputs relating to original agreements, comparing the total balance of Financing Assets and financial investment list used by management to assess the allowance for impairment with the general ledger, on a sample basis, comparing the information of individual financial assets with the underlying agreements and other relevant documents to evaluate the accuracy of compilation of the financial investment list. For key parameters derived from external inputs, we inspect the accuracy of such data by comparing them with public resources, on a sample basis;
- evaluating the reasonableness of management’s assessment on whether the credit risk of Financing Assets has, or has not, increased significantly since initial recognition and whether those financial assets are credit-impaired. On a sample basis, assessing the reasonableness of the stage of ECL, and reviewing the credit status of relevant assets, coverage ratio and overdue days;
- evaluating the reasonableness of loss ratio for credit impaired samples and assessing the viability of management recovery plan by evaluating the expected cash flows of collateral and other credit enhancements;
- For forward-looking scenarios, evaluating the basis of determining of the economic variables, number of scenarios and relative weightings; assessing the reasonableness of the economic variables forecasted under the different scenarios and performing sensitivity analysis on economic indicators and relative weightings;

# Independent Auditor's Report

## Key Audit Matter

## How the matter was addressed in our audit

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**Expected credit impairment allowance of margin accounts and reverse repurchase agreements ("Financing Assets")** (Continued)

- based on the above, using ECL model for selected samples to review the accuracy of the expected credit impairment allowance for Financing Assets, and
- assessing the disclosures in the financial statements in relation to ECL with reference to the requirements of the prevailing accounting standards.



## **Information other than the consolidated financial statements and auditor's report thereon**

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of the directors for the consolidated financial statements**

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

## **Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

## Independent Auditor's Report

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Chan Siu Tung.

A handwritten signature in black ink that reads "KPMG". The letters are stylized and connected, with a horizontal line underlining the "M".

**KPMG**

*Certified Public Accountants*

8th Floor, Prince's Building  
10 Chater Road  
Central, Hong Kong  
26 March 2024

# Consolidated Statement of Profit or Loss

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

	Note	2023	2022
Revenue			
Fee and commission income		<b>33,747,014</b>	37,945,213
Interest income	7	<b>21,608,951</b>	21,023,810
Investment income	8	<b>21,845,784</b>	17,636,308
		<b>77,201,749</b>	76,605,331
Income from bulk commodity trading		<b>4,900,473</b>	7,372,367
Other income	9	<b>1,622,818</b>	1,963,562
<b>Total revenue and other income</b>		<b>83,725,040</b>	85,941,260
Fee and commission expenses	10	<b>6,545,078</b>	6,002,403
Interest expenses	10	<b>17,579,860</b>	15,218,022
Staff costs	10	<b>20,786,350</b>	21,173,971
Depreciation		<b>1,565,187</b>	1,349,592
Tax and surcharges		<b>357,584</b>	375,476
Cost from bulk commodity trading		<b>4,776,467</b>	7,227,121
Other operating expenses and costs	10	<b>6,927,069</b>	6,501,873
Expected credit losses	13	<b>(364,836)</b>	(698,184)
Impairment losses on other assets	14	<b>8,289</b>	514,172
<b>Total operating expenses</b>		<b>58,181,048</b>	57,664,446
<b>Operating profit</b>		<b>25,543,992</b>	28,276,814
Share of profits and losses of:			
Associates		<b>631,213</b>	645,658
Joint ventures		<b>10,248</b>	27,732
<b>Profit before income tax</b>		<b>26,185,453</b>	28,950,204
Income tax expense	15	<b>5,646,108</b>	6,781,417
<b>Profit for the year</b>		<b>20,539,345</b>	22,168,787
Attributable to:			
Owners of the Parent		<b>19,720,547</b>	21,317,422
Non-controlling interests		<b>818,798</b>	851,365
		<b>20,539,345</b>	22,168,787
Earnings per share (in RMB per share)			
— Basic	18	<b>1.30</b>	1.42
— Diluted	18	<b>1.30</b>	1.42

The accompanying notes form an integral part of these consolidated financial statements.

# Consolidated Statement of Comprehensive Income

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

	2023	2022
<b>Profit for the year</b>	<b>20,539,345</b>	22,168,787
<b>Other comprehensive income</b>		
<b>Other comprehensive income that may be reclassified to profit or loss in subsequent periods</b>		
Net gains/(losses) on investments in debt instruments measured at fair value through other comprehensive income	<b>951,874</b>	(6,840)
Net losses on debt instruments measured at fair value through other comprehensive income reclassified to profit or loss on disposal	<b>(144,557)</b>	(83,959)
Income tax relating to these items	<b>(223,804)</b>	(21,266)
	<b>583,513</b>	(112,065)
Share of other comprehensive income of associates and joint ventures	<b>3,627</b>	19,791
Exchange differences on translation of foreign operations	<b>262,588</b>	1,146,013
	<b>849,728</b>	1,053,739

# Consolidated Statement of Comprehensive Income

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

	2023	2022
<b>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods</b>		
Net gains/(losses) on investments in equity instruments designated as at fair value through other comprehensive income	<b>80,776</b>	(19,402)
Income tax relating to these items	<b>(31,250)</b>	—
	<b>49,526</b>	(19,402)
Share of other comprehensive income of associates and joint ventures	<b>375</b>	(3,889)
Others	<b>17,157</b>	6,701
	<b>67,058</b>	(16,590)
<b>Other comprehensive income for the year, net of tax</b>	<b>916,786</b>	1,037,149
<b>Total comprehensive income for the year</b>	<b>21,456,131</b>	23,205,936
Attributable to:		
Owners of the Parent	<b>20,620,739</b>	22,262,775
Non-controlling interests	<b>835,392</b>	943,161
	<b>21,456,131</b>	23,205,936

The accompanying notes form an integral part of these consolidated financial statements.

# Consolidated Statement of Financial Position

As At 31 December 2023

(In RMB thousands, unless otherwise stated)

	Note	2023	2022
<b>Non-current assets</b>			
Property, plant and equipment	19	8,807,717	8,282,316
Investment properties	20	904,505	953,997
Goodwill	21	8,439,524	8,431,567
Land-use rights and intangible assets	22	3,352,039	3,421,368
Investments in associates	24	9,632,944	9,638,858
Investments in joint ventures	24	17,064	9,860
Financial assets at fair value through other comprehensive income	25	9,514,213	162,540
Financial assets at fair value through profit or loss	31	32,216,673	32,630,913
Reverse repurchase agreements	33	5,336,034	—
Refundable deposits	26	62,181,920	69,158,115
Deferred income tax assets	27	6,693,865	11,570,191
Right-of-use assets	28	2,393,630	1,942,488
Other non-current assets	29	586,595	507,717
<b>Total non-current assets</b>		<b>150,076,723</b>	146,709,930
<b>Current assets</b>			
Fee and commission receivables		2,309,293	2,189,302
Margin accounts	30	118,745,730	106,976,333
Financial assets at fair value through other comprehensive income	25	81,183,382	70,115,174
Financial assets at fair value through profit or loss	31	592,830,102	498,291,779
Derivative financial assets	32	32,754,245	36,388,727
Reverse repurchase agreements	33	56,873,123	31,483,059
Other current assets	34	69,794,438	58,323,821
Cash held on behalf of customers	35	239,019,025	245,723,271
Cash and bank balances	36	109,773,065	112,401,964
<b>Total current assets</b>		<b>1,303,282,403</b>	1,161,893,430
<b>Current liabilities</b>			
Customer brokerage deposits	37	283,820,892	279,402,254
Derivative financial liabilities	32	32,006,021	28,122,498
Financial liabilities at fair value through profit or loss	38	68,420,120	62,404,334
Repurchase agreements	39	278,725,748	212,745,223
Due to banks and other financial institutions	40	53,623,195	29,580,863
Taxes payable	41	2,502,744	5,576,161
Short-term loans	42	7,613,934	9,801,009
Short-term financing instruments payable	43	57,407,012	11,859,811
Lease liabilities	44	777,016	563,835
Other current liabilities	45	258,532,797	297,781,138
<b>Total current liabilities</b>		<b>1,043,429,479</b>	937,837,126
<b>Net current assets</b>		<b>259,852,924</b>	224,056,304
<b>Total assets less current liabilities</b>		<b>409,929,647</b>	370,766,234

# Consolidated Statement of Financial Position

As At 31 December 2023

(In RMB thousands, unless otherwise stated)

	Note	2023	2022
<b>Non-current liabilities</b>			
Debt instruments issued	46	<b>108,555,434</b>	74,759,187
Deferred income tax liabilities	27	<b>170,275</b>	3,490,703
Long-term loans	47	<b>343,173</b>	272,299
Financial liabilities at fair value through profit or loss	38	<b>18,042,078</b>	28,711,261
Repurchase agreements	39	<b>4,620,575</b>	1,537,872
Lease liabilities	44	<b>1,651,580</b>	1,407,947
Other non-current liabilities	48	<b>2,347,324</b>	2,214,926
<b>Total non-current liabilities</b>		<b>135,730,439</b>	112,394,195
<b>Net assets</b>			
		<b>274,199,208</b>	258,372,039
<b>Equity</b>			
Equity attributable to Owners of the Parent			
Issued share capital	49	<b>14,820,547</b>	14,820,547
Other equity instruments	50	<b>16,761,704</b>	13,761,704
Reserves	51	<b>143,807,570</b>	139,306,544
Retained earnings		<b>93,449,787</b>	85,229,293
		<b>268,839,608</b>	253,118,088
Non-controlling interests		<b>5,359,600</b>	5,253,951
<b>Total equity</b>		<b>274,199,208</b>	258,372,039

The accompanying notes form an integral part of these consolidated financial statements.

Approved and authorised for issue by the Board of Directors on 26 March 2024.

**ZHANG Youjun**

Chairman

**YANG Minghui**

Executive Director and President



# Consolidated Statement of Changes in Equity

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

	Note	Attributable to owners of the Parent										Total	
		Reserves								Retained earnings	Subtotal		Non-controlling interests
		Share capital	Other equity instruments	Capital reserve	Surplus reserves	General reserves	Investment revaluation reserve	Foreign currency translation reserve					
<b>At 1 January 2023</b>		14,820,547	13,761,704	90,939,724	11,293,893	36,884,302	(197,687)	386,312	85,229,293	253,118,088	5,253,951	258,372,039	
Profit for the year		–	–	–	–	–	–	–	19,720,547	19,720,547	818,798	20,539,345	
Other comprehensive income for the year		–	–	–	–	–	654,197	245,995	–	900,192	16,594	916,786	
Total comprehensive income for the year		–	–	–	–	–	654,197	245,995	19,720,547	20,620,739	835,392	21,456,131	
Dividends – 2022	17	–	–	–	–	–	–	–	(7,262,068)	(7,262,068)	–	(7,262,068)	
Distribution to other equity instrument holders	17	–	–	–	–	–	–	–	(525,163)	(525,163)	–	(525,163)	
Appropriation to surplus reserves		–	–	–	346,115	–	–	–	(346,115)	–	–	–	
Appropriation to general reserves		–	–	–	–	3,366,307	–	–	(3,366,307)	–	–	–	
Capital increase/(decrease)		–	3,000,000	(111,588)	–	–	–	–	–	2,888,412	(242,565)	2,645,847	
– Capital decrease by equity holders		–	–	–	–	–	–	–	–	–	(242,565)	(242,565)	
– Capital increase/(decrease) by other equity instrument holders	50	–	3,000,000	(6,478)	–	–	–	–	–	2,993,522	–	2,993,522	
– Others		–	–	(105,110)	–	–	–	–	–	(105,110)	–	(105,110)	
Dividends to non-controlling interests		–	–	–	–	–	–	–	–	–	(487,178)	(487,178)	
Others		–	–	–	–	–	–	–	(400)	(400)	–	(400)	
<b>At 31 December 2023</b>		14,820,547	16,761,704	90,828,136	11,640,008	40,250,609	456,510	632,307	93,449,787	268,839,608	5,359,600	274,199,208	

# Consolidated Statement of Changes in Equity

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

	Attributable to owners of the Parent											Total
	Note	Reserves							Retained earnings	Subtotal	Non-controlling interests	
		Share capital	Other equity instruments	Capital reserve	Surplus reserves	General reserves	Investment revaluation reserve	Foreign currency translation reserve				
<b>At 1 January 2022</b>		12,926,776	10,767,729	65,629,381	9,985,077	32,958,534	(88,824)	(667,904)	77,660,564	209,171,333	4,636,453	213,807,786
Profit for the year		–	–	–	–	–	–	–	21,317,422	21,317,422	851,365	22,168,787
Other comprehensive income for the year		–	–	–	–	–	(108,863)	1,054,216	–	945,353	91,796	1,037,149
Total comprehensive income for the year		–	–	–	–	–	(108,863)	1,054,216	21,317,422	22,262,775	943,161	23,205,936
Dividends – 2021	17	–	–	–	–	–	–	–	(8,003,095)	(8,003,095)	–	(8,003,095)
Distribution to other equity instrument holders	17	–	–	–	–	–	–	–	(497,209)	(497,209)	–	(497,209)
Appropriation to surplus reserves		–	–	–	1,308,816	–	–	–	(1,308,816)	–	–	–
Appropriation to general reserves		–	–	–	–	3,925,768	–	–	(3,925,768)	–	–	–
Capital increase/(decrease)												
– Capital increase by equity holders		1,893,771	–	25,309,120	–	–	–	–	–	27,202,891	–	27,202,891
– Capital increase by other equity instrument holders	50	–	2,993,975	–	–	–	–	–	–	2,993,975	–	2,993,975
– Others		–	–	1,223	–	–	–	–	(13,805)	(12,582)	123,673	111,091
Dividends to non-controlling interests		–	–	–	–	–	–	–	–	–	(449,336)	(449,336)
<b>At 31 December 2022</b>		14,820,547	13,761,704	90,939,724	11,293,893	36,884,302	(197,687)	386,312	85,229,293	253,118,088	5,253,951	258,372,039

The accompanying notes form an integral part of these consolidated financial statements.

# Consolidated Statement of Cash Flows

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

	2023	2022
<b>Cash flows from operating activities</b>		
Profit before income tax	<b>26,185,453</b>	28,950,204
Adjustments for:		
Financing interest expense	<b>6,246,120</b>	6,378,624
Share of profits and losses of associates and joint ventures	<b>(641,461)</b>	(673,390)
Interest income and dividend income from financial assets at fair value through other comprehensive income	<b>(2,074,410)</b>	(1,491,050)
Net gains on disposal of debt instruments at fair value through other comprehensive income	<b>(980,535)</b>	(256,582)
Net gains on disposal of property, plant and equipment and other assets	<b>(633)</b>	(924)
Gains on disposal of associates, joint ventures and subsidiaries	<b>(115,603)</b>	(20,786)
Fair value (gains)/losses on financial assets and liabilities measured at fair value through profit or loss	<b>(3,573,683)</b>	13,659,871
Depreciation	<b>1,565,187</b>	1,349,592
Amortisation	<b>403,216</b>	388,709
Reversals of expected credit losses	<b>(364,836)</b>	(698,184)
Impairment on other assets	<b>8,289</b>	514,172
	<b>26,657,104</b>	48,100,256
<b>Net (increase)/decrease in operating assets</b>		
Financial assets at fair value through profit or loss	<b>(88,067,597)</b>	(9,751,173)
Cash held on behalf of customers	<b>6,704,247</b>	(23,264,362)
Other assets	<b>(79,471,791)</b>	75,832,622
	<b>(160,835,141)</b>	42,817,087
<b>Net increase/(decrease) in operating liabilities</b>		
Customer brokerage deposits	<b>4,373,153</b>	27,648,039
Repurchase agreements	<b>69,063,228</b>	(21,003,381)
Other liabilities	<b>33,210,050</b>	(33,940,192)
	<b>106,646,431</b>	(27,295,534)
<b>Net cash (outflow)/inflow from operating activities before tax</b>	<b>(27,531,606)</b>	63,621,809
Income tax paid	<b>(6,601,107)</b>	(8,363,459)
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(34,132,713)</b>	55,258,350

# Consolidated Statement of Cash Flows

For the year ended 31 December 2023

(In RMB thousands, unless otherwise stated)

	Note	2023	2022
<b>Cash flows from investing activities</b>			
Net cash flow from purchases and sales of items of property, plant and equipment and other assets		<b>(1,579,773)</b>	(1,304,020)
Net cash flow from investments in associates and joint ventures		<b>505,769</b>	293,879
Net cash flow of financial assets at fair value through other comprehensive income		<b>(17,045,629)</b>	186,928
Net cash flow from other investing activities		<b>(78,387)</b>	31,474
<b>Net cash outflow from investing activities</b>		<b>(18,198,020)</b>	(791,739)
<b>Cash flows from financing activities</b>			
Cash inflows from the rights issue		—	27,156,972
Cash inflows from issuance of perpetual bonds		<b>3,000,000</b>	3,000,000
Cash inflows from borrowing activities		<b>107,672,045</b>	10,194,389
Cash inflows from issuing bonds		<b>234,636,055</b>	67,716,044
Payment of debts		<b>(281,435,573)</b>	(133,201,845)
Dividends and interest expenses paid		<b>(14,296,620)</b>	(15,516,047)
Other cash outflows from financing activities		<b>(1,294,480)</b>	(1,209,107)
<b>Net cash inflow/(outflow) from financing activities</b>		<b>48,281,427</b>	(41,859,594)
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(4,049,306)</b>	12,607,017
Cash and cash equivalents at the beginning of the year		<b>103,228,271</b>	90,064,626
Effect of exchange rate changes on cash and cash equivalents		<b>398,769</b>	556,628
<b>Cash and cash equivalents at the end of the year</b>	52	<b>99,577,734</b>	103,228,271

The accompanying notes form an integral part of these consolidated financial statements.

# Notes to the Consolidated Financial Statements

(In RMB thousands, unless otherwise stated)

## 1 CORPORATE INFORMATION

CITIC Securities Company Limited (the “**Company**”) was established in Beijing, the People’s Republic of China (the “**PRC**” or “**Chinese Mainland**”, which excludes for the purpose of the financial statements, the Hong Kong Special Administrative Region of the PRC or “**Hong Kong**”, the Macau Special Administrative Region of the PRC or “**Macau**”, and Chinese Taiwan ) on 25 October 1995. Pursuant to the approval by the China Securities Regulatory Commission (the “**CSRC**”), the Company was restructured as a joint stock limited company in 1999. The unified social credit code of the Company for its business license is 914403001017814402. The Company’s common stock was listed on the Shanghai Stock Exchange in 2003 and listed on The Stock Exchange of Hong Kong Limited in 2011. The registered office of the Company is located at North Tower, Excellence Times Plaza II, No. 8 Zhongxin San Road, Futian District, Shenzhen, Guangdong Province, the PRC.

The Company and its subsidiaries (collectively referred to as the “**Group**”) conduct the following principal activities:

- Securities and futures brokerage;
- Securities investment fund distribution and introducing brokerage business for futures companies;
- Agency sale of financial products;
- Securities underwriting and sponsorship;
- Investment advisory and consultancy services;
- Proprietary securities activities;
- Asset management and fund management;
- Margin financing and securities lending;
- Stock option market-making; and
- Market making trading of listed securities.

## 2 BASIS OF PREPARATION

### 2.1 Basis of Preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“**IFRSs**”), as issued by the International Accounting Standards Board (“**IASB**”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance (Cap. 622) for this financial year and the comparative period.

The consolidated financial statements have been prepared under the historical cost convention, except for derivative financial instruments, financial assets/liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, which have been measured at fair value, as further explained in the respective accounting policies below. These financial statements are presented in RMB and all values are rounded to the nearest thousand except when otherwise indicated.

# Notes to the Consolidated Financial Statements

(In RMB thousands, unless otherwise stated)

## 2 BASIS OF PREPARATION (Continued)

### 2.2 Amendments to the accounting standards effective in 2023 and adopted by the Group

The Group has adopted the following amendments to the IFRSs issued by the IASB that are first effective for the financial year ended 31 December 2023:

IFRS 17 Amendments	Insurance Contracts
IAS 1 and IFRS Practice Statement 2 Amendments	Disclosure of Accounting Policies
IAS 8 Amendments	Definition of Accounting Estimates
IAS 12 Amendments	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
IAS 12 Amendments	International Tax Reform-Pillar Two Model Rules

#### (1) IFRS 17 Amendments: Insurance Contracts

IFRS 17 was issued in May 2017 as replacement for IFRS 4 Insurance Contracts. It requires a current measurement model where estimates are re-measured each reporting period. Contracts are measured using the building blocks of: discounted probability-weighted cash flows, an explicit risk adjustment, and a contractual service margin (“CSM”) representing the unearned profit of the contract which is recognised as revenue over the coverage period. The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features.

#### (2) IAS 1 and IFRS Practice Statement 2 Amendments: Disclosure of Accounting Policies

IAS 1 and IFRS Practice Statement 2 Amendments provide guidance to help entities apply materiality judgements to accounting policy disclosures. The amendments replace the requirement for entities to disclose their “significant” accounting policies with a requirement to disclose their “material” accounting policies. The amendments add guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

#### (3) IAS 8 Amendments: Definition of Accounting Estimates

IAS 8 Amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. It introduces a new definition of “accounting estimates”. The amendments are designed to clarify distinction between changes in accounting estimates and changes in accounting policies and correction of errors.

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

IAS 12 Amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities. The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented.

## 2 BASIS OF PREPARATION (Continued)

### 2.2 Amendments to the accounting standards effective in 2023 and adopted by the Group

(Continued)

#### (5) IAS 12 Amendments: International Tax Reform-Pillar Two Model Rules

The amendments introduce a temporary mandatory exception from deferred tax accounting for the income tax arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD) (income tax arising from such tax laws is hereafter referred to as “**Pillar Two income taxes**”), including tax laws that implement qualified domestic minimum top-up taxes described in those rules. The amendments also introduce disclosure requirements about such tax. They are immediately effective upon issuance and require retrospective application.

### 2.3 Standards and amendments relevant to the Group that are not yet effective and have not been adopted before their effective dates in 2023

		<b>Effective for annual periods beginning on or after</b>
IAS 1 Amendments	Classification of Liabilities as Current or Non-current and Noncurrent Liabilities with Covenants	1 January 2024
IFRS 16 Amendments	Lease Liability in a Sale and Leaseback	1 January 2024
IAS 7 and IFRS 7 Amendments	Supplier Finance Arrangements	1 January 2024
IAS 21 Amendments	Lack of Exchangeability	1 January 2025
IFRS 10 and IAS 28 Amendments	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Effective date has been deferred indefinitely

#### (1) IAS 1 Amendments: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

The amendments to IAS 1 (2020) concern the requirements on determining if a liability is current or non-current. In particular, the amendments specify the condition of an entity to classify a liability as non-current requires that a right to defer settlement must exist at the end of the reporting period and have substance, and clarify that classification is unaffected by management’s intentions or expectations about whether the entity will exercise its right to defer settlement.

The amendments also specify the classification of liabilities that will or may be settled by issuing an entity’s own equity instruments. When a liability includes a counterparty conversion option that involves a transfer of the entity’s own equity instruments, the classification of such liability is not affected only when the conversion option is recognized separately from the host liability as an equity component under IAS 32.

# Notes to the Consolidated Financial Statements

(In RMB thousands, unless otherwise stated)

## 2 BASIS OF PREPARATION (Continued)

### 2.3 Standards and amendments relevant to the Group that are not yet effective and have not been adopted before their effective dates in 2023 (Continued)

#### (1) IAS 1 Amendments: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants (Continued)

The amendments to IAS 1 (2022) specify that only covenants with which an entity must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the entity must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, an entity is required to disclose information regarding the risk that the non-current liabilities subject to future covenants could become repayable within twelve months after the end of the reporting period.

The 2022 amendments defer the effective date of the 2020 amendments to annual reporting periods beginning on or after 1 January 2024. If an entity applies one of these two amendments for an earlier period, the other amendments should also be applied for that period.

The Group anticipates that the adoption of the amendments will not have a significant impact on the Group's consolidated financial statements.

#### (2) IFRS 16 Amendments: Lease Liability in a Sale and Leaseback

The amendments add to the requirements explaining how an entity accounts for a sale and leaseback after the date of the transaction. The amendments require a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right-of-use it retains, including cases with variable lease payments in the leaseback. The Group anticipates that the adoption of the amendments will not have a significant impact on the Group's consolidated financial statements.

#### (3) IFRS 10 and IAS 28 Amendments: Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture

These amendments address an inconsistency between IFRS 10 and IAS 28 in the sale and contribution of assets between an investor and its associate or joint venture. A full gain or loss is recognized when a transaction involves a business. A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if those assets are in a subsidiary. The Group anticipates that the adoption of these amendments will not have a significant impact on the Group's consolidated financial statements.

#### (4) IAS 7 and IFRS 7 Amendments: Supplier Finance Arrangements

The amendments introduce new disclosures relating to supplier finance arrangements that assist users of the financial statements to assess the effects of these arrangements on an entity's liabilities and cash flows and on an entity's exposure to liquidity risk. The Group anticipates that the adoption of the amendments will not have a significant impact on the Group's consolidated financial statements.



## 2 BASIS OF PREPARATION (Continued)

### 2.3 Standards and amendments relevant to the Group that are not yet effective and have not been adopted before their effective dates in 2023 (Continued)

#### (5) IAS 21 Amendments: Lack of Exchangeability

The amendments specify when a currency is exchangeable into another currency and when it is not, and how an entity determines a spot rate when a currency lacks exchangeability. Under the amendments, entities are required to provide additional disclosures to help users evaluate how a currency's lack of exchangeability affects, or is expected to affect, its financial performance, financial position and cash flows. The Group anticipates that the adoption of the amendments will not have a significant impact on the Group's consolidated financial statements.

### 2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries for the year ended 31 December 2023. The financial statements of the subsidiaries are prepared for the same reporting period as the Company (also referred to as the "**Parent**"), using consistent accounting policies.

The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated on consolidation in full.

Total comprehensive income within a subsidiary is attributed to the non-controlling interest even if that results in a deficit balance. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- (a) derecognises the assets (including goodwill) and liabilities of the subsidiary;
- (b) derecognises the carrying amount of any non-controlling interest;
- (c) derecognises the cumulative translation differences recorded in equity;
- (d) recognises the fair value of the consideration received;
- (e) recognises the fair value of any investment retained;
- (f) recognises any resulting surplus or deficit in profit or loss; and
- (g) reclassifies the Group's share of components previously recognised in other comprehensive income (OCI) to profit or loss.

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in the consolidated statement of profit or loss and within equity in the consolidated statement of financial position separately from the equity attributable to owners of the Parent. An acquisition of noncontrolling interests is accounted for as an equity transaction.

# Notes to the Consolidated Financial Statements

(In RMB thousands, unless otherwise stated)

## 3 SIGNIFICANT ACCOUNTING POLICIES

### (1) Cash and cash equivalents

Cash and cash equivalents are short term, highly liquid assets, which are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value. Cash and cash equivalents include cash and assets with original maturity of three months or less under cash and bank balances.

### (2) Foreign currency transactions and foreign currency translation

The financial statements are presented in RMB, which is the Company's functional and presentation currency. The recording currency of the Company's subsidiaries is determined based on the primary economic environment in which they operate.

Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the prevailing functional currency exchange rates at the end of the reporting period. All differences are taken to the statement of profit or loss. Non-monetary items denominated in foreign currencies that are measured at historical costs are translated at the balance sheet date using the spot exchange rates at the date of the transactions.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's overseas operations are translated into the presentation currency of the Group at the rate of exchange prevailing at the end of the reporting period, and their income and expenses are translated at exchange rates that approximate the exchange rates of the date of the transaction. The exchange differences resulting from foreign currency financial statement translation of subsidiaries are recognised in other comprehensive income ("OCI") and accumulated in the foreign exchange translation reserve. The cash flows of overseas operations are translated at the spot exchange rates on the dates of the cash flows.

The effect of exchange rate changes on cash is presented separately in the cash flow statement.

### (3) Financial instruments

#### (a) Initial recognition, classification and measurement of financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

At initial recognition, the Group measures a financial asset or financial liability at its fair value, in the case of a financial asset or financial liability not at fair value through profit or loss, plus or minus transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss.

### 3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (3) Financial instruments (Continued)

##### (a) Initial recognition, classification and measurement of financial instruments (Continued)

###### *Financial assets*

Financial assets are classified on the basis of the Group's business model for managing the asset and the cash flow characteristics of the assets:

- (i) Amortised cost;
- (ii) Fair value through other comprehensive income ("**FVOCI**"); or
- (iii) Fair value through profit or loss ("**FVPL**").

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Business model reflects how the Group manages the assets in order to generate cash flows. That is, whether the Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of "other" business model and measured at FVPL. Factors considered by the Group in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows represent solely payments of principal and interest ("**SPPI**"). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement. i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determine whether their cash flows are SPPI.

# Notes to the Consolidated Financial Statements

(In RMB thousands, unless otherwise stated)

## 3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (3) Financial instruments (Continued)

#### (a) Initial recognition, classification and measurement of financial instruments (Continued)

The classification requirements for debt instruments and equity instruments are described as below:

##### **Debt Instruments**

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective. Classification and subsequent measurement of debt instruments depend on: (i) the Group's business model for managing the asset; and (ii) the cash flow characteristics of asset.

Based on these factors, the Group classifies its debt instruments into one of the following three measurement categories:

- (i) Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent SPPI, and that are not designated at FVPL, are measured at amortised cost.
- (ii) FVOCI: Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent SPPI, and that are not designated at FVPL, are measured at FVOCI.
- (iii) FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL.

The Group may also irrevocably designate financial assets at FVPL if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different bases.

##### **Equity instruments**

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Examples of equity instruments include basic ordinary shares.

The Group subsequently measures all equity investments at FVPL, except where the Group's management has elected, at initial recognition, to irrevocably designate an equity investment at FVOCI.

##### **Financial liabilities**

Financial liabilities are classified as subsequently measured at amortised cost, except for financial liabilities at FVPL, which is applied to derivatives, financial liabilities held for trading (e.g. short positions in the trading books) and other financial liabilities designated as such at initial recognition.

Contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies. Such contingent consideration shall subsequently be measured at fair value with changes recognised in profit or loss.

An entity may, at initial recognition, irrevocably designate a financial liability as measured at fair value through profit or loss: (i) it eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as 'an accounting mismatch'); (ii) a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the Group is provided internally on that basis to the entity's key management personnel.

### 3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (3) Financial instruments (Continued)

##### (b) Reclassification of financial assets

When the Group changes the business model for managing its financial assets, it shall reclassify all affected financial assets, and apply the reclassification prospectively from the reclassification date. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest. Reclassification date is the first day of the first reporting period following the change in business model that results in an entity reclassifying financial assets.

##### (c) Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

The fair values of quoted financial assets and financial liabilities in active markets are based on quoted market prices. If there is no active market, the Group establishes fair value by using valuation techniques. These include the use of market approach, income approach and cost approach. When using valuation techniques, the Group uses observable inputs. Unobservable market inputs would not be used unless relevant observable inputs are not available or not practicable to access.

Default Valuation Adjustments are applied to the Group's financial liabilities at fair value through profit or loss, and assumes that Default Valuation Adjustments stay the same before and after the transfer of the liability. Default Valuation Adjustments refer to risk that enterprises fail to perform the obligation, including but not limited to their own credit risk.

The Group uses the following hierarchy for determining and disclosing the fair values of financial assets and financial liabilities based on the inputs used when determining the fair value:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Valuation technique using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Valuation technique using inputs for the asset or liability that is not based on observable market data (unobservable inputs).

The level of fair value measurement depends on the lowest level of input that is significant to the entire fair value measurement.

# Notes to the Consolidated Financial Statements

(In RMB thousands, unless otherwise stated)

## 3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (3) Financial instruments (Continued)

#### (d) Subsequent measurement of financial instruments

Subsequent measurement of financial instruments depends on the categories:

##### ***Amortised cost***

The amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition: (i) minus the principal repayments; (ii) plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount; and (iii) for financial assets, adjusted for any loss allowance. Interest income from these financial assets is included in “Interest income” using the effective interest rate method.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider expected credit losses (“**ECL**”) and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate. For purchased or originated credit-impaired (“**POCI**”) financial assets, the Group calculates the credit-adjusted effective interest rate, which is calculated based on the amortised cost of the financial asset instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows.

When the Group revises the estimates of future cash flows, the carrying amount of the respective financial asset or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets and is included in “Interest income”, except for: (i) POCI financial assets, whose interest income is calculated, since initial recognition, by applying the credit-adjusted effective interest rate to their amortised cost; and (ii) financial assets that are not POCI but have subsequently become credit-impaired, whose interest income is calculated by applying the effective interest rate to their amortised cost (i.e. net of the expected credit loss allowance). If, in a subsequent period, the financial assets improve their qualities so that they are no longer credit-impaired and the improvement in credit quality is related objectively to a certain event occurring after the application of the above-mentioned rules, then the interest income is calculated by applying the effective interest rate to their gross carrying amount.

##### ***Financial assets at fair value through other comprehensive income***

###### *Debt instruments*

Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses and interest revenue on the instrument’s amortised cost which are recognised in profit or loss. Interest income from these financial assets is included in “interest income” using the effective interest rate method. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in “Investment income”.

### 3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (3) Financial instruments (Continued)

##### (d) Subsequent measurement of financial instruments (Continued)

###### **Financial assets at fair value through other comprehensive income** (Continued)

###### *Equity instruments*

The equity instrument investments that are held for purposes other than to generate investment returns are designated as FVOCI. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in profit or loss as investment income when the Group's right to receive payments is established, and it is probable that future economic benefits associated with the item will flow to the Group, and the amounts of the dividends can be measured reliably.

###### **Financial assets at fair value through profit or loss**

###### *Debt instruments*

A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented in the profit or loss statement within "Investment income" in the period in which it arises.

###### *Equity instruments*

Gains and losses on equity investments at FVPL are included in the "Investment income" line in the statement of profit or loss.

###### **Financial liabilities at fair value through profit or loss**

Financial liabilities at FVPL are measured at fair value with all gains or losses recognized in profit or loss of the current period, except for financial liabilities designated as at fair value through profit or loss, where gains or losses on the financial liabilities are treated as follows:

- (i) changes in fair value of such financial liabilities due to changes in the Group's own credit risk are recognized in other comprehensive income; and
- (ii) other changes in fair value of such financial liabilities are recognized in profit or loss of the current period. If the accounting of changes in the credit risk of the financial liabilities in accordance with (i) will create or enlarge accounting mismatches in profit or loss, the Group recognizes all gains or losses on such financial liabilities (including amounts arising from changes in its own credit risk) in the profit or loss of the current period.

When financial liabilities designated as at FVPL are derecognised, fair value gains and losses are subsequently reclassified from other comprehensive income to retained earnings.

# Notes to the Consolidated Financial Statements

(In RMB thousands, unless otherwise stated)

## 3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (3) Financial instruments (Continued)

#### (e) Impairment of financial instruments

The Group assesses on a forward-looking basis the ECL associated with its debt instrument assets carried at amortised cost and FVOCI.

ECL is the weighted average of credit losses with the respective risks of a default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for POCI financial assets).

The Group measures the ECL of a financial instrument reflects:

- (i) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- (ii) the time value of money; and
- (iii) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

For financial instruments whose impairment losses are measured using the ECL model, the Group assesses whether their credit risk has increased significantly since their initial recognition, and applies a three-stage impairment model to calculate their impairment allowance and recognise their ECL, as follows:

- Stage I: The Group measures the loss allowance for a financial instrument at an amount equal to the next 12 months ECL if the credit risk of that financial instrument has not increased significantly since initial recognition.
- Stage II: The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime ECL if the credit risk of that financial instrument has increased significantly since initial recognition, but is not yet deemed to be credit-impaired.
- Stage III: The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime ECL if the financial instrument is credit-impaired.

The Group applies the impairment requirements for the recognition and measurement of loss allowance for debt instruments that are measured at FVOCI. The loss allowance is recognised in OCI and the impairment loss is recognised in profit or loss, and it should not reduce the carrying amount of the financial asset in the statement of financial position.



### 3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (3) Financial instruments (Continued)

##### (e) Impairment of financial instruments (Continued)

The Group has measured the loss allowance for a financial instrument at an amount equal to the lifetime ECL in the previous reporting period, but determines to measure it at an amount equal to the next 12 months ECL at the current reporting date since the credit risk of that financial instrument has increased significantly since initial recognition is no longer met, and the amount of ECL reversal is recognised in profit or loss. Excluding POCI financial assets.

The inputs, assumptions and estimation techniques the Group used in ECL models for its debt instrument assets carried at amortised cost and FVOCI refer to Note 58(a).

##### (f) Derecognition of financial instruments

A financial asset is derecognised, when one of the following criteria is satisfied:

- (i) the contractual rights to receive cash flows from the assets have expired; or
- (ii) the Group has transferred its rights to receive cash flows from the asset; or has assumed an obligation to pay them in full without material delay to a third party under a “pass-through” arrangement; and (a) the Group has transferred substantially all the risks and rewards of ownership of the financial asset; or (b) the Group has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset, but not retain control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability.

When the Group has made substantial modifications to a part of the contract terms of an existing financial liability, the relevant portion of the existing financial liability is derecognised, while the financial liability under modified terms is recognised as a new financial liability.

On derecognition of a financial liability in its entirety or partially, the difference between the carrying amount and the consideration paid (including non-cash assets transferred or new financial liabilities assumed) shall be recognised in profit or loss.

If the Group repurchases a part of a financial liability, the Group shall allocate the previous carrying amount of the financial liability between the part that continues to be recognised and the part that is derecognised based on the relative fair values of those parts on the date of the repurchase. The difference between the carrying amount allocated to the part derecognised and the consideration paid (including any non-cash assets transferred or liabilities assumed) for the part derecognised shall be recognised in profit or loss.

# Notes to the Consolidated Financial Statements

(In RMB thousands, unless otherwise stated)

## 3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (4) Derivative financial instruments and hedge accounting

#### Derivative financial instruments

The Group uses derivatives, such as foreign currency contracts, interest rate swaps, contracts of stock index and contracts for difference to economically hedge its foreign currency risk, interest rate risk and stock price risk, respectively. Derivatives financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including the discounted cash flow analysis and option pricing models, as appropriate. Credit Valuation Adjustments (CVA) and Debit Valuation Adjustments (DVA) are applied to the Group's over-the-counter derivatives to reflect the credit risk of the counterparties and the Group itself, respectively.

#### Hedge accounting

At the inception of a hedging relationship, the Group formally designates the hedge instruments and the hedged items, and documents the hedging relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to meet the hedge effectiveness in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to analyse the sources of hedge ineffectiveness which are expected to affect the hedging relationship in remaining hedging period. If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio, but the risk management objective for that designated hedging relationship remains the same, the Group would rebalance the hedging relationship.

The Group designates such hedged items as debt securities issued with floating interest that expose the Group to the risk of variability of its cash flows.

Certain derivative transactions, while providing effective economic hedges under the Group's risk management positions, do not qualify for hedge accounting and are therefore treated as derivatives held for trading with fair value gains or losses recognised in profit or loss. Hedges which meet the strict criteria for hedge accounting are accounted for in accordance with the Group's accounting policy as set out below.

#### Fair value hedges

Fair value hedges are hedges of the Group's exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment, or an identified portion of such an asset, liability or unrecognised firm commitment, that is attributable to a particular risk and could affect the profit or loss or other comprehensive income. Among them, the circumstances affecting other comprehensive income are limited to the hedging for the risk exposure from fair value change of non-trading equity investment designated as at FVOCI. For fair value hedges, the carrying amount of the hedged item is adjusted for gains and losses attributable to the risk being hedged, the derivative is remeasured at fair value and the gains and losses from both are taken to profit or loss or other comprehensive income. For hedged items recorded at amortised cost, the difference between the carrying value of the hedged item and the face value is amortised over the remaining term of the original hedge using the effective interest rate method.

### **3 SIGNIFICANT ACCOUNTING POLICIES** (Continued)

#### **(4) Derivative financial instruments and hedge accounting** (Continued)

##### **Fair value hedges** (Continued)

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss. The changes in the fair value of the hedging instrument are also recognised in profit or loss.

The Group discontinues fair value hedge accounting when the hedging relationship ceases to meet the qualifying criteria after taking into account any rebalancing of the hedging relationship, including the hedging instrument has expired or has been sold, terminated or exercised. If the hedged items are derecognised, the unamortised fair value is recorded in profit or loss.

#### **(5) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a current legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

#### **(6) Margin financing and securities lending services**

Margin financing and securities lending services refer to the lending of funds by the Group to customers for purchase of securities, or lending of securities by the Group to customers, for which the customers provide the Group with collateral.

The Group recognises margin accounts at initial recognition, and recognises interest income accordingly. Securities lent are not derecognised, but still accounted for as the original financial assets, and interest income is recognised accordingly.

Securities trading on behalf of margin financing or securities lending customers are accounted for as securities brokerage business.

For impairment of financial assets arising from margin financing and securities lending, refer to Note 3(3)(e).

#### **(7) Reverse repurchase agreements and repurchase agreements**

Financial assets transferred as collateral in connection with repurchase agreements, involving fixed repurchase dates and prices, are not derecognised. They continue to be recorded as original financial assets before transferred. The corresponding liability is included in repurchase agreements.

Consideration paid for financial assets held under agreements to resell are recorded as reverse repurchase agreements, the related collateral accepted is not recognised in the consolidated financial statements.

The difference between the purchase and resale consideration, and that between the sale and repurchase consideration, is amortised over the period of the respective transaction using the effective interest method and is recognised through interest income or expenses.

For impairment of reverse repurchase agreements, refer to Note 3(3)(e) and Note 4(5).

# Notes to the Consolidated Financial Statements

(In RMB thousands, unless otherwise stated)

## 3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (8) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. When the Group assesses whether it has power over an investee, the Group's voting rights or potential voting rights and other contractual arrangements are considered.

### (9) Associates

Associates are all entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in associates are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. The Group's share of the post-acquisition results and reserves of associates is included in the consolidated statement of profit or loss and consolidated reserves, respectively. Unrealised gains and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's investments in the associates.

### (10) Joint ventures

Joint ventures are all entities over which the Group has joint control. Joint control, is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. The Group's share of post-acquisition results and reserves of joint ventures is included in the consolidated statement of profit or loss and reserves, respectively. Unrealised gains and losses resulting from transactions between the Group and its joint ventures are eliminated to the extent of the Group's investments in the joint ventures.

### (11) Investment properties

Investment properties comprise real estate properties for the purpose of earning rental income and/or for capital appreciation, including buildings that have been leased out. Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

The Group's investment properties are accounted for using cost model. The initial recognition and subsequent measurement of buildings and properties that are leased out are accounted for using the same measurement and depreciation methods as those for property, plant and equipment.

When an investment property is transferred to owner-occupied property, it is reclassified to property, plant and equipment with the carrying amount determined at the carrying amount of the investment property at the date of the transfer. When an owner-occupied property is transferred out for earning rentals or for capital appreciation, the property, plant and equipment is transferred to investment properties with the carrying amount determined at the carrying amount at the date of the transfer.

### 3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (11) Investment properties (Continued)

An investment property shall be derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. When an investment property is sold, transferred, retired or damaged, the Group recognises the amount of any proceeds on disposal, net of the carrying amount and related expenses, in the consolidated statement of profit or loss.

#### (12) Property, plant and equipment

##### (a) Recognition criteria for property, plant and equipment

Property, plant and equipment comprise properties and buildings, transportation vehicles and electronic devices that the Group expects to use for more than one year and other tangible assets that are expected to be used for more than one year and the unit costs of which are greater than RMB2,000.

##### (b) Property, plant and equipment initially measured at cost

Cost of an item of purchased property, plant and equipment comprises purchase price, tax and any costs directly attributable to bringing the asset to the condition necessary for its intended use and it includes transportation costs, installation and assembly costs, and professional service fees. The cost of a self-constructed asset comprises all costs incurred before the asset is ready for its intended use.

Subsequent expenditure incurred for the property and equipment is included in the cost of the property and equipment if it is probable that economic benefits associated with the asset will flow to the Group and the subsequent expenditure can be measured reliably, while the carrying amount of the replaced part is derecognised. Other subsequent expenditure is recognised in the consolidated income statement in the period in which they are incurred.

Depreciation of property, plant and equipment is calculated on the straight-line basis.

Estimated useful life, depreciation rate and estimated residual value of each item of property, plant and equipment which are required by the operation of the Group are as follows:

Types of property, plant and equipment	Estimated useful lives	Monthly depreciation rate	Estimated residual value rate
Properties and buildings	35 years	2.262%	5%
Electronic devices	2–5 years	1.667%–4.167%	—
Transportation vehicles			
— Leased out	(i)	(i)	(i)
— Others	5 years	1.617%	3%
Communication equipment	5 years	1.617%	3%
Office equipment	3 years	2.778%	—
Security equipment	5 years	1.617%	3%
Others	5 years	1.617%	3%

- (i) Transportation vehicles that are leased out under operating lease represent aircraft and cargo vessel. The Group determines the useful lives and depreciation method according to conditions of aircraft and cargo vessel. Among transportation vehicles, the estimated useful lives of cargo vessel is 20 years, and the estimated residual value is determined based on the expected residual value; the estimated useful lives of aircraft is 18 years with a monthly depreciation rate of 0.394%, and the estimated residual value rate is 15% of its original cost.

# Notes to the Consolidated Financial Statements

(In RMB thousands, unless otherwise stated)

## 3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (12) Property, plant and equipment (Continued)

#### (b) Property, plant and equipment initially measured at cost (Continued)

The years that property, plant and equipment were already in use upon purchase were excluded when determining the estimated useful lives of these types of property, plant and equipment. The estimated useful lives, the estimated residual value rate and the depreciation method of each type of property, plant and equipment are reviewed, and adjusted if appropriate, at each financial year end. Gains and losses on disposal of property, plant and equipment, the costs of disposal and taxes in connection with such disposal are considered in the determination of the estimated residual value rate.

#### (c) Impairment of property, plant and equipment

The Group assesses whether there is any indication that assets are impaired at each financial reporting date. When any such indication exists, the Group estimates the recoverable amount. When recoverable amounts of assets are lower than carrying amounts, the Group decreases the carrying amount to recoverable amount, the decreased amount recognised in the consolidated income statement.

An impairment loss recognised for property, plant and equipment is not reversed in subsequent periods.

#### (d) Disposal of property, plant and equipment

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from its continued use. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised through profit or loss.

#### (e) Construction in progress

Costs of construction in progress are determined based on the actual expenditure incurred which include all necessary expenditure incurred during the construction period, borrowing costs eligible for capitalisation and other costs incurred to bring the asset to its intended use.

Items classified as construction in progress are transferred to property, plant and equipment when such assets are ready for their intended use.

### (13) Land-use rights and intangible assets

#### (a) Land-use rights

Land-use rights acquired by the Group are amortised over the period that is confirmed by the land use permit.

#### (b) Intangible assets

Intangible assets are recognised only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item shall be measured reliably, and measured initially at cost. Intangible assets acquired from business combination and their fair value can be measured reliably are recognised as intangible assets individually and measured at their fair value as at date of combination.

Useful lives of intangible assets are determined as the period that the assets are expected to generate economic benefits for the Group, and when there is no foreseeable limit on the period of time over which the asset is expected to generate economic benefits for the Group, the intangible assets are regarded as having indefinite useful life.

### 3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (13) Land-use rights and intangible assets (Continued)

##### (b) Intangible assets (Continued)

Intangible assets with finite useful lives shall be amortised on a straight-line basis over the useful period. The useful lives and amortisation method of the intangible assets with finite useful lives shall be reviewed by the Group at least at each financial year end, and adjusted as appropriate. The residual value of an intangible asset with a finite useful life shall be assumed to be zero unless there is a commitment by a third party to purchase the asset at the end of its useful life, or there is an active market for the asset, where residual value can be determined by reference to that market; and it is probable that such a market will exist at the end of the asset's useful life. Impairment for intangible assets not readily for use is also assessed annually.

Software acquired from third party shall be amortised over 5 years. The self-developed software, patents, non-patents, trademarks, customer relationships and other intangible assets shall be amortised over their useful lives.

Intangible assets with indefinite useful lives need to be assessed for impairment no matter if there is any impairment evidence. These assets need not to be amortised, and their useful lives shall be reviewed each reporting date. If there is any evidence to support that the useful lives are definite, these intangible assets shall apply the policies of intangible assets with definite useful lives.

Internal research and development expenses are classified as research phase expense and development phase expenses. Expenditure on research phase of an internal project shall be recognised as an expense when it is incurred. Development phase expense can be capitalised only an entity can demonstrate all of the following:

- (i) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (ii) its intention to complete the intangible asset and use or sell it;
- (iii) its ability to use or sell the intangible asset;
- (iv) how the intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
- (v) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- (vi) its ability to measure reliably the expenditure attributable to the intangible asset during its development.

The development phase expenses that do not meet the above conditions shall be recognised in profit or loss when incurred.

# Notes to the Consolidated Financial Statements

(In RMB thousands, unless otherwise stated)

## 3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (14) Revenue

Revenue is recognised when control over a service is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties.

Where the contract contains a variable consideration, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the promised services to a customer and includes in the transaction price some or all of the variable consideration estimated, such that revenue is only recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

Where the contract contains a financing component which provides a significant financing benefit to the customer for more than 12 months, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction with the customer, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method. The Group takes advantage of the practical expedient of IFRS 15 and does not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

Further details of the Group's revenue and other income recognition policies are as follows:

Revenue from underwriting services is recognised when the Group has fulfilled its obligations under the underwriting contract. Depending on contract terms, sponsor fees are recognised progressively over time using a method that depicts the Group's performance, or at a point in time when the service is completed.

Revenue from the securities brokerage services is recognised on the date of the securities transaction.

Revenue from asset management services is recognised when management services are provided in accordance with the asset management contract.

Dividend income is recognised when the Group's right to receive payment has been established.

Other business revenue mainly comes from the bulk commodities sales of the Group's commodities trading subsidiaries.

The Group recognises sales revenue from bulk commodity goods when fulfil the Group's performance obligations in the contract, that is, the revenue is recognised when the customer obtains control of the relevant bulk commodity goods.

In the process of selling goods, the Group, as the primary obligor, has the primary responsibility of providing goods and performing orders to customers; the Group is exposed to inventory risk before or after the bulk commodity goods have been ordered by a customer; the Group has discretion in establishing prices of bulk commodity goods and exposed to credit risk for the amount receivable from customers in exchange for the other party's goods and commodity risk for inventory. The Group satisfies the performance obligation above and recognised revenue in the gross amount. When the Group acts as an agent, the net amount of the consideration received or receivable after deducting the price payable to other parties shall be recognised as income.



### 3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (14) Revenue (Continued)

When the Group recognises revenue in accordance with the progress of completed services, the part of unconditional receivables that the Group has acquired will be recognised as accounts receivables, and the rest will be recognised as contract assets. The Group identifies loss allowance on the basis of expected credit losses for accounts receivable and contractual assets; if the Group's received consideration or receivable consideration exceed the completed services, the excess part will be recognised as contractual liabilities. The Group's contractual assets and liabilities under the same contract are shown in net.

Interest income of debt investments at amortised costs and FVOCI, is measured by amortised cost and effective interest rate; excluding financial assets credit impaired are measured by amortised cost and credit-adjusted effective interest rate. The net gains of holding period from financial investments at FVTPL is measured as "Investment income".

#### (15) Income tax

Income tax comprises current tax and deferred income tax. Current tax is the amount of current income tax payable calculated based on current taxable income. Taxable income is calculated based on the adjustment to the current year pre-tax accounting profit according to the applicable tax laws.

For current income tax liabilities or current income tax assets generated from the current and prior periods, the expected income tax payable or the income tax deduction is calculated according to the applicable tax laws.

The Group measures deferred income tax using balance sheet liability method according to the temporary differences between the carrying amount of an asset or liability at the end of the reporting period and its tax base, and the temporary difference between the carrying amount of an item not recognised as an asset or liability at the end of the reporting period and its tax base.

All taxable temporary differences are recognised as deferred income tax liabilities, except:

- (i) The deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable income or deductible expenses; and
- (ii) In respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, unused tax credits carried forward and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences, unused tax credits carried forward and unused tax losses can be utilised, except that deferred income tax asset relating to deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable income or deductible expenses.

# Notes to the Consolidated Financial Statements

(In RMB thousands, unless otherwise stated)

## 3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (15) Income tax (Continued)

Deferred income tax assets and deferred income tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each reporting period and reflect the corresponding tax effect.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilised. When it is virtually probable that sufficient taxable income will be available, the reduced amount can be reversed accordingly.

### (16) Employee compensation

Employee compensation refers to all forms of consideration and other related expenditure given or incurred by the Group in exchange for services rendered by employees. The benefits payable are recognised as liabilities during the period in which the employees have rendered the services to the Group.

In accordance with the applicable laws and regulations, Chinese Mainland employees of the Group participate in various social insurance schemes including basic pension insurance, medical insurance, unemployment insurance and housing fund schemes administered by the local government authorities. Contributions to these schemes are recognised in profit or loss as incurred.

All eligible employees outside Chinese Mainland participate in the respective local defined contribution schemes. The Group contributes to these defined contribution schemes based on the requirements of the local regulatory bodies. The Group and its employees pay corporate annuities in accordance with the relevant PRC regulations.

### (17) Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all the attaching conditions will be complied with. Where the Group receives grants of monetary assets, the grants are recorded at the amount received or receivable. Where the Group receives grants of non-monetary assets, the grants are recorded at the fair value of the non-monetary assets. When fair value cannot be reliably measured, they are recognised at nominal amount.

Government grants for purchasing, building or other development of long-term assets regulated in government documents are recognised as government grants related to assets. Judgments should be made based on the necessary basic conditions for obtaining the government grants when government documents are unclearly stated. Government grants with purchasing, building or other development of long-term assets as basic condition are recognised as government grants related to assets, and the remaining type of grants are recognised as related to income.

Government grants related to income which are to compensate relevant expenditures or losses in future periods are recognised as deferred income and released to profit or loss during the period when the expense is incurred. Government grants that are to compensate the incurred expenses or losses are recognised into profit or loss directly. Government grants related to assets are recognised as deferred income, and released to profit or loss over the expected useful life of the relevant assets by equal annual instalments. Government grants measured at nominal amount are recorded into profit or loss directly.

### 3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (18) Leases

##### As a lessor

Lease income from operating leases is recognised in income on a straight-line basis over the period of the lease.

##### As a lessee

##### (a) *Initial measurement of the right-of-use asset and lease liability*

###### *Initial measurement of the right-of-use asset*

The right-of-use asset is defined as the right of underlying assets in the lease term for the Group as a lessee. The lease term is defined as the non-cancellable period of the lease for the Group as a lessee.

At the commencement date, a lessee shall measure the right-of-use asset at cost. The cost of the right-of-use asset shall comprise:

- (i) the amount of the initial measurement of the lease liability;
- (ii) any lease payments made at or before the commencement date, less any lease incentives received;
- (iii) any initial direct costs incurred by the lessee; and
- (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Initial direct costs are defined as incremental costs that would not have been incurred if a lease had not been obtained.

###### *Initial measurement of the lease liability*

At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date.

The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

The lessee uses as the discount rate the interest rate implicit in the lease — this is the rate of interest that causes the present value of lease payments and the unguaranteed residual value to equal the sum of the fair value of the underlying asset and any initial direct costs of the lessor.

The incremental borrowing rate is defined as the rate of interest that a lessee would have to pay to borrow, over a similar term and with a similar security, the funds necessary to obtain an asset of a similar value to the cost of the right-of-use asset in a similar economic environment.

# Notes to the Consolidated Financial Statements

(In RMB thousands, unless otherwise stated)

## 3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (18) Leases (Continued)

As a lessee (Continued)

#### (b) *Subsequent measurement of the right-of-use asset and lease liability*

*Subsequent measurement of the right-of-use asset*

At the commencement date, the Group as a lessee shall measure the right-of-use asset at cost and apply the depreciation requirements in IAS 16 *Property, Plant and Equipment* in depreciating the right-of-use asset. If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term, the lessee shall depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the lessee shall depreciate the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. When the recoverable amount is less than the book value of the right-to-use assets, the Group shall write down its book value to the recoverable amount.

*Subsequent measurement of the lease liability*

After the commencement date, the Group shall recognise interest on the lease liability in profit or loss. Interest on the lease liability in each period during the lease term shall be the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability.

#### (c) *Recognition of short-term leases and leases for which the underlying asset is of low value*

Short-term leases are defined as leases with a lease term of less than 12 months from the commencement date. Leases for which the underlying asset is of low value are defined as underlying assets of low value when new. The right-of-use asset and lease liability are not recognised by the Group for short-term leases and leases for which the underlying asset is of low value. The lessee shall recognise the lease payments associated with those leases as an expense.

### (19) Inventories

Inventories are recognised at cost for initial recognition. The cost of inventories comprises all costs of purchase, costs of conversion and other costs.

At the balance sheet date, inventories are measured at the lower of cost and net realisable value. When net realisable value is lower than the carrying amount, the Group decreases the carrying amount to net realisable value. The decreased amount is recognised in profit or loss and corresponding allowance is made.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion, the estimated costs necessary to make the sale and related taxes.

### (20) Impairment of goodwill

The Group assesses goodwill acquired from business combination, no matter there is objective evidence of impairment or not, impairment should be assessed at each annual financial reporting date.

The recoverable amount is the higher of an asset's fair value less costs of disposal and the present value of the estimated future cash flow expected to be derived from the asset. The Group estimates the recoverable amount on the basis of individual asset. When it is difficult to estimate the recoverable amount individually, the recoverable value of the cash generating units to which the asset belongs will be estimated. The recognition of a group of assets shall base on whether the main cash flow generated by the Group of assets is independent from those generated by other assets or groups of assets.

### 3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (20) Impairment of goodwill (Continued)

When recoverable amounts of assets or groups of assets are lower than their carrying amounts, the Group decreases their carrying amount to recoverable amount. The decreased amounts are recognised in profit or loss and corresponding allowances are made.

For impairment test of goodwill, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units when being unable to be allocated to each of the cash-generating units. Cash-generating units or groups of cash-generating units refer to those that can benefit from the synergies of the combination and are not larger than the reportable segment determined by the Group.

When performing impairment test for the (groups of) cash-generating unit to which goodwill is allocated, the Group firstly tests the (groups of) cash-generating unit excluding goodwill, calculates the recoverable amount and recognises relevant impairment losses. The Group then tests the (groups of) cash-generating units including goodwill, and compares the carrying amount and recoverable amount. If the carrying amount exceeds the recoverable amount, the amount of impairment loss is firstly deducted from the carrying amount of goodwill allocated to the (groups of) cash-generating unit, and then from the carrying amount of each of other assets (other than goodwill) within the (groups of) cash-generating unit, on a pro rata basis. An impairment loss recognised for goodwill cannot be reversed in subsequent periods.

#### (21) Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close family member of that person and that person
  - (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Group or of a parent of the Group;or
- (b) the party is an entity where any of the following conditions applies:
  - (i) the entity and the Group are members of the same group;
  - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
  - (iii) the entity and the Group are joint ventures of the same third party;
  - (iv) one entity is a joint venture of a third entity and other entity is an associate of the third entity;

# Notes to the Consolidated Financial Statements

(In RMB thousands, unless otherwise stated)

## 3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (21) Related parties (Continued)

- (b) the party is an entity where any of the following conditions applies: (Continued)
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
  - (vi) the entity is controlled or jointly controlled by a person identified in (a); or
  - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

### (22) Provisions and contingencies

The obligation pertinent to contingencies shall be recognised as provisions when the following conditions are satisfied concurrently:

- (i) the obligation is a present obligation of the Group;
- (ii) the obligation is probable to cause a future outflow of resources from the Group as a result of performance of the obligation; and
- (iii) the amount of the obligation can be reliably measured.

The amount of a provision is initially measured in accordance with the best estimate of the necessary expenses for the performance of the current obligation. To determine the best estimate, the Group takes into full consideration of risks, uncertainty, time value of money and other factors pertinent to the contingencies. The Group reviews the book value of the provisions at the end of the reporting period. If there is substantial evidence that the amount of provisions cannot actually reflect the current best estimate, the Group will adjust the amount in accordance with the current best estimate.

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or, a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

### (23) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, and non-current assets are not depreciated or amortised. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

### 3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (23) Non-current assets held for sale (Continued)

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the noncurrent asset is recognised at the date of derecognition.

#### (24) Perpetual bonds

Perpetual bonds issued by the Group, which satisfied with the following criteria are classified as equity instruments:

- (i) Financial instruments exclude those are settled on a net basis in cash (or other financial assets);
- (ii) Financial instruments must or can be settled on own equity: (a) For non-derivative contracts, they exclude those are settled gross by delivery of a variable number of own shares; (b) Derivative contracts that result in the delivery of a fixed amount of cash or other financial assets for a fixed number of an entity's own equity instruments.

Dividends for the perpetual bonds, which are classified as equity instruments, are accounted for as profit distribution.

#### (25) Profit distribution

After-tax profit for the year is firstly applied to make up for the losses of previous years. Secondly, the Company sets aside 10% of after-tax profit for a statutory reserve under surplus reserves, 10% of after-tax profit for a general risk reserve under general reserves, and according to the requirements of the CSRC, sets aside 10% of after-tax profit for a transaction risk reserve under general reserves. In addition, with the approval from the Annual General Meeting, the Company may set aside 5%–10% of after-tax profit for a discretionary reserve after setting aside the funds for the various statutory reserves. The remaining after-tax profit is distributed according to the resolution approved at the Annual General Meeting. If the aggregate balance of the statutory reserve has reached 50% of the Company's registered capital, appropriation for the statutory reserve is no longer mandatory.

General reserves set aside by the Company are used to make up for any losses arising from securities transactions. The Company's surplus reserves are used to make up for any losses of the Company or as additional capital of the Company. However, capital reserve cannot be used to make up for the Company's losses. When the statutory reserve are converted to capital, the balance of the statutory reserve cannot be less than 25% of the Company's registered capital.

Dividends proposed by the directors are not deducted from equity, until they have been approved by the ordinary equity holders in the Annual General Meeting. When these dividends have been approved by the ordinary equity holders, they are recognised as a liability.

# Notes to the Consolidated Financial Statements

(In RMB thousands, unless otherwise stated)

## 4 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these judgements assumptions and estimates could result in outcomes that could require an adjustment to the carrying amounts of the assets or liabilities.

### (1) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis, which requires significant judgement. This involves an estimation of the recoverable amount of the cash-generating units to which the goodwill is allocated. The recoverable amount is the higher of a cash-generating unit's fair value less costs to sell and its value in use.

### (2) Income tax

Determining provisions for income tax requires the Group to estimate the future tax treatment of certain transactions. The Group carefully evaluates tax implications of transactions in accordance with prevailing tax regulations and provides for taxes accordingly. In addition, deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised. This requires significant judgement of the tax treatments of certain transactions and also significant estimation of the probability that adequate future taxable profits will be available for the deferred income tax assets to be recovered.

### (3) Fair value of financial instruments

If the market for a financial instrument is not active, the Group estimates fair value by using a valuation technique. Valuation techniques include using recent prices in arm's length market transactions between knowledgeable and willing parties, if available, reference to the current fair value of another instrument that is substantially the same, or discounted cash flow analyses and option pricing models. To the extent practicable, valuation technique makes the maximum use of observable market inputs. However, where observable market inputs are not available, management needs to make estimates and use alternatives on such unobservable market inputs.

### (4) Consolidation of structured entities

Management makes significant judgment on whether the Group controls and therefore is required to consolidate its structured entities. The decision outcome impacts the financial and operational results of the Group.

When assessing control, the Group considers: 1) the level of power of the Group over the investee; 2) variable returns gained through participation of relevant activities of the investee; and 3) the ability of the Group in using its power over the investee to affect its return.

When assessing the level of power over the structured entities, the Group considers the following four aspects:

- (i) the degree of participation when establishing the structured entities;
- (ii) contractual arrangements;
- (iii) activities that take place only at special occasions or events;
- (iv) commitments made to the investee from the Group.



## 4 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

### (4) Consolidation of structured entities (Continued)

When assessing whether there is control over the structured entities, the Group also considers whether it's acting as a principal or as an agent. Aspects of considerations normally include the decision making power over the structured entities, substantive rights enjoyed by the other third parties, level of reward to the Group, and exposure to variable risks and returns from owning other benefits of the structured entities.

### (5) Measurement of the expected credit loss allowance

#### Expected credit loss measurement

The measurement of the expected credit loss allowance for debt instruments measured at amortised cost and FVOCI is an area that requires the use of models and assumptions about future economic conditions and credit behaviour of the client (such as the likelihood of customers defaulting and the resulting losses).

A number of significant judgements are also required in applying the accounting requirements for measuring expected credit losses (ECL), such as:

- Determining criteria for significant increase in credit risk, definition of default and credit impairment;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Projection of macroeconomic variables for forward-looking scenarios.

#### Inputs, assumptions and estimation techniques

The Group assesses ECL after taking into consideration of forward looking factors. For debt securities investments, ECL are the discounted product of the Probability of Default (“PD”), Exposure at Default (“EAD”), and Loss Given Default (“LGD”). For margin accounts, stock-pledged repo under reverse repurchase agreements, ECL are the discounted product of the EAD and Loss Ratio (“LR”).

#### Forward-looking information incorporated in the ECL model

A pervasive concept in measuring ECL in accordance with IFRS9 is that it should consider forward-looking information. The assessment of SICR and the calculation of ECL both incorporated forward-looking information. The Group has performed historical data and identified the key economic variables impacting credit risk and ECL for each financial instrument portfolio. These economic variables and their associated impact on the PD vary by product type. The impact of these economic variables on the PD has been determined by performing statistical regression analysis to understand the impact changes in these variables have had historically on default rates.

Details of the significant accounting judgements and estimates above please refer to Note 58(a).

### (6) Classification of financial assets

When the Group determines the classification of financial assets, a number of significant judgements in the business model and the contractual cash flow characteristics of the financial assets are required.

Factors considered by the Group in determining the business model for a group of financial assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

# Notes to the Consolidated Financial Statements

(In RMB thousands, unless otherwise stated)

## 4 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

### (6) Classification of financial assets (Continued)

When the Group assesses whether the contractual cash flows of the financial assets are consistent with basic lending arrangements, the main judgements are described as below: whether the principal amount may change over the life of the financial asset (for example, if there are prepayments); whether the interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin and cost, associated with holding the financial asset for a particular period of time.

## 5 TAXATION

According to relevant tax policies, the most significant categories of taxes which the Company is currently subjected to are as follows:

### (1) Income tax

From 1 January 2008, the “Enterprise Income Tax Law of the PRC” and the “Regulations on the Implementation of Enterprise Income Tax Law of the PRC” became effective for the Company. Income tax computation and payment are governed by the “Announcement of the State Administration of Taxation on Printing and Distributing Administrative Measures for Collection of Consolidated Payments of Enterprise Income Tax by Enterprises with Multi-Location Operations” (Public Notice of the State Administration of Taxation [2012] No. 57). The income tax rate applicable to the Company and its major domestic subsidiaries is 25%. Hong Kong and overseas subsidiaries pay taxes according to the applicable tax rate in the territory where their tax residency is located.

### (2) Value added tax

Pursuant to the “Circular regarding the Comprehensive Implementation of the Pilot Programs for Transformation from Business Taxes to Value-added Taxes (the “**VAT Pilot Programs**”)” (Cai Shui [2016] No. 36), the “Circular regarding Further Clarification of Relevant Policies Applicable to the Financial Sector in the Comprehensive Implementation of the VAT Pilot Programs (Cai Shui [2016] No. 46), the “Supplementary Circular regarding VAT Policies Applicable to Transactions between Financial Institutions” (Cai Shui [2016] No. 70) issued by the Ministry of Finance (the “**MOF**”) and the State Administration of Taxation (the “**SAT**”) of the PRC, effective from 1 May 2016, the Group is subject to value-added taxes on its income from principal businesses at 6%.

In accordance with the “Circular regarding the Value-added Taxes Policies for Financial, Real Estate Development and Education Ancillary and Other Services” (Cai Shui [2016] No. 140), the “Supplementary Circular regarding Issues concerning Value-added Taxes Policies for Asset Management Products” (Cai Shui [2017] No. 2) and the “Circular on the Relevant Issues concerning Value-added Tax Levied on Asset Management Products” (Cai Shui [2017] No. 56), the Group shall pay VAT at rate of 3% for related asset management taxable activities undertaken after 1 January 2018.

(3) Vehicle and vessel taxes, property taxes and stamp duties are levied in accordance with the provisions of the relevant tax laws and regulations.

(4) Urban maintenance and construction taxes, education surcharges and local education surcharges are levied at 5%/7%, 3% and 2%, respectively, of the payable amount of relevant turnover taxes.

## 6 OPERATING SEGMENT INFORMATION

For management purposes, the Group's operating businesses are structured and managed separately according to the nature of their operations and the services they provide. Each of the Group's operating segments represents a strategic business engaged in the following activities, which are subject to risks and returns that are different from the other operating segments.

Investment Banking — Securities placement and underwriting activities, and financial advisory services;

Brokerage — Securities and futures dealing and brokerage, as well as the sale of financial products as agent;

Trading — Equity, fixed income and derivatives trading and market-making, margin financing and securities lending and alternative investment activities;

Asset Management — Asset management services to asset management, plans, fund management and other investment account management; and

Others — Private equity investment, principal investment, bulk commodity trading and other financial activities.

Management monitors the results of the Group's operating segments for the purposes of resource allocation and operating decision-making. Operating segment performance is measured consistently, and on the same basis as, operating profit or loss in the Group's consolidated financial statements.

# Notes to the Consolidated Financial Statements

(In RMB thousands, unless otherwise stated)

## 6 OPERATING SEGMENT INFORMATION (Continued)

Income taxes are managed as a whole and are not allocated to operating segments.

2023	Investment banking	Brokerage	Trading	Assets management	Others	Total
Segment revenue and other income						
Fee and commission income	6,757,688	15,420,587	471,401	10,373,261	724,077	33,747,014
Interest income	2,929	6,464,538	14,604,382	238,428	298,674	21,608,951
Investment income	1,903	109,042	19,021,021	370,409	2,343,409	21,845,784
Other income	(389)	464,974	48,723	161,863	5,848,120	6,523,291
Subtotal	6,762,131	22,459,141	34,145,527	11,143,961	9,214,280	83,725,040
Operating expenses	4,250,944	18,948,562	21,158,078	6,481,201	7,342,263	58,181,048
Including: Finance costs	44	1,827,763	14,486,436	172,624	1,092,993	17,579,860
Expected credit losses	—	884	(349,534)	3,885	(20,071)	(364,836)
Impairment losses on other assets	—	125	—	—	8,164	8,289
Operating profit	2,511,187	3,510,579	12,987,449	4,662,760	1,872,017	25,543,992
Share of profits and losses of associates and joint ventures	—	—	—	—	641,461	641,461
Profit before income tax	2,511,187	3,510,579	12,987,449	4,662,760	2,513,478	26,185,453
Income tax expenses						5,646,108
Profit for the year						20,539,345
Other segment information:						
Depreciation and amortisation	98,527	904,955	98,998	274,242	591,681	1,968,403
Capital expenditure	448,509	536,793	263,164	178,433	152,874	1,579,773

## 6 OPERATING SEGMENT INFORMATION (Continued)

2022	Investment banking	Brokerage	Trading	Assets management	Others	Total
Segment revenue and other income						
Fee and commission income	8,914,805	16,140,287	435,334	11,493,259	961,528	37,945,213
Interest income	522	6,014,565	14,183,195	197,901	627,627	21,023,810
Investment income	—	708,348	13,951,550	495,909	2,480,501	17,636,308
Other income	4,759	559,984	376,184	118,910	8,276,092	9,335,929
Subtotal	8,920,086	23,423,184	28,946,263	12,305,979	12,345,748	85,941,260
Operating expenses	4,007,049	19,474,215	18,078,771	6,556,760	9,547,651	57,664,446
Including: Finance costs	—	1,800,021	12,935,037	74,498	408,466	15,218,022
Expected credit losses	(676)	7,589	(728,142)	(10,019)	33,064	(698,184)
Impairment losses on other assets	—	—	—	2,934	511,238	514,172
Operating profit	4,913,037	3,948,969	10,867,492	5,749,219	2,798,097	28,276,814
Share of profits and losses of associates and joint ventures	—	—	—	—	673,390	673,390
Profit before income tax	4,913,037	3,948,969	10,867,492	5,749,219	3,471,487	28,950,204
Income tax expenses						6,781,417
Profit for the year						22,168,787
Other segment information:						
Depreciation and amortisation	80,583	763,898	83,226	205,001	605,593	1,738,301
Capital expenditure	495,531	329,031	131,818	156,728	190,912	1,304,020

# Notes to the Consolidated Financial Statements

(In RMB thousands, unless otherwise stated)

## 7 INTEREST INCOME

	2023	2022
Interest income on margin and other financing	<b>10,105,333</b>	10,328,113
Interest income on financial institutions	<b>8,989,861</b>	8,987,521
Interest income on debt instruments at fair value through other comprehensive income	<b>2,056,146</b>	1,491,050
Others	<b>457,611</b>	217,126
Total	<b>21,608,951</b>	21,023,810

## 8 INVESTMENT INCOME

	2023	2022
Net gains/(losses) from financial assets at fair value through profit or loss (Mandatory)	<b>33,052,967</b>	(27,731,178)
Net (losses)/gains from financial assets at fair value through profit or loss (Designated)	<b>(804,298)</b>	942,362
Net gains from disposal of debt instruments at fair value through other comprehensive income	<b>980,535</b>	256,582
Dividend income from financial assets at fair value through other comprehensive income	<b>18,264</b>	—
Net gains from financial liabilities at fair value through profit or loss	<b>771,834</b>	2,417,689
Net (losses)/gains from derivatives and others	<b>(12,173,518)</b>	41,750,853
Total	<b>21,845,784</b>	17,636,308

## 9 OTHER INCOME

	2023	2022
Foreign exchange gains	<b>534,699</b>	883,524
Government grants	<b>389,241</b>	350,816
Lease income	<b>215,453</b>	218,430
Others	<b>483,425</b>	510,792
Total	<b>1,622,818</b>	1,963,562

## 10 OPERATING EXPENSES

	2023	2022
<b>Fee and commission expenses:</b>		
— Commission expenses	<b>6,183,059</b>	5,717,551
— Others	<b>362,019</b>	284,852
Total	<b>6,545,078</b>	6,002,403

	2023	2022
<b>Finance costs:</b>		
— Due to banks and other financial institutions	<b>8,891,799</b>	6,028,752
— Debt instruments issued and short-term financing instruments payable	<b>5,549,374</b>	5,862,650
— Customer brokerage deposits	<b>1,675,224</b>	1,647,599
— Others	<b>1,463,463</b>	1,679,021
Total	<b>17,579,860</b>	15,218,022

	2023	2022
<b>Staff costs (including directors', supervisors' and senior executives' remuneration):</b>		
— Salaries and bonuses	<b>16,356,410</b>	17,470,041
— Staff benefits	<b>2,442,521</b>	2,116,590
— Contributions to defined contribution schemes (i)	<b>1,987,419</b>	1,587,340
Total	<b>20,786,350</b>	21,173,971

# Notes to the Consolidated Financial Statements

(In RMB thousands, unless otherwise stated)

## 10 OPERATING EXPENSES (Continued)

### (i) Retirement benefits are included herein and their nature is described below:

Full-time employees of the Group in Chinese Mainland are covered by various government-sponsored retirement plans comprised of contributions to basic retirement benefits and enterprise annuity, under which the employees are entitled to a monthly pension. Relevant government agencies determine the amount of pension benefits and are responsible for the related pension liabilities to eligible retired employees. The Group is required to make monthly contributions to the government related to these government-sponsored retirement plans for active employees. The Group has no obligation for post-retirement benefits beyond these contributions, which are expensed as incurred.

In addition, the Group participates in various defined contribution retirement schemes for its qualified employees in certain countries or regions outside of Chinese Mainland according to local labor law.

	2023	2022
<b>Other operating expenses and costs:</b>		
– Fund distribution and administration	<b>1,546,183</b>	1,765,610
– Electronic device operating expenditure	<b>1,355,560</b>	965,451
– Travel expenses	<b>620,336</b>	291,594
– Business promotion fee	<b>504,692</b>	476,986
– Consulting expense	<b>378,116</b>	484,982
– Postal and communication	<b>334,020</b>	368,739
– Rental	<b>272,843</b>	241,534
– Amortisation of intangible assets	<b>265,752</b>	289,669
– Utilities expenses	<b>203,679</b>	170,317
– Auditors' remuneration (ii)	<b>47,112</b>	53,510
– Others	<b>1,398,776</b>	1,393,481
Total	<b>6,927,069</b>	6,501,873

(ii) This includes audit service fees of RMB28 million (2022: RMB35 million).



## 11 DIRECTORS', SUPERVISORS' REMUNERATION

Details of the directors', supervisors' and senior executives' remuneration before tax, as disclosed pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Hong Kong Companies Ordinance, are as follows:

Name	Position	2023				Total remuneration before tax (5)=(1)+(2)+(3)+(4)
		Salaries and allowances (1)	Discretionary bonuses (2)	Fees (3)	Contribution to retirement benefit schemes (4)	
Zhang Youjun	Executive Director, Chairman	2,395	2,162	—	490	5,047
Yang Minghui	Executive Director, President and Executive Member	2,155	2,644	—	490	5,289
Zhang Lin	Non-executive Director	—	—	—	—	—
Fu Linfang	Non-executive Director	—	—	—	—	—
Zhao Xianxin	Non-executive Director	—	—	—	—	—
Wang Shuhui	Non-executive Director	—	—	—	—	—
Li Qing	Independent non-executive director	—	—	305	—	305
Shi Qingchun	Independent non-executive director	—	—	310	—	310
Zhang Jianhua	Independent non-executive director	—	—	315	—	315
Zhang Changyi	Supervisor and Chairman of the Supervisory Committee	1,554	2,812	—	489	4,855
Guo Zhao	Supervisor	—	—	210	—	210
Rao Geping	Supervisor	—	—	215	—	215
Niu Xuekun	Employee representative supervisor	885	930	—	349	2,164
Yang Liqiang	Employee representative supervisor	1,048	2,008	—	453	3,509
		8,037	10,556	1,355	2,271	22,219

# Notes to the Consolidated Financial Statements

(In RMB thousands, unless otherwise stated)

## 11 DIRECTORS', SUPERVISORS' REMUNERATION (Continued)

Name	Position	2022				
		Salaries and allowances (1)	Discretionary bonuses (2)	Fees (3)	Contribution to retirement benefit schemes (4)	Total remuneration before tax (5)=(1)+(2)+(3)+(4)
Zhang Youjun	Executive Director, Chairman	2,393	2,932	—	289	5,614
Yang Minghui	Executive Director, President and Executive Member	2,155	2,250	—	289	4,694
Zhang Lin	Non-executive Director	—	—	—	—	—
Fu Linfang	Non-executive Director	—	—	—	—	—
Zhao Xianxin	Non-executive Director	—	—	—	—	—
Wang Shuhui	Non-executive Director	—	—	—	—	—
Li Qing	Independent non-executive director	—	—	300	—	300
Shi Qingchun	Independent non-executive director	—	—	225	—	225
Zhang Jianhua	Independent non-executive director	—	—	—	—	—
Zhang Changyi	Supervisor and Chairman of the Supervisory Committee	1,555	2,812	—	287	4,654
Guo Zhao	Supervisor	—	—	200	—	200
Rao Geping	Supervisor	—	—	205	—	205
Niu Xuekun	Employee representative supervisor	858	1,300	—	210	2,368
Yang Liqiang	Employee representative supervisor	—	—	—	—	—
Song Kangle	Former Non-executive Director	—	—	—	—	—
Liu Ke	Former independent non-executive director	—	—	25	—	25
Zhou Zhonghui	Former independent non-executive director	—	—	300	—	300
Li Ning	Former supervisor representing Employees	2,293	2,370	—	262	4,925
		9,254	11,664	1,255	1,337	23,510

In 2023, in addition to the remuneration listed above, directors and supervisors also received the following pre-tax deferred bonuses attributable to 2022 and previous years during the reporting period: RMB0.60 million for Niu Xuekun, RMB1.60 million for Yang Liqiang, RMB3.56 million for YANG Minghui, RMB2.70 million for ZHANG Changyi, RMB3.70 million for ZHANG Youjun.

In 2022, in addition to the remuneration listed above, directors and supervisors also received the following pre-tax deferred bonuses attributable to 2021 and previous years during the reporting period: RMB5.20 million for YANG Minghui (including RMB2.50 million received from the Company and RMB2.70 million received from the Company's holding subsidiary China AMC), RMB0.80 million for ZHANG Changyi.

During the years ended 31 December 2023 and 2022, no special emoluments were paid by the Group to any of the persons who are directors or supervisors as an inducement to join or upon joining the Group or as compensation for loss of office. There were no other retirement benefits for directors or supervisors.

During the years ended 31 December 2023 and 2022, there were no consideration provided to third parties for making available directors' or supervisor's services.

## 11 DIRECTORS', SUPERVISORS' REMUNERATION (Continued)

During the years ended 31 December 2023 and 2022, no significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year. In addition, the Group did not provide any the guarantees or securities to certain controlled body corporates and connected entities of the Directors or Supervisors in respect of their loans, quasi-loans or credit transactions.

## 12 FIVE HIGHEST PAID EMPLOYEES

The Group's five highest paid employees during the year did not include any directors and supervisors (2022: did not include any directors and supervisors). Details of the remuneration of the 5 (2022: five) non-director and non-supervisor highest paid employees for the year are as follows:

	2023	2022
Salaries, allowances and other benefits	15,512	16,018
Discretionary bonuses	57,375	65,894
Termination compensation	—	—
Total	72,887	81,912

The number of these individuals whose remuneration fell within the following bands is set out below:

	Number of employees	
	2023	2022
RMB13,000,001 to RMB14,000,000	1	—
RMB14,000,001 to RMB15,000,000	2	—
RMB15,000,001 to RMB15,500,000	1	2
RMB15,500,001 to RMB16,000,000	1	1
RMB16,000,001 to RMB20,000,000	—	2
Total	5	5

Note: during the year of 2023, the emoluments paid by the Group to these non-director and non-supervisor individuals were based on the services provided to the Group by these individuals.

# Notes to the Consolidated Financial Statements

(In RMB thousands, unless otherwise stated)

## 13 EXPECTED CREDIT LOSSES

	2023	2022
Margin accounts	<b>(610,085)</b>	(822,255)
Financial assets at fair value through other comprehensive income (debt instruments)	<b>1,026,679</b>	475,712
Reverse repurchase agreements	<b>(729,133)</b>	(262,150)
Other assets	<b>32,409</b>	(32,893)
Others	<b>(84,706)</b>	(56,598)
Total	<b>(364,836)</b>	(698,184)

## 14 IMPAIRMENT LOSSES ON OTHER ASSETS

	2023	2022
Impairment losses on bulk commodity trading inventory	<b>8,164</b>	192,113
Impairment losses on goodwill (Note 21)	—	319,125
Others	<b>125</b>	2,934
Total	<b>8,289</b>	514,172

## 15 INCOME TAX EXPENSE

### (a) Income tax

	2023	2022
Current income tax expense		
— Chinese Mainland	<b>3,966,919</b>	8,094,474
— Outside Chinese Mainland	<b>336,959</b>	447,573
Deferred income tax expense	<b>1,342,230</b>	(1,760,630)
Total	<b>5,646,108</b>	6,781,417

## 15 INCOME TAX EXPENSE (Continued)

### (b) Reconciliation between income tax and accounting profit

The PRC income tax has been provided at the statutory rate of 25%, in accordance with the relevant tax laws in Chinese Mainland. Taxes on profits assessable elsewhere have been calculated at the applicable rates of tax prevailing in the countries/regions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof. The reconciliation of the income tax expense applicable to profit before tax at the PRC statutory income tax rate to income tax expense at the Group's effective income tax rate is as follows:

	2023	2022
Profit before income tax	<b>26,185,453</b>	28,950,204
Tax at the PRC statutory income tax rate	<b>6,546,363</b>	7,237,551
Effects of different applicable rates of tax prevailing in various regions	<b>(243,058)</b>	31,222
Non-deductible expenses	<b>67,659</b>	156,443
Non-taxable income	<b>(522,913)</b>	(586,424)
Adjustments in respect of current and deferred income tax of prior years	<b>(132,092)</b>	(46,721)
Others	<b>(69,851)</b>	(10,654)
Tax expense at the Group's effective income tax rate	<b>5,646,108</b>	6,781,417

## 16 PROFIT ATTRIBUTABLE TO THE COMPANY

The profit attributable to the Company for the year ended 31 December 2023 amounted to RMB13,364 million (2022: RMB15,946 million), which has been dealt with in the financial statements of the Company (Note 60).

## 17 DIVIDENDS

	2023	2022
Dividends on ordinary shares proposed but not paid	<b>7,039,760</b>	7,262,068
Dividends on ordinary shares paid	<b>7,262,068</b>	8,003,095
Distribution to other equity instrument holders (Note 18(1))	<b>525,163</b>	497,209

Dividends on ordinary shares proposed for approval were RMB0.475 yuan per share for the year ended 31 December 2023 (2022: RMB0.49 yuan per share).

Dividends proposed by the directors are not deducted from equity, until they have been approved by the shareholders in the general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

# Notes to the Consolidated Financial Statements

(In RMB thousands, unless otherwise stated)

## 18 EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT

The calculations of basic and diluted earnings per share are based on:

	2023	2022
<b>Earnings:</b>		
Profit attributable to Owners of the Parent	<b>19,720,547</b>	21,317,422
Less: Profit for the year attributable to other equity holders of the Company <sup>(1)</sup>	<b>525,163</b>	497,209
Profit attributable to ordinary share holders of the Company	<b>19,195,384</b>	20,820,213
<b>Shares:</b>		
Weighted average number of ordinary shares in issue (thousand)	<b>14,820,547</b>	14,713,385
Basic and diluted earnings per share (in RMB yuan)	<b>1.30</b>	1.42

There were no dilutive shares during the year ended 31 December 2023 (2022: None).

Basic earnings per share was calculated by dividing profit for the year attributable to holders of ordinary shares by the weighted average number of ordinary shares outstanding.

- (1) As at 31 December 2023, there were five tranches of perpetual subordinated bonds existed under the terms and conditions as detailed in Note 50 Other Equity Instruments. For the purpose of calculating basic earnings per ordinary share, profit attributable to other equity holders was deducted from the profit attributable to Owners of the Parent.

## 19 PROPERTY, PLANT AND EQUIPMENT

	Properties and buildings	Communication equipment	Office equipment	Vehicles	Security equipment	Electronic devices	Others	Subtotal	Construction in progress	Total
<b>31 December 2023</b>										
<b>Cost</b>										
31 December 2022	5,974,394	73,764	306,640	2,536,172	10,863	3,074,388	22,821	11,999,042	1,579,834	13,578,876
Increases	14,905	9,180	55,045	2,456	774	636,120	73	718,553	608,845	1,327,398
Decreases	4,619	2,339	22,482	769	1,408	136,167	685	168,469	137,928	306,397
Effect of exchange rate changes	3,009	693	1,014	40,282	—	17,759	—	62,757	—	62,757
31 December 2023	5,987,689	81,298	340,217	2,578,141	10,229	3,592,100	22,209	12,611,883	2,050,751	14,662,634
<b>Accumulated depreciation</b>										
31 December 2022	1,583,708	62,019	253,771	836,184	9,428	2,440,507	21,950	5,207,567	—	5,207,567
Increases	175,635	4,685	33,083	130,006	581	345,636	12	689,638	—	689,638
Decreases	4,553	2,308	21,359	746	1,361	134,719	663	165,709	—	165,709
Effect of exchange rate changes	2,333	563	617	13,474	—	15,958	—	32,945	—	32,945
31 December 2023	1,757,123	64,959	266,112	978,918	8,648	2,667,382	21,299	5,764,441	—	5,764,441
<b>Allowances for impairment</b>										
31 December 2022	1,525	—	—	87,468	—	—	—	88,993	—	88,993
Increases	—	—	—	—	—	—	—	—	—	—
Decreases	—	—	—	—	—	—	—	—	—	—
Effect of exchange rate changes	—	—	—	1,483	—	—	—	1,483	—	1,483
31 December 2023	1,525	—	—	88,951	—	—	—	90,476	—	90,476
<b>Net carrying amount</b>										
31 December 2023	4,229,041	16,339	74,105	1,510,272	1,581	924,718	910	6,756,966	2,050,751	8,807,717
31 December 2022	4,389,161	11,745	52,869	1,612,520	1,435	633,881	871	6,702,482	1,579,834	8,282,316

# Notes to the Consolidated Financial Statements

(In RMB thousands, unless otherwise stated)

## 19 PROPERTY, PLANT AND EQUIPMENT (Continued)

	Properties and buildings	Communication equipment	Office equipment	Vehicles	Security equipment	Electronic devices	Others	Subtotal	Construction in progress	Total
<b>31 December 2022</b>										
<b>Cost</b>										
31 December 2021	5,943,880	65,707	278,175	2,338,532	11,049	2,702,391	29,239	11,368,973	1,178,524	12,547,497
Increases	30,130	9,828	40,210	6,281	108	437,725	—	524,282	520,481	1,044,763
Decreases	9,176	5,226	14,478	9,226	294	156,230	6,411	201,041	119,171	320,212
Effect of exchange rate changes	9,560	3,455	2,733	200,585	—	90,502	(7)	306,828	—	306,828
31 December 2022	5,974,394	73,764	306,640	2,536,172	10,863	3,074,388	22,821	11,999,042	1,579,834	13,578,876
<b>Accumulated depreciation</b>										
31 December 2021	1,404,321	60,491	247,006	662,402	8,982	2,253,879	28,456	4,665,537	—	4,665,537
Increases	179,437	3,393	18,590	124,580	727	250,588	237	577,552	—	577,552
Decreases	8,877	4,986	14,085	9,013	281	145,535	6,742	189,519	—	189,519
Effect of exchange rate changes	8,827	3,121	2,260	58,215	—	81,575	(1)	153,997	—	153,997
31 December 2022	1,583,708	62,019	253,771	836,184	9,428	2,440,507	21,950	5,207,567	—	5,207,567
<b>Allowances for impairment</b>										
31 December 2021	1,525	—	—	80,072	—	3	—	81,600	—	81,600
Increases	—	—	—	—	—	—	—	—	—	—
Decreases	—	—	—	—	—	3	—	3	—	3
Effect of exchange rate changes	—	—	—	7,396	—	—	—	7,396	—	7,396
31 December 2022	1,525	—	—	87,468	—	—	—	88,993	—	88,993
<b>Net carrying amount</b>										
31 December 2022	4,389,161	11,745	52,869	1,612,520	1,435	633,881	871	6,702,482	1,579,834	8,282,316
31 December 2021	4,538,034	5,216	31,169	1,596,058	2,067	448,509	783	6,621,836	1,178,524	7,800,360



## 20 INVESTMENT PROPERTIES

<b>31 December 2023</b>	<b>Properties and Building</b>
<b>Cost</b>	
31 December 2022	<b>1,386,302</b>
Increases	—
Decreases	<b>61,563</b>
Effect of exchange rate changes	<b>20,438</b>
31 December 2023	<b>1,345,177</b>
<b>Accumulated depreciation</b>	
31 December 2022	<b>322,615</b>
Increases	<b>35,803</b>
Decreases	<b>5,553</b>
Effect of exchange rate changes	<b>1,902</b>
31 December 2023	<b>354,767</b>
<b>Allowances for impairment</b>	
31 December 2022	<b>109,690</b>
Increases	—
Decreases	<b>31,642</b>
Effect of exchange rate changes	<b>7,857</b>
31 December 2023	<b>85,905</b>
<b>Net carrying amount</b>	
31 December 2023	<b>904,505</b>
31 December 2022	<b>953,997</b>

# Notes to the Consolidated Financial Statements

(In RMB thousands, unless otherwise stated)

## 20 INVESTMENT PROPERTIES (Continued)

31 December 2022	Properties and Building
<b>Cost</b>	
31 December 2021	1,354,795
Increases	39,238
Decreases	—
Effect of exchange rate changes	(7,731)
31 December 2022	1,386,302
<b>Accumulated depreciation and amortisation</b>	
31 December 2021	288,383
Increases	34,681
Decreases	—
Effect of exchange rate changes	(449)
31 December 2022	322,615
<b>Allowances for impairment</b>	
31 December 2021	109,551
Increases	2,934
Decreases	—
Effect of exchange rate changes	(2,795)
31 December 2022	109,690
<b>Net carrying amount</b>	
31 December 2022	953,997
31 December 2021	956,861

## 21 GOODWILL

	31 December 2023	2022
Carrying amount at the beginning of the year:		
Cost	<b>11,893,539</b>	11,655,647
Less: Accumulated impairment	<b>3,461,972</b>	2,979,674
Net carrying amount	<b>8,431,567</b>	8,675,973
Movements during the year:		
Additions and effect of exchange rate changes	<b>42,378</b>	237,892
Impairment and effect of exchange rate changes*	<b>(34,421)</b>	(482,298)
Carrying amount at the end of the year:		
Cost	<b>11,935,917</b>	11,893,539
Less: Accumulated impairment	<b>3,496,393</b>	3,461,972
Net carrying amount	<b>8,439,524</b>	8,431,567

\* As at 31 December 2023, the balance of impairment provision decreased by RMB34 million due to exchange rate changes (31 December 2022: decreased by RMB163 million).

	31 December 2023	2022
China Asset Management Co., Ltd. (China AMC)	<b>7,418,587</b>	7,418,587
CITIC Securities International Company Limited (CSI)	<b>603,211</b>	595,254
CITIC Futures Co., Ltd. (CITIC Futures)	<b>193,826</b>	193,826
CITIC Securities South China Company Limited (CITIC Securities (South China))	<b>91,725</b>	91,725
CITIC Securities (Shandong) Co., Ltd. (CITIC Securities (Shandong))	<b>88,675</b>	88,675
CITIC Securities Company Limited	<b>43,500</b>	43,500
Total	<b>8,439,524</b>	8,431,567

As at 31 December 2023, the Group's carrying amount of goodwill was RMB8,440 million (31 December 2022: RMB8,432 million), primarily resulted from the acquisition of China AMC and the acquisition of CLSA B.V. ("CLSA") through CSI. Among which, the carrying amount of goodwill of China AMC was RMB7,419 million (31 December 2022: RMB7,419 million) and the carrying amount of goodwill of CSI was RMB603 million (31 December 2022: RMB595 million).

In terms of the goodwill acquired from business combination, impairment should be assessed by the Group at each annual financial reporting date. The recoverable amount is the higher of an asset's fair value less costs of disposal and the present value of the estimated future cash flow expected to be derived from the asset (value in use, "VIU").

# Notes to the Consolidated Financial Statements

(In RMB thousands, unless otherwise stated)

## 21 GOODWILL (Continued)

The Group recognizes a CGUs or a Group of CGUs on whether the cash flows of the business output units are independent. For China AMC, CITIC Futures, CITIC Securities (South China) and CITIC Securities (Shandong), the Group considers that the cash flows generated by each of the above subsidiaries are independent, and therefore each of the acquired subsidiaries is a separate CGU and is tested separately for impairment testing. For CSI, the Group allocated the goodwill to the groups of CGUs including Equity Derivatives (“EQD”), Fixed Income, Investment Banking (“IB”), etc., and tested each group of CGUs’ impairment separately.

The recoverable amount of each of the above-mentioned CGUs or groups of CGUs is determined based on VIU, which is calculated through a discounted cash flow model based on approved operating plans and a discount rate that reflects the risks specific to the underlying groups of CGUs. The cash flow after the forecast period is extrapolated according to a stable growth rate and a terminal value.

As at 31 December 2023, taking into consideration the actual financial position of China AMC, the Group applied the forecast period is from 2024 to 2028. The average income growth rate in forecast period ranging from 1.00% to 2.00% (31 December 2022: 1.00% to 3.90%). The profit margins in forecast period is 27.04% (31 December 2022: 28.90%). The discount rate is 15.49% (31 December 2022: 16.51%). The terminal value growth rate was 2.00% (31 December 2022: 2.00%). The VIU is RMB29,431 million (31 December 2022: RMB30,126 million), when performing the goodwill impairment test.

As at 31 December 2023, taking into consideration the actual financial position of CSI, the Group applied the forecast period is from 2024 to 2028. The average income growth rate in forecast period ranging from 4.70% to 56.97% (31 December 2022: 5.23% to 32.43%). The profit margins in forecast period ranging from 8.26% to 41.20% (31 December 2022: 3.21% to 42.60%). The discount rate in forecast period ranging from 15.60% to 18.00% (31 December 2022: 14.90% to 16.80%). The terminal value growth rate was 2.00% (31 December 2022: 2.00%). The VIU is RMB11,854 million (31 December 2022: RMB9,052 million), when performing the goodwill impairment test.

As at 31 December 2023, the Group estimated the present value of future cash flows of the above asset groups respectively according to the business plans of CITIC Futures, CITIC Securities South China and CITIC Securities (Shandong) from 2024 to 2028, and the applicable discount rate. The cash flows for the periods beyond the forecast period are calculated based on an appropriate stable growth rate, which does not exceed the long-term average growth rate of the business involved in the asset group. On 31 December 2023, CITIC Futures, CITIC Securities South China and CITIC Securities (Shandong) applied income growth rate in forecast period ranging from 4.00% to 18.20% (31 December 2022: 4.44% to 7.88%), profit margin in forecast period ranging from 27.33% to 44.59% (31 December 2022: 23.70% to 45.12%), discount rate ranging from 10.00% to 13.92% (31 December 2022: 10.27% to 14.16%), and terminal value growth rate was 2.00% to 3.00% (31 December 2022: 2.00% to 3.00%). On 31 December 2023, the above-mentioned recoverable amount of each group of CGUs was higher than their respective carrying amount.

## 22 LAND-USE RIGHTS AND INTANGIBLE ASSETS

	Intangible assets					Total
	Seats on stock exchanges	Software development	Customer relationships	Trademarks	Land-use rights	
<b>31 December 2023</b>						
<b>Cost</b>						
31 December 2022	131,433	1,946,427	1,427,531	296,426	3,690,300	7,492,117
Increases	—	236,824	—	—	—	236,824
Decreases	3,701	45,135	—	—	—	48,836
Effect of exchange rate changes	776	9,666	20,962	4,771	—	36,175
31 December 2023	128,508	2,147,782	1,448,493	301,197	3,690,300	7,716,280
<b>Accumulated amortisation</b>						
31 December 2022	102,657	1,579,333	1,317,982	—	763,173	3,763,145
Increases	247	125,154	84,545	—	94,518	304,464
Decreases	1,501	44,369	—	—	—	45,870
Effect of exchange rate changes	352	9,642	19,822	—	—	29,816
31 December 2023	101,755	1,669,760	1,422,349	—	857,691	4,051,555
<b>Allowance for impairment</b>						
31 December 2022	—	—	11,563	296,041	—	307,604
Increases	125	—	—	—	—	125
Decreases	—	—	—	—	—	—
Effect of exchange rate changes	—	—	186	4,771	—	4,957
31 December 2023	125	—	11,749	300,812	—	312,686
<b>Net carrying amount</b>						
31 December 2023	26,628	478,022	14,395	385	2,832,609	3,352,039
31 December 2022	28,776	367,094	97,986	385	2,927,127	3,421,368

# Notes to the Consolidated Financial Statements

(In RMB thousands, unless otherwise stated)

## 22 LAND-USE RIGHTS AND INTANGIBLE ASSETS (Continued)

	Intangible assets					Total
	Seats on stock exchanges	Software development	Customer relationships	Trademarks	Land-use rights	
<b>31 December 2022</b>						
<b>Cost</b>						
31 December 2021	127,752	1,740,794	1,313,011	271,303	3,714,574	7,167,434
Increases	—	161,621	4,528	—	—	166,149
Decreases	—	7,436	—	—	24,274	31,710
Effect of exchange rate changes	3,681	51,448	109,992	25,123	—	190,244
31 December 2022	131,433	1,946,427	1,427,531	296,426	3,690,300	7,492,117
<b>Accumulated amortisation</b>						
31 December 2021	100,824	1,430,808	1,089,800	—	672,094	3,293,526
Increases	327	104,226	131,685	—	94,599	330,837
Decreases	65	6,740	—	—	3,520	10,325
Effect of exchange rate changes	1,571	51,039	96,497	—	—	149,107
31 December 2022	102,657	1,579,333	1,317,982	—	763,173	3,763,145
<b>Allowance for impairment</b>						
31 December 2021	—	207	10,582	270,918	—	281,707
Increases	—	—	—	—	—	—
Decreases	—	207	—	—	—	207
Effect of exchange rate changes	—	—	981	25,123	—	26,104
31 December 2022	—	—	11,563	296,041	—	307,604
<b>Net carrying amount</b>						
31 December 2022	28,776	367,094	97,986	385	2,927,127	3,421,368
31 December 2021	26,928	309,779	212,629	385	3,042,480	3,592,201

## 23 INVESTMENTS IN SUBSIDIARIES

	31 December 2023	2022
Unlisted shares, at cost	47,050,823	46,074,631

Particulars of the Company's principal subsidiaries are as follows:

### (a) Principal subsidiaries acquired through establishment or investment

Name of subsidiaries	Place of incorporation/ registration and operations (kind of legal entity)	Registered share capital	Principal activities	Amount invested by the company	Attributable equity interest	
					Direct	Indirect
GoldStone Investment Co., Ltd. (金石投資有限公司)	Chinese Mainland (Limited liability company)	RMB3 billion	Direct investment, investment advisory and management	RMB1,700 million	100%	—
CITIC Securities International Co., Ltd. (中信証券國際有限公司)	Hong Kong	Not applicable	Holding company	HKD6,516.05 million	100%	—
CITIC Securities Investment Ltd. (中信証券投資有限公司)	Chinese Mainland (Limited liability company)	RMB17 billion	Financial product investment, securities investment, equity investment	RMB17 billion	100%	—
CITIC Securities Asset Management Company Limited (中信證券資產管理有限公司)	Chinese Mainland (Limited liability company)	RMB1 billion	Asset Management	RMB1 billion	100%	—
CITIC Securities Finance 2013 Co., Ltd.	The British Virgin Islands	Not applicable	Bond issuance	USD1	—	100%
CITIC Securities Finance MTN Co., Ltd.	The British Virgin Islands	Not applicable	Bond issuance	USD1	—	100%
CS Regal Holding Limited	The British Virgin Islands	Not applicable	Holding company	USD1	—	100%
CITIC Securities Information and Quantitative Service (Shenzhen) Co., Ltd. (中信證券信息與量化服務(深圳)有限責任公司)	Chinese Mainland (Limited liability company)	RMB10 million	Information technology development, technical consulting	RMB10 million	100%	—
Jintong Securities Co., Ltd. (金通證券有限責任公司)	Chinese Mainland (Limited liability company)	RMB135 million	Securities brokerage	RMB35 million	100%	—
CITICS Investment Services Company Limited (中信中證投資服務有限責任公司)	Chinese Mainland (Limited liability company)	RMB100 million	Investment management, advisory service, finance outsourcing service	RMB100 million	100%	—
Qingdao GoldStone Storm Investment Consulting Company Limited (青島金石暴風投資諮詢有限公司)	Chinese Mainland (Limited liability company)	RMB50.10 million	Investment management, advisory services	RMB50.10 million	—	100%
Qingdao GoldStone Runhui Investment Management Company Limited (青島金石潤匯投資管理有限公司)	Chinese Mainland (Limited liability company)	RMB10.10 million	Investment management, advisory services, investment with self-owned capital	RMB10.10 million	—	100%
Qingdao GoldStone Haorui Investment Company Limited (青島金石灑汭投資有限公司)	Chinese Mainland (Limited liability company)	RMB805 million	External investment and management of own funds and investment advisory services	RMB2 billion	—	100%

# Notes to the Consolidated Financial Statements

(In RMB thousands, unless otherwise stated)

## 23 INVESTMENTS IN SUBSIDIARIES (Continued)

### (a) Principal subsidiaries acquired through establishment or investment (Continued)

Name of subsidiaries	Place of incorporation/ registration and operations (kind of legal entity)	Registered share capital	Principal activities	Amount invested by the company	Attributable equity interest	
					Direct	Indirect
Jinjin Investment (Tianjin) Co., Ltd. (金津投資(天津)有限公司)	Chinese Mainland (Limited liability company)	RMB100 million	Investment	RMB500 million	—	100%
CITIC GoldStone Fund Management Company Limited (中信金石基金管理有限公司)	Chinese Mainland (Limited liability company)	RMB100 million	Investment management and related consulting	RMB100 million	—	100%
GoldStone ZeXin Investment Management Co., Ltd. (金石澤信投資管理有限公司)	Chinese Mainland (Limited liability company)	RMB1 billion	Investment management, investment consulting, entrusted management of equity investment funds, venture capital, venture capital consulting, property management, self- owned property leasing, hotel management, purchase and sale of building decoration materials.	RMB1 billion	—	100%
CITIC Buyout Fund Management Company Limited (中信併購基金管理有限公司)	Chinese Mainland (Limited liability company)	RMB100 million	Investment management, advisory services	RMB100 million	—	100%
Changxia Jinshi (Wuhan) Investment Management Company limited (長峽金石(武漢)私募基金管理有限公司)	Chinese Mainland (Limited liability company)	RMB100 million	Investment management	RMB60 million	—	60%
Jinshi Fengrui Investment Management (Hangzhou) Co., Ltd. (金石灃汭投資管理(杭州)有限公司)	Chinese Mainland (Limited liability company)	RMB30 million	Investment management	—	—	100%
Anhui Transport Control Jinshi Private Fund Management Co., Ltd. (安徽交控金石私募基金管理有限公司)	Chinese Mainland (Limited liability company)	RMB30 million	Investment fund management	RM21 million	—	70%
Anhui Xinan M&A Private Fund Management Co., Ltd. (安徽信安併購私募基金管理有限公司)	Chinese Mainland (Limited liability company)	RMB20 million	Investment management	RMB16 million	—	80%
CITIC Securities Capital Management Co., Ltd. (中信中證資本管理有限公司)	Chinese Mainland (Limited liability company)	RMB2 billion	Investment and asset management	RMB1 billion	—	100%
Yngshi (Shanghai) Asset Management Company Limited (盈蔣(上海)資產管理有限公司)	Chinese Mainland (Limited liability company)	RMB200 million	Asset management	RMB100 million	—	100%
CITIC Global Trade Company Limited (中信寰球商貿有限公司)	Chinese Mainland (Limited liability company)	RMB1 billion	Commodity trading Warehousing and Transportation Service Agents	RMB500 million	—	100%
CF International Financial Holding Company Limited (信期國際金融控股有限公司)	Hong Kong	RMB500 million	Holding company	RMB500 million	—	100%
CLSA Europe B.V.	Netherlands	Not applicable	Investment banking, securities brokerage business	EUR2.39 million	—	100%



## 23 INVESTMENTS IN SUBSIDIARIES (Continued)

### (a) Principal subsidiaries acquired through establishment or investment (Continued)

Name of subsidiaries	Place of incorporation/ registration and operations (kind of legal entity)	Registered share capital	Principal activities	Amount invested by the company	Attributable equity interest	
					Direct	Indirect
CITIC Securities Brokerage (HK) Limited (中信証券經紀(香港)有限公司)	Hong Kong	Not applicable	Financial sector	HKD4.06 Billion	—	100%
CITIC Securities Futures (HK) Limited (中信証券期貨(香港)有限公司)	Hong Kong	Not applicable	Financial sector	HKD76.44 million	—	100%
CLSA Fund Services (Asia) Limited	Hong Kong	Not applicable	Financial sector	HKD1	—	100%
CLSA Global Investments Management Limited	The British Virgin Islands	Not applicable	Financial sector	HKD643.67 million	—	100%
Shanghai Wealth Management Company Limited (上海華夏財富投資管理有限公司)	Chinese Mainland (Limited liability company)	RMB100 million	Fund Sales	RMB100 million	—	62.20%
CSI Global Markets Holdings Limited	The British Virgin Islands	USD100 million	Financial sector	USD510.13 million	—	100%
CLSA Americas Holdings, Inc.	America	USD1,000	Financial sector	USD131.89 million	—	100%
China Equity Fund Management (Beijing) Co., Ltd. 華夏股權投資資金管理(北京)有限公司	Chinese Mainland (Limited liability company)	RMB500 million	Asset Management	RMB500 million	—	62.20%
CLSA Fund Services Limited	Hong Kong	Not applicable	Financial sector	HKD1	—	100%

### (b) Principal subsidiaries acquired from business combination

Name of subsidiaries	Place of incorporation/ registration and operations (kind of legal entity)	Registered share capital	Principal activities	Amount invested by the company	Attributable equity interest	
					Direct	Indirect
CITIC Securities (Shandong) Co., Ltd. (中信証券(山東)有限責任公司)	Chinese Mainland (Limited liability company)	RMB2,493.8 Million	Securities business	RMB1,145.74 million	100%	—
CITIC Futures Co., Ltd. (中信期貨有限公司)	Chinese Mainland (Limited liability company)	RMB7,600 Million	Futures brokerage, asset management, fund distribution	RMB7,949.23 million	100%	—
China Asset Management Co., Ltd. (華夏基金管理有限公司)	Chinese Mainland (Sino-foreign joint stock limited company)	RMB238 million	asset management	RMB2,663.95 million	62.20%	—
Tianjin Jingzheng Property Services Co., Limited (天津京證物業服務有限公司)	Chinese Mainland (Limited liability company)	RMB0.3 million	Property management	RMB336.86 million	100%	—
Tianjin Shenzheng Property Services Co., Limited (天津深證物業服務有限公司)	Chinese Mainland (Limited liability company)	RMB0.3 million	Property management	RMB244.87 million	100%	—
CITIC Securities South China Company Limited (中信證券華南股份有限公司)	Chinese Mainland (Joint stock limited company)	RMB5,091.14 Million	Securities business	RMB7,159.27 million	99.90%	0.10%
Guangzhou Securities Lingxiu Investment company limited (廣證領秀投資有限公司)	Chinese Mainland (Limited liability company)	RMB680 million	Capital Market Services	RMB470.21 million	100%	—

# Notes to the Consolidated Financial Statements

(In RMB thousands, unless otherwise stated)

## 23 INVESTMENTS IN SUBSIDIARIES (Continued)

### (b) Principal subsidiaries acquired from business combination (Continued)

Name of subsidiaries	Place of incorporation/ registration and operations (kind of legal entity)	Registered share capital	Principal activities	Amount invested by the company	Attributable equity interest	
					Direct	Indirect
Guangzhou Securities Innovation Investment Management Co., Ltd. (廣州證券創新投資管理有限公司)	Chinese Mainland (Limited liability company)	RMB140 million	Investment and Asset Management	RMB494.98 million	—	100%
Jinshang (Tianjin) Investment Management Co., Ltd. (金尚(天津)投資管理有限公司)	Chinese Mainland (Limited liability company)	RMB12.5 million	Investment management, advisory service	RMB18.59 million	—	100%
China Asset Management (Hong Kong) Limited (華夏基金(香港)有限公司)	Hong Kong	HKD600 million	Asset management	HKD600 million	—	62.20%
China AMC Capital Management Limited (華夏資本管理有限公司)	Chinese Mainland (Limited liability company)	RMB350 million	Asset management	RMB350 million	—	62.20%
CLSA B.V. (里昂證券)	Netherlands	Not applicable	Investment, holding	USD716.04 million	—	100%
CLSA Australia Holdings Pty Ltd.	Australia	AUD105.03 million	Financial sector	AUD105.03 million	—	100%
CITIC Securities (HK) Limited (中信證券(香港)有限公司)	Hong Kong	Not applicable	Financial sector	HKD66.18 million	—	100%
CLSA Investments Ltd.	Cayman Islands	USD0.05 Million	Financial sector	USD12.45 million	—	100%
XinZheng Operation Management Limited (深圳信證運營服務有限責任公司)	Chinese Mainland (Limited liability company)	RMB10 million	Financial sector	RMB3 million	—	100%
CLSA Premium Limited	Cayman Island	Not applicable	Financial sector	HKD158.65 million	—	59.03%
CSI Capricornus Limited	The British Virgin Islands	USD0.05 million	Equity investment	—	—	100%
CITIC Securities CLSA Capital Partners Limited	Hong Kong	Not applicable	Financial sector	HKD36.83 million	—	100%
CITIC Securities Finance (HK) Limited	Hong Kong	Not applicable	Financial sector	HKD679.94 million	—	100%
SetClear Pte. Ltd.	Singapore	Not applicable	Financial sector	USD20.31 million	—	100%

### (c) Non-cash financing activities

The Group had no significant non-cash financing activities during the year ended 31 December 2023.

### (d) Structured entities included in the consolidated financial statement

The Group acts as asset manager for or invested in a number of structured entities. Management makes significant judgment on whether the Group controls and therefore should consolidate these structured entities.

Management has determined that the Group had control of certain structured entities based on their assessment of the Group's power over, its exposure to variable returns from its involvement with, and its ability to use its power to affect the amount of its returns from these structured entities. 52 of the structured entities have been consolidated as at 31 December 2023 (46 of the structured entities have been consolidated as at 31 December 2022), considering the variable returns to which the Group is entitled.

As at 31 December 2023, the fair value of total assets of the consolidated structured entities was RMB70,580 million (31 December 2022: RMB50,047 million).

## 23 INVESTMENTS IN SUBSIDIARIES (Continued)

### (e) Details of the Group's subsidiary with material non-controlling interests is set out below: China AMC

	<b>31 December</b>	
	<b>2023</b>	2022
Percentage of equity interest held by non-controlling interests	<b>37.80%</b>	37.80%
Dividends paid to non-controlling interests	<b>478,162</b>	433,180
Ending balances of non-controlling interests	<b>4,971,455</b>	4,683,064
Profit for the year attributable to non-controlling interests	<b>760,910</b>	817,735

The following tables illustrate the summarised financial information of the above subsidiary:

	<b>2023</b>	2022
Revenue	<b>7,347,766</b>	7,489,569
Profit from continuing operations	<b>2,012,991</b>	2,163,319
Total comprehensive income for the year	<b>2,027,919</b>	2,247,674
Net cash flows from operating activities	<b>1,630,532</b>	1,114,255
Net cash flows from investing activities	<b>(120,361)</b>	(84,622)
Net cash flows used in financing activities	<b>(1,430,912)</b>	(1,257,503)
Net increase/(decrease) in cash and cash equivalents	<b>87,806</b>	(174,194)

	<b>31 December</b>	
	<b>2023</b>	2022
Current assets	<b>16,236,380</b>	15,696,893
Non-current assets	<b>2,557,916</b>	2,001,341
Current liabilities	<b>3,846,937</b>	3,891,196
Non-current liabilities	<b>1,795,361</b>	1,417,981

As at 31 December 2023, there were no significant restrictions on the ability of the Group to access or use the assets and settle the liabilities of the Group's subsidiaries (2022: Nil).

# Notes to the Consolidated Financial Statements

(In RMB thousands, unless otherwise stated)

## 24 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

	31 December	
	2023	2022
Associates	<b>9,689,599</b>	9,695,513
Joint ventures	<b>17,064</b>	9,860
Less: Allowance for impairment	<b>56,655</b>	56,655
<b>Total</b>	<b>9,650,008</b>	9,648,718

### (a) Particulars of the Group's principal associates and joint ventures are as follows:

Name	Place of incorporation/ registration (kind of legal entity)	Registered share capital	Principal activities	Percentage of equity interest	Percentage of voting rights
<b>Associates:</b>					
CITIC Private Equity Funds Management Co., Ltd. (中信產業投資基金管理有限公司)	Chinese Mainland (Limited liability company)	RMB1.8 billion	Investment fund management	35%	35%
Qingdao Blue Ocean Equity Exchange Center Co., Ltd. (青島藍海股權交易中心有限責任公司)	Chinese Mainland (Limited liability company)	RMB100 million	Equity trading	40%	40%
CSC Financial Co., Ltd. (中信建投證券股份有限公司)	Chinese Mainland (Joint stock limited company)	RMB7,756.69 million	Securities brokerage, financial consulting related to securities trading and securities investment activities, securities underwriting and sponsorship, securities self-management, securities asset management, securities investment fund distribution	4.9357%	4.9357%
Xinjiang Equity Trading Center Co., Ltd. (新疆股權交易中心有限公司)	Chinese Mainland (Limited liability company)	RMB110 million	Finance sector	20%	20%
Beijing Agricultural Investment Fund (Limited Partnership) (北京農業產業投資基金(有限合夥))	Chinese Mainland (Limited Joint Ventures)	RMB210.2 million	Investment	32.26%	32.26%
Beijing GoldStone Agricultural Investment Fund Management Center (Limited Partnership) (北京金石農業投資基金管理中心(有限合夥))	Chinese Mainland (Limited Joint Ventures)	RMB10.2 million	Fund management	33%	33%
Shandong Kunxin Management Co., Ltd. (山東坤信企業管理有限公司)	Chinese Mainland (Limited liability company)	RMB110 million	Enterprise management, enterprise management consulting, information consulting services, market research, financial consulting, corporate image planning, marketing planning, technical services, technology development, technology consulting, technology exchange, technology transfer, technology promotion.	13.18%	13.18%

## 24 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (Continued)

### (a) Principal subsidiaries acquired through establishment or investment (Continued)

Name	Place of incorporation/ registration (kind of legal entity)	Registered share capital	Principal activities	Percentage of equity interest	Percentage of voting rights
Xinrong Customer Services Club Co., Ltd. (深圳市信融客戶服務俱樂部有限公司)	Chinese Mainland (Limited liability company)	RMB10 million	Financial information consulting, information consulting, providing financial intermediary services, accepting financial institutions entrusted to engage in financial outsourcing services; public relations planning; cultural communication and cultural activities planning; sports events planning; sports activities planning	25%	25%
Qianhai Infrastructure Investments Fund Management Co., Ltd. (深圳前海基礎設施投資基金管理有限公司)	Chinese Mainland (Limited liability company)	RMB300 million	Entrusted to manage equity investment funds; equity investment, investment management, investment consulting, investment consulting	11.67%	11.67% <sup>0</sup>
Tibet Xinsheng Equity Investment Partnership (limited partnership) (西藏信昇股權投資合夥企業(有限合夥))	Chinese Mainland (Limited Joint Ventures)	RMB5,108.10 million	Private equity investment	9.79%	9.79%
Taifu GoldStone (Tianjin) Fund Management Co., Ltd. (泰富金石(天津)基金管理有限公司)	Chinese Mainland (Limited liability company)	RMB50 million	Entrusted management of equity investment entities, investment management and relevant consulting services	40%	40%
Xi'an Future Aerospace Industry Co., Ltd. (西安明日宇航工業有限責任公司)	Chinese Mainland (Limited liability company)	RMB50 million	Aerospace machined parts, sheet metal parts manufacturing; molds, fixtures, molds, aerospace ground equipment manufacturing; general business projects: type frame, fixture, mold, aviation aerospace ground equipment of the research and development, design; system staff training; hydraulic, electronic system research and development and technical services	35%	35%
Sailing Capital International Investment Fund (Shanghai) Co., Ltd. (賽領國際投資基金(上海)有限公司)	Chinese Mainland (Limited liability company)	RMB3,060 million	Investment, investment management and investment consulting	11.10%	11.10% <sup>0</sup>
Sailing Capital Management Co., Ltd. (賽領資本管理有限公司)	Chinese Mainland (Limited liability company)	RMB280.50 million	Equity investment management, equity investment, investment management and investment consulting	9.09%	9.09% <sup>0</sup>
CITIC POLY (Guangzhou) Private Fund Management Co., Ltd. (信保(廣州)私募基金管理有限公司)	Chinese Mainland (Limited liability company)	RMB100 million	Private equity investment fund management, venture capital fund management services	33%	33%

# Notes to the Consolidated Financial Statements

(In RMB thousands, unless otherwise stated)

## 24 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (Continued)

### (a) Principal subsidiaries acquired through establishment or investment (Continued)

Name	Place of incorporation/ registration (kind of legal entity)	Registered share capital	Principal activities	Percentage of equity interest	Percentage of voting rights
Tongfang Laishi Pharmaceutical Industry Investment (Guangdong) Co., Ltd. (同方萊士醫藥產業投資(廣東)有限公司)	Chinese Mainland (Limited liability company)	RMB2,000 million	Investment of enterprise's own capital, investment advisory services, biomedicine technology investment	30%	30%
Aria Investment Partners III, L.P.	Cayman Islands	Not applicable	Private equity fund	28.10%	100% <sup>(i)</sup>
Aria Investment Partners IV, L.P.	Cayman Islands	Not applicable	Private equity fund	39.14%	100% <sup>(i)</sup>
Aria Investment Partners V, L.P.	Cayman Islands	Not applicable	Private equity fund	45.45%	100% <sup>(i)</sup>
Clean Resources Asia Growth Fund L.P.	Cayman Islands	Not applicable	Hedge fund	3.00%	3.00% <sup>(i)</sup>
Fudo Capital II, L.P.	Cayman Islands	Not applicable	Real estate fund	6.13%	100% <sup>(i)</sup>
Sunrise Capital II, L.P.	Cayman Islands	Not applicable	Private equity fund	23.99%	100% <sup>(i)</sup>
Sunrise Capital III, L.P.	Cayman Islands	Not applicable	Private equity fund	6.08%	100% <sup>(i)</sup>
Sunrise Capital IV, L.P.	Cayman Islands	Not applicable	Private equity fund	5.41%	50% <sup>(i)</sup>
CLSA Aviation Private Equity Fund I	Korea	Not applicable	Direct investment fund	6.86%	100% <sup>(i)</sup>
CLSA Aviation Private Equity Fund II	Korea	Not applicable	Direct investment fund	0.08%	100% <sup>(i)</sup>
CLSA Aviation II Investments (Cayman) Limited	Cayman Islands	Not applicable	Direct investment fund	12.39%	100% <sup>(i)</sup>
CT CLSA Holdings Limited	Sri Lanka	LKR590.34 million	Investment and holdings	25%	25%
Holisol Logistics Private Limited	India	INR10.80 million	Asset management	20.29%	20.29%
CLSA Infrastructure Private Equity Fund I	Korea	Not applicable	Private equity fund	0.14%	100% <sup>(i)</sup>
CSOBOR Fund L.P.	Cayman Islands	Not applicable	Asset management	24.58%	60%
Alfalah CLSA Securities (Private) Limited	Pakistan	PRK400 million	Investment banking and securities brokerage	24.90%	24.90%
Pine Tree Special Opportunity FMC LLC	Cayman Islands	Not applicable	Fund management	50%	50%
<b>Associates:</b>					
Citron PE Holdings Limited	The British Virgin Islands	HKD171.60 million	Asset management	35%	Not applicable
Lending Ark Asia Secured Private Debt Fund I (Non-US), LP	Cayman Islands	Not applicable	Asset management	22.16%	30%
Lending Ark Asia Secured Private Debt Holdings Limited	Cayman Islands	USD0.05 million	Asset management	30%	30%
<b>Joint ventures:</b>					
CITIC Standard and Poor's Information Service (Beijing) Co., Ltd. (中標普指數信息服務(北京)有限公司)	Chinese Mainland (Sino-foreign joint stock limited company)	USD1 million	Financial services	50%	50%
Double Nitrogen Fund GP, Limited	Cayman Islands	USD100	Asset management	48%	50% <sup>(i)</sup>
Sino-Ocean Land Logistics Investment Management Limited	Cayman Islands	USD0.05 million	Asset management	50%	33.33%
CSOBOR Fund GP Limited	Cayman Islands	USD100	Asset management	49%	60%
Kingvest Limited	Cayman Islands	JPY5 billion	Asset management	44.85%	44.85%
Sunrise Capital Holdings IV Limited	Cayman Islands	USD0.05 million	Asset management	50%	50%
Bright Lee Capital Limited	The British Virgin Island	USD0.05 million	Asset management	48%	50%

(i) The Group has a significant influence over these funds as it acts as the fund manager of these funds.

(ii) The Group has joint control over this entity with other parties through contractual arrangement.

## 24 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (Continued)

### (b) The summarised financial information of the Group's material associates:

- (i) China Securities Co., Ltd. as a major associate of the Group, is primarily engaged in securities brokerage and investment consulting, and is accounted for using the equity method. According to the unaudited financial data as at and for the year ended 31 December 2023 provided by the management of China Securities Co., Ltd., the Group calculated its share of net assets based on its shareholding ratio.
- (ii) CITIC POLY (Guangzhou) Private Fund Management Co., Ltd., as a major associate of the Group, is primarily engaged in entrusted management of investment funds, and is accounted for using the equity method. The relevant unaudited financial information is as:

	<b>31 December 2023</b>	2022
Current assets	<b>1,597,491</b>	1,623,820
Non-current assets	<b>4,741,637</b>	4,834,407
Current liabilities	<b>1,746,983</b>	2,185,456
Non-current liabilities	<b>81,732</b>	45,445
	<b>2023</b>	2022
Revenue	<b>194,208</b>	190,645
Profit from continuing operations	<b>151,848</b>	200,065
Total comprehensive income	<b>151,848</b>	200,065

### (c) The following table illustrates the summarised financial information of the Group's other associates and joint venture companies:

	<b>2023</b>	2022
Profit from continuing operations	<b>2,196,746</b>	851,523
Other comprehensive income	<b>6,254</b>	175,466
Total comprehensive income	<b>2,203,000</b>	1,026,989

- (d) As at December 31, 2023, the Group had no commitments to joint ventures (2022: Nil).
- (e) The Group's associates and joint ventures have no transfer of funds to the Group in the form of cash dividends or repayment of any of the Group's liabilities that are materially restricted (2022: Nil)

# Notes to the Consolidated Financial Statements

(In RMB thousands, unless otherwise stated)

## 25 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	31 December 2023	
	Current	Non-current
Debt instruments	<b>81,183,382</b>	—
Equity instruments (designated)		
Non-tradable equity instruments	—	<b>9,514,213</b>
Total	<b>81,183,382</b>	<b>9,514,213</b>
Loss allowance	<b>1,315,922</b>	—
Analysed into:		
Listed	<b>79,760,525</b>	<b>9,394,098</b>
Unlisted	<b>1,422,857</b>	<b>120,115</b>
	<b>81,183,382</b>	<b>9,514,213</b>
	31 December 2022	
	Current	Non-current
Debt instruments	70,115,174	—
Equity instruments (designated)		
Non-tradable equity instruments	—	162,540
Total	70,115,174	162,540
Loss allowance	764,409	—
Analysed into:		
Listed	68,601,911	—
Unlisted	1,513,263	162,540
	70,115,174	162,540



## 26 REFUNDABLE DEPOSITS

	31 December	
	2023	2022
Trading deposits	<b>58,682,419</b>	52,895,340
Credit deposits	<b>451,573</b>	1,179,988
Performance deposits	<b>3,047,928</b>	15,082,787
Total	<b>62,181,920</b>	69,158,115

## 27 DEFERRED INCOME TAX ASSETS AND LIABILITIES

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

Deferred tax arising from:	Fair value changes of financial instruments	Allowance for impairment losses	Salaries, bonuses, and allowances payable	Others	Total
1 January 2023	1,026,862	2,790,105	4,546,034	(283,513)	8,079,488
Credited/(debited) to profit or loss	(1,146,661)	(231,891)	51,980	(15,658)	(1,342,230)
Credited/(debited) to other comprehensive income	(206,991)	–	15,326	(22,003)	(213,668)
31 December 2023	<b>(326,790)</b>	<b>2,558,214</b>	<b>4,613,340</b>	<b>(321,174)</b>	<b>6,523,590</b>
1 January 2022	(455,842)	3,073,652	4,398,090	(711,294)	6,304,606
Credited/(debited) to profit or loss	1,475,348	(283,439)	159,670	409,051	1,760,630
Credited/(debited) to other comprehensive income	6,965	–	(11,726)	18,730	13,969
Others	391	(108)	–	–	283
31 December 2022	1,026,862	2,790,105	4,546,034	(283,513)	8,079,488

(b) Reconciliation to the consolidated statements of financial position

	31 December	
	2023	2022
Deferred income tax assets	<b>6,693,865</b>	11,570,191
Deferred income tax liabilities	<b>170,275</b>	3,490,703
Total	<b>6,523,590</b>	8,079,488

# Notes to the Consolidated Financial Statements

(In RMB thousands, unless otherwise stated)

## 28 RIGHT-OF-USE ASSETS

31 December 2023	Properties and Buildings	Transportation Vehicles	Electronic Devices	Others	Total
<b>Cost</b>					
31 December 2022	3,779,833	1,331	1,278	1,973	3,784,415
Increases	1,301,213	1,166	–	632	1,303,011
Decreases	502,904	1,242	698	887	505,731
Effect of exchange rate change	23,614	(26)	(20)	–	23,568
31 December 2023	4,601,756	1,229	560	1,718	4,605,263
<b>Accumulated depreciation</b>					
31 December 2022	1,838,624	1,169	732	1,402	1,841,927
Increases	849,647	318	139	185	850,289
Decreases	491,093	1,242	698	617	493,650
Effect of exchange rate change	13,098	(21)	(10)	–	13,067
31 December 2023	2,210,276	224	163	970	2,211,633
<b>Allowances for impairment</b>					
31 December 2022	–	–	–	–	–
Increases	–	–	–	–	–
Decreases	–	–	–	–	–
Effect of exchange rate change	–	–	–	–	–
31 December 2023	–	–	–	–	–
<b>Net carrying amount</b>					
31 December 2023	2,391,480	1,005	397	748	2,393,630
31 December 2022	1,941,209	162	546	571	1,942,488

## 28 RIGHT-OF-USE ASSETS (Continued)

31 December 2022	Properties and Buildings	Transportation Vehicles	Electronic Devices	Others	Total
<b>Cost</b>					
31 December 2021	3,213,916	1,300	686	1,973	3,217,875
Increases	824,016	—	545	—	824,561
Decreases	350,127	—	—	—	350,127
Effect of exchange rate change	92,028	31	47	—	92,106
31 December 2022	3,779,833	1,331	1,278	1,973	3,784,415
<b>Accumulated depreciation</b>					
31 December 2021	1,321,831	845	550	925	1,324,151
Increases	746,934	285	156	477	747,852
Decreases	281,883	—	—	—	281,883
Effect of exchange rate change	51,742	39	26	—	51,807
31 December 2022	1,838,624	1,169	732	1,402	1,841,927
<b>Allowances for impairment</b>					
31 December 2021	—	—	—	—	—
Increases	—	—	—	—	—
Decreases	—	—	—	—	—
Effect of exchange rate change	—	—	—	—	—
31 December 2022	—	—	—	—	—
<b>Net carrying amount</b>					
31 December 2022	1,941,209	162	546	571	1,942,488
31 December 2021	1,892,085	455	136	1,048	1,893,724

# Notes to the Consolidated Financial Statements

(In RMB thousands, unless otherwise stated)

## 29 OTHER NON-CURRENT ASSETS

	31 December 2023	2022
Receivables and others	<b>586,595</b>	507,717
Total	<b>586,595</b>	507,717

## 30 MARGIN ACCOUNTS

	31 December 2023	2022
Margin accounts	<b>120,637,954</b>	109,477,877
Less: loss allowance	<b>1,892,224</b>	2,501,544
Total	<b>118,745,730</b>	106,976,333

Margin accounts are funds that the Group lends to its customers for margin financing business.

As at 31 December 2023, the Group received collateral with fair value amounted to RMB444,292 million (31 December 2022: RMB431,795 million), in connection with its margin financing business.

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

	31 December 2023	
	Current	Non-current
<b>Mandatory</b>		
Debt instruments	297,095,794	891,199
Equity instruments	266,795,259	21,049,688
Others	23,076,667	5,913,146
	<b>586,967,720</b>	<b>27,854,033</b>
<b>Designated</b>		
Debt instruments	209,281	—
Equity instruments	5,652,614	4,200,698
Others	487	161,942
	<b>5,862,382</b>	<b>4,362,640</b>
<b>Total</b>	<b>592,830,102</b>	<b>32,216,673</b>
Analysed into:		
<b>Mandatory</b>		
Listed	514,510,660	3,732,853
Unlisted	72,457,060	24,121,180
	<b>586,967,720</b>	<b>27,854,033</b>
<b>Designated</b>		
Listed	5,651,341	230,451
Unlisted	211,041	4,132,189
	<b>5,862,382</b>	<b>4,362,640</b>
<b>Total</b>	<b>592,830,102</b>	<b>32,216,673</b>

# Notes to the Consolidated Financial Statements

(In RMB thousands, unless otherwise stated)

## 31 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

As of 31 December 2023, financial assets at fair value through profit or loss of RMB243,846 million (31 December 2022: RMB212,800 million) were collateralised for repurchase agreements, securities lending and short term loan transactions.

	31 December 2022	
	Current	Non-current
<b>Mandatory</b>		
Debt instruments	245,517,295	150,753
Equity instruments	226,614,521	24,857,372
Others	17,611,183	5,116,530
	489,742,999	30,124,655
<b>Designated</b>		
Debt instruments	210,752	—
Equity instruments	8,318,724	2,099,647
Others	19,304	406,611
	8,548,780	2,506,258
<b>Total</b>	498,291,779	32,630,913
Analysed into:		
<b>Mandatory</b>		
Listed	436,891,841	6,053,695
Unlisted	52,851,158	24,070,960
	489,742,999	30,124,655
<b>Designated</b>		
Listed	8,317,721	186,746
Unlisted	231,059	2,319,512
	8,548,780	2,506,258
<b>Total</b>	498,291,779	32,630,913

## 32 DERIVATIVE FINANCIAL INSTRUMENTS

	31 December 2023					
	Hedging instruments			Non-hedging instruments		
	Notional amounts	Fair value		Notional amounts	Fair value	
		Assets	Liabilities		Assets	Liabilities
Interest rate derivatives	4,500,000	144,629	—	3,248,589,811	9,888,690	9,697,435
Currency derivatives	—	—	—	350,627,933	2,436,843	2,807,815
Equity derivatives	—	—	—	681,453,912	18,336,780	16,412,905
Credit derivatives	—	—	—	14,166,896	36,643	47,127
Others	—	—	—	812,632,716	1,910,660	3,040,739
<b>Total</b>	<b>4,500,000</b>	<b>144,629</b>	<b>—</b>	<b>5,107,471,268</b>	<b>32,609,616</b>	<b>32,006,021</b>

	31 December 2022					
	Hedging instruments			Non-hedging instruments		
	Notional amounts	Fair value		Notional amounts	Fair value	
		Assets	Liabilities		Assets	Liabilities
Interest rate derivatives	—	—	—	1,853,420,762	7,780,104	6,463,749
Currency derivatives	—	—	—	748,270,446	5,070,611	5,536,488
Equity derivatives	—	—	—	507,787,735	19,695,668	11,610,629
Credit derivatives	—	—	—	12,080,451	77,982	151,622
Others	—	—	—	831,431,631	3,764,362	4,360,010
<b>Total</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>3,952,991,025</b>	<b>36,388,727</b>	<b>28,122,498</b>

Under the daily mark-to-market and settlement arrangement, the Group's future contracts were settled on a daily basis and the amount of mark-to-market gain or loss of those unexpired future contracts is reflected in profit or loss and not included in derivative financial instruments above. As at 31 December 2023, the fair value of those unexpired daily settled future contracts was a gain of RMB490 million (31 December 2022: gain of RMB607 million).

### (1) Fair value hedges

The following designated fair value hedging instruments are included in the derivative financial instruments disclosed above.

Fair value hedging	31 December 2023			31 December 2022		
	Notional amounts	Assets	Liabilities	Notional amounts	Assets	Liabilities
Interest rate risk						
— Interest swap	4,500,000	144,629	—	—	—	—

# Notes to the Consolidated Financial Statements

(In RMB thousands, unless otherwise stated)

## 32 DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

### (1) Fair value hedges (Continued)

The Group uses interest rate swaps to hedge against changes arising from changes in interest rates in fair value of certain issued long-term debt instruments.

The Group's net gains/(losses) on fair value hedges are as follow:

	2023	2022
Net gain/(loss)		
— Hedging instrument	144,629	—
— Hedged item	(135,483)	—

The gain and loss arising from the ineffective portion recognised in net trading gains were immaterial in 2023 (2022: Nil).

The following table shows maturity details with notional amount of hedging instruments disclosed above:

	Fair value hedges					Total
	Within 1 month	1 to 3 months	3 months to 12 months	1 to 5 years	Over 5 years	
31 December 2023	—	—	—	4,500,000	—	4,500,000

In 2022, the Group has no hedging instruments in fair value hedges.

The following table sets out the details of the hedged items covered by the Group's fair value hedging strategies:

	31 December 2023				
	Carrying amount of hedged items		Accumulated amount of fair value adjustments on the hedged items		Balance Sheet
	Assets	Liabilities	Assets	Liabilities	Items
Fixed coupon bonds	—	(4,737,173)	—	(135,483)	Debt instruments issued

In 2022, the Group has no hedged items in fair value hedges.



### 33 REVERSE REPURCHASE AGREEMENTS

	31 December 2023	2022
Analysed by collateral:		
Stocks	<b>39,391,697</b>	29,396,206
Debts	<b>23,523,835</b>	5,974,265
Others	<b>5,006,854</b>	2,694,996
	<b>67,922,386</b>	38,065,467
Less: loss allowance	<b>5,713,229</b>	6,582,408
<b>Total</b>	<b>62,209,157</b>	31,483,059
Analysed by business:		
Pledged repo	<b>61,908,529</b>	32,777,512
Debt securities outright repo	<b>991,838</b>	2,592,960
Stock repo	<b>15,165</b>	—
Others	<b>5,006,854</b>	2,694,995
	<b>67,922,386</b>	38,065,467
Less: loss allowance	<b>5,713,229</b>	6,582,408
<b>Total</b>	<b>62,209,157</b>	31,483,059
Analysed by counterparty:		
Banks	<b>5,230,962</b>	4,010,462
Non-bank financial institutions	<b>3,377,457</b>	426,924
Others	<b>59,313,967</b>	33,628,081
	<b>67,922,386</b>	38,065,467
Less: loss allowance	<b>5,713,229</b>	6,582,408
<b>Total</b>	<b>62,209,157</b>	31,483,059

As at 31 December 2023, stock-pledged repo under reverse repurchase agreements totalled RMB39,377 million (31 December 2022: RMB29,396 million) with credit impairment loss allowance of RMB5,713 million (31 December 2022: RMB6,582 million).

As at 31 December 2023, the Group received collateral amounted to RMB116,567 million (31 December 2022: RMB88,182 million), in connection with its reverse repurchase agreements.

# Notes to the Consolidated Financial Statements

(In RMB thousands, unless otherwise stated)

## 33 REVERSE REPURCHASE AGREEMENTS (Continued)

As part of the reverse repurchase agreements, the Group received securities allowed to be re-pledged in the absence of default by counterparties. If the collateral received declines in value, the Group may, in certain circumstances, require additional collateral. The Group had an obligation to return the collateral to its counterparties at the maturity of the contracts.

As at 31 December 2023, the amount of the above collateral allowed to be re-pledged was RMB6,661 million (31 December 2022: RMB5,747 million), and the amount of the collateral re-pledged was RMB5,206 million (31 December 2022: RMB4,832 million).

## 34 OTHER CURRENT ASSETS

	31 December 2023	2022
Accounts due from brokers	<b>24,488,205</b>	26,731,357
Brokerage accounts due from clients	<b>12,889,289</b>	7,660,160
Settlement deposits receivable	<b>12,745,309</b>	10,984,816
Bulk commodity trading inventory	<b>1,361,458</b>	619,914
Interest receivable	<b>216,981</b>	359,765
Deferred expenses	<b>69,442</b>	77,010
Dividends receivable	<b>25,830</b>	446
Others	<b>20,356,313</b>	14,043,906
Subtotal	<b>72,152,827</b>	60,477,374
Less: Impairment allowance	<b>2,358,389</b>	2,153,553
Total	<b>69,794,438</b>	58,323,821

## 35 CASH HELD ON BEHALF OF CUSTOMERS

The Group maintains segregated deposit accounts with banks and authorised 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 customer brokerage deposits (Note 37). In the PRC, the use of cash held on behalf of customers for security and the settlement of their transactions is restricted and governed by relevant third-party deposit regulations issued by the CSRC. In Hong Kong, the “Securities and Futures (Client Money) Rules” together with the related provisions of the Securities and Futures Ordinance impose similar restrictions. In other countries and regions, cash held on behalf of customers is supervised by relevant institutions.

### 36 CASH AND BANK BALANCES

	31 December	
	2023	2022
Cash on hand	215	236
Deposits in banks	109,772,850	112,401,728
<b>Total</b>	<b>109,773,065</b>	<b>112,401,964</b>

As at 31 December 2023, the Group had deposits in banks with restrictions of RMB8,863 million (31 December 2022: RMB7,824 million).

### 37 CUSTOMER BROKERAGE DEPOSITS

	31 December	
	2023	2022
Customer brokerage deposits	283,820,892	279,402,254

Customer brokerage deposits represent the amount received from and repayable to clients arising from the ordinary course of the Group's securities brokerage activities. For more details, please refer to Note 35 "Cash held on behalf of customers".

### 38 FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 December 2023	
	Current	Non-current
<b>Financial liabilities held for trading</b>		
Equity instruments	10,079,857	—
Debt instruments	6,774,761	—
Others	1,127,997	—
Subtotal	17,982,615	—
<b>Financial liabilities designated as at fair value through profit or loss</b>		
Beneficiary certificates and structured notes	49,663,789	13,555,847
Minority interests in consolidated structured entities and others	773,716	4,486,231
Subtotal	50,437,505	18,042,078
<b>Total</b>	<b>68,420,120</b>	<b>18,042,078</b>

# Notes to the Consolidated Financial Statements

(In RMB thousands, unless otherwise stated)

## 38 FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

	31 December 2022	
	Current	Non-current
<b>Financial liabilities held for trading</b>		
Debt instruments	7,793,729	—
Equity instruments	8,939,163	—
Others	1,194,116	—
Subtotal	17,927,008	—
<b>Financial liabilities designated as at fair value through profit or loss</b>		
Beneficiary certificates and structured notes	43,945,799	20,503,989
Minority interests in consolidated structured entities and others	531,527	8,207,272
Subtotal	44,477,326	28,711,261
<b>Total</b>	<b>62,404,334</b>	<b>28,711,261</b>

As at 31 December 2023, there were no significance fair value changes related to the changes in the credit risk of the Group (31 December 2022: Nil).

## 39 REPURCHASE AGREEMENTS

	31 December	
	2023	2022
Analysed by collateral:		
Equity	<b>31,623,529</b>	30,588,477
Debts	<b>185,652,232</b>	122,002,749
Precious metal	<b>19,197,222</b>	14,953,993
Others	<b>46,873,340</b>	46,737,876
Total	<b>283,346,323</b>	214,283,095
Analysed by counterparty:		
Banks	<b>125,955,112</b>	66,749,325
Non-bank financial institutions	<b>36,285,929</b>	27,699,736
Others	<b>121,105,282</b>	119,834,034
Total	<b>283,346,323</b>	214,283,095

As at 31 December 2023, the Group's pledged collateral in connection with its repurchase financing business amounted to RMB317,062 million (31 December 2022: RMB239,414 million).

## 40 DUE TO BANKS AND OTHER FINANCIAL INSTITUTIONS

	31 December	
	2023	2022
Due to banks	<b>42,932,391</b>	24,569,780
Due to China Securities Finance Corporation Limited	<b>10,690,804</b>	5,011,083
Total	<b>53,623,195</b>	29,580,863

## 41 TAXES PAYABLE

	31 December	
	2023	2022
Corporate income tax	<b>1,483,225</b>	4,055,636
Individual income tax	<b>785,857</b>	1,275,470
Value added tax	<b>165,421</b>	201,091
Others	<b>68,241</b>	43,964
Total	<b>2,502,744</b>	5,576,161

## 42 SHORT-TERM LOANS

	31 December	
	2023	2022
Analysed by nature:		
Credit loans	<b>7,611,214</b>	9,092,064
Collateralised loans	<b>2,720</b>	708,945
Total	<b>7,613,934</b>	9,801,009
Analysed by maturity:		
Maturity within one year	<b>7,613,934</b>	9,801,009

As at 31 December 2023, the annual interest rates on the short-term loans were in the range of 0.00% to 6.94% (31 December 2022: 0.00% to 6.50%). The collateral of the Group are financial assets at fair value through profit or loss. As at 31 December 2023, the book value of the collateral was RMB2,792 million (31 December 2022: RMB5,022 million) (Note 31).

# Notes to the Consolidated Financial Statements

(In RMB thousands, unless otherwise stated)

## 43 SHORT-TERM FINANCING INSTRUMENTS PAYABLE 31 December 2023

Name	Issue date	Maturity date	Coupon rate	Opening balance	Increase	Decrease	Ending balance
23 CS S1	10/01/2023	12/07/2023	2.58%	—	3,050,492	3,050,492	—
23 CS S2	08/02/2023	10/11/2023	2.65%	—	3,064,670	3,064,670	—
23 CS S3	02/03/2023	07/09/2023	2.70%	—	4,062,248	4,062,248	—
23 CS S4	22/03/2023	27/09/2023	2.58%	—	5,074,778	5,074,778	—
23 CS S5	21/04/2023	26/10/2023	2.55%	—	5,073,673	5,073,673	—
23 CS S6	19/05/2023	24/11/2023	2.35%	—	4,055,192	4,055,192	—
23 CS S7	25/05/2023	24/05/2024	2.47%	—	3,047,350	5,862	3,041,488
23 CS S8	16/08/2023	21/02/2024	2.12%	—	4,036,531	7,804	4,028,727
23 CS S9	06/09/2023	11/09/2024	2.45%	—	5,040,546	9,751	5,030,795
23 CS S10	13/09/2023	18/09/2024	2.52%	—	4,031,215	7,807	4,023,408
23 CS S11	22/09/2023	27/06/2024	2.53%	—	4,029,333	7,805	4,021,528
23 CS S12	26/10/2023	31/10/2024	2.72%	—	6,029,679	11,696	6,017,983
23 CS S13	08/11/2023	13/11/2024	2.70%	—	3,011,649	5,862	3,005,787
23 CS S14	22/11/2023	29/05/2024	2.64%	—	4,011,601	7,804	4,003,797
23 CS C1	09/11/2023	14/11/2024	2.75%	—	1,003,980	2,302	1,001,678
CITICSMTNECP41	28/01/2022	26/01/2023	0.00%	556,753	415	557,168	—
CITICSMTNECP44	27/05/2022	25/05/2023	2.82%	212,441	2,414	214,855	—
CITICSMTNECP46	27/05/2022	27/02/2023	0.00%	346,706	1,504	348,210	—
CITICSMTNECP47	27/07/2022	26/07/2023	0.00%	272,477	6,107	278,584	—
CITICSMTNECP48	06/07/2022	05/07/2023	0.00%	205,165	3,757	208,922	—
CITICSMTNECP49	01/08/2022	31/07/2023	0.00%	340,230	8,013	348,243	—
CITICSMTNECP50	08/08/2022	07/08/2023	0.00%	340,178	8,066	348,244	—
CITICSMTNECP51	16/08/2022	15/08/2023	0.00%	815,824	19,978	835,802	—
CITICSMTNECP52	14/09/2022	16/03/2023	0.00%	138,191	1,089	139,280	—
CITICSMTNECP53	22/09/2022	21/09/2023	4.15%	845,259	25,227	870,486	—
CITICSMTNECP54	21/10/2022	26/01/2023	0.00%	138,860	432	139,292	—
CITICSMTNECP55	11/11/2022	09/11/2023	0.00%	398,670	19,402	418,072	—
CITICSMTNECP56	18/01/2023	20/10/2023	0.00%	—	139,341	139,341	—
CITICSMTNECP57	13/02/2023	21/08/2023	4.10%	—	67,832	67,832	—
CITICSMTNECP58	28/03/2023	04/10/2023	5.25%	—	70,575	70,575	—
CITICSMTNECP59	19/10/2023	24/01/2024	0.00%	—	141,142	—	141,142
CITICSMTNECP60	20/12/2023	13/03/2024	0.00%	—	700,189	—	700,189
CITICSCSI01	25/11/2022	25/02/2023	0.00%	690,822	16,972	707,794	—
CITICSCSI02	22/09/2022	22/03/2023	3.90%	352,036	8,762	360,798	—
CITICSCSI03	20/12/2022	20/03/2023	0.00%	178,950	5,077	184,027	—
CITICSCSI04	17/01/2023	31/01/2023	0.00%	—	212,338	212,338	—
CITICSCSI05	17/01/2023	17/07/2023	5.25%	—	149,633	149,633	—
CITICSCSI06	20/01/2023	20/07/2023	5.15%	—	145,204	145,204	—
CITICSCSI07	20/01/2023	20/10/2023	5.25%	—	36,783	36,783	—
CITICSCSI08	20/01/2023	20/10/2023	5.25%	—	147,133	147,133	—
CITICSCSI09	20/03/2023	20/04/2023	0.00%	—	176,949	176,949	—
CITICSCSI10	24/04/2023	24/07/2023	0.00%	—	148,637	148,637	—
CITICSCSI11	31/05/2023	31/08/2023	0.00%	—	49,546	49,546	—
CITICSCSI12	31/05/2023	01/12/2023	0.00%	—	38,929	38,929	—

## 43 SHORT-TERM FINANCING INSTRUMENTS PAYABLE (Continued)

31 December 2023 (Continued)

Name	Issue date	Maturity date	Coupon rate	Opening balance	Increase	Decrease	Ending balance
CITICSCSI13	02/06/2023	01/09/2023	0.00%	—	46,007	46,007	—
CITICSCSI14	16/06/2023	18/09/2023	0.00%	—	83,520	83,520	—
CITICSCSI15	17/07/2023	17/10/2023	0.00%	—	176,949	176,949	—
CITICSCSI16	25/07/2023	24/07/2024	5.40%	—	50,583	—	50,583
CITICSCSI17	27/07/2023	29/01/2024	0.00%	—	309,340	—	309,340
CITICSCSI18	28/07/2023	27/10/2023	0.00%	—	906,220	906,220	—
CITICSCSI19	07/08/2023	07/11/2023	4.20%	—	35,761	35,761	—
CITICSCSI20	16/08/2023	16/02/2024	0.00%	—	70,263	—	70,263
CITICSCSI21	18/08/2023	17/11/2023	0.00%	—	106,169	106,169	—
CITICSCSI22	05/09/2023	05/12/2023	0.00%	—	63,701	63,701	—
CITICSCSI23	12/09/2023	12/10/2023	0.00%	—	44,591	44,591	—
CITICSCSI24	13/09/2023	13/03/2024	0.00%	—	41,622	—	41,622
CITICSCSI25	31/10/2023	31/01/2024	0.00%	—	105,642	—	105,642
CITICSCSI26	20/11/2023	20/02/2024	0.00%	—	34,994	—	34,994
CITICSCSI27	07/11/2023	07/02/2024	0.00%	—	19,797	—	19,797
CITICSCSI28	08/12/2023	07/06/2024	0.00%	—	38,626	—	38,626
CITICSCSI29	12/12/2023	12/03/2024	0.00%	—	41,952	—	41,952
CITICSCSI30	21/12/2023	21/03/2024	5.75%	—	35,403	—	35,403
CITICSCSI31	22/12/2023	20/12/2024	5.62%	—	148,684	—	148,684
CITICSCSI32	29/12/2023	28/06/2024	0.00%	—	34,385	—	34,385
CITICSCSI33	29/12/2023	27/12/2024	0.00%	—	34,192	—	34,192
Structured notes	(Note)	(Note)	(Note)	6,027,249	23,785,244	8,387,486	21,425,007
Total				11,859,811	87,188,028	41,640,827	57,407,012

## 31 December 2022

Name	Issue date	Maturity date	Coupon rate	Opening balance	Increase	Decrease	Ending balance
CITICS MTN ECP16	19/01/2021	18/01/2022	0.75%	321,060	143	321,203	—
CITICS MTN ECP20	25/05/2021	24/05/2022	0.00%	158,952	443	159,395	—
CITICS MTN ECP21	02/06/2021	01/06/2022	0.00%	190,712	562	191,274	—
CITICS MTN ECP22	20/07/2021	19/07/2022	0.00%	325,991	1,077	327,068	—
CITICS MTN ECP23	22/07/2021	21/07/2022	0.00%	244,485	816	245,301	—
CITICS MTN ECP24	10/08/2021	08/03/2022	0.00%	318,517	268	318,785	—
CITICS MTN ECP25	19/08/2021	18/08/2022	0.00%	444,239	2,103	446,342	—
CITICS MTN ECP26	19/08/2021	18/03/2022	0.00%	191,094	177	191,271	—
CITICS MTN ECP27	08/09/2021	07/09/2022	0.00%	325,723	1,359	327,082	—
CITICS MTN ECP28	14/09/2021	14/06/2022	0.00%	317,888	904	318,792	—
CITICS MTN ECP29	17/09/2021	15/09/2022	0.58%	638,025	3,358	641,383	—
CITICS MTN ECP30	17/09/2021	16/09/2022	0.00%	317,173	1,654	318,827	—
CITICS MTN ECP31	29/09/2021	28/09/2022	0.00%	317,121	1,711	318,832	—

# Notes to the Consolidated Financial Statements

(In RMB thousands, unless otherwise stated)

## 43 SHORT-TERM FINANCING INSTRUMENTS PAYABLE (Continued) 31 December 2022 (Continued)

Name	Issue date	Maturity date	Coupon rate	Opening balance	Increase	Decrease	Ending balance
CITICS MTN ECP32	10/11/2021	12/05/2022	0.00%	76,336	172	76,508	—
CITICS MTN ECP33	10/11/2021	11/05/2022	0.00%	114,507	256	114,763	—
CITICS MTN ECP34	18/11/2021	18/05/2022	0.00%	1,081,193	2,680	1,083,873	—
CITICS MTN ECP35	18/11/2021	18/05/2022	0.00%	611,761	1,467	613,228	—
CITICS MTN ECP36	23/11/2021	22/11/2022	0.00%	632,434	5,360	637,794	—
CITICS MTN ECP37	02/12/2021	01/12/2022	0.00%	243,355	2,016	245,371	—
CITICS MTN ECP38	14/12/2021	13/12/2022	0.75%	612,707	5,330	618,037	—
CITICS MTN ECP39	20/12/2021	19/12/2022	0.00%	202,651	1,838	204,489	—
CITICS MTN ECP40	21/12/2021	21/09/2022	0.00%	316,749	2,092	318,841	—
CITICS MTN ECP41	28/01/2022	28/01/2023	0.00%	—	556,753	—	556,753
CITICS MTN ECP42	19/04/2022	19/10/2022	0.00%	—	158,797	158,797	—
CITICS MTN ECP43	25/05/2022	23/12/2022	0.00%	—	496,647	496,647	—
CITICS MTN ECP44	27/05/2022	22/05/2023	2.82%	—	212,441	—	212,441
CITICS MTN ECP45	27/05/2022	20/12/2022	0.00%	—	331,094	331,094	—
CITICS MTN ECP46	27/05/2022	27/02/2023	0.00%	—	346,706	—	346,706
CITICS MTN ECP47	27/07/2022	26/07/2023	0.00%	—	272,477	—	272,477
CITICS MTN ECP48	06/07/2022	05/07/2023	0.00%	—	205,165	—	205,165
CITICS MTN ECP49	01/08/2022	31/07/2023	0.00%	—	340,230	—	340,230
CITICS MTN ECP50	08/08/2022	07/08/2023	0.00%	—	340,178	—	340,178
CITICS MTN ECP51	16/08/2022	15/08/2023	0.00%	—	815,824	—	815,824
CITICS MTN ECP52	14/09/2022	16/03/2023	0.00%	—	138,191	—	138,191
CITICS MTN ECP53	22/09/2022	21/09/2023	4.15%	—	845,259	—	845,259
CITICS MTN ECP54	21/10/2022	26/01/2023	0.00%	—	138,860	—	138,860
CITICS MTN ECP55	11/11/2022	10/11/2023	0.00%	—	398,670	—	398,670
CITICSCSI01	25/11/2022	25/02/2023	0.00%	—	690,822	—	690,822
CITICSCSI02	22/09/2022	22/03/2023	3.90%	—	352,036	—	352,036
CITICSCSI03	20/12/2022	20/03/2023	0.00%	—	178,950	—	178,950
Structured notes	(Note)	(Note)	(Note)	6,627,788	7,568,573	8,169,112	6,027,249
Total				14,630,461	14,423,459	17,194,109	11,859,811

Note: As at 31 December 2023, the beneficiary certificates issued by the Company amounted to RMB21,425 million and coupon rates ranging from 1.99% to 4.00% (31 December 2022: RMB6,027 million, coupon rates ranging from 1.60% to 4.00%).

As at 31 December 2023, short-term financing instruments payable comprised of short-term corporate bonds and beneficiary certificates with an original tenure of less than one year.

As at 31 December 2023, there was no default relating to any short-term financing instruments payable issued (31 December 2022: Nil).



#### 44 LEASE LIABILITIES

	31 December 2023	
	Current	Non-current
Lease liabilities	<b>777,016</b>	<b>1,651,580</b>
	31 December 2022	
	Current	Non-current
Lease liabilities	563,835	1,407,947

As at 31 December 2023, the cash flows of lease contracts signed by the Group but the relevant leases which have not yet commenced are shown as follows:

	31 December	
	2023	2022
Lease term:		
Within one year	<b>16,977</b>	2,900
One to two years	<b>10,282</b>	104,891
Two to five years	<b>17,151</b>	313,265
More than five years	<b>1,192</b>	76,072
	<b>45,602</b>	497,128

#### 45 OTHER CURRENT LIABILITIES

	31 December	
	2023	2022
Client deposits payable	<b>134,849,752</b>	134,916,690
Debt instruments issued due within one year and others	<b>35,371,321</b>	52,684,372
Amounts due to brokers	<b>30,303,098</b>	27,088,199
Salaries, bonuses and allowances payable	<b>19,779,840</b>	19,819,855
Settlement deposits payable	<b>19,739,969</b>	17,450,490
Accrued liabilities	<b>867,664</b>	949,070
Fee and commissions payable	<b>840,736</b>	790,958
Dividends payable	<b>283,857</b>	261,494
Interest payable	<b>179,602</b>	219,150
Funds payable to securities holders	<b>167,469</b>	166,245
Funds payable to securities issuers	<b>35,356</b>	15,253,774
Contract liabilities	<b>24,141</b>	24,952
Others	<b>16,089,992</b>	28,155,889
Total	<b>258,532,797</b>	297,781,138

# Notes to the Consolidated Financial Statements

(In RMB thousands, unless otherwise stated)

## 46 DEBT INSTRUMENTS ISSUED

### (a) Debt instruments issued

By category	31 December	
	2023	2022
Bonds and medium term notes issued	<b>108,555,434</b>	74,753,117
Structured notes	—	6,070
	<b>108,555,434</b>	74,759,187

By maturity	31 December	
	2023	2022
Maturity within five years	<b>91,311,180</b>	57,519,252
Maturity over five years	<b>17,244,254</b>	17,239,935
	<b>108,555,434</b>	74,759,187

As at 31 December 2023, there was no default related to any issued debt instruments (31 December 2022: Nil).

### (b) Debt instruments issued list

Type	Name	Par value RMB thousand	Issue date	Term	Nominal Coupon rate	31 December	31 December
						2022 RMB thousand	2023 RMB thousand
Corporate bonds	15 CS 02	2,500,000	24/06/2015	10 years	5.10%	2,566,106	<b>2,566,209</b>
	19 CS G2 (Note 1)	1,000,000	05/09/2019	5 years	3.78%	1,011,677	—
	20 CS 20	800,000	08/09/2020	10 years	4.20%	808,413	<b>808,626</b>
	20 CS 24	900,000	23/10/2020	10 years	4.27%	904,677	<b>904,915</b>
	20 CS G2	2,000,000	19/02/2020	5 years	3.31%	2,054,410	<b>2,055,573</b>
	20 CS G4	2,000,000	06/03/2020	5 years	3.20%	2,049,486	<b>2,050,647</b>
	20 CS G7	1,000,000	09/04/2020	5 years	3.10%	1,020,869	<b>1,021,462</b>
	21 CS 02 (Note 1)	4,600,000	20/01/2021	3 years	3.56%	4,748,082	—
	21 CS 03	3,200,000	20/01/2021	10 years	4.10%	3,314,683	<b>3,315,524</b>
	21 CS 04 (Note 1)	1,500,000	24/02/2021	3 years	3.60%	1,543,515	—
	21 CS 05	3,000,000	24/02/2021	10 years	4.10%	3,095,647	<b>3,096,432</b>
	21 CS 06	2,500,000	16/03/2021	10 years	4.10%	2,574,596	<b>2,575,251</b>
	21 CS 07	1,400,000	08/04/2021	10 years	4.04%	1,437,123	<b>1,437,499</b>
	21 CS 08	1,000,000	08/06/2021	5 years	3.70%	1,018,568	<b>1,019,153</b>
	21 CS 09	2,500,000	08/06/2021	10 years	4.03%	2,549,910	<b>2,550,558</b>
	21 CS 10	1,500,000	06/07/2021	5 years	3.62%	1,522,946	<b>1,523,823</b>
21 CS 11	1,500,000	06/07/2021	10 years	3.92%	1,524,487	<b>1,524,876</b>	

## 46 DEBT INSTRUMENTS ISSUED (Continued)

### (b) Debt instruments issued list (Continued)

Type	Name	Par value RMB thousand	Issue date	Term	Nominal Coupon rate	31 December	31 December
						2022 RMB thousand	2023 RMB thousand
	21 CS 12 (Note 1)	3,000,000	18/08/2021	3 years	3.01%	3,027,529	—
	21 CS 13	1,000,000	18/08/2021	5 years	3.34%	1,009,824	<b>1,010,391</b>
	21 CS 14 (Note 1)	4,500,000	13/09/2021	3 years	3.08%	4,533,030	—
	21 CS 16 (Note 1)	2,200,000	23/09/2021	3 years	3.09%	2,213,902	—
	21 CS 17	1,800,000	23/09/2021	5 years	3.47%	1,812,260	<b>1,813,277</b>
	21 CS 18 (Note 1)	2,500,000	14/10/2021	3 years	3.25%	2,511,963	—
	21 CS 19	2,000,000	14/10/2021	5 years	3.59%	2,010,049	<b>2,011,175</b>
	21 CS 20 (Note 1)	3,000,000	19/11/2021	3 years	3.07%	3,003,972	—
	21 CS 21 (Note 1)	3,000,000	09/12/2021	3 years	2.97%	2,998,624	—
	22 CS 01	500,000	11/02/2022	5 years	3.20%	512,984	<b>513,217</b>
	22 CS 02	1,000,000	11/02/2022	10 years	3.69%	1,030,398	<b>1,030,572</b>
	22 CS 03	1,000,000	08/03/2022	3 years	3.03%	1,022,407	<b>1,023,377</b>
	22 CS 04	500,000	08/03/2022	5 years	3.40%	512,553	<b>512,831</b>
	22 CS 05	3,000,000	19/08/2022	3 years	2.50%	3,018,859	<b>3,021,763</b>
	23 CS 10	2,000,000	25/05/2023	3 years	2.89%	—	<b>2,031,035</b>
	23 CS 11	500,000	08/06/2023	2 years	2.64%	—	<b>506,537</b>
	23 CS 12	2,500,000	08/06/2023	3 years	2.80%	—	<b>2,534,718</b>
	23 CS G1	3,000,000	03/02/2023	2 years	2.95%	—	<b>3,075,736</b>
	23 CS G2	1,500,000	16/02/2023	2 years	2.89%	—	<b>1,535,582</b>
	23 CS G3	3,000,000	16/02/2023	3 years	3.06%	—	<b>3,074,720</b>
	23 CS G4	2,000,000	08/03/2023	2 years	3.01%	—	<b>2,046,105</b>
	23 CS G5	2,000,000	08/03/2023	5 years	3.32%	—	<b>2,116,748</b>
	23 CS G6	2,000,000	14/04/2023	2 years	2.87%	—	<b>2,037,773</b>
	23 CS G7	2,500,000	14/04/2023	5 years	3.17%	—	<b>2,620,424</b>
	23 CS G9	3,500,000	10/05/2023	3 years	2.90%	—	<b>3,558,781</b>
	23 CS 13	2,000,000	04/07/2023	2 years	2.64%	—	<b>2,022,749</b>
	23 CS 14	500,000	04/07/2023	3 years	2.75%	—	<b>505,880</b>
	23 CS 15	2,500,000	09/08/2023	2 years	2.54%	—	<b>2,520,285</b>
	23 CS 16	2,000,000	09/08/2023	3 years	2.72%	—	<b>2,017,434</b>
	23 CS 17	1,000,000	25/08/2023	2 years	2.53%	—	<b>1,006,941</b>
	23 CS 18	2,000,000	25/08/2023	3 years	2.70%	—	<b>2,014,859</b>
	23 CS 20	2,500,000	07/09/2023	3 years	2.93%	—	<b>2,517,834</b>
	23 CS 21	1,800,000	15/09/2023	3 years	2.86%	—	<b>1,811,297</b>
	23 CS 22	2,200,000	15/09/2023	5 years	3.10%	—	<b>2,215,159</b>
	23 CS 23	1,300,000	16/10/2023	2 years	2.80%	—	<b>1,304,978</b>
	23 CS 24	2,700,000	16/10/2023	3 years	2.90%	—	<b>2,710,933</b>
	23 CS 25	2,500,000	02/11/2023	2 years	2.78%	—	<b>2,505,916</b>
	23 CS 26	3,500,000	02/11/2023	5 years	3.10%	—	<b>3,509,680</b>
	23 CS 28	2,500,000	16/11/2023	3 years	2.87%	—	<b>2,503,315</b>
	23 CS 29	1,000,000	15/12/2023	2 years	2.80%	—	<b>998,951</b>
	23 CS 30	4,000,000	15/12/2023	3 years	2.90%	—	<b>3,996,068</b>

# Notes to the Consolidated Financial Statements

(In RMB thousands, unless otherwise stated)

## 46 DEBT INSTRUMENTS ISSUED (Continued)

### (b) Debt instruments issued list (Continued)

Type	Name	Par value RMB thousand	Issue date	Term	Nominal Coupon rate	31 December 2022 RMB thousand	31 December 2023 RMB thousand
Subordinated bond	21 CS C1 (Note 1)	3,000,000	03/02/2021	3 years	3.97%	3,103,282	—
	22 CF C1	500,000	22/07/2022	3 years	3.00%	505,425	505,881
	23 CS C2	1,000,000	09/11/2023	3 years	3.10%	—	1,002,201
Medium term note	CITICSECN2410 (Note 1)	1,414,580	17/10/2019	5 years	2.88%	1,394,405	—
	CITICSECN2506	3,565,800	27/05/2020	5 years	2.00%	3,476,796	3,540,276
	CITICSECN2405 (Note 1)	1,255,958	07/12/2022	1 year and 5 month	5.15%	1,220,869	—
	CITICISIN2502	1,352,080	14/02/2023	2 years	5.00%	—	1,472,920
	CITICISIN2606	695,444	14/06/2023	3 years	2.90%	—	702,668
	CITICSECN2504	2,528,972	21/04/2022	3 years	3.38%	2,088,791	2,114,928
	CITICISIN2607	4,643,787	13/07/2023	3 years	3.10%	—	2,528,971
Beneficiary certificates	Beneficiary certificates		(Note 2)	(Note 2)	(Note 2)	6,070	—
Total						74,759,187	108,555,434

Note 1: As at 31 December 2023, issued debt instruments with a balance of nil are classified as current liabilities maturing within one year.

Note 2: As at 31 December 2023, the Company has not issued the Beneficiary certificates (31 December 2022: RMB6 million with coupon rates 2.50%) with maturity dates over one year.

## 47 LONG-TERM LOANS

	31 December 2023	2022
Analysed by nature:		
Collateralised loans	330,695	272,299
Credit loans	12,478	—
Total	343,173	272,299
Analysed by maturity:		
Maturity within five years	343,173	272,299

As at 31 December 2023, the interest rates on the long-term loans were in the range of 0.31% to 7.05% (31 December 2022: 5.88% to 5.93%). The collateral of the Group are property, plant and equipment and investment properties. As at 31 December 2023, the book value of the collateral was RMB1,202 million (31 December 2022: RMB983 million).

## 48 OTHER NON-CURRENT LIABILITIES

	31 December	
	2023	2022
Regulatory risk provision	1,851,174	1,789,046
Others	496,150	425,880
Total	2,347,324	2,214,926

## 49 ISSUED SHARE CAPITAL

	31 December			
	2023		2022	
Ordinary Shares	Number of shares (Thousand)	Nominal value	Number of shares (Thousand)	Nominal value
Registered, issued and fully paid:				
A shares of RMB1 each	12,200,470	12,200,470	12,200,470	12,200,470
H shares of RMB1 each	2,620,077	2,620,077	2,620,077	2,620,077
Total	14,820,547	14,820,547	14,820,547	14,820,547

## 50 OTHER EQUITY INSTRUMENTS

Other equity instruments of the Group are as follows:

In July 2021, the Company issued the first tranche of perpetual subordinated bonds of 2021 amounted to RMB3.3 billion.

In August 2021, the Company issued the second tranche of perpetual subordinated bonds of 2021 amounted to RMB6 billion.

In August 2021, the Company issued the third tranche of perpetual subordinated bonds of 2021 amounted to RMB1.5 billion.

In January 2022, the Company issued the first tranche of perpetual subordinated bonds of 2022 amounted to RMB3 billion.

In September 2023, the Company issued the first tranche of perpetual subordinated bonds of 2023 amounted to RMB3 billion.

Key terms and conditions relating to the equity instruments that exist as at 31 December 2023 are as follows:

- The bonds are repriced every 5 interest-accruing years, and at the end of the repricing cycle, the issuer has the option to extend the bonds for another repricing cycle (another five years) or redeem them in full;
- The bonds offer no redemption option to the investors so that investors cannot require the issuer to redeem their bonds during the duration of the bonds;

# Notes to the Consolidated Financial Statements

(In RMB thousands, unless otherwise stated)

## 50 OTHER EQUITY INSTRUMENTS (Continued)

- The Company has the option to defer interest payment, except in the event of mandatory interest payments, so that at each interest payment date, the issuer may choose to defer the interest payment to the next payment date for current period as well as all interests and accreted interests already deferred according to the related terms, without any limitation with respect to the number of deferrals. Mandatory interest payment events are limited to dividend distributions to ordinary equity holders and reductions of registered capital;
- The priority over repayment of the 2021 perpetual subordinated bonds (the first tranche), the 2021 perpetual subordinated bonds (the second tranche), the 2021 perpetual subordinated bonds (the third tranche), the 2022 perpetual subordinated bonds (the first tranche) and the 2023 perpetual subordinated bonds (the first tranche) is subordinated to the Group's general debts and subordinated bonds, unless in the event of liquidation of the Group, investors of these bonds cannot require the Group to accelerate payment of bonds' principals.

The perpetual subordinated bonds issued by the Company are classified as equity instruments in the consolidated statement of changes in equity.

## 51 RESERVES

The amounts of the Group's reserves and the related movements are presented in the consolidated statement of changes in equity.

### (a) Capital reserve

Capital reserve primarily includes share premium arising from the issuance of new shares at prices in excess of par value.

### (b) Surplus reserves

#### (i) Statutory surplus reserve

Pursuant to the Company Law of the PRC, the Company is required to appropriate 10% of its profit for the year for the statutory surplus reserve until the reserve balance reaches 50% of its registered capital.

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

#### (ii) Discretionary surplus reserve

After making the appropriation to the statutory surplus reserve, the Company may also appropriate its after-tax profit for the year to its discretionary surplus reserve upon approval by the General Shareholders' Meeting. Subject to the approval of General Shareholders' Meeting, the discretionary surplus reserve may be used to offset accumulated losses, if any, and may be converted into share capital.

## 51 RESERVES (Continued)

### (c) General reserves

Pursuant to the requirements of regulatory authorities, including the Ministry of Finance and the CSRC, the Company is required to appropriate 10% of its after-tax profit for the year for the general risk reserve and 10% for trading risk reserve. These reserves may be used to offset accumulated losses of the Company but shall not be announced as dividends or converted into share capital. General reserves also include reserves that are established by subsidiaries and branches in certain countries or jurisdictions outside of the Chinese Mainland in accordance with the regulatory requirements in their respective territories are also included herein. These regulatory reserves are not available for distribution.

### (d) Investment revaluation reserve

Investment revaluation reserve represents reserve arising from the fair value changes of financial assets at fair value through other comprehensive income.

### (e) Foreign currency translation reserve

Foreign currency translation reserve represents the exchange difference arising from the translation of the financial statements of the subsidiaries incorporated outside Chinese Mainland with functional currencies other than RMB.

### (f) Distributable profits

The Company's distributable profits are based on the retained earnings of the Company as determined under China Accounting Standards and IFRSs, whichever is lower.

## 52 SUPPLEMENTARY INFORMATION TO THE CONSOLIDATED CASH FLOW STATEMENT

### (a) Cash and cash equivalents

	<b>31 December 2023</b>	31 December 2022
Cash and bank balances	<b>109,773,065</b>	112,401,964
Less: Restricted funds (Note 36)	<b>8,862,592</b>	7,823,958
Interests receivable	<b>1,332,739</b>	1,349,735
Cash and cash equivalents	<b>99,577,734</b>	103,228,271

# Notes to the Consolidated Financial Statements

(In RMB thousands, unless otherwise stated)

## 52 SUPPLEMENTARY INFORMATION TO THE CONSOLIDATED CASH FLOW STATEMENT

(Continued)

### (b) Reconciliation of liabilities arising from financing activities

Items	1 January	Increase for the year		Decrease for the year		31 December
	2023	Cash	Non-cash	Cash	Non-cash	2023
Short-term loans	9,801,009	107,509,310	(379,976)	107,798,628	1,517,781	7,613,934
Short-term financing instruments payable	11,859,811	164,192,196	44,046	119,249,506	(560,465)	57,407,012
Debt instruments issued long-term loans, and debt instruments issued due within one year and others	127,715,858	70,606,594	564,847	54,387,439	229,932	144,269,928
Lease liabilities	1,971,782	—	1,346,079	875,360	13,904	2,428,597
<b>Total</b>	<b>151,348,460</b>	<b>342,308,100</b>	<b>1,574,996</b>	<b>282,310,933</b>	<b>1,201,152</b>	<b>211,719,471</b>

Items	1 January	Increase for the year		Decrease for the year		31 December
	2022	Cash	Non-cash	Cash	Non-cash	2022
Short-term loans	7,261,987	10,022,475	313,294	7,590,604	206,143	9,801,009
Short-term financing instruments payable	14,630,461	55,920,219	72,485	59,533,870	(770,516)	11,859,811
Debt instruments issued, long-term loans, and debt instruments issued due within one year and others	181,860,848	11,908,309	(246,891)	65,483,074	323,334	127,715,858
Lease liabilities	1,884,935	—	817,458	732,252	(1,641)	1,971,782
Others	464,973	59,430	69,894	594,297	—	—
<b>Total</b>	<b>206,103,204</b>	<b>77,910,433</b>	<b>1,026,240</b>	<b>133,934,097</b>	<b>(242,680)</b>	<b>151,348,460</b>



## 53 INTERESTS IN THE UNCONSOLIDATED STRUCTURED ENTITIES

The Group is involved with structured entities primarily through investments and asset management business. The Group determines whether to consolidate these structured entities depending on whether the Group has control over them. The interests held by the Group in these unconsolidated structured entities are set out as below:

Structured entities sponsored by the Group:

Unconsolidated structured entities sponsored by the Group mainly include investment funds and asset management plans sponsored by the Group. The nature and objective of the structured entities is to manage investors' assets and collect management fees. Financing is sustained through investment products issued to investors. The interests held by the Group in these unconsolidated structured entities mainly involve management fees and performance fees collected from managed structured entities.

In 2023, the Group obtained management fee, commission and performance fee amounting to RMB6,918 million from the unconsolidated structured entities sponsored by the Group, for which the Group held no investment as at 31 December 2023 (2022: RMB8,016 million).

The maximum exposure and the book value of relevant balance sheet items of the Group arising from these unconsolidated structured entities sponsored by the Group were set out as below:

	<b>31 December 2023</b>	
	<b>Carrying amount</b>	<b>Maximum exposure</b>
Financial assets at fair value through profit or loss (Mandatory)	<b>13,561,265</b>	<b>13,561,265</b>
	31 December 2022	
	Carrying amount	Maximum exposure
Financial assets at fair value through profit or loss (Mandatory)	12,793,654	12,793,654

# Notes to the Consolidated Financial Statements

(In RMB thousands, unless otherwise stated)

## 53 INTERESTS IN THE UNCONSOLIDATED STRUCTURED ENTITIES (Continued)

Structured entities sponsored by third party financial institutions:

The maximum exposure and the book value of relevant balance sheet items of the Group arising from the interest held in directly invested structured entities such as asset backed securities, asset management plan and trust plan that are sponsored by third party financial institutions were set out as below:

	31 December 2023	
	Carrying amount	Maximum exposure
Financial assets at fair value through profit or loss (Mandatory)	63,440,735	63,440,735
	31 December 2022	
	Carrying amount	Maximum exposure
Financial assets at fair value through profit or loss (Mandatory)	51,523,231	51,523,231

## 54 TRANSFERRED FINANCIAL ASSETS

The Group enters into transactions in the normal course of business by which it transfers recognised financial assets to third parties or customers. In some cases where these transfers may give rise to full or partial derecognition of the financial assets concerned. In other cases where the Group has retained substantially all the risks and rewards of these assets, the Group continues to recognise the transferred assets.

### Repurchase transactions

Transferred financial assets that do not qualify for derecognition include debt securities held by counterparties as collateral under repurchase agreements. The counterparties are allowed to repledge those securities sold under repurchase agreements in the absence of default by the Group, but has an obligation to return the securities at the maturity of the contract. If the securities increase or decrease in value, the Group may in certain circumstances require counterparties to return a portion of the collateral or be required to place additional collateral. The Group has determined that it retains substantially all the risks and rewards of these securities and therefore does not derecognise them. A financial liability is recognised for cash received.

### Securities lending arrangements

Transferred financial assets that do not qualify for derecognition include securities lent to customers for securities selling transactions, 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. If the securities increase or decrease in value, the Group may in certain circumstances require customers to return a portion of the collateral or to place additional collateral. The Group has determined that it retains substantially all the risks and rewards of these securities and therefore does not derecognise them.

## 54 TRANSFERRED FINANCIAL ASSETS (Continued)

The following table analyses the carrying amount of the above-mentioned financial assets transferred to third parties or customers that did not qualify for derecognition and their associated financial liabilities:

	31 December 2023		31 December 2022	
	Carrying amount of transferred assets	Carrying amount of related liabilities	Carrying amount of transferred assets	Carrying amount of related liabilities
Repurchase agreements	62,549,737	55,314,106	50,802,761	44,157,933
Securities lending	5,224,390	—	4,633,189	—
Total	67,774,127	55,314,106	55,435,950	44,157,933

## 55 COMMITMENTS AND CONTINGENT LIABILITIES

### (a) Capital commitments

	31 December 2023	2022
Contracted, but not provided for	3,059,416	3,446,498

The above-mentioned capital commitments are mainly in respect of the construction of properties and purchase of equipment of the Group.

### (b) Operating lease commitments — as a lessor

The undiscounted amount of lease payments payable to the Group as lessor upon the balance sheet date is summarised as follows:

	31 December 2023	2022
Within one year	316,030	325,790
After one year but not more than two years	267,789	303,305
After two years but not more than three years	124,993	256,071
After three years but not more than four years	22,113	116,949
After four years but not more than five years	20,128	16,703
After five years	126,811	100,538
Total	877,864	1,119,356

### (c) Legal proceedings

In the ordinary course of business, the Group is subject to claims and are parties to legal and regulatory proceedings. As at 31 December 2023 and 2022, the Group was not involved in any material legal, or arbitration that if adversely determine, would materially and adversely affect the Group's financial position or results of operations.

# Notes to the Consolidated Financial Statements

(In RMB thousands, unless otherwise stated)

## 56 RELATED PARTY DISCLOSURES

### (1) China CITIC Financial Holdings Co., Ltd.

On 25 August 2023, CITIC Corporation Limited, and its concert party, CITIC Limited, transferred 2,733,961,712 shares of the Company held by them in aggregate to China CITIC Financial Holdings Co., Ltd. (“**CITIC Financial Holdings**”) without consideration. After the gratuitous transfer, CITIC Financial Holdings held 2,733,961,712 shares in the Company, representing 18.45% of the total number of issued shares of the Company.

CITIC Financial Holdings was initiated and established by CITIC Corporation Limited on 24 March 2022, with its registered office located in Beijing and registered capital of RMB33.8 billion. CITIC Corporation Limited holds 100% equity interest in CITIC Financial Holdings.

The Company’s operating performance and financial position consolidated were consolidated into the financial statements of CITIC Financial Holdings from August 2023, as a consolidated subsidiary of CITIC Financial Holdings.

Name of the shareholder	Enterprise type	Place of registration	Legal representative	Principal activities	Registered share capital	Percentage of equity interest	Voting rights	Uniform Social Credit Code
CITIC Financial Holdings	State-controlled	Beijing	Xi Guohua	Financial services	RMB33.8 billion	19.24%	19.24%	91110105MA7K30YL2P

CITIC Financial Holdings increased its shareholding in the Company’s H shares during the period from September 2023 to December 2023, and as at 31 December 2023, its shareholding in the Company amounted to a total of 19.24% of the Company’s issued shares.

### (2) Related party transactions

#### (a) Related party transactions with CITIC Financial Holdings and its Major related parties

##### *Transactions during the period*

	2023	2022
Interest income	<b>854,918</b>	944,741
Income from providing services	<b>178,729</b>	421,592
Investment-related income	<b>125,037</b>	582,015
Leasing income	<b>37,001</b>	38,510
Expense from receiving services	<b>425,409</b>	393,950
Interest expenses	<b>66,761</b>	58,140
Lease payment	<b>64,097</b>	59,295
Interest expenses of leasing liabilities	<b>2,054</b>	2,542
Depreciation of right-of-use assets	<b>39,817</b>	35,324

## 56 RELATED PARTY DISCLOSURES (Continued)

### (2) Related party transactions (Continued)

#### (a) Related party transactions with CITIC Financial Holdings and its Major related parties (Continued) *Balances at the end of the year*

	31 December	
	2023	2022
Cash held on behalf of customers <sup>(i)</sup>	<b>35,300,015</b>	31,868,260
Cash and bank balances <sup>(i)</sup>	<b>6,081,971</b>	6,316,028
Refundable deposits	<b>40,755</b>	—
Other current assets	<b>101,960</b>	187,581
Right-of-use assets	<b>44,220</b>	86,415
Repurchase agreements	<b>3,180,016</b>	—
Short-term financing instruments payable	<b>1,023,968</b>	18,297
Lease liabilities	<b>45,054</b>	91,536
Other current liabilities	<b>198,654</b>	26,277
Short-term loans	<b>338,019</b>	532,272
Contract liabilities	<b>4,948</b>	2,448

(i) Represented deposits placed with financial institution subsidiaries of CITIC Financial Holdings.

As at 31 December 2023, the contracted amount of CITIC Financial Center paid to the major related parties of CITIC Financial Holdings by the Company is RMB926 million (31 December 2022: RMB659 million).

#### (b) Related party transactions with subsidiaries

##### *Transactions during the period*

	2023	2022
Interest income	<b>690,925</b>	863,969
Income from providing services	<b>155,447</b>	120,364
Lease income	<b>16,146</b>	13,738
Investment-related income	<b>(73,187)</b>	(218,797)
Interest expenses	<b>109,856</b>	59,751
Expense from receiving services	<b>2,096</b>	1,500
Depreciation of right-of-use assets	<b>342,045</b>	349,641
Interest expenses of leasing liabilities	<b>16,211</b>	30,705

# Notes to the Consolidated Financial Statements

(In RMB thousands, unless otherwise stated)

## 56 RELATED PARTY DISCLOSURES (Continued)

### (2) Related party transactions (Continued)

#### (b) Related party transactions with subsidiaries (Continued)

*Balances at the end of the year*

	<b>31 December</b>	
	<b>2023</b>	2022
Other current assets	<b>36,526,240</b>	29,993,854
Financial assets at fair value through other comprehensive income	<b>6,507,173</b>	7,387,687
Deposits for investments-stock index futures	<b>6,490,715</b>	10,157,957
Derivative financial assets	<b>1,969,136</b>	1,534,927
Refundable deposits	<b>9,973,113</b>	8,911,709
Financial assets at fair value through profit or loss (mandatory)	<b>37,122,863</b>	20,309,515
Right-of-use assets	<b>348,716</b>	704,010
Other current liabilities	<b>1,011,532</b>	1,157,264
Derivative financial liabilities	<b>3,012,387</b>	5,114,582
Customer brokerage deposits	<b>631,964</b>	737,510
Short-term financing instruments payable	<b>154,417</b>	130,276
Debt instruments issued	<b>5,176,915</b>	4,950,630
Lease liabilities	<b>318,788</b>	686,585

Significant balances and transactions between the Parent and subsidiaries set out above have been eliminated in the consolidated financial statements.

As at 31 December 2023, the collective assets management plans managed by the Company and held by the Company and its subsidiaries amounted to RMB716 million (31 December 2022: RMB602 million).

## 56 RELATED PARTY DISCLOSURES (Continued)

### (2) Related party transactions (Continued)

- (c) Shareholder who directly and indirectly holds more than 5% shares of the Company – Guangzhou Yuexiu Capital Holdings Group Co., Ltd., and its parties acting in concert, Guangzhou Yuexiu Capital Holdings Co., Ltd. and Yuexiu Financial International Holding Limited  
*Transactions during the period*

	2023	2022
Investment-related income <sup>(i)</sup>	<b>(12,418)</b>	(63,870)
Income from providing services	<b>2,665</b>	4,051
Interest expenses	<b>20</b>	—
<b>Balances at the end of the year</b>		
	<b>2023</b>	2022
Other current liabilities	<b>3,628</b>	3,544

- (i) As of 31 December 2023, investment-related income received by the Company from shareholders directly or indirectly holding 5% or more shares of the Company are compensations under the Asset Protection Agreement related to issuance of shares to purchase assets.

- (d) **Associates**  
*Transactions during the year*

	2023	2022
Interest Income	<b>6,211</b>	8,828
Investment-related income	<b>(18,379)</b>	5,577
Income from providing services	<b>2,258</b>	784
Expense from receiving services	<b>17,746</b>	10,472
Interest expenses	<b>461</b>	2,532
Net redemptions of equity investments	<b>(462,130)</b>	(78,887)

# Notes to the Consolidated Financial Statements

(In RMB thousands, unless otherwise stated)

## 56 RELATED PARTY DISCLOSURES (Continued)

### (2) Related party transactions (Continued)

#### (d) Associates (Continued)

*Balances at the end of the year*

	31 December	
	2023	2022
Refundable deposits and others	<b>43,019</b>	500,759
Short-term financing instruments payable	<b>23,755</b>	18,297
Other current assets	<b>1,031</b>	—
Other current liabilities	<b>138,756</b>	94,249

#### (e) Others

In 2023, the pre-tax immediate compensation and pre-tax deferred compensation paid by the Company to Senior Management was RMB72.93 million and RMB47.11 million, respectively (2022: RMB80.21 million for pre-tax immediate compensation and RMB49.49 million for pre-tax deferred compensation).

## 57 FAIR VALUE AND FAIR VALUE HIERARCHY

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique.

### Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair values of financial instruments:

Level 1: Quoted prices (unadjusted) in active markets, in which the Group principally trades, for identical financial assets or financial liabilities at the measurement date.

Level 2: Valuation techniques using inputs other than quoted prices included within level 1 that are observable for the financial asset or financial liability, either directly or indirectly.

Level 3: Valuation techniques using inputs for the financial asset or financial liability that are not based on observable market data (unobservable inputs).



## 57 FAIR VALUE AND FAIR VALUE HIERARCHY (Continued)

### (a) Financial instruments measured at fair value

31 December 2023	Level 1	Level 2	Level 3	Total
<b>Financial assets:</b>				
Financial assets at fair value through profit or loss (Mandatory)				
– Debt securities	12,812,478	251,417,738	33,756,777	297,986,993
– Equity investments	261,663,916	7,537,504	18,643,527	287,844,947
– Others	190,425	28,799,388	–	28,989,813
Subtotal	274,666,819	287,754,630	52,400,304	614,821,753
Financial assets at fair value through profit or loss (Designated)	21,821	801,731	9,401,470	10,225,022
Derivative financial assets	1,323,156	25,094,534	6,336,555	32,754,245
Financial assets at fair value through other comprehensive income				
– Debt securities	1,889,427	59,440,892	19,853,063	81,183,382
– Equity investments	–	5,721,858	3,792,355	9,514,213
Subtotal	1,889,427	65,162,750	23,645,418	90,697,595
Total	277,901,223	378,813,645	91,783,747	748,498,615
<b>Financial liabilities:</b>				
Financial liabilities at fair value through profit or loss	11,483,557	55,395,035	19,583,606	86,462,198
Derivative financial liabilities	608,619	26,169,695	5,227,707	32,006,021
Total	12,092,176	81,564,730	24,811,313	118,468,219

# Notes to the Consolidated Financial Statements

(In RMB thousands, unless otherwise stated)

## 57 FAIR VALUE AND FAIR VALUE HIERARCHY (Continued)

### (a) Financial instruments recorded at fair value (Continued)

31 December 2022	Level 1	Level 2	Level 3	Total
<b>Financial assets:</b>				
Financial assets at fair value through profit or loss (Mandatory)				
– Debt securities	67,674,811	137,313,055	40,680,182	245,668,048
– Equity investments	219,792,129	12,507,655	19,172,109	251,471,893
– Others	615,531	22,112,182	–	22,727,713
Subtotal	288,082,471	171,932,892	59,852,291	519,867,654
Financial assets at fair value through profit or loss (Designated)				
	2,059	734,444	10,318,535	11,055,038
Derivative financial assets	684,416	29,163,647	6,540,664	36,388,727
Financial assets at fair value through other comprehensive income				
– Debt securities	6,368,553	52,228,929	11,517,692	70,115,174
– Equity investments	–	–	162,540	162,540
Subtotal	6,368,553	52,228,929	11,680,232	70,277,714
Total	295,137,499	254,059,912	88,391,722	637,589,133
<b>Financial liabilities:</b>				
Financial liabilities at fair value through profit or loss				
	17,478,596	43,571,361	30,065,638	91,115,595
Derivative financial liabilities	545,592	23,162,996	4,413,910	28,122,498
Total	18,024,188	66,734,357	34,479,548	119,238,093

## 57 FAIR VALUE AND FAIR VALUE HIERARCHY (Continued)

### (b) Valuation techniques used and the qualitative and quantitative information of key parameters for fair value measurement categorised within Level 2

For debt instruments at fair value through profit or loss and at fair value through other comprehensive income whose value is available on quotation of related bond depository and clearing institution on the valuation date is measured using the latest valuation results published by related bond depository and clearing institution.

For debt instruments, equity instruments and listed stocks at fair value through profit or loss and at fair value through other comprehensive income with restricted period whose value is not available in public market, the fair value is determined by valuation technique. The inputs of those valuation techniques include risk-free interest rate, implied volatility curve, RMB denominated swap yield curve, etc., which are all observable.

For forward and swap interest rate derivative contracts in derivative financial assets and liabilities, the fair value is determined by discounting future cash flows using market interest rates based on the terms and maturity of each contract. The fair value of the derivatives embedded in the swap contracts is determined by using the returns calculated from the publicly quoted prices in the relevant market. The fair value of options business is determined through the option pricing model, and the volatility of the underlying reflects the observable input value of the corresponding option.

There were no change on the valuation technique used by the Group for the above recurring fair value measurements categorised within Level 2.

### (c) Valuation techniques used and the qualitative and quantitative information of key parameters for fair value measurements categorised within Level 3

For unlisted equity investments, Over-the-counter options, etc., the Group adopts significant judgements and applies counterparties' quotations and valuation techniques to determine the fair value. Valuation techniques include a discounted cash flow analysis, the market comparison approach, the option pricing model and the monte carlo model etc. The fair value measurement of these financial instruments may involve unobservable inputs such as liquidity discount, volatility, risk adjusted discount rate and market multiples, etc. The fair value of the financial instruments classified under Level 3 is not significantly sensitive to a reasonable change in these unobservable inputs.

There were no change on the valuation technique used by the Group for the above recurring fair value measurements categorised within Level 3.

# Notes to the Consolidated Financial Statements

(In RMB thousands, unless otherwise stated)

## 57 FAIR VALUE AND FAIR VALUE HIERARCHY (Continued)

### (d) Movements in Level 3 financial instruments measured at fair value

The reconciliations of the opening and closing balances of Level 3 financial assets and liabilities which are measured at fair value are presented below:

	As at 1 January 2023	Total gains/ (losses) recorded in profit or loss	Total gains/ (losses) recorded in other comprehensive income	Additions	Decreases	Transfers to Level 3 from Level 1	Transfers to Level 3 from Level 2	Transfers to Level 1 from Level 3	Transfers to Level 2 from Level 3	As at 31 December 2023
<b>Financial assets:</b>										
Financial assets at fair value through profit or loss (Mandatory)										
– Debt instruments	40,680,182	1,942,357	30,202	25,950,042	34,406,335	–	167,646	536,990	70,327	33,756,777
– Equity instruments	19,172,109	(935,871)	14,379	3,969,159	3,226,593	–	8,471	–	358,127	18,643,527
Financial assets at fair value through profit or loss (Designated)	10,318,535	(2,027,906)	8,028	1,687,599	584,786	–	–	–	–	9,401,470
Derivative financial assets	6,540,664	(2,606,766)	862	2,790,805	343,746	–	–	45,264	–	6,336,555
Financial assets at fair value through other comprehensive income	11,680,232	866,250	142,661	19,255,237	8,502,235	–	203,273	–	–	23,645,418
<b>Financial liabilities:</b>										
Financial liabilities at fair value through profit or loss	30,065,638	(4,824,981)	627	11,510,801	17,168,479	–	–	–	–	19,583,606
Derivative financial liabilities	4,413,910	(5,020,824)	–	8,639,781	2,759,859	–	–	45,301	–	5,227,707
	As at 1 January 2022	Total gains/ (losses) recorded in profit or loss	Total gains/ (losses) recorded in other comprehensive income	Additions	Decreases	Transfers to Level 3 from Level 1	Transfers to Level 3 from Level 2	Transfers to Level 1 from Level 3	Transfers to Level 2 from Level 3	As at 31 December 2022
<b>Financial assets:</b>										
Financial assets at fair value through profit or loss (Mandatory)										
– Debt instruments	56,658,072	1,833,927	55,421	62,894,839	81,818,225	–	1,072,739	16,591	–	40,680,182
– Equity instruments	22,441,821	603,387	155,403	6,947,924	7,143,164	–	114,552	314,054	3,633,760	19,172,109
– Others	337,562	–	–	–	337,562	–	–	–	–	–
Financial assets at fair value through profit or loss (Designated)	11,507,823	1,078,950	28,387	1,443,871	3,740,496	–	–	–	–	10,318,535
Derivative financial assets	2,920,334	6,063,584	5,310	3,386,770	5,835,334	–	–	–	–	6,540,664
Financial assets at fair value through other comprehensive income	9,318,267	440,977	(194,466)	11,961,043	9,857,607	–	73,111	–	61,093	11,680,232
<b>Financial liabilities:</b>										
Financial liabilities at fair value through profit or loss	33,048,659	(1,883,650)	–	14,064,436	15,163,807	–	–	–	–	30,065,638
Derivative financial liabilities	7,524,230	(5,379,830)	–	11,546,243	9,276,733	–	–	–	–	4,413,910

The amount of investment income recognised in profit or loss from Level 3 financial instruments held by the Group was RMB8,115 million in 2023 (2022: RMB11,604 million).

## 57 FAIR VALUE AND FAIR VALUE HIERARCHY (Continued)

### (e) Financial instruments not measured at fair value

At the end of the reporting period, the following financial assets and liabilities of the Group are not measured at fair value:

- (i) For refundable deposits, reverse repurchase agreements, cash held on behalf of customers, cash and bank balances, fee and commission receivables, margin accounts, due from banks and other financial institutions, customer brokerage deposits, repurchase agreements, short-term loans, due to banks and other financial institutions, short-term financing instruments payable and lease liabilities, these financial instruments' fair values approximate their carrying amounts.
- (ii) The recorded amounts and fair values of debt instruments issued are summarised below.

	Carrying amount		Fair value	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Debt instruments issued	<b>108,555,434</b>	74,759,187	<b>110,018,597</b>	75,319,762

## 58 FINANCIAL INSTRUMENTS RISK MANAGEMENT OVERVIEW

### Overview

The Company has implemented comprehensive risk management mechanism and internal control processes, through which it monitors, evaluates and manages the financial, operational, compliance and legal risks that it is exposed to in its business activities, and implements vertical risk management of its subsidiaries through different models including business guidance, operational support and decision-making management.

The Company has established a complete and effective governance structure. The Company's general meeting, the Board of Directors and the Supervisory Committee perform their duties to oversee and manage the operation of the Company based on Company Law of the People's Republic of China, Securities Law of the People's Republic of China, and the Articles of Association of the Company. By strengthening the relevant internal control arrangements and improving the Company's internal control environment and internal control structures, the Board has incorporated internal control and risk management as essential elements in the Company's decision-making processes.

### Structure of Risk Management

The Company has formed a three-level risk management system in which the risk management committee of the Board of Directors and the professional committee under the management team make collective decisions, and the internal control department closely coordinates with the business department/business line to manage risks from the aspects of deliberation, decision, implementation and supervision. At the level of departments and business lines, three lines of risk management are formed.

# Notes to the Consolidated Financial Statements

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## 58 FINANCIAL INSTRUMENTS RISK MANAGEMENT OVERVIEW (Continued)

### Structure of Risk Management (Continued)

#### Level 1: The Board of Directors

The Risk Management Committee of the Board of Directors supervises the overall risk management of the Company with the aim of controlling risks within an acceptable scope and ensures smooth implementation of effective risk management schemes over risks relating to the operating activities; prepares overall risk management policies for the Board's review; formulates strategic structure and resources to be allocated for the Company's risk management purposes and keeps them in line with the internal risk management policies of the Company; sets boundaries for major risk indicators; performs supervision and review on the risk management policies and makes recommendation to the Board.

#### Level 2: Operation Management

The Operation Management shall take the major responsibility for the effectiveness of risk management of the Company, which includes: to formulate risk management systems; to build up and improve the comprehensive risk management structure of the Company; to formulate the risk appetite, risk tolerance and major risk limits, regularly assess the overall risk and various key risk management positions of the Company, address issues in risk management and report to the Board; to build up a performance appraisal system for all employees covering the effectiveness of the risk management; to establish a complete IT system and data quality control mechanism; and to perform other responsibilities related to risk management.

The professional committees under the Operation Management, including the Assets and Liabilities Management Committee, the Capital Commitment Committee, the Risk Management Committee and the Product Committee, are responsible for relevant management work within the authority delegated by the Board and the Operation Management of the Company, respectively.

#### Level 3: Division/Business Lines

Being the Company's first line of defense in risk management, front-office business departments/business lines of the Company bear the first-line responsibility for risk management. These departments are responsible for the establishment of business management systems and risk management systems for various businesses and performing supervision, assessment and reporting on business risks and maintaining such risks within the approved limits.

Internal control departments, such as the Risk Management Department, Compliance Department, Legal Department, and the Office of the Board of the Company, are the Company's second line of defense in risk management. They exercise their respective specialized risk management functions within the scope of their responsibilities.

The Audit Department of the Company is the third line of defense in risk management and has the overall responsibility for internal audit, planning and implementing internal audit of all departments/business lines of the Company, its subsidiaries and branches, monitoring the implementation of internal control systems, preventing various moral and policy risks, and assisting the Company in the investigation of emergency events.

## 58 FINANCIAL INSTRUMENTS RISK MANAGEMENT OVERVIEW (Continued)

### (a) Credit risk

Credit risk is the risk in respect of loss arising from the failure to perform obligations by a borrower, counterparty or issuer of financial positions held, or the result of whose credit qualifications deteriorate.

The Group continues to maintain strict risk management standards for its securities financing business from multiple perspectives such as pledge ratio, collaterals, security deposits ratio, concentration, liquidity and durations, and manages its credit risk exposure through timely mark to market.

#### Expected credit loss (ECL) measurement

The measurement of the ECL allowance for financial instruments, including investments in financial assets measured at amortised cost (including margin accounts, reverse repurchase agreements), debt instruments at fair value through other comprehensive income and securities lending is an area that requires the use of models and assumptions about the future economic conditions and credit behavior of the clients (such as the likelihood of customers defaulting and the resulting losses).

The Company has applied a 'three-stage' impairment model for ECL measurement based on changes in credit quality since the initial recognition of financial instruments as summarised below:

- A financial instrument that is not significant increase in credit risk ("**SICR**") on initial recognition is classified as "Stage 1" and has its credit risk continuously monitored by the Company;
- If a "SICR" since initial recognition is identified, the financial instrument is moved to "Stage 2" but is not yet deemed to be credit-impaired;
- If the financial instrument is credit-impaired, the financial instrument is moved to "Stage 3".

Stage 1: The Company measures the loss allowance for a financial instrument at an amount equal to the next 12 months ECL. Stage 2 and 3: The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime ECL. Purchased or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition. The ECL is always measured on a lifetime basis.

For Stage 1 and Stage 2, the debt securities investments (i.e. debt instruments at fair value through other comprehensive income) and Financing assets (including margin accounts, securities lending and stock-pledged repo under reverse repurchase agreements) are used to assess loss allowance with the risk parameter modelling approach that incorporated key parameters by the management, including Probability of Default ("**PD**"), Loss Given Default ("**LGD**"), Exposure at Default ("**EAD**") and Loss Ratio ("**LR**") taking into consideration of forward looking factors. For credit-impaired financial assets classified under Stage 3, the management assesses the credit loss allowance by estimating the cash flows expected to arise from the financial assets after taking into consideration of forward looking factors.

# Notes to the Consolidated Financial Statements

(In RMB thousands, unless otherwise stated)

## 58 FINANCIAL INSTRUMENTS RISK MANAGEMENT OVERVIEW (Continued)

### (a) Credit risk (Continued)

#### Expected credit loss (ECL) measurement (Continued)

##### *Measuring ECL – inputs, assumptions and estimation techniques*

The measurement of ECL adopted by the management, involves judgements, assumptions and estimations, including:

- Selection of the appropriate models and assumptions;
- Determination of the criteria for SICR, definition of default and credit impairment;
- Establishment of the number and relative weightings of forward-looking scenarios for each type of product.

For debt securities investments, ECL is the discounted product of the PD, LGD and EAD after considering the forward-looking impact. For margin accounts and stock-pledged repo under reverse repurchase agreements (“**Financing assets**”), ECL are the discounted product of the LR and EAD after considering the forward-looking impact.

- PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation. For debt securities investments, the appropriate external and internal credit ratings are taken into consideration.
- LGD represents the Company’s expectation of the extent of loss on a defaulted exposure. For debt securities investments, LGD is determined based on assessed publicly available information.
- EAD is based on the amounts the Company expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD).
- LR represents the Company’s expectation of the likelihood of default and extent of loss on exposure. The Company uses historical loss rates and assesses their appropriateness. The Company determines LR based on factors including: the coverage ratio of related loan to underlying collateral value and the volatility of such collateral’s valuation, the realised value of collateral upon forced liquidation taking account the estimated volatility over the realisation period.

##### *The criteria of significant increase in credit risk (“SICR”)*

The Company evaluates the financial instruments at each financial reporting date after considering whether a SICR has occurred since initial recognition. An ECL allowance for financial instruments is recognised according to the stage of ECL, which reflects the reasonable information and evidence available about the SICR and is also forward-looking. The Company considers a financial instrument to have experienced SICR when one or more of the following quantitative, qualitative or backstop criteria have been met.

The Company considers debt securities investments to have experienced a SICR if the latest internal ratings of issuers of debt securities or the debt securities themselves underwent two levels of downward migration or more, compared to their ratings on initial recognition; or if the latest internal ratings of the debt securities or the issuers of the debt securities were under investment grade.

The Company considers Financing assets to have experienced a SICR if margin calls are triggered when the threshold of relevant collateral to loan ratios are below a force liquidation level.



## 58 FINANCIAL INSTRUMENTS RISK MANAGEMENT OVERVIEW (Continued)

### (a) Credit risk (Continued)

#### Expected credit loss (ECL) measurement (Continued)

#### *The criteria of significant increase in credit risk ("SICR")* (Continued)

A backstop is applied to all relevant financial instruments and they are considered to have experienced a SICR if the borrower, the counterparty, the issuer or the debtor is more than 30 days past due on its contractual payments.

Financial instruments are considered to have a low credit risk when the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Company has not used the low credit risk exemption as 31 December 2023.

#### Definition of credit-impaired assets

The Company assesses whether a financial instrument is credit-impaired in a manner consistent with its internal credit risk policies for managing financial instruments. The consideration includes quantitative criteria and qualitative criteria. The Company defines a financial instrument as credit-impaired, which is fully aligned with the definition of "in default", when it meets one or more of the following criteria:

- The borrower is more than 90 days past due on its contractual payments;
- Bonds or other bonds of the same issuer have materially defaulted, or extended or triggered cross-protection clauses;
- For Financing assets, a forced liquidation of a client's position is triggered based on a pre-determined threshold of collateral to loan ratios and the collateral valuation falls short of the related loan or repo amounts;
- The latest external ratings of issuers of debt securities or debt securities themselves are in default grade;
- The debtor, issuer, borrower or counterparty is in significant financial difficulty;
- An active market for that financial instrument has disappeared because of financial difficulties;
- Concessions have been made by the Company relating to the debtor, issuer, borrower or counterparty's financial difficulty;
- It is becoming probable that the debtor, issuer, borrower, or counterparty will enter bankruptcy or undertake a financial restructuring.

When a financial instrument is considered to be credit-impaired, it may be the result of multiple events, not due to a separately identifiable event.

# Notes to the Consolidated Financial Statements

(In RMB thousands, unless otherwise stated)

## 58 FINANCIAL INSTRUMENTS RISK MANAGEMENT OVERVIEW (Continued)

### (a) Credit risk (Continued)

#### Expected credit loss (ECL) measurement (Continued)

##### *Forward-looking information*

The assessment of SICR and the calculation of ECL both incorporate forward-looking information.

For debt securities investments, the Company has performed historical data analysis and identified the key economic variables impacting credit risk and ECL. Key economic variables mainly include the growth rate of Domestic GDP, producer price index and the total retail sales of consumer goods. The Company using the regression analysis method to establish the historical relationship between these economic indicators and PD, EAD and LGD, forward-looking adjustments are finally made to ECL of Financing assets. For Financing assets, based on the analysis of the characteristics of these products, the Company has identified the key economic variables related to the risks of Financing assets, namely Volatility of Shanghai Composite Index and Shenzhen Composite Index. The Company makes forward looking adjustments to the ECL of Financing assets by analyzing the impacts of these economic variables.

In addition to the base economic scenario, the Company's expert team also provided other possible scenarios along with scenario weightings. The number of other scenarios used is set based on an analysis of each major product type to ensure non-linearities are captured. The number of scenarios and their attributes are reassessed at each financial reporting date.

As at 31 December 2023, the Company concluded that three scenarios appropriately captured the non-linearities of key economic variables for all portfolios. The scenario weightings are determined by a combination of statistical analysis and expert judgement, taking account of the range of possible outcomes each chosen scenario is representative of. The probability weight of the three scenarios employed by the Company were almost same.

The Company measures ECL as either a probability weighted 12 month ECL (Stage 1), or a probability weighted lifetime ECL (Stages 2 and 3). These probability-weighted ECLs are determined by running each scenario through the relevant ECL model and multiplying it by the appropriate scenario weighting.

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Company considers these forecasts to represent its best estimate of the possible outcomes as at the financial reporting date.

## 58 FINANCIAL INSTRUMENTS RISK MANAGEMENT OVERVIEW (Continued)

### (a) Credit risk (Continued)

#### Expected credit loss (ECL) measurement (Continued)

##### *Sensitivity analysis*

The allowance for credit losses could be sensitive to the inputs used in internally developed models, macroeconomic variables in the forward-looking forecasts, weighting applied to economic scenarios and other factors considered when applying expert judgement. Changes in these inputs, assumptions and judgements are likely to have an impact on the assessment of significant increase in credit risk and the measurement of ECLs. The Company regularly rechecks the model annually and makes appropriate amendments and optimisation to the assumptions and parameters used in the models according to the external economic environment and internal observable data.

A sensitivity analysis is performed on key economic indicators, economic scenarios and weightings assigned used in forward-looking measurement. When the assigned weightings of optimistic scenario and pessimistic scenario change by 10%, the impact on ECL recognised is not significant.

Meanwhile, the Company also uses sensitivity analysis to monitor the impact of changes to the credit risk classification of the financial assets on ECL. As at 31 December 2023, assuming there was no significant increase in credit risk since initial recognition, and all the financial assets in Stage 2 were moved to Stage 1, the decremental impact on ECL recognised in financial statements is not significant.

##### *Collateral and other credit enhancements*

The Company employs a range of policies and credit enhancements to mitigate credit risk exposure to an acceptable level. The most common of these is accepting collateral through funds advanced or guarantees. The Company determines the type and amount of collaterals according to the credit risk evaluation of counterparties. The collateral under Financing Assets are primarily stocks, debt securities, funds etc. Management tests the market value of collateral periodically, and makes margin calls according to related agreements. It also monitors the market value fluctuation of collateral when reviewing the measurement of the loss allowance.

##### *Loss Ratio of Financing Assets*

Based on the obligors' credit quality, contract maturity date, the related collateral securities information, which including the sector situation, liquidity discount factor, concentration, volatility and related information, the Company sets differentiated collateral to loan ratios (generally no less than 140%) as triggering margin calls and force liquidation thresholds (collateral to loan ratios generally no less than 130%) against different exposures related to these transactions.

- For Financing assets exposures with collateral to loan ratios above the force liquidation thresholds and no past due; or those past due for no more than 30 days and exposures with collateral to loan ratios above triggering margin calls are classified under Stage 1.
- For Financing assets exposures with collateral to loan ratios above triggering margin calls and past due for more than 30 days and within 90 days; or those exposures with collateral to loan ratios between force liquidation thresholds and triggering margin calls and past due within 90 days; or those exposures with collateral to loan ratios between 100% and force liquidation thresholds and no past due or past due with 90 days are considered to be with significant increase in credit risks and are classified under Stage 2.

# Notes to the Consolidated Financial Statements

(In RMB thousands, unless otherwise stated)

## 58 FINANCIAL INSTRUMENTS RISK MANAGEMENT OVERVIEW (Continued)

### (a) Credit risk (Continued)

#### Expected credit loss (ECL) measurement (Continued)

#### Loss Ratio of Financing Assets (Continued)

- For Financing assets exposures with collateral to loan ratios fall below 100%; or those past due for more than 90 days are considered to be credit-impaired and non-performing. These exposures are classified under Stage 3.

Loss ratio applied by the Company on its Financing assets under the 3 stages were as follows:

Stage 1: 1% to 3% according to different collateral ratios;

Stage 2: No less than 10%;

Stage 3: Discounted cash flow on individual exposure.

#### Credit risk exposure analysis

The Company considered the credit risk of the Financing assets was relatively low. As at 31 December 2023, most of the Financing assets' ratio to underlying collateral value was over force liquidation level. As at 31 December 2023 and 31 December 2022, most of the debt securities investments of the Company were rated at investment grade or above.

#### *The maximum credit risk exposure of the Group after impairment allowance without taking account of any collateral and other credit enhancements*

The maximum credit risk exposure of the Group after impairment allowance without taking account of any collateral and other credit enhancements is presented below:

	31 December 2023	2022
Financial assets at fair value through other comprehensive income (debt instruments)	<b>81,183,382</b>	70,115,174
Refundable deposits	<b>62,181,920</b>	69,158,115
Margin accounts	<b>118,745,730</b>	106,976,333
Financial assets at fair value through profit or loss	<b>353,123,766</b>	299,913,834
Derivative financial assets	<b>32,754,245</b>	36,388,727
Reverse repurchase agreements	<b>62,209,157</b>	31,483,059
Cash held on behalf of customers	<b>239,019,025</b>	245,723,271
Bank balances	<b>109,772,850</b>	112,401,728
Others	<b>68,995,714</b>	59,042,452
<b>Total maximum credit risk exposure</b>	<b>1,127,985,789</b>	1,031,202,693

## 58 FINANCIAL INSTRUMENTS RISK MANAGEMENT OVERVIEW (Continued)

### (a) Credit risk (Continued)

#### Risk concentrations

Credit risk is often greater when counterparties are concentrated in one single industry or geographic location, or have comparable economic features. Meanwhile, different industrial sectors and geographic areas have their unique characteristics in terms of economic development, and could present different credit risks.

The breakdown of the Group's maximum credit risk exposure, without taking account of any collateral or other credit enhancements, as categorised by geographical area are summarised below.

31 December 2023	By geographical area		Total
	Chinese Mainland	Outside Chinese Mainland	
Financial assets at fair value through other comprehensive income (debt instruments)	74,250,264	6,933,118	81,183,382
Refundable deposits	58,783,192	3,398,728	62,181,920
Margin accounts	113,972,651	4,773,079	118,745,730
Financial assets at fair value through profit or loss	292,448,280	60,675,486	353,123,766
Derivative financial assets	23,526,917	9,227,328	32,754,245
Reverse repurchase agreements	61,671,516	537,641	62,209,157
Cash held on behalf of customers	225,674,772	13,344,253	239,019,025
Bank balances	94,907,638	14,865,212	109,772,850
Others	12,240,282	56,755,432	68,995,714
<b>Total maximum credit risk exposure</b>	<b>957,475,512</b>	<b>170,510,277</b>	<b>1,127,985,789</b>

31 December 2022	By geographical area		Total
	Chinese Mainland	Outside Chinese Mainland	
Financial assets at fair value through other comprehensive income (debt instruments)	65,712,675	4,402,499	70,115,174
Refundable deposits	63,356,907	5,801,208	69,158,115
Margin accounts	102,089,187	4,887,146	106,976,333
Financial assets at fair value through profit or loss	244,825,634	55,088,200	299,913,834
Derivative financial assets	26,841,079	9,547,648	36,388,727
Reverse repurchase agreements	30,758,121	724,938	31,483,059
Cash held on behalf of customers	228,780,297	16,942,974	245,723,271
Bank balances	99,079,484	13,322,244	112,401,728
Others	7,513,036	51,529,416	59,042,452
<b>Total maximum credit risk exposure</b>	<b>868,956,420</b>	<b>162,246,273</b>	<b>1,031,202,693</b>

# Notes to the Consolidated Financial Statements

(In RMB thousands, unless otherwise stated)

## 58 FINANCIAL INSTRUMENTS RISK MANAGEMENT OVERVIEW (Continued)

### (a) Credit risk (Continued)

#### Risk concentrations (Continued)

The Group's credit risk exposure of financial instruments for which an ECL allowance is recognised as follows according to the stage of ECL:

31 December 2023	31 December 2023			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3	
<b>Reverse repurchase agreements</b>				
Amortised cost	62,382,926	668,382	4,871,078	67,922,386
Loss allowance	714,583	255,102	4,743,544	5,713,229
Book value	61,668,343	413,280	127,534	62,209,157
<b>Margin accounts</b>				
Amortised cost	119,213,655	698,703	725,596	120,637,954
Loss allowance	1,189,743	102,924	599,557	1,892,224
Book value	118,023,912	595,779	126,039	118,745,730
<b>Financial assets at fair value through other comprehensive income (debt instruments)</b>				
Fair value	80,967,704	164,993	50,685	81,183,382
Loss allowance	931,532	14,557	369,833	1,315,922
<b>Others</b>				
Amortised cost	68,973,240	60,781	1,872,906	70,906,927
Loss allowance	219,459	12,316	1,870,447	2,102,222
Book value	68,753,781	48,465	2,459	68,804,705

## 58 FINANCIAL INSTRUMENTS RISK MANAGEMENT OVERVIEW (Continued)

### (a) Credit risk (Continued)

#### Risk concentrations (Continued)

31 December 2022	Stage 1 12-month ECL	31 December 2022		Total
		Stage 2 Lifetime ECL	Stage 3	
<b>Reverse repurchase agreements</b>				
Amortised cost	31,168,263	960,000	5,937,204	38,065,467
Loss allowance	481,762	260,809	5,839,837	6,582,408
Book value	30,686,501	699,191	97,367	31,483,059
<b>Margin accounts</b>				
Amortised cost	107,157,437	729,220	1,591,220	109,477,877
Loss allowance	1,088,100	189,849	1,223,595	2,501,544
Book value	106,069,337	539,371	367,625	106,976,333
<b>Financial assets at fair value through other comprehensive income (debt instruments)</b>				
Fair value	69,987,932	—	127,242	70,115,174
Loss allowance	506,632	—	257,777	764,409
<b>Others</b>				
Amortised cost	58,716,606	104,524	1,925,405	60,746,535
Loss allowance	165,525	76,069	1,834,535	2,076,129
Book value	58,551,081	28,455	90,870	58,670,406

# Notes to the Consolidated Financial Statements

(In RMB thousands, unless otherwise stated)

## 58 FINANCIAL INSTRUMENTS RISK MANAGEMENT OVERVIEW (Continued)

### (a) Credit risk (Continued)

#### Risk concentrations (Continued)

##### (i) Credit loss allowance for reverse repurchase agreements

	Stage of ECL			Total
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL (Credit-impaired)	
1 January 2023	481,762	260,809	5,839,837	6,582,408
Increases	598,613	—	—	598,613
Reversals	(365,792)	(5,377)	(956,577)	(1,327,746)
Write-offs	—	—	—	—
Transfers between stages				
— Increase	—	—	—	—
— Decrease	—	—	—	—
Others	—	(330)	(139,716)	(140,046)
31 December 2023	714,583	255,102	4,743,544	5,713,229

	Stage of ECL			Total
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL (Credit-impaired)	
1 January 2022	289,567	516,394	6,038,597	6,844,558
Increases	499,823	152,241	100,228	752,292
Reversals	(307,628)	(127,382)	(579,432)	(1,014,442)
Write-offs	—	—	—	—
Transfers between stages				
— Increase	—	—	280,444	280,444
— Decrease	—	(280,444)	—	(280,444)
Others	—	—	—	—
31 December 2022	481,762	260,809	5,839,837	6,582,408



## 58 FINANCIAL INSTRUMENTS RISK MANAGEMENT OVERVIEW (Continued)

### (a) Credit risk (Continued)

#### Risk concentrations (Continued)

##### (i) Credit loss allowance for reverse repurchase agreements (Continued)

Analysed loss allowance for stock-pledged repo

31 December 2023				
	Stage 1	Stage 2	Stage 3	Total
Book value	33,837,072	668,382	4,871,077	39,376,531
Loss allowance	714,269	255,102	4,743,545	5,712,916
Collateral	80,154,819	1,198,072	4,658,536	86,011,427

31 December 2022				
	Stage 1	Stage 2	Stage 3	Total
Book value	22,499,002	960,000	5,937,204	29,396,206
Loss allowance	481,762	260,809	5,839,837	6,582,408
Collateral	69,369,955	1,931,810	7,203,323	78,505,088

##### (ii) Credit loss allowance for margin accounts

	Stage of ECL			Total
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL (Credit-impaired)	
1 January 2023	1,088,100	189,849	1,223,595	2,501,544
Increases	188,746	—	605	189,351
Reversals	(87,103)	(86,926)	(625,407)	(799,436)
Write-offs	—	—	—	—
Transfers between stages				
— Increase	—	—	—	—
— Decrease	—	—	—	—
Other changes	—	1	764	765
31 December 2023	1,189,743	102,924	599,557	1,892,224

# Notes to the Consolidated Financial Statements

(In RMB thousands, unless otherwise stated)

## 58 FINANCIAL INSTRUMENTS RISK MANAGEMENT OVERVIEW (Continued)

### (a) Credit risk (Continued)

#### Risk concentrations (Continued)

#### (ii) Credit loss allowance for margin accounts (Continued)

	Stage of ECL			Total
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL (Credit-impaired)	
1 January 2022	1,274,829	191,920	1,852,602	3,319,351
Increases	55,448	270,229	7,502	333,179
Reversals	(237,486)	(189,866)	(728,082)	(1,155,434)
Write-offs	—	—	—	—
Transfers between stages				
— Increase	3	4,704	87,135	91,842
— Decrease	(4,704)	(87,138)	—	(91,842)
Other changes	10	—	4,438	4,448
31 December 2022	1,088,100	189,849	1,223,595	2,501,544

#### (iii) Credit loss allowance for financial assets at fair value through other comprehensive income

	Stage of ECL			Total
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL (Credit-impaired)	
1 January 2023	<b>506,632</b>	—	<b>257,777</b>	<b>764,409</b>
Increases	<b>1,098,657</b>	<b>58,316</b>	<b>108,320</b>	<b>1,265,293</b>
Reversals	<b>(231,167)</b>	<b>(7,447)</b>	—	<b>(238,614)</b>
Write-offs	<b>(419,276)</b>	<b>(59,878)</b>	—	<b>(479,154)</b>
Transfers between stages				
— Increase	—	<b>23,566</b>	—	<b>23,566</b>
— Decrease	<b>(23,566)</b>	—	—	<b>(23,566)</b>
Other changes	<b>252</b>	—	<b>3,736</b>	<b>3,988</b>
31 December 2023	<b>931,532</b>	<b>14,557</b>	<b>369,833</b>	<b>1,315,922</b>

## 58 FINANCIAL INSTRUMENTS RISK MANAGEMENT OVERVIEW (Continued)

### (a) Credit risk (Continued)

#### Risk concentrations (Continued)

#### (iii) Credit loss allowance for financial assets at fair value through other comprehensive income (Continued)

	Stage of ECL			Total
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL (Credit-impaired)	
1 January 2022	365,959	—	44,000	409,959
Increases	518,367	—	—	518,367
Reversals	(42,655)	—	—	(42,655)
Write-offs	(136,053)	—	—	(136,053)
Transfers between stages				
— Increase	—	—	213,777	213,777
— Decrease	(213,777)	—	—	(213,777)
Other changes	14,791	—	—	14,791
31 December 2022	506,632	—	257,777	764,409

#### (iv) Credit loss allowance for other financial assets measured at amortised cost

	Stage of ECL			Total
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL (Credit-impaired)	
1 January 2023	<b>165,525</b>	<b>76,069</b>	<b>1,834,535</b>	<b>2,076,129</b>
Increases	<b>75,811</b>	<b>2,675</b>	<b>2,313</b>	<b>80,799</b>
Reversals	<b>(4,218)</b>	<b>(2,531)</b>	<b>(41,641)</b>	<b>(48,390)</b>
Write-offs	—	<b>(2)</b>	—	<b>(2)</b>
Transfers between stages				
— Increase	—	—	<b>81,152</b>	<b>81,152</b>
— Decrease	<b>(17,257)</b>	<b>(63,895)</b>	—	<b>(81,152)</b>
Other changes	<b>(402)</b>	—	<b>(5,912)</b>	<b>(6,314)</b>
31 December 2023	<b>219,459</b>	<b>12,316</b>	<b>1,870,447</b>	<b>2,102,222</b>

# Notes to the Consolidated Financial Statements

(In RMB thousands, unless otherwise stated)

## 58 FINANCIAL INSTRUMENTS RISK MANAGEMENT OVERVIEW (Continued)

### (a) Credit risk (Continued)

#### Risk concentrations (Continued)

#### (iv) Credit loss allowance for other financial assets measured at amortised cost (Continued)

	Stage of ECL			Total
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL (Credit-impaired)	
1 January 2022	208,160	80,160	1,803,789	2,092,109
Increases	22,319	2,200	48,006	72,525
Reversals	(64,937)	(6,247)	(34,234)	(105,418)
Write-offs	—	(5)	(3,367)	(3,372)
Transfers between stages				
— Increase	—	11	—	11
— Decrease	(11)	—	—	(11)
Other changes	(6)	(50)	20,341	20,285
31 December 2022	165,525	76,069	1,834,535	2,076,129

### (b) Liquidity risk

Liquidity risk refers to the risk that the Company fails to obtain sufficient capital with reasonable cost and in a timely manner to pay its overdue debts, perform other payment obligations or satisfy capital requirements for normal business operations. The responsibilities for centralized management of fund allocation lie within the Treasury Department. In respect of the domestic stock exchanges and interbank market, the Company has a relatively high credit rating, and has secured stable channels for short-term financing, such as borrowing and repurchases. At the same time, the Company has replenished its long-term working capital through corporate bonds, subordinated bonds, and beneficial certificates, so as to enable the Company to maintain its overall liquidity at a relatively secured level.

The Risk Management Department independently monitors and assesses the asset and debt positions of the Company over a certain period of future time span on a daily basis. It measures the solvency of the Company via the measurement of indicators including the funding gap ratio under stress scenarios. It sets warning threshold values for liquidity risk indicators, and warns the risk to the Risk Management Committee, the management and relevant departments of the Company of indicator tension, and organizes each department to take measures to restore the indicators to a secured level. The Company has established a liquidity reserve pool system, which is managed independently by the Treasury Department from the Business Department, with sufficient high-liquidity assets to meet its emergency liquidity needs.

## 58 FINANCIAL INSTRUMENTS RISK MANAGEMENT OVERVIEW (Continued)

### (b) Liquidity risk (Continued)

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on their contractual undiscounted payments, is as follows:

	31 December 2023						Total
	Overdue/ repayable on demand	Less than three months	Three months to one year	One to five years	More than five years	Undated	
<b>Non-derivative financial liabilities:</b>							
Customer brokerage deposits	283,820,892	—	—	—	—	—	283,820,892
Financial liabilities at fair value through profit or loss	53,287	17,214,359	13,548,077	38,436,604	2,569,724	16,825,748	88,647,799
Repurchase agreements	20,250,763	272,680,406	13,960,996	4,763,497	—	—	311,655,662
Due to banks and other financial institutions	—	53,657,587	—	—	—	—	53,657,587
Short-term loans	4,085	7,613,853	7,863	—	—	—	7,625,801
Short-term financing instruments payable	—	23,526,123	34,559,098	—	—	—	58,085,221
Debt instruments issued	—	937,350	2,447,158	97,760,848	18,809,079	—	119,954,435
Long-term loans	—	6,695	19,969	356,002	—	—	382,666
Lease liabilities	—	183,274	640,353	1,741,913	118,473	—	2,684,013
Others	199,048,878	11,877,678	26,983,583	1,188,733	—	751,108	239,849,980
<b>Total</b>	<b>503,177,905</b>	<b>387,697,325</b>	<b>92,167,097</b>	<b>144,247,597</b>	<b>21,497,276</b>	<b>17,576,856</b>	<b>1,166,364,056</b>
Cash flows from derivative financial liabilities settled on a net basis	—	4,367,954	8,333,134	8,309,857	9,011,286	—	30,022,231
Gross-settled derivative financial liabilities:							
Contractual amounts receivable	—	(101,935,077)	(66,181,063)	(24,828,222)	—	—	(192,944,362)
Contractual amounts payable	—	103,111,462	67,170,593	25,268,456	—	—	195,550,511
	—	1,176,385	989,530	440,234	—	—	2,606,149

# Notes to the Consolidated Financial Statements

(In RMB thousands, unless otherwise stated)

## 58 FINANCIAL INSTRUMENTS RISK MANAGEMENT OVERVIEW (Continued)

### (b) Liquidity risk (Continued)

	31 December 2022						Total
	Overdue/ repayable on demand	Less than three months	Three months to one year	One to five years	More than five years	Undated	
<b>Non-derivative financial liabilities:</b>							
Customer brokerage deposits	279,402,254	—	—	—	—	—	279,402,254
Financial liabilities at fair value through profit or loss	185	19,084,791	15,462,406	34,537,537	1,821,963	21,218,713	92,125,595
Repurchase agreements	9,151,788	193,679,273	10,100,696	1,537,872	—	—	214,469,629
Due to banks and other financial institutions	—	23,387,915	6,308,635	—	—	—	29,696,550
Short-term loans	166,262	9,096,667	709,508	—	—	—	9,972,437
Short-term financing instruments payable	—	7,553,236	4,426,503	—	—	—	11,979,739
Debt instruments issued	—	941,350	1,555,710	62,501,879	19,490,819	—	84,489,758
Long-term loans	—	4,513	14,844	294,256	—	—	313,613
Lease liabilities	—	180,617	593,946	1,194,179	177,786	—	2,146,528
Others	219,823,923	10,693,118	46,295,429	838,266	—	504,510	278,155,246
<b>Total</b>	<b>508,544,412</b>	<b>264,621,480</b>	<b>85,467,677</b>	<b>100,903,989</b>	<b>21,490,568</b>	<b>21,723,223</b>	<b>1,002,751,349</b>
Cash flows from derivative financial liabilities settled on a net basis	—	3,374,137	7,025,388	7,299,587	5,508,920	—	23,208,032
<b>Gross-settled derivative financial liabilities:</b>							
Contractual amounts receivable	—	(157,754,901)	(90,345,618)	(17,124,757)	—	—	(265,225,276)
Contractual amounts payable	—	160,694,653	92,184,710	17,454,254	—	—	270,333,617
	—	2,939,752	1,839,092	329,497	—	—	5,108,341

## 58 FINANCIAL INSTRUMENTS RISK MANAGEMENT OVERVIEW (Continued)

### (c) Market risk

Market risks represent potential losses due to movement in market prices of financial positions held. Financial positions held are derived from the proprietary investment, market-making business and other investment activities. Movements in the financial positions held primarily originate from instructions received from the customers or the relevant strategies of proprietary investment.

Market risks primarily include equity price risk, interest rate risk, commodity price risk and exchange rate risk.

The Company has established a top-down risk limit management system, which strives to keep the overall market risk of the Company within an acceptable level by allocating the overall risk limit of the Company to different business departments/business lines, the monitoring and implementation by the internal control department, and timely assessing and reporting significant risk matters.

During business operations, the front-office business departments/business lines, as the direct bearer of market risks and the frontline risk management team, dynamically manage the market risks arising from its positions held. The Risk Management Department, which is independent from the business departments/business lines, assesses, monitors and manages the risks of each business in a comprehensive manner, and reports and addresses the risk situation.

The Risk Management Department mainly uses quantitative indicators to estimate possible market risk losses, including both the risks in normal environment and the impact of extreme market conditions. The risk report will be delivered on a daily, weekly, monthly or quarterly basis to present market risks to the responsible officers of the business departments/business lines and the Operation Management of the Company.

The Company adopts Value at Risk (VaR) as a major indicator of its overall market risk measurement. The calculation of specific parameter is based on a holding period of one trading day and a confidence level of 95%. The Company constantly inspects the accuracy of VaR through back-testing and other methods. The Company also evaluates the possible losses in its proprietary positions arising from extreme situations through a series of stress tests in macro and micro scenarios, compares its risk resistant capacities, and evaluates whether the overall market risk profile of the Company is within an acceptable range.

The Company sets risk limits for its respective business departments/business lines to control market exposures, and conducts daily monitoring, gives timely warning, and makes prompt response.

The Company continues to modify the risk limits system, defines unified limit management measures and a hierarchical authorization mechanism, and adjusts the management measures for the system of risk limit indicators on various levels, such as the Company level, the business departments/business lines level and the business segments/strategies level in accordance with the authorization mechanism.

In respect of foreign assets and assets of subsidiaries, the Company implements centralized management. In respect of foreign currency assets, the Company conducts overall monitoring and management on exchange rate risk, and manages exchange risk exposure through a number of methods such as adjusting foreign currency position, using forward exchange contract/option hedging, currency swap contracts, etc.

# Notes to the Consolidated Financial Statements

(In RMB thousands, unless otherwise stated)

## 58 FINANCIAL INSTRUMENTS RISK MANAGEMENT OVERVIEW (Continued)

### (c) Market risk (Continued)

#### (i) VaR

VaR analysis is a statistical technique that estimates the potential maximum losses that could occur on risk positions due to movements in interest rates, stock prices or currency rates over a specified time period and at a given level of confidence.

The calculation is based on the historical data of the Group's VaR (confidence level of 95% and a holding period of one trading day).

The Group's VaR analysis by risk categories is summarised as follows:

	31 December	
	2023	2022
Stock price-sensitive financial instruments	299,480	475,314
Interest rate-sensitive financial instruments	160,150	208,275
Exchange rate-sensitive financial instruments	123,870	107,979
Total portfolio VaR	297,230	422,853

#### (ii) Interest rate risk

The Group's interest rate risk is the risk of fluctuation in the fair value of one or more financial instruments arising from adverse movements in interest rates. The Group's interest rate risk mainly sources from the volatility of fair value of financial instruments held by the Group which are sensitive to the interest rate risk, resulting from market interest rate's negative fluctuation.

The Group uses interest rate sensitivity analysis as the principal tool to monitor interest rate risk. The use of interest rate sensitivity analysis assumes all other variables remain constant, but changes in the fair value of financial instruments held at the end of the measurement period may impact the Group's total income and total equity when interest rates fluctuate reasonably and possibly.

Assuming a parallel shift in the market interest rates and without taking into consideration of the management's activities to reduce interest rate risk, the impact of such a shift on revenue and shareholders' equity based on an interest rate sensitivity analysis of the Group is as follows:

#### Sensitivity of revenue

	2023	2022
Change in basis points		
+25 basis points	(653,865)	(1,000,984)
-25 basis points	706,188	1,012,478



## 58 FINANCIAL INSTRUMENTS RISK MANAGEMENT OVERVIEW (Continued)

### (c) Market risk (Continued)

#### (ii) Interest rate risk (Continued)

##### Sensitivity of equity

	2023	2022
Change in basis points		
+25 basis points	<b>(353,316)</b>	(215,762)
-25 basis points	<b>363,500</b>	221,458

#### (iii) Currency risk

Currency risk is the risk of fluctuation in the fair value of financial instruments or future cash flows arising from adverse movements in foreign exchange rates. The Group's currency risk primarily relates to the Group's operating activities, whose settlements and payments are denominated in foreign currencies different from the Group's functional currency, and its net investment in foreign subsidiaries.

The tables below indicate a sensitivity analysis of exchange rate changes of the currencies to which the Group had significant exposure. The analysis calculates the effect of a reasonably possible movement in the currency rates against RMB, with all other variables held constant, on revenue and equity. A negative amount in the table reflects a potential net reduction in revenue or equity, while a positive amount reflects a potential net increase.

##### Sensitivity of revenue

Currency	Change in currency rate	2023	2022
USD	-3%	<b>248,252</b>	1,232,069
HKD	-3%	<b>(535,171)</b>	(673,666)

##### Sensitivity of equity

	Change in currency rate	31 December 2023	2022
USD	-3%	<b>(472,294)</b>	(327,714)
HKD	-3%	<b>(2,637)</b>	(3,964)

# Notes to the Consolidated Financial Statements

(In RMB thousands, unless otherwise stated)

## 58 FINANCIAL INSTRUMENTS RISK MANAGEMENT OVERVIEW (Continued)

### (c) Market risk (Continued)

#### (iii) Currency risk (Continued)

While the table above indicates the effect on revenue and equity of 3% depreciation of USD and HKD, there will be an opposite effect with the same amount if the currencies appreciate by the same percentage.

The tables below summarise the Group's exposure to foreign currency exchange rate risk as at 31 December 2023 and 31 December 2022. The Group's exposure to RMB is provided in the tables below for comparison purposes. Included in the table are the carrying amounts of the assets and liabilities of the Group in RMB equivalent, categorised by the original currencies.

	As at 31 December 2023				Total
	RMB	USD in RMB equivalent	HKD in RMB equivalent	Other in RMB equivalent	
Net on-balance sheet position	233,420,245	14,052,408	18,632,017	8,094,538	274,199,208

	As at 31 December 2022				Total
	RMB	USD in RMB equivalent	HKD in RMB equivalent	Other in RMB equivalent	
Net on-balance sheet position	247,104,460	(19,322,503)	23,403,193	7,186,889	258,372,039

#### (iv) Price risk

Price risk is the risk that the fair value of equity instruments decreases due to the variance between the stock index level and individual share values. If this occurs, market price fluctuations of equity instruments at fair value through profit or loss will impact the Group's profit; and market price fluctuations of equity instruments classified as financial assets at fair value through other comprehensive income will impact shareholders' equity for the Group.

As at 31 December 2023, the equity investment accounted for approximately 21.14% of the total assets (as at 31 December 2022: 20.03%).

## 59 STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Notes	31 December	
		2023	2022
<b>Non-current assets</b>			
Property, plant and equipment		1,774,437	1,323,434
Investment properties		114,670	120,029
Goodwill		43,500	43,500
Land-use rights and intangible assets		2,009,090	2,011,280
Investments in subsidiaries	23	47,050,823	46,074,631
Investments in associates		5,722,874	5,505,090
Financial assets at fair value through other comprehensive income		9,394,098	—
Financial assets at fair value through profit or loss (mandatory)		710,900	606,044
Refundable deposits		13,820,085	25,999,180
Reverse repurchase agreements		5,336,034	—
Deferred income tax assets		3,537,874	7,851,120
Right-of-use assets		1,168,858	1,519,254
Other non-current assets		250,669	216,816
<b>Total non-current assets</b>		<b>90,933,912</b>	<b>91,270,378</b>
<b>Current assets</b>			
Fee and commission receivables		640,505	891,164
Margin accounts		98,889,678	89,361,468
Financial assets at fair value through other comprehensive income		86,267,698	75,989,597
Financial assets as at fair value through profit or loss (mandatory)		445,610,769	365,438,858
Derivative financial assets		23,032,092	25,488,579
Reverse repurchase agreements		55,565,742	30,711,377
Other current assets		46,449,153	35,694,075
Cash held on behalf of customers		130,440,043	131,622,190
Cash and bank balances		69,124,536	78,119,759
<b>Total current assets</b>		<b>956,020,216</b>	<b>833,317,067</b>

# Notes to the Consolidated Financial Statements

(In RMB thousands, unless otherwise stated)

## 59 STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

	Notes	31 December 2023	2022
<b>Current liabilities</b>			
Customer brokerage deposits		126,471,874	128,591,958
Derivative financial liabilities		24,915,200	22,715,541
Financial liabilities at fair value through profit or loss		21,336,386	26,950,813
Repurchase agreements		234,242,351	172,725,397
Due to banks and other financial institutions		53,623,195	29,580,863
Tax payable		713,610	2,986,190
Short-term financing instrument payables		55,754,614	6,157,528
Lease liabilities		652,884	685,716
Other current liabilities		205,638,630	232,385,472
<b>Total current liabilities</b>		<b>723,348,744</b>	622,779,478
<b>Net current assets</b>		<b>232,671,472</b>	210,537,589
<b>Total assets less current liabilities</b>		<b>323,605,384</b>	301,807,967
<b>Non-current liabilities</b>			
Debt instruments issued		86,313,580	71,023,533
Deferred income tax liabilities		—	2,465,554
Financial liabilities at fair value through profit or loss		13,052,248	15,690,365
Repurchase agreements		2,997,740	—
Lease liabilities		473,942	803,561
<b>Total non-current liabilities</b>		<b>102,837,510</b>	89,983,013
<b>Net assets</b>		<b>220,767,874</b>	211,824,954
<b>Equity</b>			
Issued share capital	49	14,820,547	14,820,547
Other equity instruments		16,761,704	13,761,704
Reserves		134,710,488	131,663,322
Retained earnings		54,475,135	51,579,381
<b>Total equity</b>		<b>220,767,874</b>	211,824,954

## 60 STATEMENT OF CHANGES IN EQUITY OF THE COMPANY

	Notes	Reserves							Retained earnings	Total
		Share capital	Other equity instruments	Capital reserve	Surplus reserves	General reserves	Investment revaluation reserve	Sub-total		
At 1 January 2023		14,820,547	13,761,704	91,111,996	7,616,940	32,238,775	695,611	131,663,322	51,579,381	211,824,954
Profit for the year		–	–	–	–	–	–	–	13,364,354	13,364,354
Other comprehensive income		–	–	–	–	–	703,912	703,912	–	703,912
Total comprehensive income		–	–	–	–	–	703,912	703,912	13,364,354	14,068,266
Dividend – 2022	17	–	–	–	–	–	–	–	(7,262,068)	(7,262,068)
Distribution to other equity instrument holders	17	–	–	–	–	–	–	–	(525,163)	(525,163)
Appropriation to surplus reserves		–	–	–	–	–	–	–	–	–
Appropriation to general reserves		–	–	–	–	2,681,369	–	2,681,369	(2,681,369)	–
Others		–	–	–	–	–	–	–	–	–
Capital increase/ (decrease) by equity holders		–	–	–	–	–	–	–	–	–
– Capital increase by equity holders		–	–	–	–	–	–	–	–	–
– Capital injected by other equity instrument holders	50	–	3,000,000	(6,478)	–	–	–	(6,478)	–	2,993,522
Others		–	–	–	–	(331,637)	–	(331,637)	–	(331,637)
At 31 December 2023		14,820,547	16,761,704	91,105,518	7,616,940	34,588,507	1,399,523	134,710,488	54,475,135	220,767,874

# Notes to the Consolidated Financial Statements

(In RMB thousands, unless otherwise stated)

## 60 STATEMENT OF CHANGES IN EQUITY OF THE COMPANY (Continued)

	Notes	Share capital	Other equity instruments	Reserves					Sub-total	Retained earnings	Total
				Capital reserve	Surplus reserves	General reserves	Investment revaluation reserve				
At 1 January 2022		12,926,776	10,767,729	65,848,795	6,669,818	29,001,635	312,603	101,832,851	48,315,973	173,843,329	
Profit for the year		—	—	—	—	—	—	—	15,945,949	15,945,949	
Other comprehensive income		—	—	—	—	—	383,008	383,008	—	383,008	
Total comprehensive income		—	—	—	—	—	383,008	383,008	15,945,949	16,328,957	
Dividend — 2021	17	—	—	—	—	—	—	—	(8,003,095)	(8,003,095)	
Distribution to other equity instrument holders	17	—	—	—	—	—	—	—	(497,209)	(497,209)	
Appropriation to surplus reserves		—	—	—	946,885	—	—	946,885	(946,885)	—	
Appropriation to general reserves		—	—	—	—	3,237,140	—	3,237,140	(3,237,140)	—	
Others		—	—	—	—	—	—	—	—	—	
Capital increase/ (decrease) by equity holders											
— Capital increase by equity holders		1,893,771	—	25,263,201	—	—	—	25,263,201	—	27,156,972	
— Capital injected by other equity instrument holders	50	—	2,993,975	—	—	—	—	—	—	2,993,975	
Others		—	—	—	237	—	—	237	1,788	2,025	
At 31 December 2022		14,820,547	13,761,704	91,111,996	7,616,940	32,238,775	695,611	131,663,322	51,579,381	211,824,954	

## 61 EVENTS AFTER THE REPORTING PERIOD

### (a) Public issuance of short-term corporate bonds

On 15 January 2024, the Company completed one public issuance of short-term corporate bond (the first issuance) in Shanghai Stock Exchange, in the total amount of RMB3 billion, with maturity of one year and coupon rate of 2.53%.

### (b) Public issuance of corporate bonds

On 19 January 2024, the Company completed the public issuance of corporate bond (the first issuance) in Shanghai Stock Exchange, in the amount of RMB3.80 billion, including two tranches with maturities of two years and three years, and coupon rates of 2.68% and 2.74%, respectively.

On 28 February 2024, the Company completed the public issuance of corporate bond (the second issuance) in Shanghai Stock Exchange, in the amount of RMB3 billion, with a maturity of 3,642 days and a coupon rate of 2.75%.

On 12 March 2024, the Company completed the public issuance of corporate bond (the third issuance) in Shanghai Stock Exchange, in the amount of RMB4 billion, with a maturity of 10 years and a coupon rate of 2.69%.

### (c) Public issuance of perpetual subordinated bonds

On 31 January 2024, the Company completed the public issuance of perpetual subordinated bond (the first issuance), in the amount of RMB3 billion, with a maturity of five years and a coupon rate of 3.01% in Shanghai Stock Exchange.

On 7 March 2024, the Company completed the public issuance of perpetual subordinated bond (the second issuance), in the amount of RMB4 billion, with a maturity of five years and a coupon rate of 2.84% in Shanghai Stock Exchange.

### (d) Issuance of Euro-commercial paper

On 18 January 2024, CITIC Securities Finance MTN Co., Ltd. issued one tranche of Euro-commercial paper with a total issue size of USD20 million. The Euro-commercial paper was unconditionally and irrevocably guaranteed by the Company with joint and several liability.

From 8 February 2024 to 22 March 2024, CITIC Securities Finance MTN Co., Ltd. issued three tranches of Euro-commercial paper with a total issue size of RMB1.237 billion. The Euro-commercial paper was unconditionally and irrevocably guaranteed by the Company with joint and several liability.

### (e) Issuance of medium term notes

From 12 January 2024 to 18 March 2024, CSI MTN Limited, a subsidiary of the wholly-owned subsidiary of the Company, CITIC Securities International Company Limited (“**CITIC Securities International**”), issued six overseas medium term notes in USD amounting to USD63.90 million and was guaranteed by CITIC Securities International.

As at 25 January 2024, CSI MTN Limited, a subsidiary of the wholly-owned subsidiary of the Company, CITIC Securities International Company Limited (“**CITIC Securities International**”), issued an overseas medium term note in JPY amounting to JPY14.7 billion and was guaranteed by CITIC Securities International.

# Notes to the Consolidated Financial Statements

(In RMB thousands, unless otherwise stated)

## 61 EVENTS AFTER THE REPORTING PERIOD (Continued)

### (e) Issuance of medium term notes (Continued)

As at 29 January 2024, CSI MTN Limited, a subsidiary of the wholly-owned subsidiary of the Company, CITIC Securities International Company Limited (“**CITIC Securities International**”), issued two overseas medium term notes in HKD amounting to HKD70 million and was guaranteed by CITIC Securities International.

As at 18 March 2024, CSI MTN Limited, a subsidiary of the wholly-owned subsidiary of the Company, CITIC Securities International Company Limited (“**CITIC Securities International**”), issued an overseas medium term note in RMB amounting to RMB37 million and was guaranteed by CITIC Securities International.

### (f) Profit distribution

According to the board resolution passed in the Board of Directors’ meeting of the Company held on 26 March 2024, the Company proposes to adopt cash dividend payment method for its 2023 profit distribution and distribute a dividend of RMB4.75 yuan (tax inclusive) for every 10 shares to all shareholders, and based on the total number of issued shares of the Company at 31 December 2023, i.e. 14,820,546,829 shares, the cash dividend proposed to be distributed totals RMB7,039,759,743.78 yuan (tax inclusive). In the event of change in total number of issued shares of the Company after the date of the abovementioned Board meeting but before the record date for payment of the cash dividend, the total distribution amount shall remain unchanged while the distribution amount per share will be adjusted accordingly. This proposed dividend is subject to the approval of the General Meeting of Shareholders of the Company.

## 62 APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 26 March 2024.



# Documents Available for Inspection

Financial statements signed by the head of the Company, the Chief Financial Officer and the head of the accounting department and chopped with the official chop of the Company

The original copy of the audit report with chops of the accounting firm and signatures and chops of CPAs

The originals of all the documents and announcements of the Company published during the Reporting Period in the media designated by the CSRC for information disclosures

Annual reports published in other stock exchanges

The Articles of Association of the Company

# Definitions

Unless the context otherwise requires, the following expressions have the following meanings in this report:

## Definitions of Common Terms

“A Share(s)”	the domestic share(s) in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange (stock code: 600030)
“BSE”	Beijing Stock Exchange
“China AMC”	China Asset Management Company Limited (華夏基金管理有限公司)
“China CITIC Bank”	China CITIC Bank Corporation Limited (中信銀行股份有限公司)
“China Economic Information Service”	China Economic Information Service Co., Ltd. (中國經濟信息社有限公司)
“CITIC Buyout Fund”	CITIC Buyout Fund Management Company Limited (中信併購基金管理有限公司)
“CITIC Corporation Limited”	CITIC Corporation Limited (中國中信有限公司)
“CITIC Financial Holdings”	China CITIC Financial Holdings Co., Ltd. (中國中信金融控股有限公司)
“CITIC Futures”	CITIC Futures Co., Ltd. (中信期貨有限公司)
“CITIC Global Leasing”	CITIC Global Financial Leasing CO., LTD. (中證寰球融資租賃股份有限公司)
“CITIC GoldStone Fund”	CITIC GoldStone Fund Management Company Limited (中信金石基金管理有限公司)
“CITIC Group”	CITIC Group Corporation (中國中信集團有限公司)
“CITIC Holdings”	CITIC Holdings Limited (中信控股有限責任公司)
“CITIC Investment Holdings”	CITIC Investment Holdings Limited (中信投資控股有限公司)
“CITIC Limited”	CITIC Limited (中國中信股份有限公司)
“CITIC PE Fund”	CITIC Private Equity Funds Management Company Limited (中信產業投資基金管理有限公司)
“CITIC Press”	CITIC Press Corporation (中信出版集團股份有限公司)
“CITIC Prudential”	CITIC Prudential Life Insurance Co., Ltd.

“CITIC Securities AM”	CITIC Securities Asset Management Co., Ltd. (中信証券資產管理有限公司)
“CITIC Securities Brokerage (HK)”	CITIC Securities Brokerage (HK) Limited
“CITIC Securities Finance MTN”	CITIC Securities Finance MTN Co., Ltd.
“CITIC Securities Investment”	CITIC Securities Investment Limited (中信証券投資有限公司)
“CITIC Securities (Shandong)”	CITIC Securities (Shandong) Co., Ltd. (中信証券(山東)有限責任公司)
“CITIC Securities South China” or “Guangzhou Securities”	CITIC Securities South China Company Limited (formerly known as “Guangzhou Securities Company Limited” (廣州證券股份有限公司))
“CITIC Trust”	CITIC Trust Co., Ltd. (中信信託有限責任公司)
“CLSA B.V.”	a private limited company incorporated under the laws of the Netherlands and becoming a wholly-owned subsidiary of CSI on 31 July 2013
“CLSA Limited”	CLSA Limited
“Company” or “CITIC Securities”	CITIC Securities Company Limited
“Company Law”	the Company Law of the People’s Republic of China
“connected transaction(s)”	has the same meaning ascribed to it under the Hong Kong Listing Rules currently in effect and as amended from time to time
“CSC Financial”	CSC Financial Co., Ltd. (中信建投證券股份有限公司)
“CSDC”	China Securities Depository and Clearing Corporation Limited
“CSI”	CITIC Securities International Co., Ltd. (中信証券國際有限公司)
“CSRC”	China Securities Regulatory Commission
“E-Capital Transfer”	E-Capital Transfer Co., Ltd. (證通股份有限公司)
“GoldStone Investment”	GoldStone Investment Co., Ltd. (金石投資有限公司)
“GoldStone Zexin”	GoldStone ZeXin Investment Management Co., Ltd. (金石澤信投資管理有限公司)
“Group”	the Company and its subsidiaries

## Definitions

“Guangdong Securities Regulatory Bureau”	the Guangdong Securities Regulatory Bureau of the CSRC
“Guangzhou Yuexiu Capital” or “Financial Holdings Limited”	Guangzhou Yuexiu Capital Holdings Co., Ltd. (廣州越秀資本控股集團有限公司) (formerly known as “Guangzhou Yuexiu Financial Holdings Co., Ltd.” (廣州越秀金融控股集團有限公司))
“H Share(s)”	the overseas-listed foreign Share(s) in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Stock Exchange of Hong Kong Limited (stock code: 6030)
“HKEX”	Hong Kong Exchanges and Clearing Limited
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Kington Securities”	Kington Securities Limited Liability Company (金通證券有限責任公司)
“KPMG”	KPMG Huazhen LLP and KPMG
“KPMG Hong Kong”	Klynveld Peat Marwick Goerdeler (畢馬威會計師事務所)
“KPMG Huazhen”	KPMG Huazhen LLP
“Ministry of Finance”	the Ministry of Finance of the People’s Republic of China
“NSSF”	National Social Security Fund of the PRC
“PRC” or “China”	the People’s Republic of China
“PwC”	PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers
“PwC Hong Kong”	PricewaterhouseCoopers
“PwC Zhong Tian”	PricewaterhouseCoopers Zhong Tian LLP
“Qianhai Infrastructure Investments”	Shenzhen Qianhai Infrastructure Investments Fund Management Co., Ltd. (深圳前海基礎設施投資基金管理有限公司)

“related party transaction(s)”	has the same meaning ascribed to it under the SSE Listing Rules currently in effect and as amended from time to time
“Reporting Period”	From 1 January 2023 to 31 December 2023
“Securities Law”	the Securities Law of the People’s Republic of China
“SFC”	the Securities and Futures Commission of Hong Kong
“Shanghai Clearing House”	Interbank Market Clearing House Co., Ltd.
“Share(s)”	A Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of the domestic Share(s) or the overseas-listed foreign Share(s) in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are listed on the SSE and the Hong Kong Stock Exchange, respectively
“Shenzhen Securities Regulatory Bureau”	the Shenzhen Securities Regulatory Bureau of the CSRC
“SSE”	Shanghai Stock Exchange
“SSE Listing Rules”	Rules Governing the Listing of Stocks on Shanghai Stock Exchange
“SZSE”	Shenzhen Stock Exchange
“SUAEE”	Shanghai United Assets and Equity Exchange Co., Ltd.
“Tianjin Securities Regulatory Bureau”	the Tianjin Securities Regulatory Bureau of the CSRC
“Tibet Securities Regulatory Bureau”	the Tibet Securities Regulatory Bureau of the CSRC
“Wind Info”	Wind Information Co., Ltd.
“Xinchen Fund”	Suzhou Xinchen Equity Investment Partnership (Limited Partnership) (蘇州信宸股權投資合夥企業(有限合夥))
“Yuexiu Capital” or “Yuexiu Financial Holdings”	Guangzhou Yuexiu Capital Holdings Group Co., Ltd. (廣州越秀資本控股集團股份有限公司) (formerly known as “Guangzhou Yuexiu Financial Holdings Group Co., Ltd.” (廣州越秀金融控股集團股份有限公司))
“Yuexiu Financial International”	Yuexiu Financial International Holdings Limited (越秀金融國際控股有限公司)

## Definitions

“Yuexiu Industrial Investment”	Guangzhou Yuexiu Industrial Investment Co., Ltd. (廣州越秀產業投資有限公司) (formerly known as “Guangzhou Yuexiu Financial Holdings Capital Management Co., Ltd.” (廣州越秀金控資本管理有限公司))
“Yuexiu Industrial Investment Fund”	Guangzhou Yuexiu Industrial Investment Fund Management Co., Ltd. (廣州越秀產業投資基金管理股份有限公司)

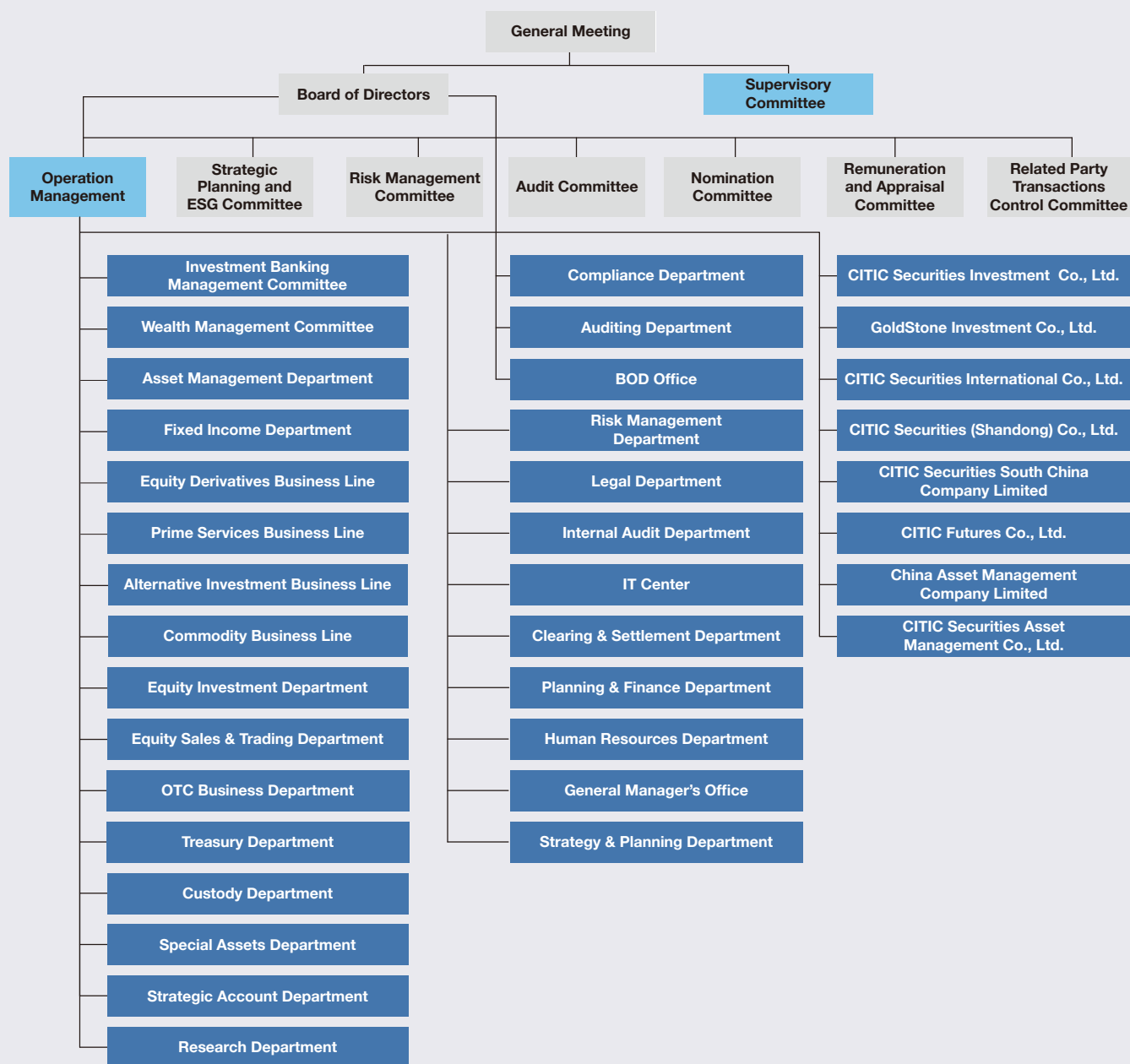
# Material Risk Factors

The Group's business is highly dependent on the macroeconomic and market conditions of China and other areas in which the Company operates its business. Therefore, fluctuation in the Chinese and international capital markets will have a material impact on the operating results of the Group.

Risks exposed to the Group mainly include: legal and compliance risk caused by possible failure of the business management and standards to align in a timely manner with changes in national laws and regulations and the rules promulgated by the regulatory authorities; strategic risk where the Group may not be able to adjust its strategic planning in response to the profound changes in domestic and overseas capital markets; internal operations and management risks arising from changes such as the transformation of the Group's business model and the emergence of new businesses and new technologies; market risk that may arise from the fluctuating market price of the financial positions held by the Group; credit risk arising from the default or deterioration of credit qualification of its borrowers, trading counterparties or the issuers of financial positions held; liquidity risk where the Group may encounter a shortage of funds in fulfillment of repayment obligations; operational risk that may arise from the negligence or omission of the internal process management, information system failure or improper personnel behavior; and reputational risk caused by negative evaluation of the Company by stakeholders due to the Company's operation, management and other behaviors or external events. In particular, credit risk, market risk and compliance risk are the major risks currently being faced by the Group.

To cope with the above risks, the Group has established a comprehensive risk management system by taking preventive measures through its organizational structure, institutional norms, management system, information technology, and other aspects, while at the same time, optimizes its business process and risk control measures, to ensure the Company's risks are measurable, controllable and tolerable.

# Appendix 1: Organization Chart



Note: Only some first-tier subsidiaries of the Company are presented on the above.



## Appendix 2: Index of Information Disclosure

Information disclosures made by the Company on the website of the SSE (<http://www.sse.com.cn>) and in China Securities Journal, Shanghai Securities News and Securities Times during the Reporting Period are set out as follows:

No.	Date of Publication	Subject Matter
1	2023-01-04	Monthly Return on Movements in Securities of CITIC Securities for December 2022
2	2023-01-12	Announcement on the Entering into the Supplemental Agreement of the Tripartite Supervision Agreement for the Deposit of Raised Funds in Designated Account of CITIC Securities Company Limited
3	2023-01-13	Announcement on the Preliminary Financial Data for the Year 2022 of CITIC Securities Company Limited
4	2023-01-19	Announcement on the Issuance of Medium-term Notes by Indirect Subsidiary and Guarantee Provided by Wholly-owned Subsidiary of CITIC Securities Company Limited
5	2023-01-20	Announcement on Amendments to the Articles of Association of CITIC Securities Company Limited
6		Announcement on the Resolutions Passed at the Second Meeting of the Eighth Session of the Board of CITIC Securities Company Limited
7	2023-01-31	Announcement on the Issuance of Debt Financing Instruments by Indirect Subsidiary and Guarantee Provided by the Company and Wholly-owned Subsidiary of CITIC Securities Company Limited
8	2023-02-04	Monthly Return on Movements in Securities of CITIC Securities for January 2023
9	2023-02-09	Announcement on Preliminary Financial Data of China AMC for the Year 2022 of CITIC Securities Company Limited
10	2023-02-11	Announcement on H Shares of CITIC Securities Company Limited — Update on the Qualifications of Company Secretary and Resignation of Joint Company Secretary
11	2023-02-17	Documents of the 2023 First Extraordinary General Meeting of CITIC Securities Company Limited
12		Notice on Convening of the 2023 First Extraordinary General Meeting of CITIC Securities Company Limited
13	2023-02-22	Announcement on the Guarantee for Indirect Wholly-owned Subsidiary's Plan of Issuing Euro-commercial Papers and Medium-term Notes by CITIC Securities Company Limited
14	2023-02-25	Announcement on the Approval of the China Securities Regulatory Commission for the Registration of Public Issuance of Perpetual Subordinated Corporate Bonds to Professional Investors of CITIC Securities Company Limited
15		Independent Opinions of Independent Non-executive Directors of the Eighth Session of the Board of Directors of CITIC Securities Company Limited on Appointments of Chief Risk Officer

## Appendix 2: Index of Information Disclosure

No.	Date of Publication	Subject Matter
16		Announcement on the Resolutions Passed at the Third Meeting of the Eighth Session of the Board of CITIC Securities Company Limited
17	2023-03-02	Announcement on Completion of Industrial and Commercial Registration of an Asset Management Subsidiary of CITIC Securities Company Limited
18		Monthly Return on Movements in Securities of CITIC Securities for February 2023
19	2023-03-10	The Articles of Association of CITIC Securities Company Limited (2023 Revision)
20		Legal Opinions of Beijing Jia Yuan Law Offices on the 2023 First Extraordinary General Meeting of CITIC Securities Company Limited
21		Announcement on the Resolutions of the 2023 First Extraordinary General Meeting of CITIC Securities Company Limited
22	2023-03-13	Indicative Announcement on Increase in Shareholding of Shareholders and Changes in Shareholders' Equity of CITIC Securities Company Limited
23	2023-03-17	Notification of Board Meeting
24	2023-03-22	Announcement on the Issuance of Medium-term Notes by Indirect Subsidiary and Guarantee Provided by Wholly-owned Subsidiary of CITIC Securities Company Limited
25	2023-03-24	Announcement on Convening of the 2022 Annual Results Presentation of CITIC Securities Company Limited
26	2023-03-31	2022 Special Verification Report of Tianfeng Securities Co., Ltd. and China Post Securities Co., Ltd. on the Deposit and Actual Use of Proceeds of CITIC Securities Company Limited
27		Annual Report of the Continuous Supervision by Tianfeng Securities Co., Ltd. and China Post Securities Co., Ltd. on CITIC Securities Company Limited for 2022
28		2022 Special Report and Assurance Report on the Deposit and Actual Use of Proceeds of CITIC Securities Company Limited
29		2022 Special Report on the Deposit and Actual Use of Proceeds of CITIC Securities Company Limited
30		Announcement on the Resolutions Passed at the Second Meeting of the Eighth Session of the Supervisory Committee of CITIC Securities Company Limited
31		2022 Annual Report of CITIC Securities Company Limited
32		2022 Assessment Report on the Internal Control of CITIC Securities Company Limited
33		Special Statement Regarding the Appropriation of Funds by Largest Shareholder and Other Related Parties of CITIC Securities Company Limited for the Year Ended 31 December 2022
34		Report on the Audit Committee of the Board on the Performance of Duties in 2022 of CITIC Securities Company Limited

<b>No.</b>	<b>Date of Publication</b>	<b>Subject Matter</b>
35		Audit Report on the Internal Control as at 31 December 2022 of CITIC Securities Company Limited
36		2022 Financial Statements and Audit Report of CITIC Securities Company Limited
37		Duty Performance Report of Independent Non-executive Directors for 2022 of CITIC Securities Company Limited
38		2022 Social Responsibility Report of CITIC Securities
39		Summary of the 2022 Annual Report of CITIC Securities Company Limited
40		Announcement on the Estimation of Financing Guarantee of the Company in 2023 of CITIC Securities Company Limited
41		Announcement on the Estimation of Related Party/Continuing Connected Transactions Contemplated in the Ordinary Course of Business of CITIC Securities Company Limited in 2023
42		Announcement on Profit Distribution Plan of CITIC Securities Company Limited
43		Special Remarks and Independent Opinions of the Independent Non-executive Directors of the Eighth Session of the Board on Relevant Matters at the Fourth Meeting of the Eighth Session of the Board of CITIC Securities Company Limited
44		Announcement on the Resolutions Passed at the Fourth Meeting of the Eighth Session of the Board of CITIC Securities Company Limited
45	2023-04-04	Monthly Return on Movements in Securities of CITIC Securities for March 2023
46	2023-04-05	Announcement on the Guarantee for Indirect Wholly-owned Subsidiary Issuing Euro-commercial Papers by CITIC Securities Company Limited
47	2023-04-14	Notification of Board Meeting
48	2023-04-26	Announcement on the Issuance of Medium-term Notes by Indirect Subsidiary and Guarantee Provided by Wholly-owned Subsidiary of CITIC Securities Company Limited
49	2023-04-28	Announcement on Changes in the Accounting Policies of CITIC Securities Company Limited
50		The Working Rules of the Management Committee of CITIC Securities Company Limited
51		Announcement on the Resolutions Passed at the Fifth Meeting of the Eighth Session of the Board of CITIC Securities Company Limited
52		2023 First Quarterly Results of CITIC Securities Company Limited
53	2023-05-05	Monthly Return on Movements in Securities of CITIC Securities for April 2023
54	2023-05-13	Announcement on the Change of the Accounting Firms of CITIC Securities Company Limited

## Appendix 2: Index of Information Disclosure

No.	Date of Publication	Subject Matter
55		Prior Approvals and Opinions of the Independent Non-executive Directors of the Eighth Session of the Board of CITIC Securities Company Limited on the Change of the Accounting Firms
56		Independent Opinions of the Independent Non-executive Directors of the Eighth Session of the Board of CITIC Securities Company Limited on the Change of the Accounting Firms
57		Announcement on the Resolutions Passed at the Sixth Meeting of the Eighth Session of the Board of CITIC Securities Company Limited
58	2023-05-16	Announcement on the Guarantee for the Euro-commercial Papers Plan of an Indirect Wholly-owned Subsidiary by CITIC Securities Company Limited
59	2023-05-31	Rules of Procedures of the Remuneration and Appraisal Committee of the Board of CITIC Securities Company Limited
60		Rules of Procedures of the Nomination Committee of the Board of CITIC Securities Company Limited
61		Measures of CITIC Securities Company Limited for the Management of the Holdings in the Shares of CITIC Securities Company Limited by Directors, Supervisors and Senior Management and Relevant Changes
62		Announcement on the Resolutions Passed at the Seventh Meeting of the Eighth Session of the Board of CITIC Securities Company Limited
63	2023-06-02	Monthly Return on Movements in Securities of CITIC Securities for May 2023
64		Announcement on the Issuance of Medium-term Notes by Indirect Subsidiary and Guarantee Provided by Wholly-owned Subsidiary of CITIC Securities Company Limited
65	2023-06-06	Announcement on the Issuance of Medium-term Notes by Indirect Subsidiary and Guarantee Provided by Wholly-owned Subsidiary of CITIC Securities Company Limited
66	2023-06-07	Documents of the 2022 Annual General Meeting of CITIC Securities Company Limited
67		Notice on Convening of the 2022 Annual General Meeting of CITIC Securities Company Limited
68	2023-06-15	Announcement on H Shares of CITIC Securities Company Limited — Connected Transaction — Progress of the Capital Contribution to the Partnership of Suzhou Xincheng
69		Independent Opinions of Independent Non-executive Directors of the Eighth Session of the Board of CITIC Securities Company Limited on Changing the External Investment Amount of Subsidiaries
70		Prior Approvals and Opinions of the Independent Non-executive Directors of the Eighth Session of the Board of CITIC Securities Company Limited on Changing the External Investment Amount of Subsidiaries

<b>No.</b>	<b>Date of Publication</b>	<b>Subject Matter</b>
71		Announcement on the Resolutions Passed at the Eighth Meeting of the Eighth Session of the Board of CITIC Securities Company Limited
72	2023-06-20	Announcement on the Issuance of Medium-term Notes by Indirect Subsidiary and Guarantee Provided by Wholly-owned Subsidiary of CITIC Securities Company Limited
73	2023-06-27	Announcement on the Guarantee for Indirect Wholly-owned Subsidiary's Plan of Issuing Medium-term Notes by CITIC Securities Company Limited
74	2023-06-29	Legal Opinions of Beijing Jia Yuan Law Offices on the 2022 Annual General Meeting of CITIC Securities Company Limited
75		Announcement on the Resolutions of the 2022 Annual General Meeting of CITIC Securities Company Limited
76	2023-07-01	Announcement of Progress of Change in Equity of the Largest Shareholder in CITIC Securities Company Limited
77	2023-07-04	Monthly Return on Movements in Securities of CITIC Securities for June 2023
78	2023-07-15	Announcement on the Issuance of Medium-term Notes by Indirect Subsidiary and Guarantee Provided by Wholly-owned Subsidiary of CITIC Securities Company Limited
79	2023-07-19	Announcement on the Issuance of Medium-term Notes by Indirect Subsidiary and Guarantee Provided by Wholly-owned Subsidiary of CITIC Securities Company Limited
80	2023-07-22	H Share Announcement — Connected Transaction in Relation to the Formation of the Partnership
81		Independent Opinion of Independent Non-executive Directors of the Eighth Session of the Board of CITIC Securities Company Limited on External Investment through Subsidiaries
82		Prior Approval Opinions of Independent Non-executive Directors of the Eighth Session of the Board of CITIC Securities Company Limited on External Investment through Subsidiaries
83		Announcement on Resolutions Passed at the Ninth Meeting of the Eighth Session of the Board of Directors of CITIC Securities Company Limited
84	2023-07-27	Announcement on the Issuance of Medium-term Notes by Indirect Subsidiary and Guarantee Provided by Wholly-owned Subsidiary of CITIC Securities Company Limited
85	2023-07-28	Announcement of the Change in Shareholdings of the Largest Shareholder related to the Completion of Registration of Transfer of A Shares of CITIC Securities Company Limited
86	2023-07-29	Announcement on the Issuance of Medium-term Notes by Indirect Subsidiary and Guarantee Provided by Wholly-owned Subsidiary of CITIC Securities Company Limited
87	2023-08-01	Announcement on the Issuance of Medium-term Notes by Indirect Subsidiary and Guarantee Provided by Wholly-owned Subsidiary of CITIC Securities Company Limited
88	2023-08-02	Monthly Return on Movements in Securities of CITIC Securities for July 2023

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No.	Date of Publication	Subject Matter
89	2023-08-04	Announcement on Preliminary Financial Data of China AMC for the First of 2023 of CITIC Securities Company Limited
90	2023-08-09	Announcement on the Issuance of Medium-term Notes by Indirect Subsidiary and Guarantee Provided by Wholly-owned Subsidiary of CITIC Securities Company Limited
91	2023-08-11	Notification of Board Meeting
92	2023-08-18	Announcement on the Issuance of Medium-term Notes by Indirect Subsidiary and Guarantee Provided by Wholly-owned Subsidiary of CITIC Securities Company Limited
93		Announcement on the Implementation of Bonus Dividends for A Shares of the CITIC Securities Company Limited in 2022
94	2023-08-22	Announcement on the Issuance of Medium-term Notes by Indirect Subsidiary and Guarantee Provided by Wholly-owned Subsidiary of CITIC Securities Company Limited
95	2023-08-23	Announcement on the Convening of 2023 Interim Results Online Presentation of CITIC Securities Company Limited
96	2023-08-26	Announcement on the Completion of Registration of Gratuitous Transfer of State-owned shares and Change of the Largest Shareholder of CITIC Securities Company Limited
97	2023-08-30	2023 Interim Special Report on the Deposit and Actual Use of Proceeds of CITIC Securities Company Limited
98		Announcement on Resolutions Passed at the Tenth Meeting of the Eighth Session of the Board of Directors of CITIC Securities Company Limited
99		Announcement on Resolutions Passed at the Tenth Meeting of the Eighth Session of the Board of Directors of CITIC Securities Company Limited
100		Announcement on Resolutions Passed at the Fourth Meeting of the Eighth Session of the Board of Supervisors of CITIC Securities Company Limited
101		2023 Interim Report of CITIC Securities Company Limited
102		Summary of the 2023 Interim Report of CITIC Securities Company Limited
103	2023-09-05	Monthly Return on Movements in Securities of CITIC Securities for August 2023
104	2023-09-07	Announcement on the Issuance of Medium-term Notes by Indirect Subsidiary and Guarantee Provided by Wholly-owned Subsidiary of CITIC Securities Company Limited
105	2023-09-09	H Share Announcement — Connected Transaction in Relation to the Formation of the Partnership
106		Independent Opinions of Independent Non-executive Directors of the Eighth Session of the Board of Directors of CITIC Securities Company Limited on the External Investment of Subsidiaries

<b>No.</b>	<b>Date of Publication</b>	<b>Subject Matter</b>
107		Prior Approvals and Opinions of the Independent Non-executive Directors of the Eighth Session of the Board of CITIC Securities Company Limited on the External Investment of Subsidiaries
108		Announcement on Resolutions Passed at the Eleventh Meeting of the Eighth Session of the Board of Directors of CITIC Securities Company Limited
109	2023-09-14	Announcement on the Issuance of Medium-term Notes by Indirect Subsidiary and Guarantee Provided by Wholly-owned Subsidiary of CITIC Securities Company Limited
110	2023-09-15	Announcement on the Issuance of Medium-term Notes by Indirect Subsidiary and Guarantee Provided by Wholly-owned Subsidiary of CITIC Securities Company Limited
111	2023-10-10	Monthly Return on Movements in Securities of CITIC Securities for September 2023
112	2023-10-18	Notification of Board Meeting
113	2023-10-24	Announcement on the Convening of 2023 Third Quarterly Results Online Presentation of CITIC Securities Company Limited
114		Announcement on Resolutions Passed at the Twelfth Meeting of the Eighth Session of the Board of Directors of CITIC Securities Company Limited
115	2023-10-31	Announcement on Resolutions Passed at the Thirteenth Meeting of the Eighth Session of the Board of Directors of CITIC Securities Company Limited
116		2023 Third Quarterly Report of CITIC Securities Company Limited
117	2023-11-01	Announcement of CITIC Securities Company Limited on CITIC Securities Asset Management Co., Ltd. Obtaining Securities and Futures Business License
118	2023-11-02	Announcement on the Issuance of Medium-term Notes by Indirect Subsidiary and Guarantee Provided by Wholly-owned Subsidiary of CITIC Securities Company Limited
119		Monthly Return on Movements in Securities of CITIC Securities for October 2023
120	2023-11-09	Announcement on the Issuance of Medium-term Notes by Indirect Subsidiary and Guarantee Provided by Wholly-owned Subsidiary of CITIC Securities Company Limited
121	2023-11-22	Announcement on the Issuance of Medium-term Notes by Indirect Subsidiary and Guarantee Provided by Wholly-owned Subsidiary of CITIC Securities Company Limited
122	2023-12-02	Monthly Return on Movements in Securities of CITIC Securities for November 2023
123	2023-12-05	Announcement on the Approval of the China Securities Regulatory Commission for the Registration of Public Issuance of Corporate Bonds to Professional Investors of CITIC Securities Company Limited

## Appendix 2: Index of Information Disclosure

No.	Date of Publication	Subject Matter
124	2023-12-06	Announcement on the Approval of the China Securities Regulatory Commission for the Registration of Public Issuance of Short-term Corporate Bonds to Professional Investors of CITIC Securities Company Limited
125	2023-12-12	Announcement on the Issuance of Medium-term Notes by Indirect Subsidiary and Guarantee Provided by Wholly-owned Subsidiary of CITIC Securities Company Limited
126	2023-12-14	Announcement on the Issuance of Medium-term Notes by Indirect Subsidiary and Guarantee Provided by Wholly-owned Subsidiary of CITIC Securities Company Limited
127	2023-12-20	Rules of Procedures of the Remuneration and Appraisal Committee of the Board of CITIC Securities Company Limited
128		Rules of Procedures of the Strategic Planning and ESG Committee of the Board of CITIC Securities Company Limited
129		Terms of Reference of the Audit Committee of the Board of Directors of CITIC Securities Company Limited
130		Rules of Procedure for the Risk Management Committee of the Board of CITIC Securities Company Limited
131		Rules of Procedure for the Related Party Transactions Control Committee of the Board of CITIC Securities Company Limited
132		Rules of Procedures of the Nomination Committee of the Board of CITIC Securities Company Limited
133		Working System for Independent Directors of CITIC Securities Company Limited
134		Announcement on Resolutions Passed at the Fourteenth Meeting of the Eighth Session of the Board of Directors of CITIC Securities Company Limited
135	2023-12-23	Announcement on the Issuance of Medium-term Notes by Indirect Subsidiary and Guarantee Provided by Wholly-owned Subsidiary of CITIC Securities Company Limited

Note: The "dates" set out in the above table are dates on which the relevant announcements were published in China Securities Journal, Shanghai Securities News and Securities Times and on the website of the SSE. Each of these announcements was published on the HKEXnews website of HKEX in the morning of the above "date" or in the evening on the immediately preceding date.



Information disclosures made by the Company on the HKEXnews website of HKEX (<http://www.hkexnews.hk>) during the Reporting Period are set out as follows:

<b>No.</b>	<b>Date of Publication</b>	<b>Subject Matter</b>
1	2023-01-02	Overseas Regulatory Announcement — Independent Opinions of Independent Non-executive Directors of the Eighth Session of the Board of CITIC Securities Company Limited on Appointments of Senior Management of the Company
2		Overseas Regulatory Announcement — Announcement on the Approval of the China Securities Regulatory Commission for Establishing an Asset Management Subsidiary of CITIC Securities Company Limited
3	2023-01-03	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended 31 December 2022
4	2023-01-11	Overseas Regulatory Announcement — Announcement on the Entering into the Supplemental Agreement of the Tripartite Supervision Agreement for the Deposit of Raised Funds in Designated Accounts of CITIC Securities Company Limited
5	2023-01-12	Preliminary Financial Data for the Year 2022
6	2023-01-18	Overseas Regulatory Announcement — Announcement on the Issuance of Medium-term Notes by Indirect Subsidiary and Guarantee Provided by Wholly-owned Subsidiary of CITIC Securities Company Limited
7	2023-01-19	Additional Proposed Amendments to the Articles of Association
8		Announcement on the Resolutions Passed at the Second Meeting of the Eighth Session of the Board
9		Overseas Regulatory Announcement — Announcement on Amendments to the Articles of Association of CITIC Securities Company Limited
10	2023-01-30	Overseas Regulatory Announcement — Announcement on the Issuance of Debt Financing Instruments by Indirect Subsidiary and Guarantee Provided by the Company and Wholly-owned Subsidiary of CITIC Securities Company Limited
11	2023-02-03	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended 31 January 2023
12	2023-02-08	Voluntary Announcement — Preliminary Financial Data of China AMC for the Year 2022
13	2023-02-10	Announcement — Update on the Qualifications of Company Secretary and Resignation of Joint Company Secretary

## Appendix 2: Index of Information Disclosure

No.	Date of Publication	Subject Matter
14	2023-02-16	Proposed Amendments to the Articles of Association; Proposed Amendments to Certain Rules of Procedures; and Notice of 2023 First Extraordinary General Meeting
15		Notice of 2023 First Extraordinary General Meeting
16		Proxy Form
17		Notification Letter to Registered Shareholders — Notice of Publication of Circular, Notice and Proxy Form of 2023 First Extraordinary General Meeting and Change Request Form
18		Notification Letter to Non-registered Holders — Notice of Publication of Circular and Notice of 2023 First Extraordinary General Meeting and Request Form
19	2023-02-21	Overseas Regulatory Announcement — Announcement on the Guarantee for Indirect Wholly-owned Subsidiary's Plan of Issuing Euro-commercial Papers and Medium-term Notes by CITIC Securities Company Limited
20	2023-02-24	Announcement — Change of Chief Risk Officer
21		Overseas Regulatory Announcement — Independent Opinions of Independent Non-executive Directors of the Eighth Session of the Board of Directors of CITIC Securities Company Limited on Appointments of Chief Risk Officer
22		Overseas Regulatory Announcement — Announcement on the Approval of the China Securities Regulatory Commission for the Registration of Public Issuance of Perpetual Subordinated Corporate Bonds to Professional Investors of CITIC Securities Company Limited
23	2023-03-01	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended 28 February 2023
24		Overseas Regulatory Announcement — Announcement on Completion of Industrial and Commercial Registration of an Asset Management Subsidiary of CITIC Securities Company Limited
25	2023-03-09	Announcement — Poll Results of the 2023 First Extraordinary General Meeting
26		The Articles of Association of the Company
27		Overseas Regulatory Announcement — Legal Opinions of Jia Yuan Law Offices on the 2023 First Extraordinary General Meeting of CITIC Securities Company Limited
28	2023-03-12	Overseas Regulatory Announcement — Indicative Announcement on Increase in Shareholding of Shareholders and Changes in Shareholders' Equity by CITIC Securities Company Limited
29	2023-03-16	Notification of Board Meeting
30	2023-03-21	Overseas Regulatory Announcement — Announcement on the Issuance of Medium-term Notes by Indirect Subsidiary and Guarantee Provided by Wholly-owned Subsidiary of CITIC Securities Company Limited

<b>No.</b>	<b>Date of Publication</b>	<b>Subject Matter</b>
31	2023-03-23	Voluntary Announcement — Convening of the 2022 Annual Results Presentation
32	2023-03-30	2022 Annual Results Announcement
33		Final Dividend for the Year Ended 31 December 2022
34		2022 Social Responsibility Report
35		Overseas Regulatory Announcement — Announcement on the Resolutions Passed at the Fourth Meeting of the Eighth Session of the Board of CITIC Securities Company Limited
36		Overseas Regulatory Announcement — Announcement on the Resolutions Passed at the Second Meeting of the Eighth Session of the Supervisory Committee of CITIC Securities Company Limited
37		Overseas Regulatory Announcement — Announcement on the Estimation of Related Party/ Continuing Connected Transactions Contemplated in the Ordinary Course of Business of CITIC Securities Company Limited in 2023
38		Overseas Regulatory Announcement — 2022 Assessment Report on the Internal Control of CITIC Securities Company Limited
39		Overseas Regulatory Announcement — Audit Report on the Internal Control of 31 December 2022 of CITIC Securities Company Limited
40		Overseas Regulatory Announcement — Special Statement Regarding the Appropriation of Funds by Largest Shareholder and Other Related Parties of CITIC Securities Company Limited
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42		Overseas Regulatory Announcement — Report on the Audit Committee of the Board on the Performance of Duties in 2022 of CITIC Securities Company Limited
43		Overseas Regulatory Announcement — Duty Performance Report of Independent Nonexecutive Directors for 2022 of CITIC Securities Company Limited
44		Overseas Regulatory Announcement — Announcement on Profit Distribution Plan of CITIC Securities Company Limited
45		Overseas Regulatory Announcement — Announcement on the Estimation of Financing Guarantee of the Company in 2023 of CITIC Securities Company Limited
46		Overseas Regulatory Announcement — 2022 Special Report on the Deposit and Actual Use of Proceeds of CITIC Securities Company Limited
47		Overseas Regulatory Announcement — 2022 Special Report and Assurance Report on the Deposit and Actual Use of Proceeds of CITIC Securities Company Limited

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49		Overseas Regulatory Announcement — Annual Report of the Continuous Supervision by Tianfeng Securities Co., Ltd. and China Post Securities Co., Ltd. on CITIC Securities Company Limited for 2022
50	2023-04-03	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended 31 March 2023
51	2023-04-04	Overseas Regulatory Announcement — Announcement on the Guarantee for Indirect Wholly-owned Subsidiary Issuing Euro-commercial Papers by CITIC Securities Company Limited
52	2023-04-13	Notification of Board Meeting
53	2023-04-24	Final Dividend for the Year Ended 31 December 2022 (updated)
54	2023-04-25	2022 Annual Report
55		Notification Letter to Registered Holders — Notice of Publication of 2022 Annual Report and 2022 Social Responsibility Report and Change Request Form
56		Notification Letter to Non-Registered Holders — Notice of Publication of 2022 Annual Report and 2022 Social Responsibility Report and Request Form
57		Overseas Regulatory Announcement — Announcement on the Issuance of Medium-term Notes by Indirect Subsidiary and Guarantee Provided by Wholly-owned Subsidiary of CITIC Securities Company Limited
58	2023-04-27	2023 First Quarterly Results
59		Overseas Regulatory Announcement — Announcement on the Resolutions Passed at the Fifth Meeting of the Eighth Session of the Board of CITIC Securities Company Limited
60		Overseas Regulatory Announcement — The Working Rules of the Management Committee of CITIC Securities Company Limited
61		Overseas Regulatory Announcement — Announcement on Changes in the Accounting Policies of CITIC Securities Company Limited
62		Changes of the Company Secretary and Authorised Representative; Waiver from Strict Compliance with Rule 3.28 and Rule 8.17 of the Hong Kong Listing Rules
63	2023-05-04	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended 30 April 2023
64	2023-05-12	Proposed Change of Auditors
65		Overseas Regulatory Announcement — Announcement on the Resolutions Passed at the Sixth Meeting of the Eighth Session of the Board of CITIC Securities Company Limited

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66		Overseas Regulatory Announcement — Announcement on Change of Auditors of CITIC Securities Company Limited
67		Overseas Regulatory Announcement — Prior Approvals and Opinions of the Independent Non-executive Directors of the Eighth Session of the Board on Change of Auditors of CITIC Securities Company Limited
68		Overseas Regulatory Announcement — Independent Opinions of the Independent Nonexecutive Directors of the Eighth Session of the Board on Change of Auditors of CITIC Securities Company Limited
69	2023-05-15	Overseas Regulatory Announcement — Announcement on the Guarantee for the Euro-commercial Papers Plan of an Indirect Wholly-owned Subsidiary by CITIC Securities Company Limited
70	2023-05-30	Rules of Procedures of the Nomination Committee of the Board of Directors
71		Rules of Procedures of the Remuneration and Appraisal Committee of the Board of Directors
72		Overseas Regulatory Announcement — Announcement on the Resolutions Passed at the Seventh Meeting of the Eighth Session of the Board of CITIC Securities Company Limited
73		Overseas Regulatory Announcement — the Measures for the Management of the Holdings in the Shares of CITIC Securities Company Limited by Directors, Supervisors and Senior Management and Relevant Changes
74	2023-06-01	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended 31 May 2023
75		Overseas Regulatory Announcement — Announcement on the Issuance of Medium-term Notes by Indirect Subsidiary and Guarantee Provided by Wholly-owned Subsidiary of CITIC Securities Company Limited
76	2023-06-05	Overseas Regulatory Announcement — Announcement on the Issuance of Medium-term Notes by Indirect Subsidiary and Guarantee Provided by Wholly-owned Subsidiary of CITIC Securities Company Limited
77	2023-06-06	Work Report of the Board; Work Report of the Supervisory Committee; 2022 Annual Report; 2022 Profit Distribution Plan; Change of Accounting Firms; Resolution on the Estimated Investment Amount for the Proprietary Business of the Company for 2023; 2023 Financing Guarantee Plan; Resolution on the Distributed Total Remuneration of the Directors and the Supervisors of the Company for 2022; Resolution on Estimation of Related Party/Continuing Connected Transactions Contemplated in the Ordinary Course of Business of the Company in 2023; and Notice of the Annual General Meeting
78		Notice of the Annual General Meeting
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81		Notification Letter to Non-Registered Holders — Notice of Publication of Circular and Notice of 2022 Annual General Meeting
82		Final Dividend for the Year Ended 31 December 2022 (updated)
83	2023-06-14	Connected Transaction — Progress of the Capital Contribution to the Partnership of Suzhou Xincheng
84		Overseas Regulatory Announcement — Announcement on Resolutions Passed at the Eighth Meeting of the Eighth Session of the Board of Directors of CITIC Securities Company Limited
85		Overseas Regulatory Announcement — Independent Opinions of Independent Non-executive Directors of the Eighth Session of the Board of CITIC Securities Company Limited on Changing the External Investment Amount of Subsidiaries
86		Overseas Regulatory Announcement — Prior Approvals and Opinions of the Independent Non-executive Directors of the Eighth Session of the Board of CITIC Securities Company Limited on Changing the External Investment Amount of Subsidiaries
87		Final Dividend for the Year Ended 31 December 2022 (updated)
88	2023-06-19	Overseas Regulatory Announcement — Announcement on the Issuance of Medium-term Notes by Indirect Subsidiary and Guarantee Provided by Wholly-owned Subsidiary of CITIC Securities Company Limited
89	2023-06-26	Overseas Regulatory Announcement — Announcement on the Guarantee for Indirect Wholly-owned Subsidiary's Plan of Issuing Medium-term Notes by CITIC Securities Company Limited
90	2023-06-28	Announcement — Poll Results of the 2022 Annual General Meeting and Payment of the 2022 Final Dividend
91		Final Dividend for the Year Ended 31 December 2022 (updated)
92		Overseas Regulatory Announcement — Legal Opinions of Beijing Jia Yuan Law Offices on the 2022 Annual General Meeting of CITIC Securities Company Limited
93	2023-06-30	Overseas Regulatory Announcement — Announcement of Progress of Change in Equity of the Largest Shareholder in CITIC Securities Company Limited
94	2023-07-03	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended 30 June 2023
95	2023-07-14	Overseas Regulatory Announcement — Announcement on the Issuance of Medium-term Notes by Indirect Subsidiary and Guarantee Provided by Wholly-owned Subsidiary of CITIC Securities Company Limited

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97	2023-07-21	Connected Transaction — In Relation to the Formation of the Partnership
98		Overseas Regulatory Announcement — Announcement on Resolutions Passed at the Ninth Meeting of the Eighth Session of the Board of Directors of CITIC Securities Company Limited
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101	2023-07-26	Overseas Regulatory Announcement — Announcement on the Issuance of Medium-term Notes by Indirect Subsidiary and Guarantee Provided by Wholly-owned Subsidiary of CITIC Securities Company Limited
102	2023-07-27	Overseas Regulatory Announcement — Announcement of the Change in Shareholdings of the Largest Shareholder related to the Completion of Registration of Transfer of A Shares of CITIC Securities Company Limited
103	2023-07-28	Overseas Regulatory Announcement — Announcement on the Issuance of Medium-term Notes by Indirect Subsidiary and Guarantee Provided by Wholly-owned Subsidiary of CITIC Securities Company Limited
104	2023-07-31	Overseas Regulatory Announcement — Announcement on the Issuance of Medium-term Notes by Indirect Subsidiary and Guarantee Provided by Wholly-owned Subsidiary of CITIC Securities Company Limited
105	2023-08-01	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended 31 July 2023
106	2023-08-03	Voluntary Announcement — Preliminary Financial of China AMC for the First Half of 2023
107	2023-08-08	Overseas Regulatory Announcement — Announcement on the Issuance of Medium-term Notes by Indirect Subsidiary and Guarantee Provided by Wholly-owned Subsidiary of CITIC Securities Company Limited
108	2023-08-10	Notification of Board Meeting
109	2023-08-17	Overseas Regulatory Announcement — Announcement on the Implementation of Bonus Dividends for A Shares of the CITIC Securities Company Limited in 2022

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112	2023-08-22	Voluntary Announcement — Convening of 2023 Interim Results Online Presentations
113	2023-08-25	Voluntary Announcement — Completion of Registration of Gratuitous Transfer of Shares of the Company and Change of the Largest Shareholder
114	2023-08-29	2023 Interim Results Announcement
115		Overseas Regulatory Announcement — Announcement on Resolutions Passed at the Tenth Meeting of the Eighth Session of the Board of Directors of CITIC Securities Company Limited
116		Overseas Regulatory Announcement — Independent Opinion of Independent Non-executive Directors of the Eighth Session of the Board of CITIC Securities Company Limited on the Matter related to the Tenth Meeting of the Eighth Session of the Board
117		Overseas Regulatory Announcement — Announcement on the Resolutions Passed at the Fourth Meeting of the Eighth Session of the Board of CITIC Securities Company Limited
118		Overseas Regulatory Announcement — 2023 Interim Special Report on the Deposit and Actual Use of Proceeds
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120		Appointment of Member of Special Committee of the Board
121	2023-09-04	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended 31 August 2023
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128	2023-09-14	Overseas Regulatory Announcement — Announcement on the Issuance of Medium-term Notes by Indirect Subsidiary and Guarantee Provided by Wholly-owned Subsidiary of CITIC Securities Company Limited
129	2023-09-27	2023 Interim Report
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133	2023-10-17	Notification of Board Meeting
134	2023-10-23	Convening of 2023 Third Quarterly Results Online Presentation
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146	2023-12-05	Overseas Regulatory Announcement — Announcement on the Approval of the China Securities Regulatory Commission for the Registration of Public Issuance of Short-term Corporate Bonds to Professional Investors of CITIC Securities Company Limited
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148	2023-12-13	Overseas Regulatory Announcement — Announcement on the Issuance of Medium-term Notes by Indirect Subsidiary and Guarantee Provided by Wholly-owned Subsidiary of CITIC Securities Company Limited
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