
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **CITIC Securities Company Limited**, you should at once hand this circular together with the enclosed proxy form for the EGM to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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中信证券股份有限公司
CITIC Securities Company Limited

(A joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 6030)

**CONNECTED TRANSACTION ON
ISSUANCE OF H SHARES TO SPECIFIC INVESTOR
UNDER SPECIFIC MANDATE
AND
NOTICE OF 2026 THIRD EXTRAORDINARY GENERAL MEETING**

Overall Coordinator and Placing Agent



中信证券

The notice convening the EGM of the Company to be held at the Qing Room, 5th Floor, Beijing Ruicheng Four Seasons Hotel, No. 48 Liangmaqiao Road, Chaoyang District, Beijing, the PRC on Friday, 17 July 2026 at 9:00 a.m. is set out on pages EGM-1 to EGM-3 of this circular.

Whether or not you are able to attend the EGM, you are requested to read the notice of EGM carefully and complete the enclosed proxy form in accordance with the instructions printed thereon and return it as soon as possible. H Shareholders are required to return the proxy form to the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited; while A Shareholders are required to return the proxy form to the Board's office, but in any event the proxy form shall be returned in person or by mail not less than 24 hours before the time appointed for the EGM (i.e. before 9:00 a.m. on Thursday, 16 July 2026) or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting at the EGM or any adjournment thereof in person if you so wish.

1 July 2026

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“A Share(s)”	the domestic share(s) in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which is/are listed on the Shanghai Stock Exchange (stock code: 600030.SH)
“A Shareholder(s)”	holder(s) of A Shares
“Articles of Association”	the Articles of Association of the Company
“Board”	the board of directors of the Company
“CITIC Financial Holdings”	China CITIC Financial Holdings Co., Ltd. (中國中信金融控股有限公司)
“CITIC Group”	CITIC Group Corporation (中國中信集團有限公司)
“CITIC Limited”	CITIC Limited (中國中信股份有限公司)
“CITIC Corporation Limited”	CITIC Corporation Limited (中國中信有限公司)
“Company”	CITIC Securities Company Limited (中信証券股份有限公司), a joint stock company incorporated in the PRC with limited liability, whose H Shares and A Shares are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange respectively
“CSRC”	China Securities Regulatory Commission
“CSI”	CITIC Securities International Company Limited (中信証券國際有限公司)
“Director(s)”	the director(s) of the Company
“EGM”	the 2026 third extraordinary general meeting of the Company to be held at the Qing Room, 5th Floor, Beijing Ruicheng Four Seasons Hotel, No. 48 Liangmaqiao Road, Chaoyang District, Beijing, the PRC on Friday, 17 July 2026 at 9:00 a.m.
“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 is/are listed on the Hong Kong Stock Exchange (stock code: 6030.HK)
“H Shareholder(s)”	holder(s) of H Shares

DEFINITIONS

“Share Subscription Agreement”	the conditional share subscription agreement entered into between the Company and CITIC Financial Holdings on 28 May 2026 in respect of the Issuance of H Shares to Specific Investor, pursuant to which, the Company agrees to issue, and CITIC Financial Holdings agrees to subscribe for new H Shares to be issued at the H Share Issue Price
“H Share Issue Price”	the issue price of the Issuance of H Shares to Specific Investor
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Independent Board Committee”	an independent Board committee comprising Mr. LI Qing, Mr. SHI Qingchun, Mr. ZHANG Jianhua, Mr. LIU Qiao and Ms. LI Lanbing, all being the independent non-executive Directors, which is formed to advise the Independent Shareholders in respect of the connected transaction on the Issuance of H Shares to Specific Investor under specific mandate
“Independent Shareholders”	Shareholders (excluding CITIC Financial Holdings and its party acting in concert) who are not required to abstain from voting on the relevant resolutions to be proposed in relation to the connected transaction on the Issuance of H Shares to Specific Investor under specific mandate at the EGM
“Company Law”	the Company Law of the People’s Republic of China
“Latest Practicable Date”	26 June 2026, being the latest practicable date of ascertaining certain information contained in this circular prior to its publication
“Issuance of H Shares to Specific Investor” or “Issuance”	the proposed issuance of new H Shares to CITIC Financial Holdings by the Company at the H Share Issue Price with gross proceeds (before deducting relevant issuance expenses) of RMB16 billion
“PRC” or “China”	the People’s Republic of China
“Pricing Benchmark Date”	the date of the Board meeting of the Company for the consideration of the Issuance, being 28 May 2026
“RMB”	Renminbi, the lawful currency of the PRC

DEFINITIONS

“SFO”	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Share(s)”	the ordinary share(s) of the Company with a nominal value of RMB1.00 each, including A Share(s) and H Share(s)
“Shareholder(s)”	the shareholder(s) of the Company
“Somerley”	Somerley Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, which serves as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to the connected transaction on the Issuance of H Shares to Specific Investor under specific mandate
“%”	per cent



中信证券股份有限公司
CITIC Securities Company Limited

(A joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 6030)

Directors:

Mr. ZHANG Youjun (*Executive Director and Chairman*)
Mr. ZOU Yingguang (*Executive Director*)
Mr. ZHANG Changyi (*Executive Director*)

Ms. LI Yi (*Non-executive Director*)
Mr. LIANG Dan (*Non-executive Director*)
Mr. ZHANG Xuejun (*Non-executive Director*)
Ms. FU Linfang (*Non-executive Director*)
Mr. ZHAO Xianxin (*Non-executive Director*)
Mr. WU Yonggao (*Non-executive Director*)

Mr. LI Qing (*Independent Non-executive Director*)
Mr. SHI Qingchun (*Independent Non-executive Director*)
Mr. ZHANG Jianhua (*Independent Non-executive Director*)
Mr. LIU Qiao (*Independent Non-executive Director*)
Ms. LI Lanbing (*Independent Non-executive Director*)

Mr. SHI Liang (*Employee Director*)

Registered office:

North Tower
Excellence Times Plaza II
No. 8 Zhong Xin San Road
Futian District
Shenzhen, Guangdong Province
the PRC

Principal place of business in Hong Kong:

26th Floor, CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

1 July 2026

To the H Shareholders,

**CONNECTED TRANSACTION ON
ISSUANCE OF H SHARES TO SPECIFIC INVESTOR
UNDER SPECIFIC MANDATE
AND**

NOTICE OF 2026 THIRD EXTRAORDINARY GENERAL MEETING

I. INTRODUCTION

The purpose of this circular is to provide you with detailed information regarding, among others, (i) the proposal of the Issuance of H Shares to Specific Investor under specific mandate by the Company; (ii) the entering into of the Share Subscription Agreement between the Company and CITIC Financial Holdings; (iii) the authorization to the Board and its authorized person(s) to proceed with relevant matters in respect of the Issuance of H Shares to Specific Investor in their sole discretion; (iv)

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Shareholders' Return Plan of the Company for the Next Three Years (2026–2028); and (v) a notice convening the EGM, so as to enable you to make an informed decision on whether to vote for or against the relevant resolutions to be proposed at the EGM.

II. ISSUANCE OF H SHARES TO SPECIFIC INVESTOR

Reference is made to the announcement of the Company dated 28 May 2026 in relation to, among others, the proposed Issuance of H Shares to Specific Investor under specific mandate.

The Company entered into the Share Subscription Agreement with CITIC Financial Holdings on 28 May 2026 for the issuance of new H Shares to CITIC Financial Holdings at the H Share Issue Price (i.e. HK\$23.13 per share), and the number of Shares to be issued shall be calculated by dividing the gross proceeds (i.e. RMB16 billion^{Note}) by the H Share Issue Price and rounded down to the nearest integer.

Note: Based on an illustrative calculation, whereby the gross proceeds are converted into an equivalent amount in HK\$ at the central parity rate announced by the People's Bank of China on the date of the Board meeting of the Company for the consideration of the Issuance, the number of Shares under the Issuance is 794,056,506 shares (corresponding to a total par value of RMB794,056,506), accounting for approximately 5.36% of the Shares in issue of the Company as at the Latest Practicable Date. Such rate is for reference only and shall not be construed as a representation that any amount has been, shall be or may be otherwise exchanged or converted at the above rate, and vice versa. The gross proceeds from the Issuance as measured in Hong Kong dollars and the number of new H Shares under the Issuance as calculated accordingly will be determined based on factors including the actual currency exchange of CITIC Financial Holdings.

1. Proposal of the Issuance of H Shares to Specific Investor

Summary of the proposal of the Issuance of H Shares to Specific Investor is set out as follows:

- (1) Class and par value of Shares to be issued: H Shares with a par value of RMB1.00 each

The new H Shares to be issued pursuant to the proposal of the Issuance of H Shares to Specific Investor will rank pari passu with the existing H Shares in all respects.

- (2) Method and time of issue:

The Issuance will be undertaken by way of issuance to specific investor at an appropriate timing within the validity period of the mandate granted by the general meeting (i.e. twelve (12) months from the date of approval of the relevant resolution by Shareholders at the EGM). The specific time of issue will be determined by the Board authorized by the EGM or any person(s) authorized by the Board based on market conditions and progress of domestic and foreign regulatory approvals.

LETTER FROM THE BOARD

(3) Subscriber and method of subscription:

The subscriber under the Issuance of H Shares to Specific Investor is CITIC Financial Holdings, which intends to subscribe in full in cash.

As at the Latest Practicable Date, since CITIC Financial Holdings is a substantial shareholder of the Company, CITIC Financial Holdings is a connected person of the Company and the Issuance of H Shares to Specific Investor will constitute a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules. The Company shall comply with relevant laws, regulations and regulatory rules and be subject to transaction approval and disclosure procedures accordingly.

(4) Pricing Benchmark Date, H Share Issue Price and pricing method:

The Pricing Benchmark Date of the Issuance is the date of the Board meeting of the Company for the consideration of the Issuance. The issue price for the Issuance is HK\$23.13 per share. For illustrative purpose, the H Share Issue Price represents:

- (i) a discount of 8.0% to the closing price of H Shares as quoted on the Hong Kong Stock Exchange at the Pricing Benchmark Date (i.e. HK\$25.14 per share);
- (ii) a discount of approximately 9.9% to the closing price of H Shares as quoted on the Hong Kong Stock Exchange for the last five (5) consecutive trading days prior to the Pricing Benchmark Date (inclusive) (i.e. HK\$25.67 per share);
- (iii) a discount of approximately 10.4% to the closing price of H Shares as quoted on the Hong Kong Stock Exchange for the last ten (10) consecutive trading days prior to the Pricing Benchmark Date (inclusive) (i.e. HK\$25.82 per share, where the closing price of H Shares prior to 19 May 2026 has been adjusted due to ex-dividend based on the amount of the Company's final dividend for 2025 (RMB4.1 per 10 shares) to eliminate the impact of dividend distribution on comparability); and

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- (iv) a premium of approximately 8.4% over the audited net assets per share attributable to ordinary shareholders of the parent company as at 31 December 2025 after being adjusted due to ex-dividend based on the amount of the Company's final dividend for 2025 (RMB4.1 per 10 shares) to eliminate the impact of dividend distribution on comparability (i.e. approximately RMB18.60, or equivalent to approximately HK\$21.35 (converted at the central parity rate announced by the People's Bank of China on the Pricing Benchmark Date), which is prepared in accordance with the International Financial Reporting Standards, details of which are set out in the 2025 annual report of the Company).

Considering that (i) the pricing principle of H Share Issue Price is determined with reference to the prevailing market prices and net asset per share; (ii) the H Share Issue Price represents a premium over the audited net assets per share of the Company attributable to ordinary shareholders of the parent company as at the end of the most recent period; (iii) the H Share Issue Price represents a theoretical dilution effect of approximately 0.5%, i.e. the theoretical diluted price of approximately HK\$25.54 per H Share, and the benchmark price of approximately HK\$25.67 per H Share (as defined under Rule 7.27B of the Hong Kong Listing Rules), and considering (i) the closing price of H Shares of HK\$25.14 per H Share as quoted on the Hong Kong Stock Exchange at the Pricing Benchmark Date; and (ii) the average closing price of H Shares of HK\$25.67 per H Share as quoted on the Hong Kong Stock Exchange for five (5) consecutive trading days prior to the Pricing Benchmark Date (inclusive), whichever is higher; and (iii) the recent trading prices of the H Shares, the Board is of the view that the H Share Issue Price is fair and reasonable.

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The net price to the Company of each new H Share to be issued will be determined and disclosed in accordance with the requirements of the Hong Kong Listing Rules upon completion of the Issuance of H Shares to Specific Investor and determination of the relevant expenses incurred or to be incurred in relation to the Issuance of H Shares to Specific Investor.

In the event that the Company carries out ex-right or ex-dividend activities including issuing bonus shares, converting capital reserve into share capital, distributing cash dividends, etc. during the period from the Pricing Benchmark Date to the issuance date, the H Share Issue Price shall be adjusted accordingly.

The Issuance must comply with relevant regulations on the supervision and administration of state-owned assets. If any policy adjustments are made to the issue price, pricing method and other matters by relevant laws, regulations, normative documents or competent authorities during the period from the Pricing Benchmark Date to the issuance date and apply to the Issuance, the issue price per share under the Issuance shall be adjusted accordingly.

(5) Number of new H Shares to be issued:

The number of new H Shares to be issued under the Issuance of H Shares to Specific Investor shall be calculated by dividing the gross proceeds (i.e. RMB16 billion^{Note}) by the H Share Issue Price and rounded down to the nearest integer. The amount corresponding to any fractional entitlement of less than one Share shall be credited to the capital reserve of the Company.

Note: Based on an illustrative calculation, whereby the gross proceeds are converted into an equivalent amount in HK\$ at the central parity rate announced by the People's Bank of China on the date of the Board meeting of the Company for the consideration of the Issuance, the number of Shares under the Issuance is 794,056,506 shares (corresponding to a total par value of RMB794,056,506), accounting for approximately 5.36% of the Shares in issue of the Company as at the Latest Practicable Date. Such rate is for reference only and shall not be construed as a representation that any amount has been, shall be or may be otherwise

LETTER FROM THE BOARD

exchanged or converted at the above rate, and vice versa. The gross proceeds from the Issuance as measured in Hong Kong dollars and the number of new H Shares under the Issuance as calculated accordingly will be determined based on factors including the actual currency exchange of CITIC Financial Holdings.

(6) Lock-up arrangement:

The new H Shares to be subscribed by CITIC Financial Holdings under the Issuance shall not be transferred within forty-eight (48) months from the date of acquisition of the Shares except for, if permitted under relevant laws and other applicable laws and listing rules of the places where the Company's Shares are listed, the transfer to subsidiary(ies) directly or indirectly wholly-owned or controlled by CITIC Group provided that the transferee will continue to comply with the above lock-up undertaking until its expiry. In the event that the Company issues bonus shares or converts capital reserve into share capital, etc., leading to increase in number of Shares to be subscribed by CITIC Financial Holdings, such additional Shares shall also comply with the above lock-up arrangement. If there are any different regulations between the CSRC and the stock exchanges of the places where the Company's Shares are listed, CITIC Financial Holdings agrees that it shall make adjustments based on the actual circumstances of the Company subject to compliance with the relevant regulations.

(7) Arrangement relating to the accumulated undistributed profits prior to the issuance:

Upon completion of the Issuance of H Shares to Specific Investor, Shareholders are entitled to the accumulated undistributed profits of the Company prior to the Issuance of H Shares to Specific Investor on a pro-rata basis according to their respective shareholdings.

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(8) Amount and use of proceeds:

The gross proceeds from the Issuance will be RMB16 billion. After deducting issuance-related expenses, the net proceeds will be fully retained overseas for the development of the Company's international business, including the injection of additional capital of not more than RMB16 billion to CSI, a wholly-owned overseas subsidiary of the Company, which will be implemented in one batch or multiple batches based on the regulatory approval, the Company's capital status and CSI's international business operations. The proceeds from the Issuance are specifically used for conducting business including but not limited to: (1) conducting cross-border and overseas equity derivatives, commodities and fixed-income capital intermediary businesses to enhance the Company's comprehensive service capabilities in providing global risk management and asset allocation to clients; (2) providing capital to its overseas licensed subsidiary,

LETTER FROM THE BOARD

to further improve its global financial services network; (3) supplementing overseas liquidity to ensure liquidity security and reduce financing costs. The specific arrangement for the use of proceeds will be ultimately determined based on the actual size of issuance, domestic and foreign regulatory opinions and review requirements of the Hong Kong Stock Exchange, etc.

The specific plan for the use of the proceeds from the Issuance is detailed in the relevant content of “5. Reasons for and Benefit of the Issuance of H Shares to Specific Investor” of this letter. The above proceeds are expected to be utilised in full within thirty-six (36) months from the receipt of such proceeds.

(9) Place of listing:

The new H Shares to be issued under the Issuance of H Shares to Specific Investor will be listed on the Main Board of the Hong Kong Stock Exchange.

2. Share Subscription Agreement

Principal terms of the Share Subscription Agreement are set out as below:

(1) Parties:

1. The Company (as the issuer); and
2. CITIC Financial Holdings (as the subscriber).

(2) Subscription price:

CITIC Financial Holdings shall subscribe for new H Shares at the H Share Issue Price (i.e. HK\$23.13 per share).

In the event that the Company carries out ex-right or ex-dividend activities including issuing bonus shares, converting capital reserve into share capital, distributing cash dividends, etc. during the period from the Pricing Benchmark Date to the issuance date, the subscription price shall be adjusted accordingly. The adjustment formula shall be as follows:

1. when only cash dividend is paid, adjusted according to the following formula:

$$P1 = P0 - D$$

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2. when only bonus shares are issued or capital reserve is converted into share capital, adjusted according to the following formula:

$$P1 = P0 / (1+N)$$

3. when the above two items are carried out simultaneously, adjusted according to the following formula:

$$P1 = (P0-D) / (1+N)$$

whereas P1 represents the adjusted subscription price, P0 represents the subscription price before adjustment, D represents cash dividend per share and N represents the number of bonus shares issued per share or number of shares converted from capital reserve into share capital.

- (3) Subscription amount and payment:

The subscription amount shall be the gross proceeds to be raised from the Issuance of H Shares to Specific Investor, being RMB16 billion. Upon fulfilment of all the conditions precedent for the Share Subscription Agreement and receipt of the payment notice for subscription amount issued by the Company, CITIC Financial Holdings shall pay the subscription amount in full in cash in accordance with the requirements of the payment notice, including payment time and other matters.

- (4) Subscription number:

The number of new H Shares to be subscribed by CITIC Financial Holdings shall be calculated by dividing the gross proceeds from the Issuance by the subscription price and rounded down to the nearest integer.

The final subscription number is subject to adjustment and determination in the manner as set forth in the above paragraph headed “(5) Number of new H Shares to be issued” under the section headed “Proposal of the Issuance of H Shares to Specific Investor”.

LETTER FROM THE BOARD

(5) Conditions precedent for the Share Subscription Agreement:

The Share Subscription Agreement shall be established upon being executed and sealed by the legal representative or authorized representative of the parties and take effect when all the following conditions are met:

- (i) matters relating to the Issuance of H Shares to Specific Investor have been approved by the Board and the EGM of the Company;
- (ii) matters relating to subscribing the new H Shares to be issued under the Issuance of H Shares to Specific Investor have been approved by the internal decision-making body(ies) of CITIC Financial Holdings;
- (iii) The Company has obtained the regulatory opinion issued by the Department of Fund and Intermediary Supervision of the CSRC for the Issuance of H Shares to Specific Investor;
- (iv) approval for the listing of, and permission to deal in, the new H Shares to be issued under the Issuance of H Shares to Specific Investor have been granted by the Listing Committee of the Hong Kong Stock Exchange;
- (v) the approval from the body performing the functions of a state-owned assets supervision and administration authority in respect of matters relating to the subscription by CITIC Financial Holdings for the new H Shares to be issued under the Issuance of H Shares to Specific Investor; and
- (vi) other domestic and overseas regulatory approvals necessary for the Issuance (if required) have been obtained.

The effective date of the Share Subscription Agreement shall be the date on which all the above conditions precedent are satisfied or waived.

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As at the Latest Practicable Date, the Issuance of H Shares to Specific Investor is subject to the consideration and approval at the EGM and the approval of the Hong Kong Stock Exchange for the listing of, and permission to deal in, the new H Shares to be issued and other domestic and overseas regulatory approvals (if any) as may be required for the Issuance, and will be filed with the CSRC upon completion of the issuance.

The Company will apply to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the new H Shares to be issued when appropriate.

The Company has agreed to appoint CLSA Limited as the overall coordinator and placing agent for the Issuance, who will assist in the completion of the transactions contemplated under the Issuance, including the settlement and completion of allotment and issuance of H Shares to CITIC Financial Holdings.

3. Dilutive Effects of the Issuance of H Shares to Specific Investor on the Shareholding Structure of the Company

For illustration purpose only, set out below are the dilutive effects of the Issuance of H Shares to Specific Investor on the shareholding structure of the Company as at the Latest Practicable Date, assuming that (i) the size of proceeds from the Issuance of H Shares to Specific Investor is an equivalent amount in HK\$ of RMB16 billion, i.e. approximately HK\$18.36653 billion (converted at the central parity rate announced by the People's Bank of China on the date of the Board meeting of the Company for the consideration of the Issuance), and 794,056,506 new H Shares will be issued at the H Share Issue Price (i.e. HK\$23.13 per share, and no price adjustment occurred during the period from the Pricing Benchmark Date to the issuance date); and (ii) no additional Shares will be issued by the Company after the Latest Practicable Date until completion of the Issuance of H Shares to Specific Investor:

LETTER FROM THE BOARD

				Approximate Percentage of the Total Number of Shares in Issue	
Class of Shares	Number of Shares in Issue as of the Latest Practicable Date (before the Issuance)	Approximate Percentage of the Total Number of Shares in Issue	Number of Shares to be Issued under the Issuance	Number of Shares in Issue Immediately upon Completion of the Issuance	Number of Shares in Issue Immediately upon Completion of the Issuance
A Shares					
CITIC Financial Holdings ^(Note 1)	2,299,650,108	15.52%	–	2,299,650,108	14.73%
ZHANG Youjun ^(Note 2)	430	0.000003%	–	430	0.000003%
Other core connected person of the Company (a substantial shareholder of individual subsidiary of the Company) ^(Note 3)	561,745	0.00379%	–	561,745	0.00360%
Public A Shareholders ^(Note 4)	9,900,257,691	66.80%	–	9,900,257,691	63.40%
Total number of A Shares	12,200,469,974	82.32%	–	12,200,469,974	78.13%
H Shares					
CITIC Financial Holdings ^(Note 1)	640,182,604	4.32%	794,056,506	1,434,239,110	9.19%
Other core connected person of the Company (a substantial shareholder of individual subsidiary of the Company) ^(Note 3)	1,536,500	0.0104%	–	1,536,500	0.0098%
Public H Shareholders ^(Note 4)	1,978,357,751	13.35%	–	1,978,357,751	12.67%
Total number of H Shares	2,620,076,855	17.68%	794,056,506	3,414,133,361	21.87%
Total	14,820,546,829	100.00%	794,056,506	15,614,603,335	100.00%

Notes:

- As at the Latest Practicable Date, CITIC Financial Holdings held 2,299,650,108 A Shares and 640,182,604 H Shares, and its ultimate controlling shareholder is CITIC Group.
- As at the Latest Practicable Date, Mr. ZHANG Youjun, the Chairman and an executive Director of the Company, directly held 430 A Shares.
- As known to the Company, 561,745 A Shares and 1,536,500 H Shares were held by a substantial shareholders of individual subsidiary of the Company.

LETTER FROM THE BOARD

4. As at the Latest Practicable Date, the Company complied with the public float requirements under Rule 19A.28B of the Hong Kong Listing Rules and will continue to comply with such requirements immediately upon completion of the Issuance.

4. Hong Kong Listing Rules Implications

The new H Shares under the Issuance of H Shares to Specific Investor will be issued pursuant to the specific mandate to be sought from the Shareholders at the EGM. The Issuance of H Shares to Specific Investor is conditional upon the approval of the relevant resolutions at the EGM.

Since CITIC Financial Holdings is a substantial shareholder of the Company, CITIC Financial Holdings is a connected person of the Company, and the Issuance of H Shares to Specific Investor constitutes a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules and is subject to the announcement, reporting and independent shareholders' approval requirements. An Independent Board Committee comprising the independent non-executive Directors has been formed to advise the Independent Shareholders on the Issuance of H Shares to Specific Investor. Somerley has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the same.

Mr. ZHANG Youjun, the executive Director and chairman of the Company, also acts as the assistant to the general manager of CITIC Group, CITIC Limited and CITIC Corporation Limited and the vice chairman of CITIC Financial Holdings; Ms. LI Yi, the non-executive Director of the Company, also acts as a non-executive director of CITIC Group, CITIC Limited, CITIC Corporation Limited and CITIC Financial Holdings; Mr. LIANG Dan, the non-executive Director of the Company, also acts as Administrative Director of CITIC Limited and director of the general office (Party Committee Office) of CITIC Group; Mr. ZHANG Xuejun, the non-executive Director of the Company, also acts as the general manager of the Financial Management Department of CITIC Group and the general manager of the Financial Management Department of CITIC Limited; Ms. FU Linfang, the non-executive Director of the Company, also acts as the deputy general manager of the Strategy Development Department of CITIC Group; Mr. ZHAO Xianxin, the non-executive Director of the Company, also acts as the general manager of the Risk and Compliance Department of CITIC Financial Holdings. Therefore, they are deemed to have material interests in the Issuance of H Shares to Specific Investor, and thus have abstained from voting on the following relevant resolutions at the Board meeting: (1) the resolution in relation to the proposal of the Issuance of H Shares to Specific Investor by the Company; (2) the resolution in relation to the entering into of the conditional Share Subscription Agreement between the Company and Specific Investor; (3) the resolution in relation to the related party/connected transaction concerning the Issuance of H Shares to Specific Investor by the Company; and (4) the resolution in relation to the authorization by the general meeting to the Board and its authorized person(s) to proceed with relevant matters in respect of the Issuance of H Shares to Specific Investor in their sole discretion. Save as mentioned above, none of the other Directors has any material interest in the Issuance of H Shares to Specific Investor and is required to abstain from voting on the relevant resolutions at the Board meeting.

LETTER FROM THE BOARD

5. Reasons for and Benefit of the Issuance of H Shares to Specific Investor

After taking into consideration of the following factors, the Board considers that it is fair and reasonable and in the interests of the Company and Shareholders as a whole to raise funds by the Issuance of H Shares to Specific Investor.

The Company is committed to high-quality development, dedicated to enhancing operational efficiency and profitability, and continuously strengthening the long-term investment value. In order to better implement national strategies, accelerate the development of a world-class investment bank, strengthen the capital base, and enhance risk resilience, the Company intends to issue H shares to CITIC Financial Holdings through a private placement. The proceeds from the Issuance shall be RMB16 billion, which shall be fully paid in Hong Kong dollars by CITIC Financial Holdings after converting RMB into Hong Kong dollars.

The proceeds will be fully used to develop the Company's international business, including the injection of additional capital of not more than RMB16 billion to CSI, a wholly-owned overseas subsidiary of the Company, which will be implemented in one batch or multiple batches based on the regulatory approval, the Company's capital status and CSI's international business operations. The portion of the proceeds that has not yet been injected to CSI will be retained overseas for conducting business directly overseas and providing shareholder loan to CSI to provide necessary funds and liquidity for its business development.

The specific business operations for which the proceeds are used include capital intermediary business, capital increase to the licensed subsidiary, IT and compliance development and supplementing overseas liquidity, specifically including:

- (i) conducting cross-border and overseas equity derivatives, commodities and fixed-income capital intermediary businesses to enhance the Company's comprehensive service capabilities in providing global risk management and asset allocation to clients, and the investment fund is expected to be Hong Kong dollars equivalent to not more than RMB10.3 billion;
- (ii) providing financial support to overseas licensed subsidiary, to further improve its global financial services network, and the investment fund is expected to be Hong Kong dollars equivalent to not more than RMB1.2 billion;
- (iii) investing in information technology and compliance development to promote digital transformation and strengthen the construction of digital financial infrastructure, and the investment fund is expected to be Hong Kong dollars equivalent to not more than RMB2 billion; and
- (iv) supplementing overseas liquidity to ensure liquidity security and reduce financing costs, and the investment fund is expected to be Hong Kong dollars equivalent to not more than RMB2.5 billion.

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The Issuance will further increase the shareholding of CITIC Financial Holdings in the Company, with a commitment of CITIC Financial Holdings to a 48-month lock-up period. This fully demonstrates CITIC Group's steadfast support for the Company's long-term development and recognition of its value. By strengthening equity connections and strategic synergy, it will boost market confidence and recognition, maintain the stability of the Company's capital market performance and safeguard the overall interests of shareholders, thereby laying a solid foundation for the Company to focus on its core responsibilities and business and advance its internationalization strategy.

6. Fund-Raising Activities in the Past Twelve Months

The Company has not conducted any equity fund-raising activities during the twelve months immediately before the Latest Practicable Date.

7. General Information of the Parties

Information on CITIC Financial Holdings

CITIC Financial Holdings holds 19.84% of the Company's shares and is the largest Shareholder of the Company. CITIC Financial Holdings was established in 2022, and its primary business includes corporate headquarters management and financial holding company operations.

CITIC Group is the de facto controller of CITIC Financial Holdings. CITIC Group is a large-scale state-owned comprehensive multinational conglomerate founded in 1979, and its businesses cover the financial sector, including banking, securities, insurance, trust, fund, asset management and futures, as well as real estate and large-scale land development, engineering contracting, infrastructure, resources and energy, machinery manufacturing, and consulting services. The CITIC Group also owns a number of influential listed companies both domestically and internationally.

Information on the Company

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.

LETTER FROM THE BOARD

III. RESOLUTIONS TO BE PROPOSED AT THE EGM

The resolutions with regard to the Issuance of H Shares to Specific Investor to be proposed at the EGM are set out below:

1. Resolution in Relation to the Proposal of the Issuance of H Shares to Specific Investor by the Company

For details of the proposal of the Issuance of H Shares to Specific Investor, please refer to the section headed “Details of Issuance of H Shares to Specific Investor – Proposal of the Issuance of H Shares to Specific Investor” as set out above.

The above resolution will be submitted, by way of special resolution, for the Independent Shareholders’ consideration and approval at the EGM.

2. Resolution in Relation to the Entering into of the Conditional Share Subscription Agreement between the Company and Specific Investor

For details about the resolution, please refer to the section headed “Details of Issuance of H Shares to Specific Investor – Share Subscription Agreement” as set out above.

The above resolution will be submitted, by way of special resolution, for the Independent Shareholders’ consideration and approval at the EGM.

3. Resolution in Relation to the Related Party/Connected Transaction Concerning the Issuance of H Shares to Specific Investor

For details about the resolution, please refer to the section headed “Details of Issuance of H Shares to Specific Investor – Hong Kong Listing Rules Implications” as set out above.

The above resolution will be submitted, by way of special resolution, for the Independent Shareholders’ consideration and approval at the EGM.

4. Resolution in Relation to the Authorization by the General Meeting to the Board and its Authorized Person(s) to Proceed with Relevant Matters in Respect of the Issuance of H Shares to Specific Investor by the Company in Their Sole Discretion

Based on the arrangements for the Issuance, and in order to complete the Issuance in an efficient and orderly manner, the Company proposed to seek authorization from the EGM for the Board, which may in turn sub-delegate to the chairman, the general manager and other members of senior management, acting jointly or severally, to handle matters relating to the

LETTER FROM THE BOARD

Issuance within the framework and principles approved by the EGM and in accordance with relevant laws, administrative regulations and normative documents, as well as opinions and recommendations of competent authorities. Such matters include but are not limited to:

- (i) formulating, adjusting, amending, supplementing and implementing the specific plan of the Issuance, including but not limited to determining or adjusting the time of issuance, size of issuance, target subscriber, issue price and other contents related to the proposal of issuance, according to the relevant laws, administrative regulations and normative documents, as well as opinions and recommendations of the competent authorities, while taking into consideration of the market environment and the specific conditions of the Company;
- (ii) drafting, amending and signing various applications, relevant reports or materials in relation to the Issuance and submitting them to relevant government agencies, competent authorities, stock exchanges and securities registration and clearing houses (including but not limited to the National Development and Reform Commission of the People's Republic of China, State Administration of Foreign Exchange, Ministry of Finance of the People's Republic of China, China Securities Regulatory Commission and the Hong Kong Stock Exchange), completing the procedures for approval, registration, filing, ratification, permission, listing and other procedures, and handling the information disclosure for the Issuance in accordance with regulatory requirements;
- (iii) deciding upon and engaging the intermediary institutions that participate in the Issuance, as well as amending, supplementing, signing, implementing and terminating any agreement, contract and document related to the Issuance (including but not limited to intermediary engagement agreements, agreements related to the proceeds, share subscription agreements entered into with investors, strategic cooperation agreements, announcements and other disclosure documents);
- (iv) upon completion of the Issuance, applying for change in registered capital as appropriate and modifying the relevant provisions in the Articles of Association in accordance with the results of the Issuance, and reporting to the relevant government agencies and competent authorities for approval or filing, and completing the change of registration, the registration and custody of new shares and other relevant matters with the market supervision and administration departments and other relevant departments;
- (v) adjusting specific arrangements for the projects invested with the proceeds within the scope of the resolution adopted by the EGM, and opening and managing a special account for proceeds from the Issuance, and handling the relevant matters in relation to the use of proceeds from the Issuance;
- (vi) subject to the then applicable PRC laws, if there are new requirements on policies in respect of listed companies issuing new shares under the laws, administrative regulations and normative documents and by relevant competent authorities and if there are changes in market conditions, except for those which are subject to another voting at a general meeting of the Company and cannot be authorized as required by

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relevant laws, administrative regulations, normative documents and the Articles of Association, adjusting the plan of the Issuance in accordance with relevant rules and requirements of competent authorities (including any query or feedback upon review of the application for the Issuance) and the market situation, and continuing to handle the matters related to the Issuance; and

- (vii) handling other matters that are necessary, suitable and appropriate for the Issuance on behalf of the Company, subject to the relevant laws, administrative regulations and normative documents.

Subject to the authorizations set out above being granted, the Board is hereby authorized to further sub-delegate the matters authorized by the general meeting to the chairman, the general manager and other members of senior management to handle in accordance with relevant internal policies and procedures, except as otherwise required by relevant laws, regulations, normative documents and the Articles of Association.

Among the above authorizations, except for the authorizations in items (iii), (iv) and (v) which are valid for the period from the date of approval by the EGM up to the date on which the relevant matters are completed or the proceeds have been utilised in full, the rest shall be valid for a period of twelve (12) months from the date of approval by the EGM.

The above resolution will be submitted, by way of special resolution, for the Independent Shareholders' consideration and approval at the EGM.

5. Resolution in Relation to Shareholders' Return Plan of the Company for the Next Three Years (2026–2028)

For details about the resolution, please refer to Appendix II to this circular.

The above resolution will be submitted, by way of ordinary resolution, for the Shareholders' consideration and approval at the EGM.

IV. THE EGM

The EGM is scheduled to be held at the Qing Room, 5th Floor, Beijing Ruicheng Four Seasons Hotel, No. 48 Liangmaqiao Road, Chaoyang District, Beijing, the PRC on Friday, 17 July 2026 at 9:00 a.m. for the purpose of considering and approving the resolutions in relation to the Issuance of H Shares to Specific Investor.

CITIC Financial Holdings has material interests in the Issuance of H Shares to Specific Investor. As at the Latest Practicable Date, CITIC Financial Holdings held 2,299,650,108 A Shares and 640,182,604 H Shares, representing 15.52% and 4.32% of the existing issued share capital of the Company. Accordingly, CITIC Financial Holdings and its party acting in concert shall therefore abstain from voting on the following resolutions approving the Issuance of H Shares to Specific Investor at the EGM: (1) the resolution in relation to the proposal of the Issuance of H Shares to Specific Investor by the Company; (2) the resolution in relation to the entering into of the conditional

LETTER FROM THE BOARD

Share Subscription Agreement between the Company and Specific Investor; (3) the resolution in relation to the related party/connected transaction concerning the Issuance of H Shares to Specific Investor by the Company; and (4) the resolution in relation to the authorization by the general meeting to the Board and its authorized person(s) to proceed with relevant matters in respect of the Issuance of H Shares to Specific Investor in their sole discretion.

The notice convening the EGM, together with the proxy form for use at the EGM, are enclosed with this circular and have been uploaded on the websites of the Hong Kong Stock Exchange and the Company on Wednesday, 1 July 2026.

In order to determine the list of H Shareholders who will be entitled to attend and vote at the EGM, the H Share register of members of the Company will be closed from Thursday, 16 July 2026 to Friday, 17 July 2026 (both days inclusive) and during which period no transfer of H Shares will be registered. Shareholders whose names appear on the H Share register of members of the Company on Friday, 17 July 2026 shall be entitled to attend and vote at the EGM. In order for the H Shareholders to be qualified for attending and voting at the EGM, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's H Share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited (applicable for H Shares) no later than 4:30 p.m. on Wednesday, 15 July 2026.

The proxy form for the EGM is also enclosed herewith. If you wish to attend the EGM by proxy, you are requested to complete the proxy form in accordance with the instructions printed thereon and return it as soon as possible. H Shareholders are required to return the proxy form to the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited; while A Shareholders are required to return the proxy form to the Board's office, but in any event the proxy form shall be returned in person or by mail not less than 24 hours before the time appointed for the EGM (i.e. before 9:00 a.m. on Thursday, 16 July 2026) or any adjournment thereof.

Completion and return of the proxy form will not preclude you from attending and voting at the EGM or any adjournment thereof in person if you so wish.

The address of the Board's office is at CITIC Securities Tower, No. 48 Liangmaqiao Road, Chaoyang District, Beijing, the PRC, Postal Code: 100026 (Tel: (8610) 6083 6030, Fax: (8610) 6083 6031). The address of the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, is at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (Tel: (852) 2862 8555).

V. VOTES BY WAY OF POLL

Pursuant to the requirements of the Hong Kong Listing Rules, all votes of Shareholders at the EGM must be taken by poll. As such, the resolution set out in the notice of the EGM shall be voted by way of poll. Relevant poll results will be published on the HKEXnews website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and on the website of the Company at www.citics.com upon conclusion of the EGM.

LETTER FROM THE BOARD

VI. RECOMMENDATION

The Directors consider that the resolutions set out in the notice of the EGM are in the interest of the Company and its Shareholders as a whole and accordingly recommend you to vote in favor of the relevant resolutions mentioned above.

Yours faithfully,
By order of the Board
CITIC Securities Company Limited
ZHANG Youjun
Chairman



中信证券股份有限公司
CITIC Securities Company Limited

(A joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 6030)

1 July 2026

**CONNECTED TRANSACTION ON ISSUANCE OF H SHARES TO SPECIFIC
INVESTOR UNDER SPECIFIC MANDATE**

To the Independent Shareholders

Dear Sirs or Madams,

We refer to the circular of the Company dated 1 July 2026 (the “**Circular**”) of which this letter forms a part. Terms defined in the Circular shall have the same meanings when used in this letter unless the context otherwise requires.

We have been appointed by the Board as the Independent Board Committee to consider and advise the Independent Shareholders as to whether, in our opinion, the Issuance of H Shares to Specific Investor, details of which are set out in the Letter from the Board, is fair and reasonable so far as the Independent Shareholders are concerned and is in the interest of the Company and its Shareholders as a whole.

Somerley has been appointed by the Board as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on whether the Issuance of H Shares to Specific Investor is fair and reasonable. Details of the advice from Somerley, together with the principal factors considered by it in concluding its advice, are set out in the Letter from Somerley on pages 23 to 43 of the Circular.

Your attention is also drawn to the Letter from the Board set out on pages 4 to 21 of the Circular and the additional information set out in the Appendix I.

Having considered the Issuance of H Shares to Specific Investor, the interests of the Independent Shareholders and the advice from Somerley, we believe that the Issuance of H Shares to Specific Investor, though not in the ordinary and usual course of business of the Group, is on normal commercial terms, and the terms and conditions thereof and the connected transaction contemplated thereunder are fair and reasonable so far as the Independent Shareholders are concerned and are in the interest of the Company and its Shareholders as a whole. Therefore, we recommend that the Independent Shareholders vote in favor of the relevant resolutions to be proposed at the EGM to approve the Issuance of H Shares to Specific Investor.

For and on behalf of
Independent Board Committee
CITIC Securities Company Limited
Mr. LI Qing, Mr. SHI Qingchun, Mr. ZHANG Jianhua,
Mr. LIU Qiao and Ms. LI Lanbing
Independent Non-executive Directors

LETTER FROM SOMERLEY

The following is the letter of advice from Somerley Capital Limited, the Independent Financial Adviser, to the Independent Board Committee, which has been prepared for the purpose of inclusion in this circular.



SOMERLEY CAPITAL LIMITED

20th Floor
China Building
29 Queen's Road Central
Hong Kong

1 July 2026

*To: the Independent Board Committee and
the Independent Shareholders*

Dear Sir or Madam,

**CONNECTED TRANSACTION ON
ISSUANCE OF H SHARES TO SPECIFIC INVESTOR
UNDER SPECIFIC MANDATE**

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the independent board committee of the Company in relation to the proposed issuance of 794,056,506 new H Shares (subject to further change and will be determined based on factors including the actual currency exchange of CITIC Financial Holdings) to CITIC Financial Holdings by the Company at the H Share Issue Price. Details of the Issuance are set out in the letter from the Board contained in the circular of the Company to the H Shareholders dated 1 July 2026 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless otherwise defined herein.

On 28 May 2026, the Company entered into the Share Subscription Agreement with CITIC Financial Holdings, pursuant to which CITIC Financial Holdings shall subscribe for new H Shares to be issued at HK\$23.13 per share.

Since CITIC Financial Holdings is a substantial shareholder and a connected person of the Company, the Issuance of H Shares to Specific Investor constitutes a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules and is subject to the announcement, reporting and independent shareholders' approval requirements.

The Independent Board Committee, comprising all the independent non-executive Directors, has been established to advise the Independent Shareholders on the terms of the Share Subscription Agreement and the transactions contemplated thereunder. We, Somerley Capital Limited, have been appointed to advise the Independent Board Committee and the Independent Shareholders in the same regard.

LETTER FROM SOMERLEY

We are not associated with the Company, CITIC Financial Holdings or its substantial shareholders or associates and accordingly we are considered eligible to give independent advice on the terms of the Share Subscription Agreement. Apart from the normal fees payable to us in connection with this and similar engagements, no arrangements exist whereby we will receive any fees or benefits from the Company, CITIC Financial Holdings or their respective substantial shareholders or associates.

During the past two years, Somerley has acted as the independent financial adviser (the “**IFA Engagement**”) to the independent board committee and independent shareholders of the Company, in relation to continuing connected transactions. For details of such transaction for which we have been engaged as the independent financial adviser in the past two years, please refer to the Company’s announcement dated 24 November 2025. The above IFA Engagement was limited to providing independent financial advisory services to the Company pursuant to the Hong Kong Listing Rules, and Somerley, in return, has received fixed normal advisory fees from it. Somerley is not aware of any matters which may cause it to have a conflict of interest in acting as the independent financial adviser regarding the Issuance.

In formulating our opinion, we have reviewed, among others, the Share Subscription Agreement, the Company’s annual report of the Company for the year ended 31 December 2024 (the “**2024 Annual Report**”), Company’s annual report for the year ended 31 December 2025 (the “**2025 Annual Report**”), and the information contained in the Circular. We have relied on the information and facts supplied, and the opinions expressed, by the Directors and management of the Group and have assumed that they are true, accurate and complete in all material aspects and will remain so up to the time of the EGM. We have also sought and received confirmation from the Directors that no material facts have been omitted from the information supplied and opinions expressed to us. We have relied on such information and consider that the information we have received is sufficient for us to reach our advice and recommendation as set out in this letter. We have no reason to believe that any material information has been omitted or withheld from us, nor to doubt the truth, accuracy or completeness of the information provided. We have not, however, conducted any independent investigation into the businesses and affairs of the Group, the CITIC Financial Holdings or their respective associates, nor have we carried out any independent verification of the information supplied.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion with respect to the Issuance, we have taken into account the principal factors and reasons set out below.

1. Information on the Group

1.1. Business

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),

LETTER FROM SOMERLEY

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.

1.2. Financial information

Set out below is a summary of the consolidated financial information of the Group for each of the three years ended 31 December 2023 (“FY2023”), 2024 (“FY2024”) and 2025 (“FY2025”) as extracted from 2024 Annual Report and the 2025 Annual Report:

1.2.1. Financial performance

	For the year ended 31 December			
	2025	2024	2024	2023
	RMB'000	(restated) ^(Note) RMB'000	RMB'000	RMB'000
Revenue	105,333,364	81,253,499	81,163,134	77,201,749
– Fee and commission income	46,493,527	34,876,612	34,876,612	33,747,014
– Interest income	20,235,507	19,941,480	19,941,480	21,608,951
– Investment income	38,604,330	26,435,407	26,345,042	21,845,784
Other income and (losses)/gains	(651,826)	4,636,753	10,397,330	6,523,291
Total revenue and other income	104,681,538	85,890,252	91,560,464	83,725,040
Total operating expenses	65,368,254	57,589,346	63,259,558	58,181,048
Profit attributable to Shareholders	30,076,101	21,703,697	21,703,697	19,720,547

Note: The Group made a change in accounting policy related to physical settlement of contracts to buy or sell bulk commodities that fail the own-use exception. Effective on 1 January 2025, the impact of this change in accounting policy has been applied retrospectively, and the figures for FY2024 have been adjusted accordingly.

LETTER FROM SOMERLEY

FY2024 vs FY2023

During FY2024, the Group recorded revenue of RMB81.2 billion, representing an increase of 5.1% as compared to that for FY2023. As set out in the above table, fee and commission income from brokerage, investment banking, trading, asset management and others, which accounted for 43.0% of the Group's revenue for FY2024, exhibited a stable growth of 3.3% and investment income, which accounted for 32.5% of the Group's revenue for FY2024, grew by 20.6% year-on-year. Interest income for FY2024 dropped by 7.7% year-on-year due to less bank interest income resulting from the impact of the market environment and policies and less margin and other financing income due to the decreased scale of financing flow-based business as compared to the prior year. Other income and gains increased by 59.4% year-on-year for FY2024 mainly due to significant foreign exchange gains. Total revenue and other income for FY2024 amounted to RMB91.6 billion, representing an increase of 9.4% as compared to that for FY2023. Total operating expenses for FY2024 amounted to RMB63.3 billion, representing an increase of 8.7% as compared to that for FY2023.

The Group recorded profit attributable to Shareholders of RMB21.7 billion for FY2024, representing an increase of 10.1% as compared to that for FY2023.

FY2025 vs FY2024 (restated)

During FY2025, the Group recorded revenue of RMB105.3 billion, representing an increase of 29.6% as compared to that for FY2024 (restated). As shown in the table above, fee and commission income from brokerage, investment banking, trading, asset management and others accounted for 44.1% of the Group's revenue for FY2025, grew significantly by 33.3%, mainly driven by the strong overall performance delivered in the securities market and the domestic demand for household wealth management continued to upgrade, driving steady expansion in the scale of the asset management industry. Investment income, which accounted for 36.6% of the Group's revenue for FY2025, increased by 46.0% year-on-year, primarily arising from the holding and disposal of such assets. Interest income for FY2025 slightly increased by 1.5% year-on-year due to more bank interest income resulting from margin and other financing due to the increased scale of financing flow-based business as compared to last year amid high market activity. Other losses amounted to RMB0.7 billion for FY2025, a reversal from other income and gains of RMB4.6 billion for FY2024 (restated), mainly due to significant foreign exchange losses incurred. Total revenue and other income for FY2025 amounted to RMB104.7 billion, representing an increase of 21.9% as compared to that for FY2024 (restated). Total operating expenses for FY2025 amounted to RMB65.4 billion, representing an increase of 13.5% as compared to that for FY2024 (restated).

The Group recorded profit attributable to Shareholders of RMB30.1 billion for FY2025, representing an increase of 38.6% as compared to that for FY2024 (restated).

LETTER FROM SOMERLEY

1.2.2. Financial position

	As at 31 December		
	2025 RMB'000	2024 RMB'000	2023 RMB'000
Total assets	2,081,902,593	1,710,710,828	1,453,359,126
– Financial assets at fair value through other comprehensive income	181,000,947	170,910,921	90,697,595
– Financial assets at fair value through profit or loss	777,323,601	690,862,194	625,046,775
– Derivative financial assets	39,594,396	48,997,452	32,754,245
– Cash held on behalf of customers	433,832,060	315,761,280	239,019,025
– Cash and bank balances	116,567,431	116,494,039	109,773,065
Total liabilities	1,756,080,209	1,411,944,156	1,179,159,918
– Customer brokerage deposits	518,683,329	362,448,644	283,820,892
– Financial liabilities at fair value through profit or loss and derivative financial liabilities	240,824,411	178,339,873	118,468,219
– Repurchase agreement	407,352,118	390,168,959	283,346,323
– Loan and debt (Note)	232,538,544	198,215,795	227,542,748
Net assets attributable to Shareholders	319,930,442	293,108,726	268,839,608

Note: It includes due to banks and other financial institutions, short-term loans, short-term financing instruments payable, debt instrument issued and long-term loan.

The total assets of the Group were RMB1,453.4 billion, RMB1,710.7 billion and RMB2,081.9 billion as at 31 December 2023, 2024 and 2025, respectively, representing year-on-year increases of 17.7% and 21.7%. Excluding the customer brokerage deposits and funds payable to securities issuers, the total assets of the Group amounted to RMB1,169.5 billion, RMB1,347.2 billion and RMB1,563.2 billion as at 31 December 2024 and 2025, respectively, representing year-on-year increases of 15.2% and 16.0%. Majority of the total assets are attributable to the Group's investment (including financial assets) amounting to RMB758.1 billion, RMB920.4 billion and RMB1,007.9 billion as at 31 December 2023, 2024 and 2025, respectively, representing year-on-year increases of 21.4% and 9.5%. Cash held on behalf of customers and cash and bank balances increased by 32.1% and 6.1% year-on-year, respectively, as at 31 December 2024 and increased by 37.4% and 0.1% year-on-year, respectively, as at 31 December 2025.

The total liabilities of the Group were RMB1,179.2 billion, RMB1,411.9 billion and RMB1,756.1 billion as at 31 December 2023, 2024 and 2025, respectively, representing year-on-year increases of 19.7% and 24.4%. Excluding the customer brokerage deposits and funds payable to securities issuers, the total liabilities of the Group amounted to RMB895.3 billion, RMB1,048.4 billion and RMB1,237.4 billion as at 31 December 2024 and 2025, respectively, representing year-on-year increases of 17.1% and 18.0%. Financial liabilities amounted to RMB118.5 billion, RMB178.3 billion and RMB240.8 billion as at 31 December 2023, 2024 and 2025, respectively, representing year-on-year increases of 50.5% and 35.0%, which was mainly attributable to the changes in size and fair value of financial liabilities of derivative financial instruments and the increase in the amount of beneficiary certificates and structured notes within financial liabilities at fair value through profit or loss. The repurchase agreement amounted to RMB283.3 billion, RMB390.2 billion and RMB407.4 billion as at 31 December 2023, 2024 and 2025, respectively, representing year-on-year increases of 37.7% and 4.4%, which were mainly attributable to the increase in scale of pledge-style repo and debt securities outright repo business. Loan and debt amounted to RMB227.5 billion, RMB198.2 billion and RMB232.5 billion as at 31 December 2023, 2024 and 2025, respectively, representing a year-on-year decrease of 12.9% and a year-on-year increase of 17.3%, which were mainly due to the changes in the scale of short-term financing instruments payable.

The Group's gearing ratio (i.e. (total liabilities – customer brokerage deposits – funds payable to securities issuers)/(total assets – customer brokerage deposits – funds payable to securities issuers) (the “**Gearing Ratio**”) were 76.55%, 77.82% and 79.16% respectively as at 31 December 2023, 2024 and 2025.

1.2.3. Our view

The Company has been striving to become a leading domestic and internationally renowned Chinese investment bank, trusted by clients around the world. As discussed above, the Group exhibited steady growth in terms of revenue, profitability and net assets, with Gearing Ratio maintaining in the region of 76.55%-79.16%.

In 2025, the Group proactively captured opportunities presented by the new normal in the capital market, consolidating its domestic leadership position. The Group ranked first in the PRC in terms of underwriting size of A-share, financial bonds, company bonds, products of dealers' associations, asset-backed securities, technology innovation bonds, green bonds and rural revitalization bonds and the number of transactions participated in, the offering size of publicly-offered REITs and the merger and acquisition transaction number and size. The Company continued to strengthen its cross-border capital markets service capabilities, ranking second in the market in terms of Hong Kong IPO sponsorship size, first in offshore bond underwriting size for Chinese issuers, and first in the size of completed global merger and acquisition transactions involving Chinese enterprises.

LETTER FROM SOMERLEY

The Group, in our view, is well poised to capitalise on its scale and ride on Mainland China's and Hong Kong's recent strong momentum in stock trading activity, the IPO boom in Hong Kong and cross-border business opportunities.

2. Information on CITIC Financial Holdings

CITIC Financial Holdings holds 19.84% of the Company's shares and is the largest Shareholder of the Company. CITIC Financial Holdings was established in 2022, and its primary business includes corporate headquarters management and financial holding company operations.

CITIC Group is the de facto controller of CITIC Financial Holdings. CITIC Group is a large-scale state-owned comprehensive multinational conglomerate founded in 1979, and its businesses cover the financial sector, including banking, securities, insurance, trust, fund, asset management and futures, as well as real estate and large-scale land development, engineering contracting, infrastructure, resources and energy, machinery manufacturing, and consulting services. The CITIC Group also owns a number of influential listed companies both domestically and internationally.

3. Reasons for and benefits of the Issuance and use of proceeds

3.1 Reasons for and benefits of the Issuance

After taking into consideration of the following factors, the Board considers that it is fair and reasonable and in the interests of the Company and Shareholders as a whole to raise funds by the Issuance of H Shares to Specific Investor.

The Company is committed to high-quality development, dedicated to enhancing operational efficiency and profitability, and continuously strengthening the long-term investment value. In order to better implement national strategies, accelerate the development of a world-class investment bank, strengthen the capital base, and enhance risk resilience, the Company intends to issue H shares to CITIC Financial Holdings through a private placement. The proceeds from the Issuance shall be RMB16 billion, which shall be fully paid in Hong Kong dollars by CITIC Financial Holdings after converting RMB into Hong Kong dollars.

This Issuance will further increase the shareholding of CITIC Financial Holdings in the Company, with a commitment of CITIC Financial Holdings to a 48-month lock-up period. This fully demonstrates CITIC Group's steadfast support for the Company's long-term development and recognition of its value. By strengthening equity connections and strategic synergy, it will boost market confidence and recognition, maintain the stability of the Company's capital market performance and safeguard the overall interest of Shareholders, thereby laying a solid foundation for the Company to focus on its core responsibilities and business and advance its internationalization strategy.

3.2 *Use of proceeds*

The gross proceeds from the Issuance will be RMB16 billion. After deducting issuance-related expenses, the net proceeds will be fully retained overseas for the development of the Company's international business, including the injection of additional capital of not more than RMB16 billion to CSI, a wholly-owned overseas subsidiary of the Company, which will be implemented in one batch or multiple batches based on the regulatory approval, the Company's capital status and CSI's international business operations. The portion of the proceeds that has not yet been injected to CSI will be retained overseas for conducting business directly overseas and providing shareholder loan to CSI to provide necessary funds and liquidity for its business development.

The above proceeds to be used for injecting additional capital to CSI is expected to be utilised within thirty-six (36) months from the receipt of such proceeds. The specific business operations for which the proceeds are used include as to not more than (i) conducting cross-border and overseas equity derivatives, commodities and fixed-income capital intermediary businesses to enhance the Company's comprehensive service capabilities in providing global risk management and asset allocation to clients, and the investment fund is expected to be Hong Kong dollars equivalent to not more than RMB10.3 billion; (ii) providing financial support to overseas licensed subsidiary, to further improve its global financial services network, and the investment fund is expected to be Hong Kong dollars equivalent to not more than RMB1.2 billion; (iii) investing in information technology and compliance development to promote digital transformation and strengthen the construction of digital financial infrastructure, and the investment fund is expected to be Hong Kong dollars equivalent to not more than RMB2 billion; and (iv) supplementing overseas liquidity to ensure liquidity security and reduce financing costs, and the investment fund is expected to be Hong Kong dollars equivalent to not more than RMB2.5 billion.

The specific plan for the use of the proceeds from the Issuance is detailed in the relevant content of section II - 5 of the letter from the Board.

3.3 *Our view after discussion with management*

As stated in section 3.2 and 3.3 above, the net proceeds of the Issuance will be injected into CSI, the Hong Kong-based international arm of the Company. CSI, incorporated in 1998, has been acting as the key overseas platform of the Company and engaging in the provision of corporate finance, asset management, and brokerage services.

In 2025, Hong Kong reclaimed the top global position in terms of IPO funds raised. Hong Kong saw 119 IPOs, marking a 68% increase from 2024, and raising HK\$285.8 billion, a more than twofold rise (225%), positioning it at the forefront globally. This has attracted worldwide market attention, underscoring Hong Kong's leadership as an international financial centre. Going forward, despite ongoing geopolitical uncertainties, the overall trend of falling interest rates will boost investor confidence. This will be complemented by favourable government

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policies, making Hong Kong's IPO market likely to continue its robust performance. The Issuance, in our view, will enable CSI to further capture the IPO boom and the strong momentum of trading activity in Hong Kong.

Taking into account the above, in particular that (1) the Issuance will bring in fundings for the Group to expand its international business through CSI; and (2) the benefits to be brought into the Group with the expected usage of proceeds as discussed above, we consider that although the Issuance is not in the ordinary and usual course of business of the Group, it is in the interests of the Company and the Shareholders as a whole.

4. Principal terms of the Share Subscription Agreement and the proposed Issuance of H Shares to Specific Investor

Set out below the summary of principal terms and conditions of the proposed Issuance of new H Shares to Specific Investor and the Share Subscription Agreement, details of which are set out in the letter from the Board:

- | | |
|-------------------------|--|
| (1) Parties: | 1. The Company (as the issuer); and |
| | 2. CITIC Financial Holdings (as the subscriber). |
| (2) Subscription price: | CITIC Financial Holdings shall subscribe for new H Shares to be issued at the H Share Issue Price (i.e. HK\$23.13 per share) (the “Subscription Price”). |

In the event that the Company carries out ex-right or ex-dividend activities including issuing bonus shares, converting capital reserve into share capital, distributing cash dividends, etc. during the period from the Pricing Benchmark Date to the issuance date, the subscription price shall be adjusted accordingly. The adjustment formula shall be as follows:

1. when only cash dividend is paid, adjusted according to the following formula:

$$P1=P0-D$$

2. when only bonus shares are issued or capital reserve is converted into share capital, adjusted according to the following formula:

$$P1=P0/(1+N)$$

3. when the above two items are carried out simultaneously, adjusted according to the following formula:

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$$P1=(P0-D)/(1+N)$$

whereas P1 represents the adjusted subscription price, P0 represents the subscription price before adjustment, D represents cash dividend per share and N represents the number of bonus shares issued per share or number of shares converted from capital reserve into share capital.

- (3) Subscription amount: The subscription amount shall be the gross proceeds to be raised from the Issuance of H Shares to Specific Investor, being RMB16 billion.
- (4) Subscription number: The number of new H Shares to be subscribed by CITIC Financial Holdings shall be calculated by dividing the gross proceeds from the Issuance by the subscription price and rounded down to the nearest integer. The amount corresponding to any fractional entitlement of less than one Share shall be credited to the capital reserve of the Company.
- (5) Conditions precedent: The Share Subscription Agreement shall be established upon being executed and sealed by the legal representative or authorized representative of the parties and take effect when all the following conditions are met:
- (i) matters relating to the Issuance of H Shares to Specific Investor have been approved by the Board and the EGM of the Company;
 - (ii) matters relating to subscribing the new H Shares to be issued under the Issuance of H Shares to Specific Investor have been approved by the internal decision-making body(ies) of CITIC Financial Holdings;
 - (iii) the Company has obtained the regulatory opinion issued by the Department of Fund and Intermediary Supervision of the CSRC for the Issuance of H Shares to Specific Investor;
 - (iv) approval for the listing of, and permission to deal in, the new H Shares to be issued under the Issuance of H Shares to Specific Investor have been granted by the Listing Committee of the Hong Kong Stock Exchange;

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- (v) the approval from the body performing the functions of a state-owned assets supervision and administration authority in respect of matters relating to the subscription by CITIC Financial Holdings for the new H Shares to be issued under the proposed issue of H Shares to specific subscribers; and
- (vi) other domestic and overseas regulatory approvals necessary for the Issuance (if required) have been obtained.

The effective date of the Share Subscription Agreement shall be the date on which all the above conditions precedent are satisfied or waived.

- (6) Lock-up arrangement: The new H Shares to be subscribed by CITIC Financial Holdings under the Issuance shall not be transferred within forty-eight (48) months from the date of acquisition of the Shares except for, if permitted under relevant laws and other applicable laws and listing rules of the places where the Company's Shares are listed, the transfer to subsidiary(ies) directly or indirectly wholly-owned or controlled by CITIC Group provided that the transferee will continue to comply with the above lock-up undertaking until its expiry. In the event that the Company issues bonus shares or converts capital reserve into share capital, etc., leading to increase in number of Shares to be subscribed by CITIC Financial Holdings, such additional Shares shall also comply with the above lock-up arrangement. If there are any different regulations between the CSRC and the stock exchanges of the places where the Company's Shares are listed, CITIC Financial Holdings agrees that it shall make adjustments based on the actual circumstances of the Company subject to compliance with the relevant regulations.

As at the Latest Practicable Date, the Issuance of H Shares to Specific Investor is subject to approval at the EGM and the approval of the Hong Kong Stock Exchange for the listing of, and permission to deal in, the new H Shares to be issued and other domestic and overseas regulatory approvals (if any) as may be required for the Issuance, and will be filed with the CSRC upon completion of the issuance.

The Company will apply to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the new H Shares to be issued when appropriate.

4.1 Our view

As set out in the letter from the Board, the new H Shares under the Issuance of H Shares to Specific Investor will be issued pursuant to the specific mandate to be sought from the Independent Shareholders at the EGM. The Issuance of H Shares to Specific Investor is conditional upon the approval of the relevant resolutions at the EGM.

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The Subscription Price is subject to adjustments in the event the Company carries out ex-right or ex-dividend activities including issuing bonus shares, converting capital reserve into share capital, distributing cash dividends, etc. during the period from the Pricing Benchmark Date to the issuance date.

We have reviewed “Guidelines on Adjustments to the Previous Closing Price of a Security” on the Hong Kong Stock Exchange website (https://www.hkex.com.hk/Services/Trading/Securities/Overview/Trading-Mechanism?sc_lang=en) and noted that there are formulas to adjust the historical securities prices for corporate actions including cash dividend/distribution, bonus issue and right issue/open offer. The adjustment formula for the Subscription Price are the same as those set out on the Hong Kong Stock Exchange website.

The new H Shares under the Issuance will be subject to a lock-up of 48 months. By restricting CITIC Financial Holdings from cashing out right away, the lock-up period, in our view, signals its commitment to the Company’s long-term development and success. This aligns the interest of CITIC Financial Holdings with those of other Shareholders and can attract more institutional interest.

Together with our discussion set out in sections 5 to 7 below, we are of the view that the terms of the Share Subscription Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable so far as the Company and the Independent Shareholders are concerned.

5. Analysis of the Subscription Price

5.1. Comparison of the Subscription Price to market price

The Subscription Price (i.e. HK\$23.13 per H Share) represents:

- (i) a discount of 8.0% to the closing price of H Shares as quoted on the Hong Kong Stock Exchange at the Pricing Benchmark Date (i.e. HK\$25.14 per share);
- (ii) a discount of approximately 9.9% to the closing price of H Shares as quoted on the Hong Kong Stock Exchange for the last five (5) consecutive trading days prior to the Pricing Benchmark Date (inclusive) (i.e. HK\$25.67 per Share);
- (iii) a discount of approximately 10.4% to the closing price of H Shares as quoted on the Hong Kong Stock Exchange for the last ten (10) consecutive trading days prior to the Pricing Benchmark Date (inclusive) (i.e. HK\$25.82 per Share, where the closing price of H shares prior to 19 May 2026 has been adjusted due to ex-dividend based on the amount of the Company’s final dividend for 2025 (RMB4.1 per 10 shares) to eliminate the impact of dividend distribution on comparability); and
- (iv) a premium of approximately 8.4% over the audited net assets per share attributable to ordinary shareholders of the parent company as at 31 December 2025 after being adjusted due to ex-dividend based on the amount of the Company’s final dividend for

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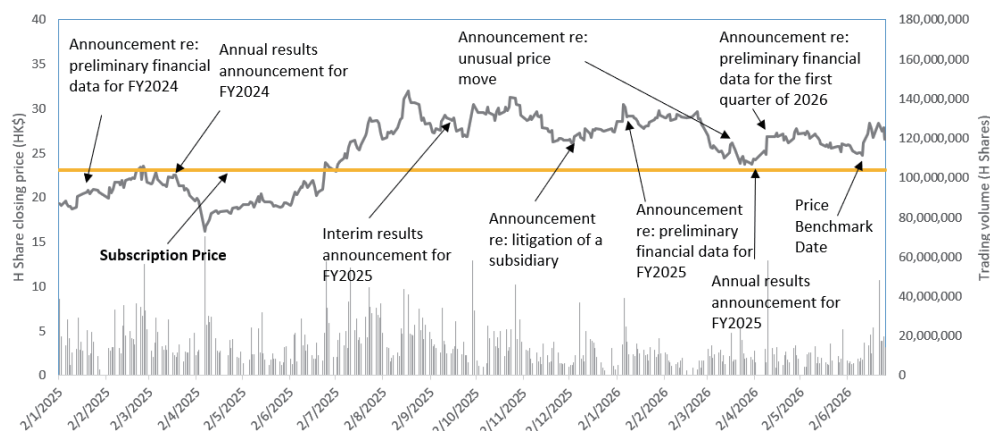
2025 (RMB4.1 per 10 shares) to eliminate the impact of dividend distribution on comparability (i.e. approximately RMB18.60, or equivalent to approximately HK\$21.35 (converted at the central parity rate announced by the People's Bank of China on the Pricing Benchmark Date), which is prepared in accordance with the International Financial Reporting Standards, details of which are set out in the 2025 Annual Report).

5.2. Share price performance and trading liquidity

We have reviewed the daily closing price of the H Shares and trading liquidity as quoted on the Hong Kong Stock Exchange from 1 January 2025 up to and including the Latest Practicable Date (the “**Review Period**”). In performing our analysis, we consider appropriate to review the performance of the H Shares over a period of time to reflect the recent market performance, and at the same time avoiding a too long period which may not be meaningful for arriving at our conclusion as at the date of this letter. We consider that the Review Period represents an appropriate period of time to provide a general overview on the recent market performance of the Shares, and is sufficient to provide a meaningful analysis.

5.2.1 Share price performance

The comparison of daily closing price of the H Shares and the Subscription Price is illustrated as follows:



Source: Bloomberg and the Hong Kong Stock Exchange's website

During the Review Period, the highest and lowest closing prices of the H Shares as quoted on the Hong Kong Stock Exchange were HK\$32.03 recorded on 18 August 2025 and HK\$16.24 recorded on 7 April 2025 respectively, and the average closing price of the H Shares was approximately HK\$25.19.

The closing price of the H Shares was lower than the Subscription Price most of the time in the first six months of the Review Period. After that, the closing price of H Shares increased significantly, reaching the peak at HK\$32.03 on 18 August 2025. From 19 August 2025 to 25 February 2026, the closing price of H Shares oscillated between HK\$26.17 and HK\$31.29, and the average closing price of the H Shares was

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approximately HK\$28.57. During this period, the Company put out the usual interim results announcement and preliminary financial data announcement but also an announcement regarding litigation regarding a subsidiary of the Company. As this case arises from disputes related to projects undertaken by such subsidiary in 2017 prior to the acquisition of it by the Company, and all potential losses, which are estimated to be RMB1.8 million, have been fully considered before the completion of the acquisition, it is therefore not expected to have a material impact on the Company's current or future profits. No impact to the H Share closing price is seen after such announcement.

The closing price of the H Shares fell in early March 2026. On 12 March 2026, the Company issued an announcement pursuant to Rule 13.10 of the Hong Kong Listing Rules regarding certain media articles mentioned the investigation of a Hong Kong subsidiary of the Company by the Securities and Futures Commission of Hong Kong and the Independent Commission Against Corruption, as well as the movement in the trading price and trading volume of the Company's H Shares on the Hong Kong Stock Exchange. The Company attaches significant importance to this matter and will closely monitor its progress. The closing prices of the H Shares dropped from HK\$28.00 level to below HK\$25.00 and then hovered between HK\$23.78 and HK\$28.36 before the Latest Practicable Date. The subscription price represents 12.92% discount to the closing price of the H shares as at the Latest Practicable Date.

5.2.2 Trading liquidity

The following table sets out a summary of the historical average daily trading volume of the H Shares as a percentage of the total number of issued Shares as at the respective month/period and total number of issued Shares in the public hands as stated in the letter from the Board, during the Review Period:

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Month/Period	Number of trading days	Average daily number of H Shares traded	Average daily number of H Shares traded to the total number of H Shares in issue (Note 1)	Average daily number of H Shares traded to the public float (Note 2)
2025				
January	19	16,762,878	0.64%	0.85%
February	20	24,219,606	0.92%	1.22%
March	21	14,985,119	0.57%	0.76%
April	19	19,213,160	0.73%	0.97%
May	20	11,798,492	0.45%	0.60%
June	21	17,499,200	0.67%	0.88%
July	22	26,692,085	1.02%	1.35%
August	21	21,194,848	0.81%	1.07%
September	22	18,213,142	0.70%	0.92%
October	20	17,635,670	0.67%	0.89%
November	20	9,668,466	0.37%	0.49%
December	21	10,851,477	0.41%	0.55%
2026				
January	21	13,907,160	0.53%	0.70%
February	17	6,517,606	0.25%	0.33%
March	22	11,295,076	0.43%	0.57%
April	19	12,492,145	0.48%	0.63%
May	19	9,366,302	0.36%	0.47%
June (up to the Latest Practicable Date)	19	14,183,262	0.54%	0.72%

Source: The website of the Hong Kong Stock Exchange (www.hkex.com.hk)

Notes:

1. Calculated based on the total number of the Shares in issue at the end of month/period.
2. Calculated based on the total number of the Shares held by public Shareholders as stated in the letter from the Board.

As illustrated in the above table, during the Review Period, the average daily trading volume for each month as a percentage of the then total number of H Shares in issue ranged from 0.25% to 1.02% with an average of 0.59%, and the average daily trading volume for each month as a percentage of the then public ranged from approximately 0.33% to 1.35% with an average of approximately 0.78%. The trading liquidity of the H Shares, in our view, is relatively thin during the Review Period.

5.3. Comparison with other comparable transactions

Comparable transactions

As part of our analysis, having considered the fact that (i) the Issuance tentatively accounts for only 5.36% of the existing issued share capital of the Company; (ii) no general mandate has been granted to directors of the Company for issuance of new Shares and therefore specific mandate is sought for the Issuance; (iii) the listed companies in Hong Kong usually use general mandate to issue new shares for small issue size as compared to specific mandate which is usually used for issuance of new shares for more than 20% of the issued share capital of the subject companies; and (iv) applying the principle of substance over form, in our view, is important in ensuring that the comparables are fairly selected and hence issuance of new shares under general mandate is considered relevant in our analysis despite the fact that the Issuance is pursuant to a specific mandate, we have searched on the website of the Hong Kong Stock Exchange to identify transactions involving subscription of new shares under general mandate for cash which were announced by companies listed on the Main Board of the Hong Kong Stock Exchange during the period from 1 January 2026 up to 4:00 p.m. on the Latest Practicable Date. Based on the above criteria, a total of 52 comparable issues (the “**Comparable Issues**”) have been identified. We consider that sample size during the selection period is fair and reasonable to identify Comparable Issues conducted by other companies under similar market conditions.

It should be noted that the subject companies involved in the Comparable Issues may have different principal activities, market capitalisation, profitability or financial position from those of the Company. However, as the Comparable Issues can provide a general understanding of this type of transaction in the Hong Kong stock market under the current market environment, we consider them an appropriate reference for assessing the Subscription Price.

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For each of the Comparable Issues identified, we compared the premium or discount of its subscription price over/to (a) the closing share price on the last trading date or date of announcement; (b) the average of the closing share price as quoted on the Hong Kong Stock Exchange for the last 5 consecutive trading days prior to and including the last trading date; and (c) the average of the closing share price as quoted on the Hong Kong Stock Exchange for the last 10 consecutive trading days prior to and including the last trading date, as summarised in the following table.

Date of announcement	Company name	Stock code	closing share price on the last trading date ⁽¹⁾ or date of announcement	Premium/(discount) of subscription price over/(to)	
				average closing share price as quoted on the Hong Kong Stock Exchange for the last 5 consecutive trading days prior to and including the last trading date	average closing share price as quoted on the Hong Kong Stock Exchange for the last 10 consecutive trading days prior to and including the last trading date
22 June 2026	World Digital Economy Asset Group Limited	3708	(4.76%)	(5.36%)	(7.61%)
18 June 2026	Central China Management Company Limited	9982	(9.09%)	(12.96%)	(17.11%)
17 June 2026	China Parenting Network Holdings Limited	1736	(19.75%)	(19.55%)	(26.31%)
17 June 2026	China City Infrastructure Group Limited	2349	(14.29%)	(14.29%)	(19.00%)
12 June 2026	Shenzhen Investment Holdings Bay Area Development Company Limited	737	(5.00%)	(5.29%)	(6.46%)
3 June 2026	Ximei Resources Holding Limited	9936	(19.50%)	(19.73%)	(21.48%)
28 May 2026	National United Resources Holdings Limited	254	(10.47%)	(10.67%)	(7.66%)
28 May 2026	Inkeverse Group Limited	3700	(19.81%)	(19.35%)	(13.65%)
27 May 2026	Impro Precision Industries Limited	1286	(13.58%)	(11.46%)	(16.12%)
26 May 2026	Hony Media Group	419	(17.53%)	(15.43%)	(18.25%)
25 May 2026	Sirnaomics Ltd.	2257	(15.34%)	(18.77%)	(23.11%)
22 May 2026	DT Capital Limited	356	(14.04%)	(15.81%)	(22.04%)
21 May 2026	Tianjin Construction Development Group Co., Ltd.	2515	(19.80%)	(17.95%)	(39.18%)
19 May 2026	Huanxi Media Group Limited	1003	0.00%	7.93%	9.96%
19 May 2026	China Baoli Technologies Holdings Limited	164	(19.23%)	(18.29%)	(20.36%)

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Date of announcement	Company name	Stock code	closing share price on the last trading date ⁽¹⁾ or date of announcement	Premium/(discount) of subscription price over/(to)	
				average closing share price as quoted on the Hong Kong Stock Exchange for the last 5 consecutive trading days prior to and including the last trading date	average closing share price as quoted on the Hong Kong Stock Exchange for the last 10 consecutive trading days prior to and including the last trading date
15 May 2026	Marketingforce Management Ltd	2556	0.00%	(0.93%)	2.58%
15 May 2026	CARsgen Therapeutics Holdings Limited	2171	(9.49%)	(12.95%)	(12.87%)
13 May 2026	China Carbon Neutral Development Group Limited	1372	(15.79%)	(17.18%)	(23.13%)
13 May 2026	XXF Group Holdings Limited	2473	(2.38%)	(4.21%)	(5.00%)
12 May 2026	Beijing Sports and Entertainment Industry Group Limited	1803	(18.89%)	(14.52%)	(15.21%)
7 May 2026	Beijing Biostar Pharmaceuticals Co., Ltd.	2563	(11.11%)	(12.13%)	(7.33%)
4 May 2026	New City Development Group Limited	456	(12.24%)	(17.84%)	(22.65%)
4 May 2026	Ev Dynamics (Holdings) Limited	476	(8.77%)	(7.14%)	(12.50%)
29 April 2026	Culturecom Holdings Limited	343	(15.08%)	(15.75%)	(19.53%)
28 April 2026	New Silkroad Holding Group Limited	472	(3.59%)	(13.52%)	(25.02%)
28 April 2026	361 Degrees international Limited	1361	(10.69%)	(11.49%)	(11.91%)
28 April 2026	Dalipal Holdings Limited	1921	(12.00%)	(11.82%)	(14.15%)
21 April 2026	CMGE Technology Group Limited	302	(6.15%)	(3.25%)	(0.61%)
17 April 2026	Folangsi Co., Ltd	2499	(2.27%)	(1.63%)	1.50%
16 April 2026	EV Dynamics (Holdings) Limited	476	2.40%	(9.86%)	(19.92%)
14 April 2026	Lingbao Gold Group Company Ltd.	3330	(1.58%)	(6.29%)	(4.63%)
13 April 2026	XXF Group Holdings Limited	2473	(15.52%)	(13.58%)	(16.63%)
30 Mar 2026	China Baoli Technologies Holdings Limited	164	(1.23%)	(1.96%)	(1.75%)
9 Mar 2026	Black Sesame International Holding Limited	2533	(2.13%)	(1.10%)	(1.73%)

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Date of announcement	Company name	Stock code	closing share price on the last trading date ⁽¹⁾ or date of announcement	Premium/(discount) of subscription price over/(to)	
				average closing share price as quoted on the Hong Kong Stock Exchange for the last 5 consecutive trading days prior to and including the last trading date	average closing share price as quoted on the Hong Kong Stock Exchange for the last 10 consecutive trading days prior to and including the last trading date
6 Mar 2026	China Carbon Neutral Development Group Limited	1372	(11.50%)	(11.50%)	(15.30%)
5 Mar 2026	China Qinfu Group Limited	866	(10.00%)	(6.25%)	(3.70%)
16 Feb 2026	CANbridge Pharmaceuticals Inc.	1228	(14.70%)	(19.81%)	(23.82%)
13 Feb 2026	Metaspacex Limited	1796	(2.60%)	(1.76%)	(0.83%)
3 Feb 2026	Guangdong – Hong Kong Greater Bay Area Holdings Limited	1396	(8.40%)	(6.13%)	(0.48%)
2 Feb 2026	China Health Group Limited	673	(13.11%)	(16.40%)	(33.58%)
29 Jan 2026	Karrie International Holdings Limited	1050	(9.89%)	(6.69%)	(5.57%)
28 Jan 2026	OSL Group Limited	863	(17.22%)	(14.67%)	(19.23%)
27 Jan 2026	Fangzhou Inc.	6086	(11.94%)	8.64%	1.87%
26 Jan 2026	Zhixin Group Holding Limited	2187	(15.00%)	(18.85%)	(14.12%)
23 Jan 2026	BrainAurora Medical Technology Limited	6681	(12.09%)	(12.96%)	(20.48%)
22 Jan 2026	Nanshan Aluminium International Holdings Limited	2610	(6.39%)	(2.60%)	2.33%
22 Jan 2026	China Hanking Holdings Limited	3788	(18.28%)	(17.64%)	(14.16%)
16 Jan 2026	New Sparkle Roll International Group Limited	970	(13.64%)	(17.57%)	(28.03%)
16 Jan 2026	China Youran Dairy Group Limited	9858	(8.84%)	(17.89%)	(24.97%)
12 Jan 2026	Cryofocus Medtech (Shanghai) Co., Ltd.	6922	(17.79%)	(18.71%)	(24.57%)
8 Jan 2026	Black Sesame International Holding Limited	2533	(13.24%)	(10.70%)	(6.92%)
8 Jan 2026	China Carbon Neutral Development Group Limited	1372	(4.46%)	(1.83%)	(4.20%)
	Average		(10.73%)	(10.77%)	(13.26%)
	Median		(11.72%)	(12.54%)	(14.15%)

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Date of announcement	Company name	Stock code	closing share price on the last trading date ⁽¹⁾ or date of announcement	Premium/(discount) of subscription price over/(to)	
				average closing share price as quoted on the Hong Kong Stock Exchange for the last 5 consecutive trading days prior to and including the last trading date	average closing share price as quoted on the Hong Kong Stock Exchange for the last 10 consecutive trading days prior to and including the last trading date
	Maximum		2.40%	8.64%	9.96%
	Minimum		(19.81%)	(19.81%)	(39.18%)
	The Issuance		(8.0%)⁽²⁾	(9.9%)⁽²⁾	(10.4%)⁽²⁾

Source: the website of the Hong Kong Stock Exchange

Notes:

- (1) It refers to the last trading date as disclosed in the respective announcement.
- (2) It refers to the Latest Practicable Date, being also the last trading date before the publication of the announcement regarding the Issuance.
- (3) China Fortune Holdings Limited (stock code: 110) announced subscription of new shares on 31 March 2026, which is considered an outlier due to the issue price of the shares representing premiums of 20.92% to 33.33% over the closing price on the last trading day or 5-day or 10-day average closing prices.
- (4) Daido group Limited (Stock code: 544) announced subscription of new shares on 27 April 2026, which is considered as outlier due to the issue price of the shares representing premiums of 13.64% to 14.94% over the closing price on the last trading day or 5-day or 10-day average closing prices.

As shown in the table above, majority of the Comparable Issues set out in the table above involved subscription of new shares at discounts to their respective historical trading prices. The Subscription Price represents (a) a discount of 8.00% to the closing price of the H Shares on the Pricing Benchmark Date, which is lower than the average and median discount of the Comparable Issues; (b) a discount of 9.9% to the average closing price of the H Shares as quoted on the Hong Kong Stock Exchange for the last 5 consecutive trading days prior to and including the Pricing Benchmark Date, which is lower than the average and median discount; and (c) a discount of 10.4% to the average closing price of the H Shares as quoted on the Hong Kong Stock Exchange for the last 10 consecutive trading days prior to and including the Pricing Benchmark Date, which is lower than the average and the median discount. Given the discounts represented by the Subscription Price to the prevailing closing prices are within the ranges of those Comparable Issues and the relevant discounts are lower than the averages and medians of the Comparable Issues, we consider the basis of determining the Subscription Price is in line with the market.

Having considered (i) the Subscription Price represents discounts in a range of 8.0% to 10.4% to the closing prices of the H Shares for different periods prior to and including the Pricing Benchmark Date which is in line with the market; and (ii) the Company's working capital and

LETTER FROM SOMERLEY

financial position are expected to be enhanced after completion of the Issuance (as further discussed below), we are of the view that the pricing of the Issuance is fair and reasonable so far as the Company and the Independent Shareholders are concerned.

6. Financial effects of the Issuance

According to the 2025 Annual Report, the audited consolidated net assets of the Group attributable to shareholders of the Company as at 31 December 2025 was approximately RMB319.9 billion. As set out in the letter from the Board, for illustrative purpose, an aggregate of 794,056,506 new H Shares will be issued under the Share Subscription Agreement and the gross proceeds (before deducting relevant fees and expenses) from the Issuance under Share Subscription Agreement is expected to be RMB16 billion. Upon completion of the Issuance, the adjusted consolidated net assets of the Group attributable to shareholders of the Company as at 31 December 2025 would improve from approximately RMB319.9 billion to approximately RMB335.9 billion.

According to the 2025 Annual Report, the Group's Gearing Ratio was approximately 79.16% as at 31 December 2025. Upon completion of the Issuance, the cash and bank balances of the Group will increase to approximately RMB132.6 billion, based on the gross proceeds from the Issuance of RMB16 billion as set out in the letter from the Board, and hence the Group's gearing ratio will be slightly improved to approximately 78.35%.

7. Effect on the shareholding interests of the public H Shareholders

The illustrative effects of the Issuance on the shareholding structure of the Company are set out in the section II - 3 of the letter from the Board. As set out in the aforesaid section of the letter from the Board, CITIC Financial Holdings' overall shareholding in the Company will increase from 19.84% to 23.92% upon completion of the Issuance. At the same time, the shareholding interests of the existing public H Shareholders would be tentatively diluted from approximately 13.35% to 12.67%, as a result of the Issuance. We are of the view that a dilution in shareholding of existing shareholders is inevitable in equity fund raising. The amounts raised from the Issuance will be utilised by the Group to develop its overseas businesses. Considering (i) the commitment of CITIC Financial Holdings to the development of the Company as evidenced by the fact that the new H Shares to be issued under the Issuance are subject to the lock-up period of 48 months; and (ii) the reasons for and benefits of the Issuance as set out in the section 3 above, we are of the view that the said level of dilution to the shareholding interests of the public H Shareholders as a result of the Issuance is acceptable.

OPINION AND RECOMMENDATION

Notwithstanding the entering into the Share Subscription Agreement is not in the ordinary and usual course of business of the Company, having considered the aforementioned principal factors and reasons, in particular,

- the net proceeds from the Issuance will be injected into CSI, which is a Hong Kong-based international arm of the Company, enabling the Group to capture the IPO boom and the strong momentum of trading activity in Hong Kong;

LETTER FROM SOMERLEY

- the 48 months lock-up of the new H Shares to be issued under the Issuance signals CITIC Financial Holdings' commitment to the Company's long-term development and success;
- the Subscription Price represents discounts in a range of 8.0% to 10.4% to the closing prices of the H Shares for different periods prior to and including the Pricing Benchmark Date which is in line with the market,

we are of the view that (i) the Issuance is in the interests of the Company and the Shareholders as a whole; and (ii) the terms of the Share Subscription Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable so far as the Company and the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders, and advise the Independent Board Committee to recommend the Independent Shareholders, to vote in favour of the resolution to be proposed at the EGM to approve the Share Subscription Agreement and the transactions contemplated thereunder.

Yours faithfully,
for and on behalf of
SOMERLEY CAPITAL LIMITED
Jenny Leung
Director

Ms. Jenny Leung is a licensed person and responsible officer of Somerley Capital Limited registered with the Securities and Futures Commission to carry out Type 6 (advising on corporate finance) regulated activities under the SFO and has participated in the provision of independent financial advisory services for various transactions involving companies listed in Hong Kong.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. INTERESTS AND SHORT POSITIONS OF DIRECTORS AND THE CHIEF EXECUTIVE OF THE COMPANY IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at the Latest Practicable Date, the following Directors and the chief executive of the Company had interests and short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Hong Kong Stock Exchange, pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of SFO), or required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as 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	Name of Company/ Associated Corporations	Class of Shares	Number of Shares (Shares)	Percentage to Total Number of Shares of the Company/ Associated Corporations (%)
ZHANG Youjun	Chairman and Executive Director	Beneficial owner	The Company	A Shares	430	0.000003
FU Linfang	Non-executive Director	Beneficial owner	CITIC Limited	H Shares	110,000	0.000378
ZHAO Xianxin	Non-executive Director	Beneficial owner	CITIC Limited	H Shares	98,000	0.000337
LIANG Dan	Non-executive Director	Beneficial owner	CITIC Limited	H Shares	125,000	0.000430
ZHANG Xuejun	Non-executive Director	Beneficial owner	CITIC Limited	H Shares	137,000	0.000471

Save as disclosed above, as at the Latest Practicable Date, none of the other Directors or the chief executive of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were (i) required to be notified to the Company and the Hong Kong Stock Exchange, pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Hong Kong Listing Rules, to be notified to the Company and the Hong Kong Stock Exchange.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

4. DIRECTORS' INTERESTS IN ASSETS OR CONTRACTS OR ARRANGEMENT

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any asset which had been, since 31 December 2025, being the date to which the latest published audited accounts of the Company were made up, acquired or disposed of by or leased to, or were proposed to be acquired or disposed of by or leased to, any member of the Group. As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date and which was significant in relation to the business of the Group.

5. INTERESTS OF DIRECTORS IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors or their respective close associates was interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

6. DIRECTORS' EMPLOYMENT WITH SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, the following are Directors or employees who had interests or short positions in the Shares or underlying Shares of the Company which are required to be notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO:

Name of Director	CITIC Group	Positions Held in Specific Companies		
		CITIC Limited	CITIC Corporation Limited	CITIC Financial Holdings
ZHANG Youjun	Assistant to the General Manager	Assistant to the General Manager	Assistant to the General Manager	Vice Chairman

Name of Director	CITIC Group	Positions Held in Specific Companies		
		CITIC Limited	CITIC Corporation Limited	CITIC Financial Holdings
LI Yi	Non-executive director	Non-executive director	Non-executive director	Non-executive director
LIANG Dan	Director of the General Office (Party Committee Office)	Administrative director	–	–
ZHANG Xuejun	General manager of the Financial Management Department	General manager of the Financial Management Department	–	–
FU Linfang	Deputy general manager of the Strategy Development Department	–	–	–
ZHAO Xianxin	–	–	–	General manager of the Risk Compliance Department

7. NO MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2025, being the date to which the latest published audited accounts of the Group were made up.

8. CONSENT AND QUALIFICATION OF EXPERT

As at the Latest Practicable Date, Somerley has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which it appears.

The following are the qualifications of Somerley, who has given its opinions or advice which are contained in this circular:

Name	Qualification
Somerley Capital Limited	A corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

9. EXPERT'S INTERESTS

As at the Latest Practicable Date, Somerley did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, Somerley did not have any direct or indirect interest in any assets which have been, since 31 December 2025, being the date to which the latest published audited accounts of the Group were made up, acquired or disposed of by or leased to, or were proposed to be acquired or disposed of by or leased to any member of the Group.

10. GENERAL

- (a) The joint company secretaries of the Company are Mr. WANG Junfeng and Ms. YU Hiu Kwan, Hilda. Ms. YU is serving as a deputy head of company secretarial services in CITIC Securities International Company Limited, an indirect wholly-owned subsidiary of the Company, and an associate member of each of the Hong Kong Chartered Governance Institute (formerly known as the Hong Kong Institute of Chartered Secretaries) and the Chartered Governance Institute (formerly known as the Institute of Chartered Secretaries and Administrators), U.K.
- (b) The registered office of the Company is situated at North Tower, Excellence Times Plaza II, No. 8 Zhong Xin San Road, Futian District, Shenzhen, Guangdong Province, the PRC.
- (c) The principal place of business of the Company in Hong Kong is located at 26th Floor, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong.
- (d) The office addresses of the Company in the PRC are located at CITIC Securities Tower, No. 48 Liangmaqiao Road, Chaoyang District, Beijing, the PRC and CITIC Securities Tower, No. 8 Zhong Xin San Road, Futian District, Shenzhen, Guangdong Province, the PRC.
- (e) The Company's H share registrar in Hong Kong is Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.

11. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.citics.com) for a period of 14 days from the date of this circular:

- (a) the Share Subscription Agreement entered into between the Company and CITIC Financial Holdings on 28 May 2026;
- (b) the letter from the Independent Board Committee dated 1 July 2026, the text of which is set out on page 22 of this circular;
- (c) the letter of advice from Somerley Capital Limited dated 1 July 2026, the text of which is set out on pages 23 to 43 of this circular; and
- (d) this circular.

APPENDIX II SHAREHOLDERS' RETURN PLAN OF THE COMPANY FOR THE NEXT THREE YEARS (2026-2028)

In order to further improve the returns to investors and formulate a sustainable, stable and positive profit distribution policy, according to the requirements of relevant documents including the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the No. 3 Regulatory Guideline of the Listed Companies – Cash Dividend Distribution of Listed Companies, the Self-Regulatory Guidelines for Listed Companies on the Shanghai Stock Exchange No. 1 – Standardised Operation as well as the Articles of Association of CITIC Securities Company Limited (the “**Articles of Association**”), taking into comprehensive consideration of the actual situation of the Company, CITIC Securities Company Limited (the “**Company**”) has formulated the Shareholders' return plan of the Company for the next three years (2026-2028) (the “**Plan**”). Details of which are as follows:

I. THE BASIC PRINCIPLES FOR THE FORMULATION OF THE PLAN

The Company attaches much importance to providing reasonable investment returns to investors, and formulates a sustaining and stable profit distribution policy according to the strategic goals and the need for future sustainable development of the Company. The profit shall be distributed in the form of cash, stock shares, or a combination of both. Priority will be given to cash dividend payment when the conditions for cash dividend are fulfilled. The Company shall fully listen to the opinions and suggestions of the Shareholders, especially the minority Shareholders, and independent Directors, improve the profit distribution policy, increase the transparency of the implementation of the distribution policy, and protect the interests of the Shareholders as a whole.

II. THE MAIN CONSIDERATIONS IN THE FORMULATION OF THE PLAN

(I) Laws, Regulations and Regulatory Provisions

Strictly abide by the relevant laws and regulations as well as the requirements in relation to the profit distribution policy of the regulatory authorities on the listed companies, and ensure that the net capital and other risk control indicators continue to meet the requirements of the securities regulatory authorities.

(II) Shareholder Requirements and Wishes

Take into full consideration the will of the Shareholders, especially the needs of minority Shareholders, not only pay attention to the reasonable investment return for investors, but also give consideration to the expectations of investors for the sustained and rapid development of the Company, provide proactively the investors with returns, fulfill due social responsibilities, establish a good corporate image, and build up the investors' confidence in the development prospects of the Company.

(III) Business Development Plan of the Company

Comprehensive analyze the long-term strategic development plan and the stage of development of the Company, maintain the proper proportion of retained earnings to meet the current capital needs of the business development, provide a financial cover for the achievement of the vision

APPENDIX II SHAREHOLDERS' RETURN PLAN OF THE COMPANY FOR THE NEXT THREE YEARS (2026-2028)

of the Company, and eventually “become a leading domestic and internationally renowned Chinese investment bank, trusted by clients around the world”, so as to provide the investors with sustained and stable returns.

(IV) Financial Position of the Company

The Company shall, in formulating the Shareholders' return plan, take full consideration the current and future liquidity level, earning performance and profitability of the Company, with reference to the characteristics of the securities industry.

(V) External Financing Environment

The Company shall comprehensively consider the impact of the global macroeconomic situation and the external financing environment, and formulate a sustainable, stable and positive profit distribution policy for investors.

III. THE CONTENTS OF THE SHAREHOLDERS' RETURN PLAN

(I) The Method of Profit Distribution

The profit shall be distributed in the form of cash, shares, or a combination of both. Priority will be given to cash dividend payment when the conditions for cash dividend are fulfilled. The basis of distribution shall be proposed by the Board based on the operating condition of the Company and the requirements of the CSRC, and shall be subject to the approval by the Shareholders' general meeting.

(II) Specific Conditions for and Ratio of Cash Dividends

The Company's cash dividend policy objective is that provided the Company has no major investment plans or significant cash expenditures and meets its normal operating capital requirements, the Company shall do its best to 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.

If the profit and accumulated undistributed profit for the year is positive, the cash flows are sufficient for the Company's normal operation and long-term development and the implementation of the cash dividend plan will not affect the Company's continuous operation, the Company may make profit distribution in the form of cash. The Company shall develop differentiated cash dividend policies to be applicable in the following different situations, after taking into consideration factors such as industry characteristics in which it

APPENDIX II SHAREHOLDERS' RETURN PLAN OF THE COMPANY FOR THE NEXT THREE YEARS (2026-2028)

operates, the development stage, its own business operation model, profitability level, debt repayment capacity and whether there are significant capital expenditure arrangements and investor returns:

1. Where the Company is at a sophisticated stage of development and has no significant capital expenditure arrangements, the cash dividend payout ratio in the profit distribution shall be no less than 80%;
2. Where the Company is at a sophisticated stage of development and has significant capital expenditure arrangements, the cash dividend payout ratio in the profit distribution shall be no less than 40%; and
3. Where the Company is at a growth stage of development and has significant capital expenditure arrangements, the cash dividend payout ratio in the profit distribution shall be no less than 20%;

Where the Company's development stage is difficult to be defined and the Company has significant capital expenditure arrangements, the provisions of item 3 above may still be followed.

(III) Conditions for Share Dividend Distribution

Where the Company is in a sound operating condition, and the Board considers that the earnings per share and share price of the Company does not reflect its scale of share capital and distributing dividends in shares will be in the interests of the Shareholders of the Company as a whole, the Company may make profit distribution in the form of shares after taking into consideration the growth of the Company, dilution of net asset value per share and other factors. The distribution of dividends in the form of shares shall be subject to the resolution by the Shareholders' general meeting, and the approval by the CSRC and other authorities.

(IV) Conditions for Adjusting the Cash Dividend Distribution Policy

In any of the following situations, after the Board has discussed in details, the independent Directors have expressed their clear opinions, and the adjustment has been passed by all the Shareholders present at the Shareholders' general meeting of the Company representing 2/3 of their shares with voting rights, the Company may adjust the aforementioned cash dividend payout policy:

1. relevant laws and regulations or the profit distribution policy for listed companies issued by the securities regulatory authorities are changed or adjusted;
2. the risk control indicator on net capital reaches early-warning level;
3. operating conditions of the Company deteriorate;

APPENDIX II	SHAREHOLDERS' RETURN PLAN OF THE COMPANY FOR THE NEXT THREE YEARS (2026-2028)
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4. the Board proposes to adjust.

(V) Time Intervals Between Profit Distributions

The Company shall, in principle, make one profit distribution each year when the conditions for dividend payment are fulfilled, but the Company may distribute dividends in an interim period according to its profitability and capital requirements; when an annual general meeting of Shareholders of the Company is held to review the annual profit distribution plan, it may consider and approve the conditions, proportion cap and amount cap of cash dividends for the interim period of the next year. The dividend cap for the interim period of the next year considered at the annual general meeting of Shareholders shall not exceed the net profit attributable to shareholders of the listed company for the corresponding period.

IV. THE FORMULATION CYCLE AND ADJUSTMENT MECHANISM OF THE SHAREHOLDERS' RETURN PLAN

If it is really necessary to adjust or change the Shareholders' return plan according to the Company's production and operation situation, investment plan and long-term development, the adjusted or changed Shareholders' return plan shall not violate relevant laws, regulations, normative documents as well as the relevant requirements of the Articles of Association. The formulation or modification of the Shareholders' return plan shall be submitted to the Shareholders' general meeting for approval after being considered and approved by the Board and the independent Directors clearly expressed their opinions.

V. OTHERS

Any matters not stated in the Plan shall be executed pursuant to the requirements of the relevant laws, regulations, regulatory documents and the Articles of Association. The Plan shall be interpreted by the Board of the Company and shall be effective from the date of approval by the Shareholders' general meeting of the Company.



中信证券股份有限公司
CITIC Securities Company Limited

(A joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 6030)

NOTICE OF 2026 THIRD EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2026 Third Extraordinary General Meeting (the “**EGM**”) of CITIC Securities Company Limited (the “**Company**”) will be held at the Qing Room, 5th Floor, Beijing Ruicheng Four Seasons Hotel, No. 48 Liangmaqiao Road, Chaoyang District, Beijing, the PRC, on Friday, 17 July 2026 at 9:00 a.m. for the purpose of considering, and if thought fit, approving the following resolutions. Unless otherwise specified, capitalised terms used in this notice shall have the same meaning as defined in the circular of the Company dated 1 July 2026 (the “**Circular**”).

SPECIAL RESOLUTIONS

1. The resolution in relation to the proposal of the Issuance of H Shares to Specific Investor by the Company
 - 1.01 class and par value of Shares to be issued.
 - 1.02 method and time of issuance.
 - 1.03 target subscribers.
 - 1.04 Pricing Benchmark Date, issue price and pricing method.
 - 1.05 number of Shares to be issued.
 - 1.06 lock-up period.
 - 1.07 arrangement relating to the accumulated undistributed profits prior to the Issuance.
 - 1.08 use of proceeds.
 - 1.09 listing venue.
 - 1.10 validity period of the resolution on the Issuance.
2. Resolution in relation to the entering into of the conditional Share Subscription Agreement between the Company and Specific Investor
3. Resolution in relation to the related party/connected transaction concerning the Issuance of H Shares to Specific Investor by the Company

NOTICE OF 2026 THIRD EXTRAORDINARY GENERAL MEETING

4. Resolution in relation to the authorization by the general meeting to the Board and its authorized person(s) to proceed with relevant matters in respect of the Issuance of H Shares to Specific Investor in their sole discretion

ORDINARY RESOLUTION

5. Resolution in relation to the Shareholders' return plan of CITIC Securities Company Limited for the next three years (2026-2028)

By order of the Board
CITIC Securities Company Limited
ZHANG Youjun
Chairman

Beijing, the PRC
1 July 2026

Notes:

1. Details of the above resolutions are set out in the Circular.
2. Pursuant to the requirements of the Hong Kong Listing Rules, all votes of Shareholders at the EGM must be taken by poll. As such, the resolution set out in the notice of the EGM shall be voted by way of poll. Relevant poll results will be published on the HKEXnews website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and on the website of the Company at www.citics.com upon conclusion of the EGM.
3. Any Shareholder entitled to attend and vote at the EGM convened by the above notice is entitled to appoint one or more proxies to attend and vote on his/her behalf at the meeting. A proxy needs not be a Shareholder of the Company.
4. To be valid, the instrument appointing a proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority, must be completed and returned to the Board's office (for A Shareholders) or the Company's H Share registrar, Computershare Hong Kong Investor Services Limited (for H Shareholders) not less than 24 hours before the time appointed for convening the EGM (i.e. before 9:00 a.m. on Thursday, 16 July 2026) or any adjourned meeting thereof. The address of the Board's office is at CITIC Securities Tower, No. 48 Liangmaqiao Road, Chaoyang District, Beijing, the PRC, Postal Code: 100026 (Tel: (8610) 6083 6030, Fax: (8610) 6083 6031). The address of the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, is at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (Tel: (852) 2862 8555).

Completion and return of the proxy form will not preclude Shareholders from attending and voting at the EGM or any adjournment thereof in person if he/she so wishes.

5. In order to determine H Shareholders' entitlement to attend the EGM, the H Share register of members of the Company will be closed from Thursday, 16 July 2026 to Friday, 17 July 2026 (both days inclusive), during which period no transfer of H Shares will be registered. In order for H Shareholders to be qualified for attending the EGM, all share certificates together with the share transfer documents must be lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, at or before 4:30 p.m. on Wednesday, 15 July 2026.

The H Shareholders whose names appear on the H Share register of members of the Company on Friday, 17 July 2026 are entitled to attend and vote at the EGM.

NOTICE OF 2026 THIRD EXTRAORDINARY GENERAL MEETING

6. In case of joint Shareholders, if more than one of them are present at the EGM, either in person or by proxy, the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of other joint Shareholders. For this purpose, seniority shall be determined by the order in which the names of the joint Shareholders stand in the register of members of the Company in respect of the relevant Shares.
7. The EGM is expected to last for no more than half a day. Shareholders or their proxies attending the EGM shall be responsible for their own travelling and accommodation expenses. Shareholders or their proxies shall produce their identity documents when attending the EGM.
8. The special resolution shall be passed by the votes of at least two-thirds of Shareholders (including their proxies) present and entitled to vote at the EGM.
9. If H Shareholders have any question in relation to the EGM, please contact the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, through the following means:

Computershare Hong Kong Investor Services Limited

17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong
Telephone: (852) 2862 8555
Website: www.computershare.com/hk/contact

If A Shareholders have any question on attending the EGM, please contact the Company through the following means:

Board's Office of CITIC Securities Company Limited

CITIC Securities Tower, No. 48 Liangmaqiao Road, Chaoyang District, Beijing, the PRC (Postal Code: 100026)
Telephone: (8610) 6083 6030
Email: ir@citics.com