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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)

2022 INTERIM RESULTS ANNOUNCEMENT

The board of directors of CITIC Securities Company Limited is pleased to announce the unaudited interim results of the Company and its subsidiaries for the six months ended 30 June 2022. This announcement, containing the full text of the 2022 interim report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in relation to information accompanying preliminary announcement of the interim results. This interim results announcement of the Company is available for viewing on the website of Hong Kong Exchanges and Clearing Limited at <http://www.hkexnews.hk> and on the website of the Company at <http://www.citics.com>.

IMPORTANT NOTICE

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

This interim results announcement was considered and approved at the 44th Meeting of the Seventh Session of the Board. All Directors attended the meeting. No Director raised any objection to this interim results announcement.

The 2022 interim financial statements of the Company were unaudited. PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers issued a review conclusion in accordance with China Standards on Review Engagements and the International Standards on Review Engagements 2410, respectively.

Mr. ZHANG Youjun, head of the Company, and Mr. SHI Benliang, the Chief Financial Officer and head of the Company's accounting department, warrant that the financial statements set out in this interim results announcement are true, accurate and complete.

There was no profit distribution plan or plan of conversion of the capital reserve into the share capital of the Company for the first half of 2022.

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

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

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

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

The Company prepared this interim results announcement in both English and Chinese languages. In the event of any discrepancies between the English version and Chinese version of this announcement, the Chinese version shall prevail.

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DEFINITIONS

Unless the context otherwise requires, the following expressions have the following meanings in this results announcement:

Definition of Common Terms

“A Share(s)”	the domestic Share(s) in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are listed on the SSE (stock code: 600030)
“A Shareholder(s)”	holder(s) of A Shares
“BSE”	Beijing Stock Exchange
“China AMC”	China Asset Management Company Limited (華夏基金管理有限公司)
“CITIC Corporation Limited”	CITIC Corporation Limited (中國中信有限公司)
“CITIC Financial Holdings”	China CITIC Financial Holdings Limited (中國中信金融控股有限公司)
“CITIC Futures”	CITIC Futures Company Limited (中信期貨有限公司)
“CITIC Global Trade”	CITIC Global Trade Co., Ltd. (中信寰球商貿有限公司)
“CITIC GoldStone Fund”	CITIC GoldStone Fund Management Company Limited (中信金石基金管理有限公司)
“CITIC Group”	CITIC Group Corporation (中國中信集團有限公司)
“CITIC Limited”	CITIC Limited (中國中信股份有限公司)
“CITIC PE Fund”	CITIC Private Equity Funds Management Co., Ltd. (中信產業投資基金管理有限公司)
“CITIC Securities (Shandong)”	CITIC Securities (Shandong) Co., Ltd. (中信證券(山東)有限責任公司)
“CITIC Securities Finance MTN”	CITIC Securities Finance MTN Co., Ltd.
“CITIC Securities Investment”	CITIC Securities Investment Limited (中信證券投資有限公司)
“CITIC Securities South China” or “Guangzhou Securities”	CITIC Securities South China Company Limited (formerly known as “Guangzhou Securities Company Limited (廣州證券股份有限公司)”)
“CLSA B.V.”	a private limited company incorporated under the laws of the Netherlands and becoming a wholly-owned subsidiary of CSI on 31 July 2013
“Company” or “CITIC Securities”	CITIC Securities Company Limited
“Company Law”	the Company Law of the People’s Republic of China
“connected transaction(s)”	has the same meaning ascribed to it under the Hong Kong Listing Rules currently in effect and as amended from time to time
“CSDC”	China Securities Depository and Clearing Corporation Limited
“CSI”	CITIC Securities International Co., Ltd. (中信證券國際有限公司)

“CSRC”	China Securities Regulatory Commission
“Financial Holdings Limited”	Guangzhou Yuexiu Financial Holdings Group Limited (廣州越秀金融控股集團有限公司)
“GoldStone Investment”	GoldStone Investment Co., Ltd. (金石投資有限公司)
“Group”	the Company and its subsidiaries
“H Share(s)”	the overseas-listed foreign Share(s) in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange (stock code: 6030)
“H Shareholder(s)”	holder(s) of H Shares
“HKEX”	Hong Kong Exchanges and Clearing Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Jiangsu Securities Regulatory Bureau”	the Jiangsu Securities Regulatory Bureau of the CSRC
“Jiangxi Securities Regulatory Bureau”	the Jiangxi Securities Regulatory Bureau of the CSRC
“Kington Securities”	Kington Securities Limited Liability Company (金通證券有限責任公司)
“Ministry of Finance”	the Ministry of Finance of the People’s Republic of China
“NSSF”	National Social Security Fund of the PRC
“PRC” or “China”	the People’s Republic of China
“PwC”	PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers
“PwC Hong Kong”	PricewaterhouseCoopers
“PwC Zhong Tian”	PricewaterhouseCoopers Zhong Tian LLP
“related party transaction(s)”	has the same meaning ascribed to it under the SSE Listing Rules currently in effect and as amended from time to time
“Reporting Period”	From 1 January 2022 to 30 June 2022
“Securities Law”	the Securities Law of the People’s Republic of China
“Shanghai Clearing House”	Interbank Market Clearing House Co., Ltd.
“Share(s)”	A Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of the domestic Share(s) or the overseas-listed foreign Share(s) in the ordinary share capital of the Company with a nominal value of RMB1.00, each of which are listed on the SSE and the Hong Kong Stock Exchange, respectively
“Shenzhen Securities Regulatory Bureau”	the Shenzhen Securities Regulatory Bureau of the CSRC
“SSE”	Shanghai Stock Exchange

“SSE Listing Rules”	Rules Governing the Listing of Stocks on Shanghai Stock Exchange
“SZSE”	Shenzhen Stock Exchange
“Tianjin Haipeng”	Tianjin Haipeng Technology Consulting Co., Ltd. (天津海鵬科技諮詢有限公司)
“Wind Info”	Wind Information Co., Ltd.
“Xinjiang Equity Exchange”	Xinjiang Equity Exchange Co., Ltd. (新疆股權交易中心有限公司)
“Yuexiu Financial Holdings”	Guangzhou Yuexiu Financial Holdings Group Co., Ltd. (廣州越秀金融控股集團股份有限公司)
“Yuexiu Financial International”	Yuexiu Financial International Holdings Limited (越秀金融國際控股有限公司)
“Yuexiu Industrial Investment Fund”	Guangzhou Yuexiu Industrial Investment Fund Management Co., Ltd. (廣州越秀產業投資基金管理股份有限公司)

MATERIAL RISK FACTORS

The Group's business is highly dependent on the macroeconomic and market conditions of China and other areas in which the Company operates its business. Therefore, fluctuation in the Chinese and international capital markets will have a material impact on the operating results of the Group.

The risk exposure of the Group mainly include: legal and compliance risk caused by possible failure of the business management and standards to align in a timely manner with changes in national laws and the regulations and rules promulgated by the regulatory authorities; strategic risk caused by possible failure of making adjustment in response to the profound changes in the domestic and overseas capital markets; internal operations and management risks arising from the transformation of the Group's business model and the emergence of new businesses and new technologies; market risk that may arise from the fluctuating market price of the financial positions held by the Group; credit risk that may arise from the default or deterioration of credit qualification of its borrower, trading counterparty or the issuer of financial positions held; liquidity risk where the Group may encounter a shortage of fund in fulfilling the payment obligations; operational risk that may arise from the negligence or omission of the internal process management, information system failure or personnel misconduct; reputational risk caused by negative evaluation of the Company by stakeholders arising from the Company's operation, management and other behaviors or external events; risks such as currency exchange risk that may arise from the operation of international businesses and financial innovative businesses. In particular, credit risk, market risk and compliance risk are the major risks currently faced by the Group.

To cope with the above risks, the Group takes preventive measures through its organizational structure, management system, information technology, and other aspects, while at the same time, optimizes its business process and focuses on strengthening the management of credit risk and liquidity risk.

I. COMPANY INFORMATION AND MAJOR FINANCIAL INDICATORS

1.1 Company Information

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

Registered Capital and Net Capital

In RMB Yuan

	As at the end of the Reporting Period (30 June 2022)	As at the end of last year (31 December 2021)
Registered Capital	14,820,546,829.00	12,926,776,029.00
Net Capital	134,499,075,197.47	107,575,219,488.54

Note: As at the disclosure date of this results announcement, the total number of Shares of the Company was 14,820,546,829 Shares, of which 12,200,469,974 Shares are A Shares and 2,620,076,855 Shares are H Shares.

Business Qualifications for Individual Business of the Company

The business scope of the Company covers: securities brokerage (for areas other than Shandong Province, Henan Province, Tiantai and Cangnan Counties of Zhejiang Province); securities investment consulting; financial advisory services in relation to securities trading and securities investment activities; securities underwriting and sponsorship; securities proprietary business; securities asset management; margin financing and securities lending; securities investment fund sales agency; provision of intermediate referral services to futures companies; agency sale of financial products; and stock options market making business.

In addition, the Company possesses the following business qualifications:

1. Business qualifications approved or certified by the CSRC: entrusted investment management business, online securities entrustment business; entrusted wealth management; operation of overseas securities investment management business by qualified domestic institutional investors (QDII); direct investment; interbank market interest rate swap business; stock index futures trading in proprietary business and asset management business; pilot stock return swap business; first class OTC option dealer; treasury bond futures trading in proprietary business and securities asset management business; pilot agency services for gold and other precious metal spot contracts and proprietary trading for spot gold contracts; custodian business for securities investment funds; credit risk mitigation instruments selling business; market making business of treasury bond futures; commodities derivatives transaction and the trading of financial products on overseas exchanges; pilot cross-border business.
2. Business qualifications approved by the stock exchanges: market maker of stock exchange fixed income platform; warrants trading; stock repo trading business; stock-pledged repo business; margin refinancing and securities relending; Southbound Trading Connect business; bond-pledged quotation repurchase business, financing business with respect to exercising rights under share incentive schemes of listed companies; stock options brokerage; proprietary trading for stock options; SSE and SZSE ETF options market makers; China Financial Futures Exchange stock index options market maker; commodity options market maker of Dalian Commodity Exchange, Zhengzhou Commodity Exchange, Shanghai Futures Exchange, Shanghai International Energy Trading Center; and member of BSE.
3. Business qualifications approved by SAC: quoted transfer business; OTC market business; OTC trading business; internet-based securities business pilot; cross-border income swap transaction business.
4. Business qualifications approved by the People's Bank of China: lending transactions and bond transactions in the National Interbank Funding Centre; short-term commercial paper underwriting; market maker in interbank bond market; and primary dealer of open market.
5. Other business qualifications: member of book-entry treasury bond underwriting syndicates; Class A clearing participant of CSDC; license for operating foreign exchange in securities business (foreign-currency negotiable securities brokerage, foreign-currency negotiable securities underwriting and entrusted foreign-exchange asset management); investment manager for enterprise annuity fund and occupational pension fund; member of underwriting syndicate of policy bank; manager of converted shares of the NSSF; NSSF domestic investment manager; entrusted management of insurance funds; securities investment management for national basic pension insurance fund; pilot refinancing business; sideline insurance agency business; business with insurance institutions as special institutional clients; recommending business and brokerage business through National Equities Exchange and Quotation; market-making business through National Equities Exchange and Quotation; consultancy services for military industry-related and secrecy-involved business; member of Shanghai Gold Exchange; product general clearing member of Shanghai Clearing House; settlement and sale of foreign exchange business; member of the Asset Management Association of China; member of the interbank foreign exchange market; member of the interbank foreign currency market; member of the Shanghai Bill Exchange Co., Ltd.; trustee of debt-financing instruments for non-financial enterprises.

1.2 Contact Person and Methods

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

1.3 Basic Information

During the Reporting Period, there was no change in the basic information of the Company.

Registered Address of the Company	North Tower, Excellence Times Plaza (II), No. 8 Zhong Xin San Road, Futian District, Shenzhen, Guangdong Province
Historical Changes of Registered Address of the Company	On 6 April 2000, with the approval of CSRC and the State Administration for Industry & Commerce of the PRC, the registered address of the Company was changed from Beijing to Shenzhen.
Office Address of the Company	CITIC Securities Tower, No. 8 Zhong Xin San Road, Futian District, Shenzhen, Guangdong Province CITIC Securities Tower, No. 48 Liangmaqiao Road, Chaoyang District, Beijing
Postal Code of Office Address of the Company	518048, 100026
Business Address in Hong Kong	26/F, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong
Website of the Company	http://www.citics.com
Email	ir@citics.com
Telephone	0086-10-6083 8888, 0086-755-2383 5888
Facsimile	0086-10-6083 6029, 0086-755-2383 5861
Customer Service Hotline for Brokerage Business and Asset Management Business	95548, 4008895548
Investor Relations Hotline	0086-10-6083 6030, 0086-755-2383 5383
Unified Social Credibility Code	914403001017814402

1.4 Information Disclosure and Availability Places

Newspapers Designated for Information Disclosure by the Company	China Securities Journal, Shanghai Securities News, Securities Times
The Websites for Publication of the Interim Reports	Website designated by the CSRC: http://www.sse.com.cn (website of the SSE) Website designated by the Hong Kong Stock Exchange: http://www.hkexnews.hk (HKEXnews website of HKEX) Website of the Company: http://www.citics.com
Places Where the Interim Report of the Company is Available	10/F, CITIC Securities Tower, No. 48 Liangmaqiao Road, Chaoyang District, Beijing 16/F, CITIC Securities Tower, No. 8 Zhong Xin San Road, Futian District, Shenzhen, Guangdong Province 26/F, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong

1.5 Shares of the Company

Class of shares	Stock exchange of listing	Stock short name	Stock code	Stock short name before change
A Shares	SSE	CITIC Securities	600030	N/A
H Shares	Hong Kong Stock Exchange	CITIC SEC	6030	N/A

1.6 Other Information of the Company

Changes in registration status:

On 22 June 2022 and 26 July 2022, the Company completed the filing of amendments to the Articles of Association and changes in registered capital and Directors of the Company at the Shenzhen Administration for Market Regulation, respectively.

Changes of substantial Shareholders:

On 13 April 2022, the Company received a notification from CITIC Corporation Limited, the Company's largest Shareholder, that the operating performance and financial position of the Company were consolidated into the financial statements of CITIC Corporation Limited as from the date. For details, please refer to announcement of the Company disclosed on the HKEXnews website of HKEX (<http://www.hkexnews.hk>) on 13 April 2022.

On 22 June 2022, the Company received a notification from CITIC Corporation Limited, the Company's largest Shareholder, that CITIC Corporation Limited and CITIC Limited intended to gratuitously transfer a total of 2,733,961,712 shares of the Company, representing 18.45% of the total issued shares of the Company, to CITIC Financial Holdings. The above-mentioned three parties had entered into a gratuitous transfer agreement on the same date. The gratuitous transfer has been confirmed by the Ministry of Finance and is yet subject to the approval of the CSRC for the shareholder's qualification of CITIC Financial Holdings. Upon the completion of the gratuitous transfer, CITIC Financial Holdings will succeed the position of CITIC Corporation Limited as the largest Shareholder of the Company. For details, please refer to the announcements of the Company disclosed on the HKEXnews website of HKEX (<http://www.hkexnews.hk>) on 22 June 2022, 22 July 2022 and 22 August 2022, respectively.

1.7 Financial Summary

1.7.1 Key Accounting Data and Financial Indicators

In RMB million

Items	30 June 2022	31 December 2021	Variance in comparison with the end of last year (%)
Total assets	1,403,187	1,278,665	9.74
Total liabilities	1,155,699	1,064,857	8.53
Equity attributable to owners of the parent	242,814	209,171	16.08
Issued share capital	14,821	12,927	14.65
Net assets per share attributable to owners of the parent (RMB yuan/share)	16.38	16.18	1.24
Gearing ratio (%) ^{Note}	77.47	79.18	Decreased by 1.71 percentage points

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

Items	Six months ended 30 June 2022	Six months ended 30 June 2021	Variance in comparison with the corresponding period of last year (%)
Total revenue and other income	45,870	47,769	-3.98
Operating profit	15,630	15,864	-1.48
Profit before income tax	15,401	16,291	-5.46
Net profit attributable to owners of the parent	11,196	12,198	-8.21
Net cash inflow/(outflow) from operating activities	69,130	-5,516	N/A
Basic earnings per share (RMB yuan/share)	0.76	0.94	-19.15
Diluted earnings per share (RMB yuan/share)	0.76	0.94	-19.15
Return on weighted average equity (%)	4.64	6.52	Decreased by 1.88 percentage points

1.7.2 Net Capital and Relevant Risk Control Indices of the Parent Company

Items	30 June 2022	31 December 2021
Net capital (RMB million)	134,499	107,575
Net assets (RMB million)	205,212	173,843
Total risk capital reserves (RMB million)	69,226	61,561
Risk coverage ratio (%)	194.29	174.74
Capital leverage ratio (%)	16.81	14.22
Liquidity coverage ratio (%)	139.71	140.76
Net stable funding ratio (%)	129.14	126.45
Net capital/net assets (%)	65.54	61.88
Net capital/liabilities (%)	20.47	16.73
Net assets/liabilities (%)	31.23	27.04
Value of proprietary equity securities and derivatives held/net capital (%)	32.08	41.37
Value of proprietary non-equity securities and derivatives held/net capital (%)	276.48	319.26

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

II. MANAGEMENT DISCUSSION AND ANALYSIS

2.1 Operation Discussion and Analysis

The investment banking business of the Group consists of equity financing, debt financing and financial advisory services. The Group provides fund raising and financial advisory services to a wide range of enterprises and other institutional clients both domestically and overseas.

The wealth management business of the Group mainly involves securities and futures brokerage business, distribution of financial products and investment consulting services.

The Group provides institutional stock brokerage business to domestic and overseas professional institutional investors clients, which mainly involves various professional value-added services for their investments and trading in the Chinese stock market and other overseas stock markets in Asia-Pacific, the U.S. and other areas, such as research marketing, transaction execution, equity financing and trading projects recommendation.

The financial market business of the Group is primarily comprised of trading and market-making of equity products, fixed income products and derivatives, foreign exchange business, margin financing and securities lending business, alternative investment and commodities business.

The Group provides asset management services and products to clients both domestically and overseas. The Group has been engaged in asset management businesses including collective asset management (“CAM”), separately managed account (“SMA”) and specialized asset management (“SAM”), fund management and other investment accounts management.

The investment business of the Group mainly comprises alternative investment and private equity investment.

The Group provides services such as custody and research.

2.1.1 Investment Banking

(1) *Equity financing*

Market environment

In the first half of 2022, although the number of A-share IPO enterprises decreased, the offering size of A-share IPO increased significantly. A total of 171 enterprises completed the A-share IPO process and listing, representing a year-on-year decrease of 30.20%. The total offering size amounted to RMB311,937 million, representing a year-on-year increase of 47.87%. The cumulative approval rate of A-share IPOs reached 87.69% and maintained at a high level. Refinancing market declined. The total issuance size of private placement (for cash) projects amounted to RMB162,582 million, representing a year-on-year decrease of 51.79%; and the total issuance size of convertible bonds amounted to RMB158,554 million, representing a year-on-year decrease of 4.04%.

In the first half of 2022, A-share (issuance for cash and acquisition of asset) amounted to RMB737,777 million, representing a year-on-year decrease of 6.31%; A-share (issuance for cash) amounted to RMB707,429 million, representing a year-on-year decrease of 6.52%. Calculated based on the underwriting share of lead underwriters, the market share of the top ten securities companies in A-share equity underwriting (issuance for cash) amounted to 72.43%, indicating a high level of concentration. The offering size of Hong Kong IPO amounted to US\$2,674 million, representing a year-on-year decrease of 91.09%; the offering size of Hong Kong refinancing market amounted to US\$5,817 million, representing a year-on-year decrease of 90.62%. Calculated on the basis of the total offering size of projects distributed evenly among all bookrunner roles, the market share of top ten investment banks in Hong Kong equity financing market totaled 70%.

Actions and achievements

In the first half of 2022, in respect of domestic equity financing, the Company completed a total of 68 A-share lead underwriting projects with an aggregate lead underwriting amount of RMB165,013 million (for cash and asset transactions), representing a year-on-year increase of 15.96%, accounting for a market share of 22.37% and ranking first in the market. With the advancement of registration-based system reform, the Company completed 27 IPO projects on the STAR Market and ChiNext, with a lead underwriting amount of RMB87,528 million, accounting for a market share of 28.06% and ranking first in the market; 41 refinancing lead underwriting projects with an aggregate lead underwriting amount of RMB77,485 million, accounting for a market share of 18.20% and ranking first in the market. Among them, 21 were private placement (for cash) projects with a lead underwriting amount of RMB25,348 million, accounting for a market share of 15.59% and ranking first in the market.

Projects	Six months ended 30 June 2022		Six months ended 30 June 2021	
	Lead Underwriting Amount (RMB million)	Number of Issuances	Lead Underwriting Amount (RMB million)	Number of Issuances
IPOs	87,528	27	37,714	27
Refinancing issuances	77,485	41	104,585	65
Total	165,013	68	142,299	92

Source: Wind Info and the Company's internal statistics

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

Note 2: In the event that the amount undertaken by respective underwriter is not specified, the underwriting amount of joint-lead underwriting projects is calculated by dividing the total project size by the number of lead underwriters

In the first half of 2022, in respect of overseas equity financing, calculated on the basis of the total offering size of projects distributed evenly among all bookrunner roles, the Company completed a total of 17 overseas equity projects with an underwriting amount of US\$1,257 million in aggregate. Among them, 5 were IPO projects in the Hong Kong market with an underwriting amount of US\$214 million, and 6 were refinancing projects with an underwriting amount of US\$519 million, ranking the first among Chinese securities companies in respect of equity financing business in the Hong Kong market. The Company completed 6 equity financing projects in overseas markets in the Southeast Asia, India, Australia and other areas, with an underwriting amount of US\$524 million.

Outlook for the second half of 2022

In the second half of 2022, the Company will enhance its professional ability of serving important clients and the new economic fields, for which it will strengthen industry research and client market analysis, take positive steps to promote business and product innovation, actively optimize its business structure and quality, with a focus on important clients and key transactions opportunities thereof, so as to enhance its competitiveness and influence in global market, and it will continue to develop the layout for the businesses in relation to the comprehensive implementation of the registration-based system for stock issuance, Global Depositary Receipts (GDR) on overseas exchanges, A+H dual-listing and home-returning of red-chip companies to A-share or H-share market. The Company will provide clients with high-quality professional investment banking services by leveraging its integrated service and platform strength.

(2) Debt financing

Market conditions

In the first half of 2022, the yield rate of bond market presents an overall narrow volatility trend in the domestic market, the aggregate issuance size of bonds amounted to RMB31.50 trillion, representing a year-on-year increase of 6.53%; and net financing amount reached RMB8.31 trillion, representing a year-on-year increase of 24.58%. The aggregate issuance size of credit bonds (excluding interbank certificates of deposit) amounted to RMB9.09 trillion, representing a year-on-year decrease of 3.42%. The steady growth policy exerted its power, and the issuance scale of treasury bonds and local government bonds increased significantly compared with the same period in 2021; with respect to non-financial corporate bonds, affected by the credit contraction of real estate companies and local government financing vehicles, the overall issuance volume was nearly flat compared to the first half of 2021; the issuance of asset-backed securitization shrank obviously. In overseas economies, the yield rate of U.S. bond fluctuated on the rise. According to Dealogic's statistics, Chinese enterprises issued a total of 250 offshore bonds with a total financing size of US\$63,700 million in the first half of 2022.

Actions and achievements

In the first half of 2022, the Company maintained its leadership in the debt financing business with a total underwriting amount of RMB838,061 million, representing a year-on-year increase of 26.25%. The Company contributed as to 14.88% of the total underwriting amount of securities companies, ranking the first among securities companies, and as to 5.96% of the total underwriting amount of underwriting institutions including commercial banks, ranking the second in the market. The Company underwrote 2,018 projects, ranking the first among securities companies.

Projects	Six months ended 30 June 2022		Six months ended 30 June 2021	
	Lead Underwriting Amount (RMB million)	Number of Issuances	Lead Underwriting Amount (RMB million)	Number of Issuances
Enterprise bonds	12,331	19	20,110	26
Corporate bonds	169,735	361	141,652	288
Financial bonds	170,750	116	167,987	109
Medium-term notes	44,256	74	22,541	38
Short-term commercial papers	8,109	22	7,150	19
Private placement notes	6,149	18	6,390	19
Asset-backed securities	110,535	366	135,922	399
Convertible bonds/exchangeable bonds	33,350	14	18,045	14
Local government bonds	282,846	1,028	144,004	375
Total	838,061	2,018	663,803	1,287

Source: Wind Info and the Company's internal statistics

In respect of offshore bonds issued by Chinese enterprises in overseas market, the Company completed a total of 75 projects with a total underwriting amount of US\$2,545 million, accounting for market share of 3.99% and ranking the second among Chinese securities companies. The Company also provided customers with structured and leveraged financing, risk solutions, liquidity management and other diversified services.

Outlook for the second half of 2022

In the second half of 2022, the Company will continue to expand client base, strengthen quality management and control project risks; provide customers with comprehensive services and financial solution packages, and consolidate its leading advantages in debt financing business; strengthen research on key regions and customers, and strengthen efforts to explore bond financing opportunities of regional customers to consolidate its regional advantages and competitiveness; promote bond business and product innovation, and increase the investment in bond varieties encouraged by policies; vigorously expand in the offshore bond (issued by Chinese enterprises) customer markets, and improve underwriting capacity and market share of overseas bond business.

(3) Financial advisory services

Market conditions

According to Dealogic, in the first half of 2022, the total value of global merger and acquisition transactions announced reached US\$2.25 trillion and the number of transactions amounted to 15,900. On a sector basis, in the first half of 2022, the electronics and computer sector was the most active with the value of merger and acquisition transactions announced amounting to US\$626.157 billion, which accounted for 27.84% of the total value of merger and acquisition transactions announced; the real estate and property sector followed with the value of merger and acquisition transactions announced amounting to US\$218.715 billion, which accounted for 9.72% of the total value of merger and acquisition transactions announced. The number of announced merger and acquisition transactions in the market involving Chinese enterprises was 1,459 with a transaction size of US\$205.196 billion, of which, 179 were cross-border transactions with a transaction size of US\$29.802 billion.

Actions and achievements

In the first half of 2022, the size of material assets restructuring transactions in A-share market completed by the Company amounted to RMB45,630 million, ranking the first in the market. Through offering in-depth services to various enterprises, the Company completed a number of influential merger and acquisition and restructuring transactions on the market, including material asset swap of Tianjin Guangyu Development Co., Ltd., material asset restructuring of Jiangsu Eastern Shenghong Co., Ltd., and merger by absorption through share swap between China Longyuan Power Group Corporation Limited and Inner Mongolia Pingzhuang Energy Resources Co., Ltd. The value of global merger and acquisition transactions involving Chinese enterprises completed by the Company amounted to US\$11,974 million, ranking the second among Chinese securities companies. The Company continued to strengthen domestic and overseas merger and acquisition business expansion, assisting the acquisition of Deppon Logistics Co., Ltd. by JD Logistics, Inc. and the asset swap between Power Construction Corporation of China, Ltd. and Power Construction Corporation of China.

Outlook for the second half of 2022

In the second half of 2022, the Company will continue to serve substantial customers and further increase its market share through endeavoring to capture more merger and acquisition and restructuring opportunities in the market and improving its comprehensive merger service capabilities. Leveraging its global network resources, the Company will strengthen the development of businesses including cross-border merger and acquisition, merger and acquisition and privatization of overseas-listed companies, and merger and acquisition service capabilities in international market, so as to increase its global business coverage and market competitiveness.

(4) *The businesses of New OTC Market and Beijing Securities Exchange (BSE)*

Market conditions

Since the opening of the BSE, the market operated smoothly and prospectively with positive ecological changes. With the support of new OTC market, the BSE created a new era serving innovative small and medium sized enterprises (SMEs). In the first half of 2022, a total of 79 companies were listed on the New OTC Market, representing a year-on-year increase of 88.10%; there were 416 share offerings, representing a year-on-year increase of 26.44%; the issuance size achieved RMB12,717 million, representing a year-on-year decrease of 2.16%. A total of 19 companies were listed on the BSE, with issuance size of RMB2,802 million. As of 30 June 2022, there are 134 companies under approval and 279 companies in tutoring period in BSE. The new share review and public offering on BSE have been normalized.

Actions and achievements

The Company's businesses of New OTC Market and the BSE continued to provide high-quality investment banking services to innovative SMEs on a client development basis. While actively carrying out the sponsorship and underwriting business of the BSE, and increasing the coverage of high-quality innovative SMEs, we attached great importance to project quality control and effectively controlled business risks. In the first half of 2022, the Company, as a sponsor, has filed 4 IPO projects on the BSE and, as the nominated adviser and broker of the New OTC Market, has submitted the listing applications of 4 companies; conducted continuous supervision over a total of 19 listed companies, of which 12 companies have entered the innovation tier.

Outlook for the second half of 2022

In the second half of 2022, the Company will continue to increase its coverage for innovative SMEs according to the progress of deepened reform of the New OTC Market and expand high-quality customer resources, so as to enhance its professional service ability for New OTC Market and the BSE, and thus to provide high-quality investment banking service for customers.

2.1.2 Wealth management

Market conditions

In the first half of 2022, the overall trading turnover of the domestic securities market was higher than that of 2021, but with the SSE Composite Index decreased by 6.63%, the SME Composite Index decreased by 10.77% and the ChiNext Composite Index decreased by 15.91%.

Actions and achievements

In the first half of 2022, the Company continued to expand its client base and increase the business size. As of the end of the Reporting Period, the Company had approximately 13 million clients on a cumulative basis. Among them, 158 thousand were wealth management clients with assets over RMB2 million, and the total assets of clients under custody remained at RMB10 trillion. The Company strengthened the capability of investment advisory and core wealth allocation. As of the end of the Reporting Period, the accumulated contracted assets of the public fund investment advisory business of the Company exceeded RMB10 billion, and the scale of various private equity products allocated to high-net-worth clients exceeded RMB180 billion. The Company launched an overall solution for entrepreneurs' offices as a focus, expanding from cash services to share services, asset services and risk management services. The Company serviced 3,000 entrepreneurs' office clients with assets over RMB50 million, and managed over RMB1 trillion in client assets, achieving the effective linkage development of wealth management and integrated finance. The Company adhered to the origin of brokerage business, built an institutional brokerage service ecosystem and improved the overall competitiveness of its brokerage business. The Company, together with CITIC Securities (Shandong) and CITIC Securities South China, provided agency services for stock and fund transactions of a total of RMB18.1 trillion, representing an increase of 11% as compared with that of the same period in 2021.

Outlook for the second half of 2022

In the second half of 2022, the Company will continue to rely on the huge development potential of the wealth management market, take advantage of its comprehensive financial services, take the rapid development of public fund investment advisory business as an opportunity, take the overall solution of entrepreneurs' office as the flagship brand, and optimize the piloted first batch of account management functions to innovate the wealth management service model to achieve multi-level and comprehensive upgrade of wealth management service ecosystem, highlight the professional value of wealth management, and further promote the stable growth of clients and their assets size.

2.1.3 Institutional stock brokerage business

Market conditions (refer to the section titled "Wealth Management")

Actions and achievements

In the first half of 2022, the Company still maintained its overall leading position in the domestic institutional stock brokerage business. It increased the coverage of primary market equity investment institutions, banks, trusts and other wealth management institutions to expand its business, and made substantial progress.

In the first half of 2022, in an environment of global market fluctuation, the Company had a globally notable market share in offshore institutional stock brokerage business and maintained a top-ranked market position in Asia Pacific region, steadily improved competitiveness in core customers and core market segments, and continued to consolidate and reinforce the global integrated trading platform to provide comprehensive trading solutions for global clients.

Outlook for the second half of 2022

In 2022, relying on domestic and overseas business advantages and customer resources, the Company will continuously promote the integration and expansion of stock brokerage business for global institutions. In respect of stock brokerage business for domestic institutions, the Company will continue to explore traditional customer market, expand effective customer coverage, develop the business client market of the wealth management institutions and explore new business model. By strengthening the integrated services to domestic and overseas customers and centering on customers, the Company will actively make good use of its various business products and resources to provide customers with comprehensive financial services and deepen and expand customer business cooperation.

2.1.4 Financial markets

Market conditions

The first half of 2022 saw the CSI 300 Index fallen by 9.22% and the CSI 500 Index fallen by 12.30%. Growth stocks fell significantly in the first quarter, while the undervalued strategy has significant excess returns. After the economy bottomed out in the second quarter, the stock market, especially growth stocks, rebounded across the board, with the automotive and photovoltaic sectors leading the way. Most of the major overseas markets fell, with the S&P 500 index, Nasdaq index, the European STOXX 50, the Hang Seng Index and the Hang Seng TECH Index decreasing by 20.58%, 29.51%, 19.62%, 6.57% and 14.12%, respectively. China's bond market performed steadily with solid returns, with the China Bond Composite Index rising by 1.83%. Treasury bonds witnessed a horizontal price movement in medium and long-term key-duration interest rates, with generally ample interbank liquidity.

Actions and achievements

The Company's OTC derivatives business continued to meet market demand with the enrichment of application scenarios; OTC products further enriched the target and product structure; market-making business continued to rank among the top in the market. In respect of the derivatives business, the Company had extensive customer base, rich product supply, outstanding trading ability and stable returns. With transactions of overseas equity derivatives business covering mainstream international markets, the Company provided customers with cross-time-zone derivative trading services in the global market.

The Company's fixed income business gave full play to the advantages of customer resources, improved the comprehensive ability in product design and customer service, and continued to enrich the profit model, with steady development of various businesses. In the first half of 2022, the Company maintained its number one position in the industry in terms of sales scale of interest rate products.

The Company's equity proprietary trading business insisted on focusing on the fundamentals of listed companies. The technological growth with Alpha opportunities and low valuation and stable growth were selected as investment portfolios combining growth and value, while focusing on taking industry chain research as the entry point and strengthening cross-industry comparative research. We have steadily advanced in the exploration and practice of quantitative analysis and diversified strategies, and enhanced our ability to adapt and adjust to market styles and industry rotation.

The Company carried out financing and securities lending business in depth, built a scenario system for various customer bases and complex needs, provided comprehensive financial solutions for customers; deepened domestic and overseas business linkage, expanded and innovated comprehensive business scenarios; enhanced product innovation capability; increased investment in financial technology; optimized the risk management system, while maintaining an industry leadership in business scale and realizing a steady increase in the penetration rates of the customers.

The Company's alternative investment business actively developed new strategies and made a new breakthrough in various dimensions including stable returns, risk resistance and correlation reduction. By taking diversified strategies, the Company could obtain more types of excess returns while effectively diversifying risks. There has also been a significant increase in overseas alternative investment business with steady advancement of investment strategies for different transaction targets and the rate of return exceeding the average level in the industry.

In respect of the commodities business, the Company insisted on practicing the concept of finance serving the real economy. While continuing to provide hedging services for industrial customers and asset allocation services for financial institutions, the Company helped customers effectively avoid and reduce their risk exposure due to abnormal market fluctuations through its professional risk control and market risk hedging capabilities, further strengthening the breadth of business development and depth of customer service, and maintaining its leading position in the industry.

Outlook for the second half of 2022

In terms of equity derivatives business, the Company will continue to stick to a customer-oriented principle and create value for customers, improve product supply and service ecology, continue to improve trading and risk control capabilities, promote digital operation, build a one-stop integrated service platform, and provide domestic and foreign customers with a global multi-market and all-day investment and trading experience and integrated financial services.

In terms of fixed income business, the Company will make further efforts in expanding client base and market to grasp emerging business opportunities and customer needs, and thus to provide customers with diverse products and trading services. We will continue to develop cross-border business and promote the joint development of domestic and overseas business.

In terms of equity proprietary trading business, the Company will continue to optimize its investment research system, deepen its forward-looking research with industry chain research as the entry point, continue to explore the development of multi-strategy investment system, and enhance its capital utilization capability.

In terms of financing and securities lending business, the Company will continue to build and optimize its global securities financial service capabilities, providing diversified services according to client demand in different scenarios. In line with the development trend of capital market innovation, the Company will promote the innovation of products and their features, optimize the customer service and the marketing model and improve the customer service platform and channel to provide one-stop financial products and comprehensive solutions for domestic and foreign professional institutions and wealth management customers.

Research and development of strategies remain the focus of alternative investment business. The Company will continue to accelerate the launching of research and development projects of new strategies and enrich the factor library to gradually achieve full coverage of the strategies for various domestic and overseas markets and various transactions.

In terms of the commodities business, the Company will continue to increase the market coverage of customers, diversify customer base, optimize customer structure, and strengthen effort in the services for the real industrial customers. We will continue to enrich product design, cover the mainstream global commodity varieties, provide diversified derivative instruments, provide risk hedging tools and risk transfer channels for domestic and foreign clients, and make commodities an important part of the Company's comprehensive financial service chain.

2.1.5 Asset management

Market conditions

In 2022, the New Regulations on Asset Management was formally implemented, and the asset management industry entered a stage of net asset value management in an all-round way. In the first half of 2022, the complex and volatile domestic and international environment, the increased volatility of the capital market, and the continuous refinement and improvement of regulatory policies have created both challenges and opportunities for asset management institutions. In the future, asset management institutions need to achieve comprehensive improvement in multiple dimensions such as investment management, risk management, operation management and brand building, form a differentiated position according to their own advantages and build a multi-level and diversified asset management industry ecology. At the same time, asset management institutions should seize the opportunity of national economic transformation and the upgrading of residents' demand to effectively provide professional services and important support for the investment and financing needs of the real economy and the preservation and appreciation of residents' assets.

(1) Asset Management Business of the Company

Actions and achievements

In the first half of 2022, the Company continuously upheld the original mission of “working for the people's happiness, serving the real economy and preventing financial risks” in its asset management business, and upheld the management concept of “specialization, systemization and refinement”. As of the end of the Reporting Period, the AUM of the Company amounted to RMB1,595,675 million, of which, the size of CAM and SMA amounted to RMB659,114 million and RMB936,561 million, respectively. The market share of the privately-offered asset management business as defined under the New Regulations on Asset Management (excluding pension businesses, publicly-offered collective investment schemes and asset-backed securitization products) of the Company was approximately 16.79%, ranking the first in the industry.

Type	AUM (RMB million)		Income from Management Fee (RMB million)	
	As at the end of June 2022	As at the end of 2021	Six months ended June 2022	Six months ended June 2021
CAM	659,114	660,485	795.34	988.19
SMA	936,561	965,250	829.20	771.22
SAM	—	—	29.11	23.03
Total	<u>1,595,675</u>	<u>1,625,735</u>	<u>1,653.65</u>	<u>1,782.44</u>

Source: The Company's internal statistics

Note: The CAM included publicly-offered collective investment scheme and excluded pension products; the SMA included pension businesses; and the SAM excluded asset-backed securitization products

Outlook for the second half of 2022

In the second half of 2022, in respect of asset management business, the Company will, following the customer development strategy of “serving institutional customers and increasing retail customers”, and adhering to the customer-oriented management mechanism, continue to improve customer development ability and comprehensive financial services. The Company will pay attention to active management, consolidate the traditional strategies of “fixed income” and “fixed income +”, and actively promote the implementation of special strategies of brokers. The Company will continually make preparations for the establishment of asset management subsidiaries. Besides, the Company will constantly promote the digital construction of asset management business and enable business development with information technology.

(2) *China AMC*

Actions and achievements

In the first half of 2022, China AMC seized the investment direction amid market fluctuations and maintained the industry-leading performance in equity investment; rationalized product issuance and improved the quality of channel services and customer companionship; maintained stable incremental institutional business and improved the structure of actively managed SMA services; steadily promoted international business and landed ESG-themed funds; increased efforts to promote digital transformation and improve risk prevention capabilities. As a result, the overall asset management scale further expanded. As of the end of the Reporting Period, the total AUM of China AMC reached RMB1,740,172 million, of which, the AUM of public funds reached RMB1,136,542 million and the AUM of institutional and international business reached RMB603,630 million.

Outlook for the second half of 2022

In the second half of 2022, China AMC will capture structural investment opportunities, make every effort to improve investment performance, invest in newly issued funds on a rational basis, capture market opportunities to achieve scale growth, tap the potential of institutional and retail business, form a systematic customer-centric combat system, promote the construction of the Company’s digital integration, continuously improve Fintech ecosystem, and build a team of talents in pursuit of excellence, thereby maintaining its comprehensive competitiveness in the industry.

2.1.6 Custody

Market conditions

In the first half of 2022, due to the impact of domestic and international macroeconomic environment, the capital market experienced shocks and adjustments; the major indices of A-shares fell; the growth rate of the scale of public funds slowed down; the scale of private funds fell slightly after exceeding the RMB20 trillion mark; and the pace of issuance of various fund products slowed down. Three new institutions were approved for securities investment fund custody qualification in the first half of 2022, and the market competition became more intense.

Actions and achievements

In the first half of 2022, the Company continued to increase investment in financial technology, successively launching the mobile version of iService and its portal experience version with a new scenario-based view model, and launching the overseas FA version of GFUNDService fund service platform. The Company launched the developed Xin e+ private fund manager platform and won innovation awards for the day-to-day multi-batch clearing mechanism launched first in the industry. The Company was successfully granted the Hong Kong Trust or Company Service Provider (TCSP) license. As of the end of the Reporting Period, the Company’s asset custody and fund operation outsourcing service business achieved continuous growth, with 12,169 products under the asset custody service provided by the Company and 13,050 products under the fund operation outsourcing service provided by the Company.

Outlook for the second half of 2022

In the second half of 2022, as domestic epidemic prevention and control measures have achieved good results, the macro economy will enter into restorative growth and the scale of asset management product issuance will further increase. The Company will continue to strengthen cooperation with various asset management institutions, continue to optimize the customer service process, deepen the business application of financial technology, and achieve the simultaneous improvement of operational capability and supervisory performance through organizational and service innovation.

2.1.7 Equity investment

Market conditions

According to Zero2IPO, in the first half of 2022, the activity of the fund-raising market slowed down subject to the recurrence of epidemic, changes in the capital markets environment and other factors. The total fund-raising amount of funds was RMB772.455 billion, representing a year-on-year decrease of 10.3%, and a total of 2,701 new funds completed fund-raising, representing a year-on-year decrease of 7.2%. The capital structure was further diverged, and the establishment of large state-owned asset industrial funds, infrastructural funds accelerated. In terms of investment, in the first half of 2022, the number of fund investment cases was 4,167, representing a year-on-year decrease of 31.9%, and the total amount of investment was RMB314.929 billion, representing a year-on-year decrease of 54.9%, of which a proportion of manufacturing investment mainly in semiconductors and electronic devices, high-end/advanced manufacturing increased. In terms of exit, the pace of domestic and overseas listing of Chinese enterprises has slowed down, and accordingly the IPO cases of invested companies also have decreased year-on-year, but it was still the main exit method. In the first half of 2022, there were 1,295 exit cases, representing a year-on-year decrease of 50%, of which IPO exit accounted for 79.4%.

(1) *CITIC Securities Investment*

Actions and achievements

In the first half of 2022, as an alternative investment subsidiary of the Company, CITIC Securities Investment closely focused on the development of the capital market and the macro situation in China and abroad, served the real economy as fundamental action and continued to explore investment opportunities in industries including advanced manufacturing, information technology, modern service, medical and healthcare, new materials and industrial products.

Outlook for the second half of 2022

In the second half of 2022, guided by national policies continually, CITIC Securities Investment will support the areas encouraged by national policies actively, improve investment research capacity, systematically carry out industrial layout and strengthen post-investment management and risk control with a focus on the strategic orientation of national economic development, and based on the actual needs of the development of the real economy.

(2) *GoldStone Investment*

Actions and achievements

Being a platform for raising and managing private equity investment funds of the Company, in the first half of 2022, GoldStone Investment, sponsored funds with a total size of RMB6.0 billion. As a fund manager, GoldStone Investment supported the development of enterprises that are in line with the layout of national strategic emerging industries and have core competitiveness by way of equity investment. In terms of investment, in the first half of 2022, GoldStone Investment made external investment of over RMB3.0 billion in sectors involving new materials, new energy, new generation of information technology and healthcare. As of the end of the Reporting Period, there were over 20 private equity investment funds under GoldStone Investment's management.

From the establishment of the first REITs fund in China in 2014 to the end of the Reporting Period, CITIC GoldStone Fund, a wholly-owned subsidiary of GoldStone Investment, has cumulatively established REITs funds and property private funds, totaling RMB27.576 billion, ranking forefront among the REITs funds in China in terms of management scale. As of the end of the Reporting Period, the existing funds under the management of CITIC GoldStone Fund and its subsidiaries amounted to approximately RMB4.341 billion.

Outlook for the second half of 2022

GoldStone Investment's development strategy is to attach equal importance to management scale and investment returns, with its strategic goal of developing into a leading private equity investment fund management institution in China. It aims to create excellent returns for fund investors and realize management fee revenues and performance rewards for the Company. GoldStone Investment adopts the method of "top-down, research first" to explore investment targets and realize systematization and systematism in investment. It focuses on enterprises with forward-looking technology and high-tech barriers, and continuously empowers enterprises in post-investment management to enhance the industrial value. In addition, GoldStone Investment will also continue to expand its overseas investment and seize economic development opportunities in new regions as a beneficial supplement to its domestic investment.

2.1.8 Research

In the first half of 2022, the comprehensive strategic transformation of the Company's research business was highly effective. The depth of research and service levels were further enhanced, with research outreach scaling up, and the number of Chinese and English research reports remaining high, thus winning more recognition from global customers. The Company organized a number of forums activities, such as the spring capital market forums, which were widely recognized by customers, expanding the breadth and depth of customer services. It devoted greater efforts to online meetings and online services and successfully organized 15 large and medium-sized industry forums and intermediate capital market forums online, enhancing the social reputation and market influence of the Company. The combination of integrated research services and business synergies created significant business value for the Company.

In the second half of 2022, the research business will continue to focus on the provision of client-driven and business-driven research services to enhance the influence of research and the Company's reputation and value. In terms of services, the Company will expand its client services to the primary market while providing full support to key institutional clients in the secondary market. In terms of business synergy, the Company will organize various thematic conferences for special business and widely reach out to various business regions, as well as keep providing high-quality intellectual support and research services externally.

2.2 Financial Statements Analysis

2.2.1 Profitability Analysis of the Company for the Reporting Period

In the first half of 2022, the total revenue and other income realized by the Group was RMB45,870 million, representing a year-on-year decrease of 3.98%, of which the revenue from the brokerage business amounted to RMB11,544 million, representing a year-on-year decrease of 7.50%; the revenue realized by the asset management business decreased by 4.29% year-on-year to RMB6,118 million; the revenue realized by the securities trading business increased by 4.50% year-on-year to RMB17,326 million; the revenue realized by the investment banking business increased by 9.61% year-on-year to RMB3,603 million; and the revenue realized by other businesses decreased by 19.39% year-on-year to RMB7,279 million. In the first half of 2022, operating expenses of the Group amounted to RMB30,240 million, representing a year-on-year decrease of 5.22%.

In the first half of 2022, the Group's net profit attributable to owners of the parent decreased by 8.21% year-on-year to RMB11,196 million; basic earnings per Share decreased by 19.15% year-on-year to RMB0.76; and return on weighted average equity decreased by 1.88 percentage points year-on-year to 4.64%.

2.2.2 Asset Structure and Asset Quality

As of 30 June 2022, the Group's equity attributable to owners of the parent amounted to RMB242,814 million, representing an increase of RMB33,643 million or 16.08% as compared to the end of 2021.

As of 30 June 2022, the total assets of the Group amounted to RMB1,403,187 million, representing an increase of RMB124,522 million or 9.74% as compared to the end of the previous year; excluding customer brokerage deposits and funds payable to securities issuers, the total assets of the Group amounted to RMB1,098,380 million, representing an increase of RMB71,591 million or 6.97% as compared to the end of the previous year. As of 30 June 2022, the total liabilities of the Group amounted to RMB1,155,699 million, representing an increase of RMB90,842 million or 8.53% as compared to the end of the previous year; excluding customer brokerage deposits and funds payable to securities issuers, the total liabilities of the Group amounted to RMB850,892 million, representing an increase of RMB37,911 million or 4.66% as compared to the end of the previous year.

The structure of assets and liabilities was stable. As of 30 June 2022, the total assets of the Group excluding customer brokerage deposits and funds payable to securities issuers amounted to RMB1,098,380 million, among which investment assets mainly included investments in associates/joint ventures and financial assets, accounting for 59.22% of the total assets; margin accounts and reverse repurchase agreements, accounting for 13.39% of the total assets; cash and bank balances, accounting for 16.73% of the total assets; and fixed assets, construction in progress, land-use rights and intangible assets, investment properties, right-of-use assets, in aggregate, accounting for 1.30% of the total assets.

As of 30 June 2022, excluding customer brokerage deposits and funds payable to securities issuers, the Group's total liabilities amounted to RMB850,892 million, among which repurchase agreements amounted to RMB246,388 million, accounting for 28.96% of the total liabilities; debt instruments issued and long-term loans were RMB89,216 million, accounting for 10.48% of the total liabilities; short-term loans, due to banks and other financial institutions, short-term financing instruments payable and non-current liabilities due within one year amounted to RMB137,589 million, accounting for 16.17% of the total liabilities; financial liabilities at fair value through profit or loss and derivative financial liabilities were RMB126,527 million, accounting for 14.87% of the total liabilities; and other liabilities amounted to RMB251,172 million in aggregate, accounting for 29.52% of the total liabilities.

The gearing ratio decreased slightly. As of 30 June 2022, excluding customer brokerage deposits and funds payable to securities issuers, the gearing ratio of the Group was 77.47%, representing a year-on-year decrease of 1.71 percentage points.

2.2.3 Cash Flow Status

Excluding customer brokerage deposits, the Group's net increase in cash and cash equivalents was RMB86,260 million in the first half of 2022, as compared to RMB7,419 million for the same period in 2021, which was mainly due to an increase in the net cash flow from operating activities.

From a structural perspective, in the first half of 2022, the Group's net cash inflow from operating activities was RMB69,130 million, as compared to a net outflow of RMB5,516 million for the same period in 2021, which was mainly attributable to the year-on-year increase in net inflow from operating activities relating to financial instruments at fair value through profit or loss and margin accounts.

Net cash inflow from investing activities in the first half of 2022 was RMB17,195 million, as compared to a net inflow of RMB2,312 million for the same period in 2021, which was mainly attributable to the year-on-year increase in the net cash inflow from investment in financial assets at fair value through other comprehensive income.

Net cash outflow from financing activities in the first half of 2022 was RMB65 million, as compared to a net inflow of RMB10,623 million for the same period in 2021, which was mainly attributable to the year-on-year increase in the net cash outflows from financing activities relating to payment of cash for repaying debts during the Reporting Period.

2.2.4 Fair Value Measurement

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

The fair values of quoted financial assets or financial liabilities in active markets of the Group are based on quoted market prices. In the absence of active market, the Group establishes fair value by using valuation techniques. These include the use of market approach, income approach and cost approach. In the application of valuation techniques, the Group prioritizes the use of relevant observable inputs, and can only use unobservable inputs when the relevant observable inputs are unavailable or impractical to obtain.

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

2.2.5 The Company currently has seven principal subsidiaries and has one principal company with non-controlling interest, a summary of which is set out below:

Name	Shareholding of the Company	Date of Establishment	Registered Capital	Place of Business	Registered Address	Legal Representative	Contact Number
CITIC Securities (Shandong)	100%	1988.6.2	RMB2,493.8 million	5/F, East Wing, Tower 1, Longxiang Plaza, No. 28 Dong Hai West Road, Shinan District, Qingdao, Shandong Province 15/F, International Wealth Center, No. 156 Jingqi Road, Shizhong District, Jinan, Shandong Province	Unit 2001, Tower 1, No. 222 Shenzhen Road, Laoshan District, Qingdao, Shandong Province	CHEN Jiachun	0532-82736868
CSI	100%	1998.4.9	Paid-up capital of HK\$6,516.05 million	26/F, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong	26/F, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong	ZHANG Youjun	00852-26008888
GoldStone Investment	100%	2007.10.11	RMB3,000 million	17/F, CITIC Securities Tower, No. 48 Liangmaqiao Road, Chaoyang District, Beijing	No. 48 Liangmaqiao Road, Chaoyang District, Beijing	CHANG Junsheng	010-60837800
CITIC Securities Investment	100%	2012.4.1	Paid-up capital of RMB17,000 million	17/F, CITIC Securities Tower, No. 48 Liangmaqiao Road, Chaoyang District, Beijing	Unit 2001, Tower 1, International Finance Plaza, No. 222 Shenzhen Road, Laoshan District, Qingdao, Shandong Province	FANG Hao	010-60833811
CITIC Futures	100%	1993.3.30	RMB7,600 million	Units 1301–1305, 13/F and 14/F, North Tower, Excellence Times Plaza II, No. 8 Zhong Xin San Road, Futian District, Shenzhen, Guangdong Province	Units 1301–1305, 13/F and 14/F, North Tower, Excellence Times Plaza II, No. 8 Zhong Xin San Road, Futian District, Shenzhen, Guangdong Province	ZHANG Hao	0755-83217780
CITIC Securities South China	100%	1988.3.26	RMB5,091,137,318	Room 901 (Part: Self-edited 01) & Room 1001, No. 395 Linjiang Avenue, Tianhe District, Guangzhou, Guangdong Province	Room 901 (Part: Self-edited 01) & Room 1001, No. 395 Linjiang Avenue, Tianhe District, Guangzhou, Guangdong Province	HU Fuyun	020-88836999
China AMC	62.20%	1998.4.9	RMB238 million	Building 7, No. 1 Yuetan South Street, Xicheng District, Beijing	No. A3, Anqing Street, Shunyi District, Beijing	YANG Minghui	010-88066688
CITIC PE Fund	35%	2008.6.6	RMB1,800 million	17/F, CITIC Securities Tower, No. 48 Liangmaqiao Road, Chaoyang District, Beijing	District C, Incubator Building, Technology Education and Startup Park, Technology City, Mianyang	TANG Shichao	010-60837869

Particulars of the principal controlling subsidiaries and the principal company in which the Company has a non-controlling interest are as follows (all figures are unaudited):

- (1) CITIC Securities (Shandong) is a wholly-owned subsidiary of the Company with a registered capital of RMB2,493.80 million. As at the end of the Reporting Period, the total assets and net assets of CITIC Securities (Shandong) amounted to RMB33,534.69 million and RMB7,935.31 million, respectively; the operating revenue, profit before income tax and net profit realized in the first half of 2022 amounted to RMB1,031.79 million, RMB451.00 million and RMB335.48 million, respectively; and it had 70 securities branches and 2,744 staff (including 3 brokers and 87 dispatched staff).

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

- (2) CSI is a wholly-owned subsidiary of the Company with paid-up capital of HK\$6,516.05 million. As at the end of the Reporting Period, the total assets and net assets of CSI amounted to approximately RMB238,691.06 million and approximately RMB10,000.43 million, respectively; the operating revenue, profit before income tax and net profit realized in the first half of 2022 amounted to approximately RMB2,985.04 million, approximately RMB1,083.06 million and approximately RMB842.72 million, respectively; and it had 5 branches in Hong Kong and 1,912 staff worldwide (including 88 brokers).

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

- (3) GoldStone Investment is a wholly-owned subsidiary of the Company with a registered capital of RMB3.0 billion. As at the end of the Reporting Period, the total assets and net assets of GoldStone Investment amounted to RMB38,170.02 million and RMB9,723.40 million, respectively; the operating revenue, profit before income tax and net profit realized in the first half of 2022 amounted to RMB408.50 million, RMB237.31 million and RMB192.99 million, respectively. GoldStone Investment had 121 staff (5 dispatched staff inclusive).

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

- (4) CITIC Securities Investment is a wholly-owned subsidiary of the Company with paid-up capital of RMB17 billion. As at the end of the Reporting Period, the total assets and net assets of CITIC Securities Investment amounted to RMB25,743.45 million and RMB22,272.28 million, respectively; the operating revenue, profit before income tax and net profit realized in the first half of 2022 amounted to RMB445.34 million, RMB324.88 million and RMB272.10 million, respectively; and it had 33 staff.

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

- (5) CITIC Futures is a wholly-owned subsidiary of the Company with a registered capital of RMB7.6 billion. As at the end of the Reporting Period, the total assets and net assets of CITIC Futures amounted to RMB159,711.69 million and RMB11,679.26 million, respectively; the operating revenue, profit before income tax and net profit realized in the first half of 2022 amounted to RMB7,680.84 million, RMB720.18 million and RMB535.50 million, respectively; and it had 50 branches and 2,044 staff.

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

- (6) CITIC Securities South China is a wholly-owned subsidiary of the Company with a registered capital of RMB5,091,137,318. As at the end of the Reporting Period, the total assets and net assets of CITIC Securities South China amounted to RMB15,679.31 million and RMB6,743.73 million, respectively; the operating revenue, profit before income tax and net profit realized in the first half of 2022 amounted to RMB220.55 million, RMB101.52 million and RMB73.76 million, respectively; and it had 30 securities branches and 882 staff (including 59 dispatched staff).

The principal businesses of CITIC Securities South China include: securities brokerage; securities investment consulting (for securities investment consulting business only); financial advisory in relation to securities trading and securities investment activities; securities underwriting and sponsorship; stock proprietary business; securities asset management; margin financing and securities lending; securities investment fund sales agency; and agency sale of financial products.

- (7) China AMC is held as to 62.20% by the Company and has a registered capital of RMB238 million. As at the end of the Reporting Period, the total assets and net assets of China AMC amounted to RMB15,706.97 million and RMB11,240.83 million, respectively; the operating revenue, profit before income tax and net profit realized in the first half of 2022 amounted to RMB3,632.87 million, RMB1,405.02 million and RMB1,057.74 million respectively; and it had 1,334 staff.

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

- (8) CITIC PE Fund is held as to 35% by the Company and has a registered capital of RMB1.8 billion. As at the end of the Reporting Period, the total assets and net assets of CITIC PE Fund amounted to RMB5,453.86 million and RMB3,484.48 million, respectively; and the net loss realized in the first half of 2022 amounted to RMB1,668.85 million.

The principal businesses of CITIC PE Fund include: promotion and establishment of industrial (equity) investment funds; industrial (equity) investment fund management; financial advisory, investment and investment management advisory; equity investment and external investment; and enterprise management.

2.2.6 Securities branch offices of the Company

As at the end of the Reporting Period, the Company has established a total of 41 securities branch offices in China, particulars of which are as follows:

No.	Branch Office	Responsible Officer	Place of Business	Contact Method
1	Beijing Branch Office	TIAN Bing	Rooms 01 and 02 (inside 101), 1/F, Rooms 01, 02, 03, 05 and 06 (inside 201), 2/F, Room 01 (inside 301), 3/F, Building 1, No. 38 Yard Dongsanhuan North Road, Chaoyang District, Beijing	010-86601366
2	Shanghai Branch Office	WANG Lihua	Units 06 and 07, 8/F (Actual Floor: 7/F), and Units 01–03, 06A and 07, 10/F (Actual Floor: 9/F), 1568 Century Avenue, Shanghai	021-61768697
3	Hubei Branch Office	SUN Hongtao	51/F, Guangfa Bank Building, No. 737 Construction Avenue, Jiangnan District, Wuhan, Hubei Province	027-85355366
4	Jiangsu Branch Office	XIE Siyuan	1/F, Area B and 10/F, Phase II of Sunny World, No. 168 Lushan Road, Jianye District, Nanjing, Jiangsu Province	025-83261298
5	Shanghai Pilot Free Trade Zone Branch Office	TIAN Xingnong	19/F and 20/F, No. 1568 Century Avenue, Pilot Free Trade Zone, China (Shanghai)	021-20262005
6	Shenzhen Branch Office	LIANG Qi	12/F and 20/F, CITIC Securities Tower, No. 8 Zhong Xin San Road, Futian Street, Futian District, Shenzhen, Guangdong Province	0755-23911668
7	Northeast Branch Office	LI Zhe	30/F, Tower A, China Resources Building, No. 286 Qingnian Avenue, Heping District, Shenyang, Liaoning Province	024-23972693
8	Zhejiang Branch Office	CHEN Gang	Units 1703, 1704, 1901, 1902, 2303 and 2304, 6/F and 22/F of Dikai Yinzu, Sijiqing Street, Shangcheng District, Hangzhou, Zhejiang Province	0571-85783714
9	Jiangxi Branch Office	WU Wenfang	Units 2801, 2802, 2806, 2807, 2808, 2809 and 2810 (28/F) of Lianfa Plaza Office Building, No. 129 Lvying Road, Honggutan New District, Nanchang, Jiangxi Province	0791-83970561
10	Fujian Branch Office	SUI Yanping	Units 1901, 1902, 1905A, 1907, 2005B, 2006 and 2007 of Sino Plaza, No. 137 Wusi Road, Gulou District, Fuzhou, Fujian Province	0591-87905705
11	Ningbo Branch Office	YAO Feng	Block 2 (15-1), No. 235 Heji Street, Jiangdong District, Ningbo, Zhejiang Province	0574-87033718
12	Wenzhou Branch Office	PAN Ye	Rooms 201 (2-23), 702 and 703, Fortune Center, No. 577 Station Avenue, Lucheng District, Wenzhou, Zhejiang Province	0577-88107230
13	Sichuan Branch Office	JI Xiangkun	1/F, West Wing, La Defense Building, No. 1480 North Section of Tianfu Avenue, Chengdu Hi-Tech Industrial Development Zone, Sichuan Province	028-63278899
14	Shaanxi Branch Office	SHI Lei	Rooms 02-03-04, 19/F, Unit 1, Building 1, Hesheng Jinguang Center, No. 11 Tangyan Road, High-tech Zone, Xi'an, Shaanxi Province	029-88601239
15	Tianjin Branch Office	ZHANG Xinyu	7/F, Tianjin Technology Building, No. 23 Youyi Road, Hexi District, Tianjin	022-58816668
16	Inner Mongolia Branch Office	FAN Yaqiong	Jintailiwan No. 10 Complex, Siwei Road, Saihan District, Hohhot, Inner Mongolia Autonomous Region	0471-5982233

No.	Branch Office	Responsible Officer	Place of Business	Contact Method
17	Anhui Branch Office	HAN Rui	Rooms 2501–2504, 25/F, A1 Building, Phase I, and Southeast Corner of 1/F, Podium Building, Zhong'an Chuanggu Science Park, No. 900 West Wangjiang Road, High-tech Zone, Hefei, China (Anhui) Pilot Free Trade Zone	0551-65662889
18	Shanxi Branch Office	REN Gaopeng	Shop 1, Northeast Corner of Hongsheng Times Financial Plaza, No. 1 Jifu Road, Jinyuan District, Taiyuan, Shanxi Province	0351-6191968
19	Yunnan Branch Office	ZHANG Rui	Units 2601–2603 and 2612, 26/F, Kunming Henglong Plaza Office Building, No. 23 East Dongfeng Road, Panlong District, Kunming, Yunnan Province	0871-68583323
20	Hunan Branch Office	LUO Hua	2/F, New Century Building, No. 198 Second Section of Furong Middle Road, Tianxin District, Changsha, Hunan Province	0731-85175379
21	Hebei Branch Office	QIU Zhenying	Rooms 3501–3504, 35/F, Tower B, Letai Center, No. 39 Zhongshan East Road, Chang'an District, Shijiazhuang, Hebei Province	0311-66188908
22	Chongqing Branch Office	LI Xiaoying	5-1 (underground) and 12-1-2 of CITIC Bank Building, No. 5 West Avenue, Jiangbeicheng Neighborhood, Jiangbei District, Chongqing	023-67518668
23	Hainan Branch Office	ZHU Yumei	1–2/F, Block B, East Area of Sheng Da Jing Du, No. 65 Guoxing Avenue, Meilan District, Haikou, Hainan Province	0898-65361268
24	Guangxi Branch Office	LIU Yuyang	Room 1805, 18/F, Block C, China Resources Building, No. 136-5 Minzu Avenue, Qingxiu District, Nanning, Guangxi Province	0771-2539031
25	Gansu Branch Office	XU Ying	4/F, Lanzhou SOHO Tower, No. 9 Minzhu West Road, Chengguan District, Lanzhou, Gansu Province	0931-8631255
26	Ningxia Branch Office	WU Ligang	Room 301, Complex Commercial Building, No. 16 (formerly No. B4) Yuehai Xintiandi, East Side of Yinjiagu and South Side of Zhenshui Road, Jinfeng District, Yinchuan, Ningxia	0951-5102568
27	Jilin Branch Office	LIU Mingxu	C101 on 1–2/F, C301 and C302 on 3/F, Tower C, Pearl Plaza, No. 8988 Renmin Avenue, Nangan District, Changchun, Jilin Province	0431-81970899
28	Heilongjiang Branch Office	ZHAO Yong	No. 1150 Jinjiang Road, Daoli District, Harbin, Heilongjiang Province	0451-51176699
29	Jiaxing Branch Office	WU Jinglan	Room D110 on 1/F, 3/F and 4/F, Rooms D111, D113 on 3/F and 4/F, Commercial Office Building, Fortune Plaza, Economic and Technological Development Zone, Jiaxing, Zhejiang Province	0573-82069341
30	Jinhua Branch Office	LI Qiang	1–4/F, Haiyang Building, No. 331 Zhongshan Road, Jinhua, Zhejiang Province	0579-82337102
31	Shaoxing Branch Office	TONG Weijia	Rooms 102, 205, 206, 207 and 208, No. 177 Jiefang Avenue, Lingzhi Street, Yuecheng District, Shaoxing, Zhejiang Province	0575-88096598
32	Taizhou Branch Office	LIN Binxian	Rooms 2001 and 103, Development and Investment Mansion, No. 188 Fuzhong Road, Jiaojiang District, Taizhou, Zhejiang Province	0576-88896598
33	Xinjiang Branch Office	JIA Haohao	Room 1-01 on 1/F and Room 7017 on 7/F, Block A, Yingke Plaza, No. 217 Gaoxin Street, Hi-tech Zone (Xinshi District), Urumqi, Xinjiang	0991-5870063
34	Suzhou Branch Office	WANG Xiaomeng	8/F, No. 308 Suya Road, Suzhou Industrial Park, Jiangsu Province	0512-67615858
35	Foshan Branch Office	CHEN Hengfu	Rooms 2801, 2802, 2803, 2804, 2805 and 2814, Block 1, one of No. 02, Ground Floor, No. 57 Jihua 5th Road, Chancheng District, Foshan City, Guangdong Province	0757-83283939
36	Dongguan Branch Office	CAO Hong	Rooms 1705, 1706, 1707 and 1708, 17/F, and part of the Ground Floor, Yujing Plaza, Gangbei Dongcheng Road, Dongcheng Street, Dongguan, Guangdong Province	0769-88778300
37	Shenzhen Qianhai Branch Office	XIONG Linsha	Rooms 502 and 503, Hedge Fund Center, Qianhai Shenzhen-Hong Kong Fund Town, No. 128 Guiwan Fifth Road, Qianhai Shenzhen-Hong Kong Cooperation Zone, Shenzhen, Guangdong Province	0755-26029556
38	Xiamen Branch Office	LI Nan	Units 04, 05 and 06, 16/F, Tower A, China Resources Building, No. 93 Hubin East Road, Siming District, Xiamen, Fujian Province	0592-6808633
39	Qinghai Branch Office	CHEN Cunzhe	Room 1141, Unit 1, Building 2, No. 27 Lenghu Road, Xining, Qinghai Province	0971-8251122
40	Dalian Branch Office	CHEN Sheng	Room 1-1-4, Building 13, No. 6, B2 Block, Xinghai Plaza, Shahekou District, Dalian, Liaoning Province	0411-84992086
41	Wuxi Branch Office	YAN Jun	Units 118-3101, Shop L1-25, 1/F, Shopping Center, No. 128 Qingyang Road, Wuxi, Jiangsu Province	0510-81800565

2.2.7 Explanation of change in scope of statement consolidation

During the Reporting Period, the number of structured entities included in the consolidation scope of the Company's financial statements was changed to 7. The number of first-level units included in the consolidation scope of the Company's financial statements was changed to 22.

2.2.8 Access to and Ability of Financing

Currently, the Company obtains short-term funds from commercial banks and other investors primarily by way of bond repurchases, interbank lending, issuance of short-term commercial papers, issuance of beneficiary certificates, issuance of short-term corporate bonds etc., through SSE, SZSE and national interbank market in accordance with the relevant policies and regulations of the competent authorities.

In addition, the Company may, subject to market conditions and its own demands, raise funds by way of refinancing issuance, rights issue, issuance of various bonds and other financing methods as approved by the competent authorities. The Company may issue USD-denominated MTNs and Euro commercial papers through overseas subsidiaries to obtain foreign funds to support the Company's overseas business development.

To maintain the liquidity and profitability of its assets, the Company's proprietary capital is centrally managed by its Treasury Department. There are also a comprehensive management system and corresponding work flows in place. The Company fine-tunes the structures of its different classes of assets in a timely manner and utilizes corresponding hedging tools to mitigate the risks.

Please refer to Note 36 Short-term loans, Note 37 Short-term financing instruments payable, Note 40 Debt instruments issued, Note 41 Long-term loans, Note 43 Issued share capital and Note 44 Other equity instruments to the financial statements in this results announcement for the information on the debt financing instruments and liquidity of the Company in the first half of 2022.

2.3 Core Competitiveness Analysis

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

1. Adhering to the development principle of "Seven Commitments"

The Company concludes the principle of "Seven Commitments", which serves as the core value of the Company and is also the constant motivation for corporate development: We adhere to the commitment to the Party's leadership that provides sound political protection for corporate development; the commitment to the business objective of following the national strategy and serving the real economy; the commitment to the client-oriented business approach which allows us to achieve mutual development with clients; the commitment to operating philosophy of compliance operations and stringent risk management; the commitment to innovation and entrepreneurship with a persistent ambition; the commitment to the talent nurture strategy which is under people-focused and market-oriented management; and the commitment to uphold and promote the excellent corporate culture and tradition of the Company.

2. Powerful shareholder background and sound corporate governance structure

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

3. Prospective strategic layout and comprehensive financial services capabilities

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

4. Solid capital strength and industry-leading operating results

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

5. Profound customer resources and extensive network layout

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

6. Competitive cross-border integrated customer service network

The Company has offices in 13 countries around the world, covering more than 60 major markets that accounted for over 95% of total market value of stock and serving more than 2,000 largest institutional investors of the world. It is the Chinese-funded securities company leading peers in the number of local branches, research coverage, sales network and liquidation and settlement infrastructure in areas along the Belt and Road Initiative and is also an investment bank best fitting the Belt and Road Initiative in the world. With its unique industrial position and accumulated strength, it serves Chinese clients to go out and introduce overseas clients to domestic market, providing the best quality and most effective services and advice to enterprises.

7. Sound market-based mechanism and excellent talent team

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

8. Excellent corporate culture and core value

The Company has inherited excellent cultural genes of CITIC Group. Following CITIC's style of "abiding by laws and discipline and acting honestly, seeking truth from facts and innovation, being prudent and modest and advocating teamwork spirit, being industrious and self-motivated and effective and resolute", highlighting CITIC's core value of "honesty, innovation, cohesion, integration, devotion and excellence", and keeping to CITIC's development mission of "practicing national strategies and helping national rejuvenation", the Company has gradually formed its operating philosophy of law abidance, standardized management and strict risk control; forged the enterprising spirit of seeking excellence, striving to make innovations and allowing trial and error; developed the crisis awareness of facing up to problems, respecting market and actively seeking changes; cultivated the interpersonal style of staying humble, working hard, and being modest and prudent; and formed the admirable tradition of being diligent, advocating conciseness, and abandoning redundant formalities.

2.4 Possible Risks Exposure

Currently, the world economy has witnessed intensified risks and challenges and the global energy shortage and food security problems caused by the Ukraine crisis remained unresolved. In response to high inflation, European countries and the United States are accelerating the tightening of monetary policy, causing changes to the global liquidity environment and high financial market volatility, and exposing major economies such as the United States to the increased risk of recession. Domestic economic development is facing severe complexity, severity and uncertainty due to various factors. Especially in the recovery process after the pandemic, effective demand needs to be further spurred, and there are still numerous challenges to stabilize the economic market. Against the backdrop of changing external environment, the growth in scale of credit derivatives, bulk commodities, foreign exchange and other new businesses will increase market risks correspondingly. Financing business and fixed income product investment are exposed to changes in credit risk and counterparty risk. Therefore, the Company should, in its steady operation, ensure that the risks are detectable and controllable amid business expansion.

2.5 Risk Management

2.5.1 Overview

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

The Company has established an overall risk management system and three lines of defense in risk management led by the Chief Risk Officer, in the charge of the Risk Management Department and involving its departments/business lines, branches, subsidiaries and all its staff, and is committed to continuously optimizing such system and mechanism. In the first half of 2022, the Company revised the Overall Risk Management System of CITIC Securities Company Limited, reviewed and updated the 2022 Risk Appetite Statement of CITIC Securities Company Limited, which came into effect after being considered and approved by the Board of Directors. During the Reporting Period, the Company's various risk appetite indicators were at satisfactory level, without exceeding the Company's tolerance and major risk limits. The Company has focused on improving the concentration risk management system and risk early warning management mechanism, and carried out the system establishment and events tracking in relation to the management of country risks, so as to continuously improve the Company's capabilities to prevent and respond to risks. In addition, the Company has continuously satisfied the requirement of consolidated supervision pilot, and conducted risk management across the Group for domestic and overseas subsidiaries.

The Company is well aware that excellent overall risk management system and advanced information technology platform are essential to achieve the development vision of "becoming a domestically leading and internationally first-class Chinese investment bank most trusted by clients around the world". Therefore, in recent years, the Company has continued to increase its resource contributions into compliance and risk control and information technology, intensified efforts in recruitment of relevant professionals, and strengthened the building and optimization of the compliance and risk control system by means of fintech. The Company has continuously refined measurement methods and measurement tools, improved the level of lean risk management and ensured the full coverage of domestic and overseas operations under risk management.

2.5.2 Structure of risk management

The major organizational framework of the risk management of the Company consists of the Risk Management Committee under the Board, the professional committees under the Operation Management, the relevant internal control departments and business departments/business lines, which formed a relatively comprehensive three-level risk management system featuring collective decision by the respective committees and close cooperation among internal control departments and business departments/business lines, and managing the risks through review, decision, execution and supervision. At the division and business line level, the Company has established three lines of defense in risk management, that is, business departments/business lines to assume the primary responsibility for risk management, internal control departments, including the Risk Management Department and the Compliance Department, to conduct professional management of all types of risks, and the Audit Department to take charge of post-risk supervision and evaluation.

Level 1: The Board

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

Level 2: Operation Management

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

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

Level 3: Division/Business Lines

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

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

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

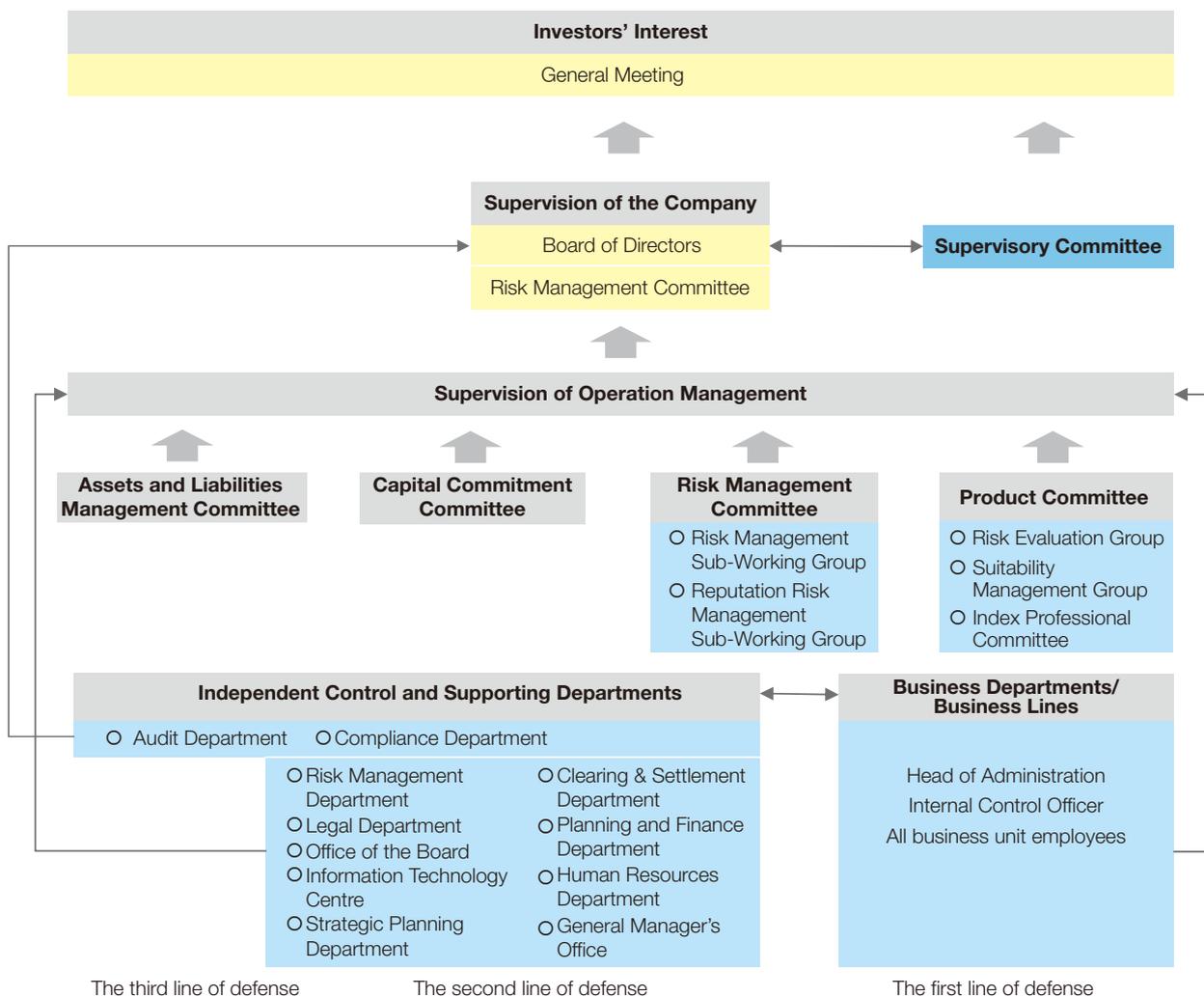


Chart: Structure of the Risk Management

2.5.3 Market risks

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

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

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

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

The Risk Management Department mainly uses quantitative indicators to estimate possible market risk losses, including both the risks in normal environment and the impact of extreme market conditions. The risk report will be delivered on a daily, weekly, monthly or quarterly basis to present market risks to the responsible officers of the business departments/business lines and the Operation Management of the Company.

The Company adopts VaR as a major indicator of its overall market risk measurement. The calculation of specific parameter is based on a holding period of one trading day and a confidence level of 95%. The Company constantly inspects the accuracy of VaR through back-testing and other methods. The Company also evaluates the possible losses in its proprietary positions arising from extreme situations through a series of stress tests in macro and micro scenarios, compares its risk resistant capacities, and evaluates whether the overall market risk profile of the Company is within an acceptable range.

The Company sets risk limits for its respective business departments/business lines to control market exposures, which are monitored by the Risk Management Department on a daily basis. When risk level is approaching or exceeds the threshold values, the Risk Management Department will warn the relevant management officers in advance, discuss with the respective business management officers, and implement measures in accordance with the opinion reached through discussions as approved by the corresponding authorized personnel or organization.

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

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

At the beginning of 2022, the Company updated the market risk limits for the new year according to the new business plan, continued to enrich the indicator limit system, and continued to promote the research and improvement of risk measurement methods, so as to evaluate and manage and control market risks of each business more specifically, preventing possible material loss.

The Group closely kept track of market and business changes, promptly identified the latest market risk profile and maintained good communication with relevant regulatory authorities and the Shareholders, with a view to timely controlling the exposure to market risks.

2.5.4 Credit risk

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

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

	<i>In RMB ten thousand</i>	
Investment Rating	30 June 2022	31 December 2021
China's Sovereign Credit Rating	5,496,711	5,684,318
AAA	12,640,584	14,306,126
AA	1,622,043	2,130,612
A	11,042	16,506
A-1	30,694	68,323
Others	2,852,872	3,332,426
Total exposure	22,653,947	25,538,310

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

Note 2: The data of this period increased the product range and restated the data at the end of the previous year

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

In RMB ten thousand

Investment Rating	30 June 2022	31 December 2021
A	99,697	28,431
B	2,038,262	727,917
C	1,358,607	1,025,667
D	19,482	-79
NR	1,400,115	1,140,960
Total exposure	4,916,163	2,922,896

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

The Group continues to maintain strict risk management standards for its securities financing business from multiple perspectives such as pledge ratio, collaterals, security deposits ratio, concentration, liquidity and durations, and manages its credit risk exposure through timely mark to market.

As at the end of the Reporting Period, the Group maintained an average margin ratio of 308% for the Group's margin financing and securities lending clients with outstanding liabilities; the Group's stock repo trading clients had no liabilities; the size of the stock-pledged repo business which uses the Group's proprietary fund amounted to RMB21,428 million, with an average margin ratio of 286%; and the size of the stock-pledged repo business operated through asset management products managed by the Group amounted to RMB13,671 million.

2.5.5 Liquidity risk

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

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

In the first half of 2022, the environment for market liquidity was relatively loose, and the Company maintained its close monitoring and daily management on liquidity risks, to ensure that its liquidity was kept in a good condition. At the same time, the Company strengthened the forward-looking management of liquidity regulatory indicators to ensure that the liquidity regulatory indicators constantly meet regulatory standards.

2.5.6 Operational risk

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

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

III. CORPORATE GOVERNANCE

3.1 Information on the General Meetings

The 2022 First Extraordinary General Meeting of the Company was held at Beijing Ruicheng Four Seasons Hotel on 13 April 2022 through a combination of on-site voting and online voting. One special resolution was considered and approved at the meeting, namely, Resolution in Relation to the Amendments to the Articles of Association of the Company. In addition, two ordinary resolutions were considered and approved at the meeting, namely, Resolution on Election of Independent Non-executive Directors of the Company and Resolution on Election of Non-executive Directors of the Company. This general meeting was chaired by Mr. ZHANG Youjun, chairman of the Company, and the Directors, Supervisors and certain members of the Senior Management of the Company attended the meeting.

The 2021 Annual General Meeting of the Company was held at Beijing CITIC Securities Tower on 28 June 2022 through a combination of on-site voting and online voting. Eight ordinary resolutions were considered and approved at the meeting, namely, 2021 Work Report of the Board, 2021 Work Report of the Supervisory Committee, 2021 Annual Report, 2021 Profit Distribution Plan, Resolution on the Re-appointment of Accounting Firms, Resolution on the Estimated Investment Amount for the Proprietary Business of the Company for 2022, Resolution on Considering the Total Remuneration of the Directors and the Supervisors of the Company for 2021, Resolution on Estimation of Related Party/Continuing Connected Transactions Contemplated in the Ordinary Course of Business of the Company in 2022. This general meeting was chaired by Mr. ZHANG Youjun, chairman of the Company, and the Directors, Supervisors and certain members of the Senior Management of the Company attended the meeting.

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

3.2 Share Incentive Scheme of the Company

The Company implemented share incentive scheme in 2006. For details, please refer to China Securities Journal, Shanghai Securities News, Securities Times and the SSE website on 7 September 2006.

3.3 Interim Dividend

The Company will not distribute any interim dividends for 2022.

3.4 Repurchase, Sale or Redemption of the Securities of the Company

During the Reporting Period, neither the Company nor its subsidiaries had repurchased, sold or redeemed any of the securities of the Company.

3.5 Audit Committee Review

The Audit Committee of the Board has reviewed the unaudited interim financial statements and the interim report of the Company for the six months ended 30 June 2022, and did not raise any objection to the accounting policies and practices adopted by the Company.

3.6 Other Issues Related to Corporate Governance

During the Reporting Period, the Company strictly complied with the provisions of the Company Law, Securities Law, the Corporate Governance Code and Corporate Governance Report (hereinafter referred to as the “Code”) as set out in Appendix 14 of the Hong Kong Listing Rules and the Articles of Association of the Company, and continued to improve its corporate governance structure. Save as disclosed under the title “7.2 Changes of Directors, Supervisors and Senior Management of the Company” in this announcement, the Company observed all the Code provisions during the Reporting Period. The corporate governance of the Company in practice complied with the requirements of the Company Law, relevant regulations of the CSRC as well as satisfied the requirements of most of the recommended best practices set out in the Code.

According to the domestic regulatory requirements, the 23rd Meeting of the Third Session of the Board of the Company considered and approved the Measures for the Management of the Holdings in the Shares of CITIC Securities Company Limited by Directors, Supervisors and Senior Management and Relevant Changes (hereinafter referred to as the “**Management Measures**”) on 13 March 2008, to regulate the behavior of holdings of and dealings in the Shares of the Company by Directors, Supervisors and Senior Management. The Management Measures are stricter than the compulsory provisions in the Model Code set out in Appendix 10 to the Hong Kong Listing Rules. Having made enquires, all Directors and Supervisors of the Company had confirmed that they had strictly complied with the relevant provisions of the Management Measures and the Model Code during the Reporting Period.

The Resolution in Relation to the Amendments to the Articles of Association of the Company was preliminarily reviewed at the 34th Meeting of the Seventh Session of the Board of the Company, and was considered and approved at the 2022 First Extraordinary General Meeting, pursuant to which, it was agreed that the Company would make corresponding amendments to certain articles in the Articles of Association of the Company in accordance with the laws and regulations and normative documents, for example, the Securities Law of the People’s Republic of China, the Announcement on Canceling or Adjusting Certain Administrative Approval Items in Relation to Securities Companies and Other Matters, the Code of Corporate Governance for Listed Companies and the Ten Elements of Cultural Construction in the Securities Industry, after taking into consideration the condition of the Company. The amended Articles of Association of the Company took effect on 13 April 2022.

IV. ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

4.1 To protect the ecology, prevent and control pollution, and fulfill environmental responsibilities

Shouldering the mission of implementing national strategies, serving the real economy, and creating greater value for the society, and guided by the vision of becoming a domestically leading and world-class Chinese investment bank most trusted by global customers, the Company has been actively fulfilling its corporate social responsibilities from the aspects of sound operation, sustainable finance, employee development, environmental friendliness, and giving back to society, and striving to create value for customers, Shareholders, employees, society and other stakeholders.

1. Environmental responsibility concept and management framework

The Company conscientiously performed the corporate environmental responsibility from the aspects of its own operation and green finance by earnestly learning the new development concept, and actively responding to the national environmental protection and sustainable development strategy. The Company actively promoted the concept of green operation, with an aim to minimize the impact of its operation on the environment. The Company strengthened the adaptability to climate change and promoted the ecological civilization with practical actions to realize the harmonious coexistence of human and nature. The Company implemented green procurement by giving priority to environmentally-friendly products, and encouraged employees to establish environmental awareness, so as to promote the ecological civilization with practical actions. The Company is committed to the practice of new development concepts in the financial sector. The Company attached great importance to the leading role of financial institutions in promoting sustainable economic growth and national economic transformation, integrated ESG concepts into various businesses, and boosted the promotion and practice of responsible investment and green finance to jointly realize the economic, social and environmental benefits.

The Company has established and been continuously improving the environmental management framework, integrating the concept of environmental responsibility into every aspect of daily operation and management, so as to ensure the implementation of environmental responsibility. The environmental management strategy of the Company was made by the Board and implemented by the management, with all departments and subsidiaries cooperating with each other to jointly carry out and promote the environmental protection.

2. Performance of environmental management

(1) Green operation

The Company advocates low carbon and environmentally-friendly operation and working style. To further promote the implementation of environmental protection, the Company intensifies energy conservation and carbon control management, implements garbage classification and resource recycling, promotes paperless office, and insists on green procurement.

Energy conservation and carbon control. The Company has proactively responded to the national goal of “carbon neutrality”, and carried out carbon control by strengthening its own energy conservation management and using clean energy. Daily energy conservation and carbon control measures include: rationally adjusting the lighting time in public areas of the office building through the light control system; setting the air-conditioning temperature in public areas of the office building on an energy-saving basis; inspecting and turning off invalid lighting in office area and computer room; reasonably adjusting the switching time and temperature settings of fresh air units through the building control system; strengthening night patrol and inspection to ensure that the site is cleared up after the completion of work and the lights are turned off after leaving; reducing on-site meetings and carbon emissions caused by business travel; and constantly using LED energy-saving lamps to replace traditional lamps. The Company began to purchase clean energy to gradually replace traditional electricity consumption. In early 2022, the Company launched the activity of “Green Life by Using Stairs”. It fully upgraded the stairwell of the Beijing headquarters building and encouraged employees to use stairs instead of elevators in their daily work, so that employees can practice ESG concepts while strengthening exercise and start low carbon office and life.

Waste management. The Company actively responded to the relevant policies such as the Beijing Municipal Regulations on the Management of Domestic Waste (《北京市生活垃圾管理条例》) and the 14th Five-Year Plan for the Development of Urban Domestic Waste Classification and Treatment Facilities (《「十四五」城镇生活垃圾分类和处理设施发展规划》), formulated waste management systems, implemented waste treatment programs and conducted training on waste classification to improve the environmental awareness of employees. Wastes were mainly generated from office and general household garbage. The Company prudently selected the factories to dispose of various types of wastes to ensure that the treatment and disposal of wastes conformed with laws and will not cause any secondary effects on the environment. General waste was

transported to incineration plants by qualified waste collection and transportation companies for disposal, and recyclable wastes and kitchen garbage were recycled by qualified recyclers. Hazardous wastes such as waste fluorescent lamps and waste lead-acid batteries were delivered to the qualified recycler for compliant disposal. The Company kept carrying out special activities of waste classification and recycling through various ways. In particular, garbage cans and bags designed for classification were placed in office buildings; classification labels were posted to remind employees of waste sorting. The Company established a publicity board for sharing knowledge of “waste classification” with its employees to raise their awareness of environment protection.

Water conservation. The Company actively responded to the national call for water conservation, and developed and implemented water saving and recycling plans according to the actual operation situation. The Company monitored the overall water usage in the office buildings and took regular inspection to see if there were leaks of water in pipelines and facilities and conducted repair in a timely manner in case of any leaks. To save water during washing, oil filter devices were installed and the process of washing plates was adjusted in the kitchen. The Company remodeled the water purification system of the headquarters building in Beijing to add waste water recycling functions, by which the filtered wastewater will be collected in the underground recycled water tank through the newly-installed pipes for reuse, while recycling the wastewater from the drinking machine and reuse it as reclaimed water to enhance the efficiency of water resources use.

Low carbon data center. The Beijing data center of the Company adopted a construction standard of Tier 4, reaching the first-class level in China and leading level in the industry. It won several top awards for data center design and construction in China. The data center adopted the energy saving means named “Free Cooling”, that is, in winter when outdoor temperature is low, plate heat exchanger will work to cool as often as possible while refrigerating machine will be turned off for saving energy; measures for blocking the cool air channel were adopted to decrease cold air consumption and increase the efficiency of cooling. In the operation of machine room, measures such as LED illumination and decreased use of fresh wind machine in summer were adopted to save energy. The Company continued to strengthen the energy saving management of the data center to improve the operating efficiency of facilities.

(2) ***Green procurement***

The Company attaches importance to the implementation of green procurement. When purchasing products and services, the Company gives priority to equipment and materials that are reliable, energy efficient and environmentally friendly, and requires suppliers to have ISO 14001 environmental management system certification. In terms of selection of materials, the Company only chooses qualified materials that meet the national environmental protection standards, requires the provision of environmental testing reports, and strictly manages the on-site inspection and acceptance testing procedures. In terms of selection of furniture, the Company only chooses qualified products that meet the national environmental protection standards, and requires that the main materials, such as the plates, shall follow the stricter environmental protection standards in the industry, and gives priority to products with low carbon emission labels. In terms of office supplies, when it comes to products with the same quality, price and other requirements for use, the Company favors products with environmental protection certification, for example, FSC certification.

(3) ***Green travel***

The Company continues to implement the concept of green travel by strengthening the management of official vehicles and providing charging equipment for new energy vehicles.

The Company has strengthened the management of official vehicles, and specified the application and approval process for the use of official vehicles, and provisions for expense accounting and quota in strict accordance with relevant regulations. According to the business development and strategic needs of the Company, it has made appropriate deployment of official vehicles in various cities, and standardized the operation and management mode of official vehicles, and thus improved the utilization rate of official vehicles and achieved further energy conservation and emission reduction. The management department of the Company conducts monthly statistics for vehicle fuel consumption, makes quarterly reports, and analyzes the trend of vehicle fuel consumption. For situations that exceed the normal standard, the Company would timely analyze the causes and take actions to avoid the waste of resources. In order to meet the requirements of vehicle emission standards, the Company has promptly eliminated old vehicles in time and ensured that the exhaust emission standards of the vehicles in use are in compliance with the relevant national regulations. By implementing the official vehicle management measures, the Company has significantly reduced the use of official vehicles, and effectively reduced the vehicle exhaust emissions generated in operation.

In order to encourage low-carbon and green travel, the Company has made great efforts to facilitate the use of new energy vehicles by employees. Charging piles have been set up in the headquarters building in Beijing, which will allow multiple electric vehicles to charge at the same time.

(4) Green finance

With an aim to lead the sustainable development in the financial field, the Company vigorously supports green finance, actively practices responsible investment, and promotes the sustainable development of the environment.

In respect of equity financing, in the first half of 2022, the Company solely sponsored China National Offshore Oil Corporation to raise RMB32.292 billion for the secondary listing of its red-chip stocks in A-share market; assisted Jiangsu Eastern Shenghong Co., Ltd. in the completion of the material assets restructuring transactions of RMB14.360 billion; assisted JA Solar Technology Co., Ltd., a global benchmark PV company, in the completion of a non-public offering of RMB5 billion; assisted Mingyang Smart Energy Group Co., Ltd. in the successful issuance of GDRs on the LSE to raise US\$0.707 billion; and assisted GEM Co., Ltd. in the issuance of GDRs on the SIX as the sole leader to raise US\$0.381 billion.

In respect of debt financing, according to the data from Wind Information, in the first half of 2022, the Company has acted as the lead underwriter for 62 green bond projects (excluding local government debt) with an underwriting amount of RMB34.4 billion, including 8 carbon-neutral bond projects with an underwriting amount of RMB4 billion, ranking first in the industry in terms of both the number and amount of green bond projects underwritten as lead underwriter. The Company assisted ICBC in the successful issuance of the first carbon-neutral green financial bonds among commercial banks in China to raise RMB10 billion; assisted China Jinmao Holdings Group Limited in the successful issuance of the largest carbon-neutral CMBS in the market to raise RMB8.708 billion; assisted the Export-Import Bank of China in the successful additional issuance of the first tranche of 2021 “Bond Connect” green financial bonds to raise RMB3 billion; and assisted Baoshan Iron & Steel Co., Ltd. in the successful issuance of the first low-carbon transformation green corporate bonds in China to raise RMB0.5 billion.

4.2 Measures taken for reducing carbon emission during the reporting period and the results

The carbon emissions of the Company are mainly resulted from the consumption of electricity, gasoline, diesel and other related energy in its daily operation. During the Reporting Period, the Company continued to carry out energy-saving work by means of green office, low-carbon data center operation, and low-carbon travel, and promoted the use of renewable energy and renewable resources, so as to reduce carbon emissions in its operation.

As a leading securities company in China, the Company continued to carry out relevant research in the financial field based on the national strategic deployment of “achieving carbon peak by 2030 and carbon neutrality by 2060” in the first half of 2022, with an aim to provide research results for capital market participants, and to provide support and suggestions for the sustainable development of China’s financial industry, as well as to serve the goal of “carbon peak and carbon neutrality”. The Energy and Carbon Neutral Group was established under the Research Department of CITIC Futures, a subsidiary of the Company, to promptly sort out and analyze the latest dual carbon and energy policies, track the changes in the carbon markets of China and Europe, and launch a series of special reports on carbon neutral, new PV energy, new energy vehicles, etc.

V. SIGNIFICANT EVENTS

5.1 Performance of Undertakings

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

Undertaking in respect of the share reform

During the Company's implementation of the Share reform in 2005, CITIC Group, the largest Shareholder of the Company, undertook that "not to transfer its Shares within 12 months from the date of listing of the Shares of the Company or upon expiry of the non-transfer undertaking, whenever it transfers through the stock exchange any Shares of the Company amounting to 1% of total issued Shares of the Company, it shall announce within two working days of such transfer; in addition, any such transfers shall not exceed 5% of the total issued Shares of the Company within the 12-month period and not exceed 10% within the 24-month period."

Since CITIC Group has transferred all the Shares held by it to CITIC Corporation Limited, the above undertaking is taken up by CITIC Corporation Limited. The above long-term undertaking is still valid, which has been performed satisfactorily at present and will continue to be duly performed.

Undertaking in respect of non-competition

During the initial public offering of A Shares of the Company in December 2002, CITIC Group, the largest Shareholder of the Company, undertook that "there does not exist and it will not establish any new companies engaging in securities business. In respect of the businesses engaged by banking and trust investment companies which are the same or similar as those of securities companies, CITIC Group has undertaken that the Company can make adequate disclosure of such businesses and that it will not misuse its position as the controlling Shareholder to act to the detriment of interests of the Company and other Shareholders."

The above long-term undertaking is still valid and is succeeded by CITIC Corporation Limited. It has been performed satisfactorily at present and will continue to be duly performed.

Refinancing related undertakings

In 2021, when the Company issued Shares by way of Rights Issue, CITIC Corporation Limited, the largest Shareholder of the Company, undertook that:

1. CITIC Corporation Limited will subscribe in cash for all the offered Rights Shares to be determined in accordance with the Company's plan of the Rights Issue and to be allotted to it in proportion to the number of Shares held by it at the close of market on the record date of the Rights Issue, at the price and ratio to be determined through consultation with the sponsor(s) (or underwriter(s));
2. The source of funds to be used by CITIC Corporation Limited to subscribe for the Rights Shares is in compliance with laws and regulations, and the funds are self-owned or self-raised by CITIC Corporation Limited. The subscription by CITIC Corporation Limited for the Rights Shares to be allotted under the Rights Issue will not constitute entrusted investment or shareholding entrustment;
3. CITIC Corporation Limited undertakes that if the plan of the Rights Issue is adjusted in accordance with the rules and requirements of the CSRC, it will subscribe for all the offered Rights Shares to be allotted in cash at the ratio as finally approved by the CSRC;
4. CITIC Corporation Limited will fulfill the above undertaking after the Rights Issue is considered and approved at the general meeting of the Company and approved by the CSRC."

This undertaking is valid and has been performed satisfactorily during the Rights Issue period.

Undertaking in relation to asset restructuring

- (1) On 9 January 2019, in relation to the proposed acquisition of 100% equity interest in Guangzhou Securities by issuance of Shares of the Company, CITIC Corporation Limited, the largest Shareholder of the Company, made the following undertakings to maintain the independence of CITIC Securities:

“1. Maintaining the business independence of CITIC Securities

CITIC Corporation Limited will not unlawfully interfere with the normal operating activities of CITIC Securities. CITIC Corporation Limited will minimize the related party transactions between CITIC Corporation Limited or its controlled enterprises and CITIC Securities; in the case that there is an inevitable related party transaction, an agreement shall be signed in accordance with law and necessary procedures shall be performed in accordance with relevant laws and regulations.

2. Maintaining the asset independence of CITIC Securities

CITIC Corporation Limited will not misappropriate the assets, funds and other resources of CITIC Securities or its controlled enterprises through CITIC Corporation Limited itself or its controlled affiliates in violation of regulations.

3. Maintaining the personnel independence of CITIC Securities

CITIC Corporation Limited warrants that the President, the Chief Financial Officer, the Board Secretary and other members of the Senior Management of CITIC Securities will not hold positions other than directors and supervisors in or receive remuneration from CITIC Corporation Limited and/or other enterprises controlled by CITIC Corporation Limited. CITIC Corporation Limited will ensure and maintain the integrity of CITIC Securities' labor, personnel and salaries and social security management system.

4. Maintaining the financial independence of CITIC Securities

CITIC Corporation Limited will warrant the independence of the financial accounting department of CITIC Securities and its establishment of an independent accounting system and financial management system, and will set up an independent financial department to be responsible for the specific operations of relevant businesses. CITIC Securities maintains segregated bank accounts, and does not share the bank accounts with CITIC Corporation Limited or other enterprises controlled by CITIC Corporation Limited. The financial staff of CITIC Securities do not hold part-time positions in CITIC Corporation Limited or other enterprises controlled by CITIC Corporation Limited. CITIC Securities pays taxes independently in accordance with the law. CITIC Securities will make independent financial decisions, and CITIC Corporation Limited will not interfere with the capital use of CITIC Securities in violation of laws and regulations.

5. Maintaining the institutional independence of CITIC Securities

CITIC Corporation Limited will ensure that CITIC Securities will operate independently from the institutions of CITIC Corporation Limited and other enterprises controlled by CITIC Corporation Limited. CITIC Corporation Limited warrants that CITIC Securities can maintain a sound corporate governance structure as a joint stock company. The general meeting, the Board, the Supervisory Committee and functional departments of CITIC Securities all exercise their functions and power independently in accordance with laws, regulations and the Articles of Association, and there is no institutional confusion with the functional departments of other enterprises controlled by CITIC Corporation Limited.”

The above long-term undertaking is still valid, which has been performed satisfactorily at present and will continue to be duly performed.

- (2) In the above-mentioned transaction of acquisition of assets by issuance of Shares, Yuexiu Financial Holdings and Financial Holdings Limited undertook in maintaining the independence of CITIC Securities as follows:

“1. Maintaining the business independence of CITIC Securities

Yuexiu Financial Holdings and Financial Holdings Limited will not unlawfully interfere with the normal operating activities of CITIC Securities. Yuexiu Financial Holdings and Financial Holdings Limited will minimize the related party transactions between Yuexiu Financial Holdings, Financial Holdings Limited or other enterprises controlled by them and CITIC Securities; in the case that there is an inevitable related party transaction, an agreement shall be signed in accordance with law and necessary procedures shall be performed in accordance with relevant laws and regulations.

2. Maintaining the asset independence of CITIC Securities

Yuexiu Financial Holdings and Financial Holdings Limited will not misappropriate the assets, funds and other resources of CITIC Securities or its controlled enterprises through Yuexiu Financial Holdings and Financial Holdings Limited themselves or their controlled affiliates in violation of regulations; nor will CITIC Securities or its controlled enterprises be required to provide guarantees for Yuexiu Financial Holding, Financial Holdings Limited and other enterprises controlled by them.

3. Maintaining the personnel independence of CITIC Securities

Yuexiu Financial Holdings and Financial Holdings Limited warrant that the President, the Vice President, the Chief Financial Officer, the Board Secretary and other members of the Senior Management of CITIC Securities will not hold positions other than directors and supervisors in or receive remuneration from Yuexiu Financial Holdings, Financial Holdings Limited and/or other affiliates controlled by them. Yuexiu Financial Holdings and Financial Holdings Limited will ensure and maintain the integrity of CITIC Securities' labor, personnel and salaries and social security management system.

4. Maintaining the financial independence of CITIC Securities

Yuexiu Financial Holdings and Financial Holdings Limited warrant that they will not interfere with the independence of the financial accounting department of CITIC Securities and its establishment of an independent accounting system and financial management system, and will set up an independent financial department to be responsible for the specific operations of relevant businesses. CITIC Securities maintains segregated bank accounts, and does not share the bank accounts with Yuexiu Financial Holdings, Financial Holdings Limited and other affiliates controlled by them. The financial staff of CITIC Securities do not hold part-time positions in Yuexiu Financial Holdings, Financial Holdings Limited and other enterprises controlled by them. CITIC Securities pays taxes independently in accordance with the law. CITIC Securities will make independent financial decisions, and Yuexiu Financial Holdings and Financial Holdings Limited will not interfere with the capital use of CITIC Securities in violation of laws and regulations.

5. Maintaining the institutional independence of CITIC Securities

Yuexiu Financial Holdings and Financial Holdings Limited will ensure that CITIC Securities will operate independently from the institutions of Yuexiu Financial Holdings, Financial Holdings Limited and other enterprises controlled by them. Yuexiu Financial Holdings and Financial Holdings Limited will supervise and support CITIC Securities to maintain a sound corporate governance structure as a joint stock company. The general meeting, the Board, the Supervisory Committee and functional departments of CITIC Securities all exercise their functions and power independently in accordance with laws, regulations and the Articles of Association, and there is no subordinate relationship with the functional departments of other affiliates controlled by Yuexiu Financial Holdings and Financial Holdings Limited.”

The above long-term undertaking is still valid, which has been performed satisfactorily at present and will continue to be duly performed.

(3) In the above-mentioned transaction of acquisition of assets by issuance of Shares, CITIC Corporation Limited undertook in regulating related party/connected transactions as follows:

- “1. CITIC Corporation Limited and its controlled enterprises will continue to regulate related party transactions with CITIC Securities and its subsidiaries in accordance with relevant laws and regulations and the Administrative Measures on Related Party Transactions of CITIC Securities Company Limited. In the event of necessary and inevitable related party transactions, CITIC Corporation Limited and its controlled enterprises will enter into agreements with CITIC Securities and its subsidiaries in accordance with the principles of fairness, impartiality and openness and the law, and perform legal procedures to ensure the fairness of the prices of related party transactions.
2. CITIC Corporation Limited warrants that it will exercise relevant Shareholders’ rights and assume corresponding obligations in accordance with relevant laws and regulations and the Articles of Association of CITIC Securities Company Limited and other requirements in relation to internal control system. It will not use its position as a Shareholder to seek illegitimate interests, or illegally transfer funds and profits of CITIC Securities and its subsidiaries through related party transactions, or maliciously jeopardize the legitimate rights and interests of other Shareholders of CITIC Securities by means of related party transactions.”

The above long-term undertaking is still valid, which has been performed satisfactorily at present and will continue to be duly performed.

(4) In the above-mentioned transaction of acquisition of assets by issuance of Shares, Yuexiu Financial Holdings and Financial Holdings Limited undertook in reducing and regulating related party transactions as follows:

- “1. Upon the completion of this transaction, Yuexiu Financial Holdings, Financial Holdings Limited and their controlled enterprises will minimize the related party transactions with CITIC Securities and its subsidiaries as much as possible. In the event of necessary and inevitable related party transactions, Yuexiu Financial Holdings, Financial Holdings Limited and their controlled enterprises will enter into agreements with CITIC Securities and its subsidiaries in accordance with the principles of fairness, impartiality and openness and the law, and perform legal procedures to ensure the fairness of the prices of related party transactions.
2. Yuexiu Financial Holdings and Financial Holdings Limited warrant that they will exercise relevant Shareholders’ rights and assume corresponding obligations in accordance with relevant laws and regulations and the Articles of Association of CITIC Securities Company Limited and other requirements in relation to internal control system. They will not use their positions as Shareholders to seek illegitimate interests, or illegally transfer funds and profits of CITIC Securities and its subsidiaries through related party transactions, or maliciously jeopardize the legitimate rights and interests of other Shareholders of CITIC Securities by means of related party transactions.”

The above long-term undertaking is still valid, which has been performed satisfactorily at present and will continue to be duly performed.

(5) In the above-mentioned transaction of acquisition of assets by issuance of Shares, Yuexiu Financial Holdings and Financial Holdings Limited undertook in the lock-up of Shares as follows:

- “1. The consideration Shares subscribed by Yuexiu Financial Holdings and Financial Holdings Limited in this transaction shall not be transferred within 48 months from the issuance completion date (the date on which the consideration Shares were registered under the name of Yuexiu Financial Holdings/Financial Holdings Limited), unless a longer lock-up period is required by CSRC or other regulatory authorities.
2. Upon completion of this transaction, the above-mentioned agreement shall also apply to the additional Shares of CITIC Securities to be issued to Yuexiu Financial Holdings and Financial Holdings Limited in the event of distribution of dividends, bonus issue, rights issue and conversion of capital reserve into Share capital, etc., by CITIC Securities.”

The above undertaking has been performed satisfactorily at present and will continue to be duly performed.

- (6) In the above-mentioned transaction of acquisition of assets by issuance of Shares, Yuexiu Financial Holdings and Financial Holdings Limited, in order to avoid appropriation of funds and related guarantees, undertook as follows:

“In order to protect the legitimate rights and interests of CITIC Securities and Guangzhou Securities, Yuexiu Financial Holdings and Financial Holdings Limited irrevocably warrant that they will not misappropriate the funds of CITIC Securities, Guangzhou Securities or enterprises controlled by CITIC Securities or Guangzhou Securities, or require them to provide guarantees for Yuexiu Financial Holdings, Financial Holdings Limited or their controlled enterprises, otherwise, compensation shall be made in time to CITIC Securities for any losses incurred thereby.”

The above long-term undertaking is still valid, which has been performed satisfactorily at present and will continue to be duly performed.

- (7) In the above-mentioned transaction of acquisition of assets by issuance of Shares, the Company undertook in resolving horizontal competition as follows:

“Upon the completion of this transaction, Guangzhou Securities will become a wholly-owned subsidiary directly or indirectly held by the Company, and its existing business may have conflicts of interest and compete with the business of the Company or its controlled subsidiaries. The Company undertakes to integrate its assets and businesses within 5 years upon completion of this transaction, so as to resolve the possible conflicts of interest and horizontal competition between the parent company and its subsidiaries in compliance with relevant laws, regulations and regulatory requirements.”

The above long-term undertaking is still valid, which has been performed satisfactorily at present and will continue to be duly performed.

- (8) In addition, in the above-mentioned transaction of acquisition of assets by issuance of Shares, CITIC Corporation Limited undertook as follows:

- “1. Not to interfere with the operation and management of CITIC Securities beyond its authority, or encroach on the interests of CITIC Securities;
2. If the violation of the above-mentioned undertakings causes losses to CITIC Securities, the warrantor shall be liable for compensation in accordance with the law.”

The above long-term undertaking is still valid, which has been performed satisfactorily at present and will continue to be duly performed.

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

5.2 No Appropriation of Non-operating Funds by Controlling Shareholder(s) and Other Related Parties during the Reporting Period

5.3 No Illegal Guarantee during the Reporting Period

5.4 Material Litigation and Arbitration

During the Reporting Period, the Group had not been involved in any material litigation or arbitration, of which the amount under dispute is over RMB10 million and accounts for over 10% of the absolute value of the net assets as shown in the latest audited accounts of the Company, and thus is required to be disclosed pursuant to the SSE Listing Rules. As of the date of this announcement, the litigation and arbitration matters disclosed by the Group with new developments are as follows (full provisions had been made for potential losses involved in the cases in accordance with relevant regulations):

Dispute between the Company and Kangde Group on Guarantee Contract

Due to the breach of contract by Shenzhen Qianhai Fengshi Yunlan Capital Management Co., Ltd. (深圳前海豐實雲蘭資本管理有限公司) (hereinafter referred to as “**Fengshi Yunlan**”) in conducting the stock-pledged repo transaction with the Company and Kangde Investment Group Co., Ltd. (康得投資集團有限公司) (hereinafter referred to as “**Kangde Group**”) also failed to fulfill its guarantee obligations in a timely manner to repay the relevant debts to the Company on behalf of Fengshi Yunlan, the Company filed a lawsuit with the Higher People’s Court of Beijing Municipality (hereinafter referred to as “**Beijing Higher Court**”) on 22 January 2019, requesting Kangde Group to assume the joint and several liability as the guarantor and repay the amount of RMB1,418,245,278.08 owed to the Company. The Beijing Higher Court heard the case on 9 December 2019. The Beijing Higher Court made the first instance verdict and the correction of ruling in favor of all claims of the Company on 30 April 2020 and 6 May 2020. The Company had applied to the First Intermediate People’s Court of Beijing Municipality (hereinafter referred to as “**Beijing First Intermediate Court**”) to add HAN Yu and other parties as persons subject to enforcement (please refer to the Company’s 2021 annual report for relevant case information). The case is currently being enforced.

Dispute between the Company and Aipu Real Estate on Guarantee Contract

Due to the breach of contract on stock-pledged repo transactions by Loncin Holdings Co., Ltd. (hereinafter referred to as “**Loncin Holdings**”) and given that Chongqing Aipu Real Estate (Group) Co., Ltd. (hereinafter referred to as “**Aipu Real Estate**”) rejected to perform guarantee responsibility, on 27 December 2018, the Company applied for issuance of a certificate of enforcement to the notary office and applied for compulsory enforcement to the court, requesting Aipu Real Estate to assume joint and several guarantee liability for the outstanding principal of RMB1,507.3 million due from Loncin Holdings. The Beijing Higher Court accepted the case on 2 January 2019 and appointed the Third Intermediate People’s Court of Beijing Municipality (hereinafter referred to as “**Beijing Third Intermediate Court**”) to perform the enforcement on 24 January 2019 (please refer to the Company’s 2020 Interim Report for relevant case information). On 30 January 2022, a civil ruling was made by the Chongqing Fifth Intermediate People’s Court (重慶市第五中級人民法院), the bankruptcy liquidation application of 13 companies including Loncin Group Co., Ltd. (隆鑫集團有限公司) and Loncin Holdings was accepted. The Company has claimed its creditor’s rights before 8 April as required.

Dispute Between the Company and Macrolink Holding, Macrolink Mining, FU Jun on Stock-pledged Repo Transaction

Due to the breach of contract by Macrolink Holding Co., Ltd. (hereinafter referred to as “**Macrolink Holding**”) in conducting stock-pledged repo transaction with the Company, on 23 March 2020, the Company applied to the Beijing Third Intermediate Court for compulsory enforcement, requesting Macrolink Holding to repay the outstanding principal of RMB787 million, as well as the corresponding interest, liquidated damages, expenses incurred for realizing the creditor’s rights and other fees. On 1 April 2020, the Court accepted the case and the case is currently in the process of enforcement (please refer to the Company’s 2020 annual report for relevant case information). On 12 August 2022, Macrolink Culturaltainment Development Co., Ltd. issued an announcement, claiming that the bankruptcy and reorganization case of Macrolink Holding, its controlling shareholder, has been accepted by the Beijing First Intermediate Court.

Dispute between GoldStone Investment and Yunnan Tianyu, Yunnan Sigao and Beijing Huayu on Equity Contract

Due to the breaches of the Capital Increase Contract and the Equity Transfer Contract by Yunnan Shenzhou Tianyu Real Estate Co., Ltd. (hereinafter referred to as “**Yunnan Tianyu**”), Yunnan Sigao Investment Co., Ltd. (hereinafter referred to as “**Yunnan Sigao**”) and Beijing Huayu Zhixin Investment Co., Ltd. (hereinafter referred to as “**Beijing Huayu**”), GoldStone Investment filed an arbitration with the Beijing Arbitration Commission (hereinafter referred to as “**BAC**”), requesting Yunnan Tianyu to pay the consideration for equity transfer, liquidated damages and expenses incurred for realizing the creditor’s rights, being a total of RMB376,220,063.45, Yunnan Sigao to undertake its joint and several liabilities, and claiming that GoldStone Investment should have priority in getting compensated from the equity pledged by Yunnan Tianyu and Beijing Huayu’s rights over the trust under the relevant trust contracts. On 28 September 2020, the BAC accepted the case. The case was heard on 5 February 2021. On 18 August 2021, the BAC made an arbitration award in favor of Goldstone Investment. Goldstone Investment filed a lawsuit to the People’s Court of Chaoyang District of Beijing Municipality (“**Chaoyang Court**”) for the dispute over confirmation of real right of security, requiring Beijing Huayu to assume the guarantee liability for equity pledge. The court heard the case on 9 December 2021 (please refer to the Company’s 2021 annual report for relevant case information). The Chaoyang Court made the first instance verdict on 8 June 2022 in favor of Goldstone Investment.

Dispute Between CITIC Securities South China and Anhui Shengyun Environmental Protection and Western Securities on Bond Transaction

Due to the breach of contract on bond transaction by Anhui Shengyun Environmental Protection (Group) Co., Ltd. (hereinafter referred to as “**Anhui Shengyun Environmental Protection**”), and, as former Guangzhou Securities believed, the failure of the bond’s lead underwriter and trustee, Western Securities Co., Ltd. (hereinafter referred to as “**Western Securities**”) to exercise due diligence in terms of management and the misrepresentation and material omissions contained in the prospectus, Western Securities shall assume joint and several liabilities for the losses of Guangzhou Securities (as previously named). On 27 September 2019, Guangzhou Securities filed a lawsuit against Anhui Shengyun Environmental Protection and Western Securities with the Anqing Intermediate People’s Court (hereinafter referred to as “**Anqing Intermediate Court**”). The subject matter of the lawsuit was the principal of RMB100 million and the corresponding

interest, liquidated damages, expenses incurred for realizing the creditor's rights and other fees. The case was accepted in October 2019 and later dismissed. On 15 December 2021, CITIC Securities South China submitted an application for retrial to the Supreme People's Court (please refer to the Company's 2021 annual report for relevant case information). CITIC Securities South China received a notice from the Supreme People's Court on 7 July 2022, which decided to submit the retrial to the Higher People's Court of Anhui Province (hereinafter referred to as "**Anhui Higher Court**") for review and handling, and an acceptance notification of retrial cases from Anhui Higher Court on 28 July.

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

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

5.5 Suspected Violation of Laws and Regulations by, Punishment on and Rectification of the Company and its Directors, Supervisors, Senior Management, Controlling Shareholders and De Facto Controller

1. During the Reporting Period, the punishment and regulatory measures taken by the regulatory authorities against the Company and its branches/subsidiaries are as follows

On 25 February and 22 April 2022, CLSA Securities Korea Ltd., an overseas subsidiary of the Company, was fined 485,280,000 won (approximately RMB2.549 million) by the Korea Financial Services Commission and 83,500,000 won (approximately RMB434,200) by the Korea Stock Exchange for violating short selling rules. The Company actively urges overseas subsidiaries to carry out rectification and further strengthens its management on overseas subsidiaries to strictly prevent such incidents. The overseas subsidiaries have taken the following rectification measures: first, completed rectification on system used in such trading desk and forbade the naked short selling order in November 2020; second, organized the relevant business lines to carry out self-inspection on short selling and rectified the problems discovered.

On 1 March 2022, the Jiangxi Securities Regulatory Bureau issued the Decision on the Measures for Ordering the Jiangxi Branch of CITIC Securities Company Limited to Increase the Number of Internal Compliance Inspections ([2022] No. 3) to the Jiangxi Branch, and issued the Decision on the Measures of Issuing a Warning Letter to ZHANG Xinqing to ZHANG Xinqing, the head of the Jiangxi Branch, and believed that the Jiangxi Branch had problems in compliance operations and imperfect internal control, which violated Article 6 of the Measures for the Compliance Management of Securities Companies and Investment Fund Management Companies. The Company has urged the Jiangxi Branch to implement rectification in a timely and effective manner to ensure that the branch operates in a compliance manner.

On 6 April 2022, the Shenzhen Securities Regulatory Bureau issued the Decision on the Measures of Issuing a Warning Letter to CITIC Securities Company Limited ([2022] No. 49) to the Company. It is pointed out that the "Shanghai Xin-Bozhou Urban Investment Special Debt Investment Collective Fund Trust Plan" held by the three pension products of Xinfu Hualing, Xinfu Old Age and Xinhe Yangyi managed by the Company has not been repaid in time. Risk assets were not accounted for prudently, impairment provision was not made in a timely manner, and the valuation failed to effectively reflect their risks. The Shenzhen Securities Regulatory Bureau decided to take administrative supervision measures to issue warning letters to the Company. The Company has taken the following measures: first, the products involved in the decision on the above regulatory measures have been rectified. As of 8 November 2021, the principal and interest of the "Shanghai Xin-Bozhou Urban Investment Special Debt Investment Collective Fund Trust Plan" held by the products have been fully paid off and no losses were incurred; second, the Company has improved the relevant processes and systems such as the risk asset evaluation report process, the valuation adjustment standard, and the operation mechanism of the valuation team; third, the Company will further strengthen the compliance management in the annuity pension business, strengthen the compliance awareness of relevant practitioners, and prevent such situations from happening again.

On 14 April 2022, the Jiangsu Securities Regulatory Bureau issued the Decision on Ordering Jiangsu Branch of CITIC Securities to Take Rectification Measures ([2022] No. 34) to Jiangsu Branch and issued the Decision on the Administrative Regulatory Measures of Issuing a Warning Letter to LI Meng and Decision on the Administrative Regulatory Measures of Issuing a Warning Letter to WANG Junru to two employees respectively, deciding that Hongwu North Road Securities Branch had failed to take effective measures to prevent its employees from accepting customers' entrustment privately to conduct stock trading; in course of selling financial products to customers, Pukou Avenue Securities Branch had failed to exercise due diligence and prudence in discharging its duties to have a full understanding of the investors' conditions, failed to learn about customers' basic circumstances including their identity, property and income, financial knowledge and investment experience, investment objectives and risk appetite, and failed to assess the suitability of their purchases of financial products. The above issues reflected the failures of Jiangsu Branch to establish a sound risk management and internal control system and to effectively control and prevent risks. The Company will urge Jiangsu Branch to communicate with the Jiangsu Securities Regulatory Bureau in a timely manner, reflect seriously, actively carry out rectifications in accordance with the requirements of the regulatory letters and submit rectification reports on time; strengthen the warning education for all staff under its management and increase the intensity and frequency of self-inspection on the practice of staff in various departments under its management.

On 2 June 2022, the CSRC issued the Decision on Ordering CITIC Securities Company Limited to Take Rectification Measures ([2022] No. 29) to the Company and believed that the Company has the following problems: first, failed to make a filing with the CSRC for approval according to Rule 129 of the prevailing Securities Law when establishing CITIC Securities Overseas Investment Company Limited in 2015; second, the shareholding structure adjustment of overseas subsidiaries was not completed in a given time, and there existed problems, such as setting up shareholding platforms under shareholding platforms, setting up professional subsidiaries under professional subsidiaries, setting up subsidiaries of special purpose entities and too many tiers of the shareholding structure; third, overseas subsidiaries carried on real estate fund management and other business not related to finance and round-trip subsidiaries carried on consultation and research business. Upon receipt of the regulatory letter above, the Company has attached great importance to it, conducted thorough review on the matters raised therein and will further carry out rectifications in accordance with the regulatory requirements.

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

5.6 Credibility of the Company, its Controlling Shareholders and the De Facto Controllers during the Reporting Period

During the Reporting Period, neither the Company nor its largest Shareholder had unperformed enforceable court judgments or unpaid debts with large sums at maturity.

5.7 Material Related Party Transactions/Non-exempt Connected Transactions

5.7.1 Related party transactions/non-exempt connected transactions in relation to day-to-day operation

(1) *Related party/connected transactions between the Group and CITIC Group, its subsidiaries and associates*

Day-to-day related party/continuing connected transactions between the Group and CITIC Group, its subsidiaries and associates are classified into three major categories, namely securities and financial products transactions and services, miscellaneous services and property leasing. Since the Company's H Shares were listed in 2011, upon the approval of the general meeting of Shareholders and the Board, the Company and CITIC Group signed/renewed the Securities and Financial Products Transactions and Services Framework Agreement, the Miscellaneous Services Framework Agreement and the Property Leasing Framework Agreement and Supplemental Agreements thereof on a regular basis, to reach an agreement on the contents of the relevant transactions thereunder and set respective annual caps for the transaction amount. The existing Securities and Financial Products Transactions and Services Framework Agreement and the Miscellaneous Services Framework Agreement were renewed on 31 December 2019, and the Property Leasing Framework Agreement was renewed on 9 August 2021, all of which are due to expire by 31 December 2022.

Type of related party/ connected transactions	Annual caps for transaction amount in 2022	Actual transaction amount during January to June 2022	Percentage of operating revenue/ expenses of the Company (%)	Impact on profit of the Company
Rental income from lease of properties	4,200	2,087	0.06	2,087
Rental expenses paid for lease of properties/Increase in total value of right-of-use assets	20,000	2,484	—	—

Note 1: CITIC Group and its associates provide inter-financial institutions borrowings to the Group and subscribe for beneficiary certificates issued by the Group based on their own interests and on normal commercial terms; and the Group is not required to provide any guarantees for the inter-financial institutions borrowings and beneficiary certificates. Meanwhile, the inter-financial institutions borrowings and beneficiary certificates are exempted continuing connected transactions under Rule 14A.90 of the Listing Rules of the Stock Exchange. Therefore, the Company has not set a cap on the provision of inter-financial institutions borrowings by CITIC Group and its associates to the Group and the subscription by CITIC Group and its associates of beneficiary certificates issued by the Group

Note 2: Amounts shown in the table above are determined in accordance with the relevant rules of the listing rules of the place where the Company is listed in relation to related party/connected transactions, excluding the amount of the related party transaction exempted from disclosure in accordance with the Listing Rules, as shown below

(2) **Related party/connected transactions between the Group and other related/connected parties**

During the Reporting Period, the Company conducted related party/connected transactions in strict compliance with the Resolution on Estimation of Related Party/Continuing Connected Transactions Contemplated in the Ordinary Course of Business of the Company in 2022 as considered and approved at the 2021 Annual General Meeting. Details of the implementation are as follows:

- 1) *Related party transactions entered into between the Group and companies (excluding the subsidiaries of the Company) in which the Directors, Supervisors or the senior management of the Company hold positions as directors or senior management during the Reporting Period*

In RMB ten thousand

Related party	Type of related party transactions	Estimated transaction amount for the year of 2022	Actual transaction amount during January to June 2022	Percentage of operating revenue/ expenses of the Company (%)	Impact on profit of the Company
E-Capital Transfer Co., Ltd.	Expense	1,500	14.46	Less than 0.01	-14.46

- 2) *Related party/connected transactions between the Group and companies holding more than 10% equity interest in significant subsidiaries of the Company during the Reporting Period*

In RMB ten thousand

Related/connected party	Type of related party/ connected transactions	Estimated transaction amount for the year of 2022	Actual transaction amount during January to June 2022	Percentage of operating revenue/ expenses of the Company (%)	Impact on profit of the Company
POWER CORPORATION OF CANADA	Income	3,000	12.90	Less than 0.01	12.90
MACKENZIE FINANCIAL CORPORATION	Income	3,000	269.13	Less than 0.01	269.13
	Expense	1,500	192.86	Less than 0.01	-192.86

3) *Related party transactions between the Group and companies holding over 5% equity interest in the Company during the Reporting Period*

In RMB ten thousand

Related party	Type of related party transactions	Estimated transaction amount for the year of 2022	Actual transaction amount during January to June 2022	Percentage of operating revenue/expenses of the Company (%)	Impact on profit of the Company
Yuexiu Financial Holdings	Income	1,000	84.91	Less than 0.01	84.91
Financial Holdings Limited	Income	1,000	76.75	Less than 0.01	76.75

(3) *Other related party/connected transactions*

Pursuant to the Bareboat Charter Contract entered into between CITIC Global Trade, a subsidiary of CITIC Futures, and Shanghai CITIC Shipping Corporation Limited (currently renamed as “CITIC Shipping (Ningbo) Co., Ltd. (中信輪船(寧波)有限公司)”), the rental income received by the Company in the first half of 2022 amounted to RMB6.3717 million. For details of the approval of this related party/connected transaction, please refer to the 2014 Annual Report of the Company.

5.7.2 Related party transactions in relation to joint external investment

On 28 June 2022, the 42nd Meeting of the Seventh Session of the Board considered and approved the Resolution on Waiving the Right of First Refusal regarding the 10% Equity Interest in China Asset Management Co., Ltd. and agreed to waive the right of first refusal regarding the 10% equity interest in China AMC held by Tianjin Haipeng, subject to the transfer price being not less than US\$0.49 billion, which is valid for one year from the date of approval by the Board of Directors. For details, please refer to the announcement disclosed by the Company on the HKEXnews website of HKEX (<http://www.hkexnews.hk>) on 28 June 2022.

5.7.3 Related party credits and debts

In RMB Yuan

Related party	Related party relationship	Provision of funds to the related party			Provision of funds by the related party to listed companies		
		Balance at the beginning of the Reporting Period	Amount incurred	Balance at the end of the Reporting Period	Balance at the beginning of the Reporting Period	Amount incurred	Balance at the end of the Reporting Period
Subsidiaries of CITIC Group	Subsidiaries of Shareholder	184,241,982.25	-49,138,096.39	135,103,885.86	24,238,772.01	-9,758,630.28	14,480,141.73
Financial Holdings Limited	Shareholder with non-controlling interest	—	—	—	3,543,889.32	—	3,543,889.32
Total		184,241,982.25	-49,138,096.39	135,103,885.86	27,782,661.33	-9,758,630.28	18,024,031.05
Causes of the related party credits and debts		Mainly include payables to the above related parties in connection with fund sales agency services, receivables from/payables to the above related parties in respect of deposits, margins and the project payment of CITIC Financial Center					
Impact of the related party credits and debts on the operating results and financial position of the Company		No adverse impact					

5.7.4 Other related party/connected transactions

GoldStone Investment, the wholly-owned subsidiary of the Company, and CITIC Investment Holdings Limited (hereinafter referred to as “**CITIC Investment Holdings**”), CITIC Venture Capital (Shanghai) Co., Ltd. (中信創業投資(上海)有限公司) (hereinafter referred to as “**CITIC Venture**”), CITIC Dicastal Co., Ltd. (hereinafter referred to as “**CITIC Dicastal**”), CITIC Prudential Life Insurance Co., Ltd. (hereinafter referred to as “**CITIC Prudential**”), CITIC United Asia (Beijing) Enterprise Management Consulting Co., Ltd. (中信裕聯(北京)企業管理諮詢有限公司) (hereinafter referred to as “**CITIC United Asia**”), CITIC Investment Management (Shanghai) Co., Ltd. (hereinafter referred to as “**CITIC Investment Management**”), CITIC Construction Co., Ltd. (hereinafter referred to as “**CITIC Construction**”) and other non-related/connected entities established a fund through cash contribution, of which GoldStone Investment contributed RMB0.2 billion. Among them, CITIC Investment Holding, CITIC Venture, CITIC Dicastal, CITIC Prudential and CITIC Construction are subsidiaries of CITIC Corporation Limited, the largest Shareholder of the Company, and CITIC United Asia and CITIC Investment Management are subsidiaries of CITIC Limited, the controlling shareholder of CITIC Corporation Limited. Pursuant to the SSE Listing Rules and Hong Kong Listing Rules, such investors are related/connected parties of the Company, and this transaction constitutes a related party/connected transaction. The transaction amount did not reach 0.5% of the Company’s audited net assets in the latest period, and did not exceed 0.1% of the maximum size test percentage ratio of the relevant transaction under the Hong Kong Listing Rules. This related party/connected transaction has been approved by all independent non-executive Directors of the Company on 18 March 2022.

CITIC Securities Investment, a wholly-owned subsidiary of the Company, as a limited partner, invests in the fund through cash contribution of not exceeding RMB100.1 million with Yuexiu Industrial Investment Fund and other non-related persons. Since Mr. WANG Shuhui, a non-executive director of the Company, serves as the chairman of Yuexiu Industrial Investment Fund, and Yuexiu Industrial Investment Fund is the related party of the Company (does not constitute a connected person under the Hong Kong Listing Rules) according to the SSE Listing Rules, this transaction constitutes a related party transaction. The amount of this transaction did not reach 0.5% of the Company’s audited net assets in the latest period. This related party transaction has been approved by all independent non-executive Directors of the Company on 20 April 2022.

5.8 Guarantee

During the Reporting Period, the total amount of guarantees provided by the Company and its subsidiaries to subsidiaries was RMB17.913 billion. As at the end of the Reporting Period, the balance of guarantees provided by the Company was RMB79.330 billion, all of which were guarantees provided by the Company and its subsidiaries to subsidiaries, representing 32.08% of the equity attributable to owners of the parent as at the end of the Reporting Period.

5.8.1 Guarantees provided by the Company

According to the resolution approved at the Shareholders’ general meeting, and upon deliberation by the duly authorized working group, the Company provided an unconditional and irrevocable guarantee on a joint and several basis for repayment obligations under each batch of notes to be issued pursuant to an overseas medium-term notes program set up by CITIC Securities Finance MTN, an indirect wholly-owned subsidiary of the Company. The guarantee amount was US\$3.0 billion, and the scope of the guarantee covers the principal, interest and other contingent account payables of overseas notes. As at the end of the Reporting Period, the aggregate balance of existing notes under the above-mentioned medium-term notes programs was US\$1,796 million, which specifically include: in 2019, CITIC Securities Finance MTN made a drawdown under the medium-term notes program with an issue size of US\$700 million, comprising three-year notes of US\$500 million and five-year notes of US\$200 million; in 2020, CITIC Securities Finance MTN made a drawdown under the medium-term notes program with an issue size of US\$1.0 billion, comprising three-year notes of US\$500 million and five-year notes of US\$500 million; in 2021, CITIC Securities Finance MTN made a drawdown under the medium-term notes program to issue one-year notes with an issue size of US\$96 million.

According to the resolution approved at the Shareholders’ general meeting and upon deliberation by the Company’s management, the Company provided an unconditional and irrevocable guarantee for the Euro-commercial papers project set up by CITIC Securities Finance MTN with a guarantee period from 4 May 2018 to 4 May 2023 and an amount of US\$3.0 billion. The scope of the guarantee covers the principal, interest and other contingent account payables of overseas notes. During the Reporting Period, CITIC Securities Finance MTN issued 6 tranches of Euro-commercial papers in aggregate with a total issue size of US\$310 million. As at the end of the Reporting Period, the balance of existing notes was US\$976 million.

5.8.2 Guarantees provided by subsidiaries

During the Reporting Period, CSI, a wholly-owned subsidiary of the Company, provided guarantees for the benefits of the relevant subsidiaries of CSI in connection with their business operations, which mainly included guarantees for medium-term notes and loan guarantees.

CSI provided an unconditional and irrevocable guarantee on a joint and several basis for repayment obligations under each batch of notes to be issued pursuant to an overseas medium-term notes program set up by CSI MTN Limited, a wholly-owned subsidiary of CSI. The guarantee amount was US\$3.0 billion, and the scope of the guarantee covers the principal, interest and other contingent account payables of overseas notes. As at the end of the Reporting Period, the balance of existing notes under the above-mentioned medium-term notes programs was US\$300 million, which specifically include: in 2022, CSI MTN Limited made a drawdown under the medium-term notes to issue three-year notes with an issue size of US\$300 million.

CSI provided an unconditional and irrevocable guarantee on a joint and several basis for repayment obligations under each batch of notes to be issued pursuant to an overseas medium-term notes program set up by CSI Financial Products Limited, an indirect wholly-owned subsidiary of CSI. The guarantee amount was US\$15 billion, and the scope of the guarantee covers the principal, interest and other contingent account payables of overseas notes. As at the end of the Reporting Period, the balance of existing notes was US\$6,671 million.

CSI provided guarantees for the bank loans of its subsidiaries. During the Reporting Period, new loan guarantees amounted to approximately RMB6,023 million. As at the end of the Reporting Period, the aggregate balance of loan guarantees amounted to approximately RMB13,205 million.

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

5.9 Other Significant Events and Subsequent Events

5.9.1 Changes to securities business outlets

1. *The Company*

During the Reporting Period, the Company newly established two new securities outlets and completed the same-city relocation of one branch office and seven securities outlets.

Details of the new establishments are as follows:

No.	Name of Outlets	Address
1	Yixing Xincheng Road Securities Outlet	No. 2 Xincheng Road, Yixing City New Street, Wuxi City, Jiangsu Province
2	Suqian Fazhan Avenue Securities Outlet	Room 103, 1/F, Sushang Building, No. 675 Hongze Lake Road, Sucheng District, Suqian City, Jiangsu Province

Details of the relocation are as follows:

No.	Original Name of Branches	Current Name of Branches	Address After Relocation
1	Hangzhou Fengqi East Road Securities Outlet	Hangzhou Qingchun East Road Securities Outlet	Room 902, 9/F, Xizi Lianhe Building, No. 1-1 (Temporary), Qingchun East Road, Shangcheng District, Hangzhou City, Zhejiang Province
2	Liaoyang Xinhua Road Securities Outlet	Liaoyang Minzhu Road Securities Outlet	1-2/F, No. 11, Phase 1, Minzhu Road, Baita District, Liaoyang City, Liaoning Province
3	Fuzhou Changle North Road Securities Outlet	Fuzhou Zhenwu Road Securities Outlet	Unit 06, 15/F, Fusheng Qianlong Plaza, No. 70, Zhenwu Road, Ninghua Street, Taijiang District, Fuzhou City, Fujian Province
4	Quanzhou Baozhou Road Securities Outlet	Quanzhou Wenling North Road Securities Outlet	Room A1801, Building 1, Fulin Xintiandi Commerce District, No. 354-1, Wenling North Road, Promoting Community, Lizhong Street, Licheng District, Quanzhou City, Fujian Province
5	Jinjiang Changxing Road Securities Outlet	Jinjiang Century Avenue Securities Outlet	Units 11, 12, 13 and 15, 12/F, Building D, Baolong Center, No. 520, Century Avenue, Qingyang Street, Jinjiang City, Quanzhou City, Fujian Province
6	Beijing Sanyuanqiao Securities Outlet	Beijing Sanyuanqiao Securities Outlet	Room 102-01, Unit 01, 1/F, and Room 603A (inside 601) Unit 01, 6/F, Building 1, No. B2 Dongsanhuan North Road, Chaoyang District, Beijing
7	Luqiao Fushi Road Securities Outlet	Luqiao Yinzuo North Street Securities Outlet	Rooms 407 and 408 (commercial offices), Building 8, Starlight Park, No. 977 Yinzuo North Street, Lubei Street, Luqiao District, Taizhou, Zhejiang Province
8	Beijing Branch Office	Beijing Branch Office	Rooms 01 and 02 (inside 101), 1/F, Rooms 01, 02, 03, 05 and 06 (inside 201), 2/F, Room 01 (inside 301), 3/F, Building 1, No. 38 Yard Dongsanhuan North Road, Chaoyang District, Beijing

As at the end of the Reporting Period, the Company had 41 branch offices and 226 securities outlets.

2. *CITIC Securities (Shandong)*

During the Reporting Period, there were no changes in the branches of CITIC Securities (Shandong). As at the end of the Reporting Period, CITIC Securities (Shandong) had six branch offices and 64 securities outlets.

3. *CITIC Futures*

During the Reporting Period, CITIC Futures established one new branch office and completed the same-city relocation of six branch offices.

Details of the new establishment are as follows:

No.	Name of Branch Offices	Address
1	Foshan Branch Office	Rooms 2810-2812, Tower B, Vanke Financial Center, No. 57 Jihua 5th Road, Chancheng District, Foshan City, Guangdong Province

Details of the relocation are as follows:

No.	Name of Branch Offices	Address After Relocation
1	Zhongnan Branch Office	Houses No. 2 to 5, 18/F, Guangfa Bank Building, No. 737 Construction Avenue, Jiangnan District, Wuhan, Hubei Province
2	Northeast Branch Office	Rooms 0802 and 0803, No. 11 Wenyi Road, Heping District, Shenyang, Liaoning Province
3	Guizhou Branch Office	Room 1 (Attachment No. 3), 24/F, Building 9, Guiyang International Finance Center TI Business District Project, Lincheng Road, Guanshan Lake District, Guiyang, Guizhou Province
4	South China Branch Office	Rooms 901–905A, Taiping Finance Tower, No. 6001 Yitian Road, Fuxin Community, Lianhua Street, Futian District, Shenzhen, Guangdong Province
5	Beijing Chaoyang Branch Office	Room 201, Unit 01, 2/F, Building 1, No. B2 Dongsanhuan North Road, Chaoyang District, Beijing
6	Xiamen Branch Office	Unit DEF, 21/F, International Bank Building, No. 8 Lujiang Road, Siming District, Xiamen, Fujian Province

As at the end of the Reporting Period, CITIC Futures had 46 branch offices and 4 futures outlets.

4. *CITIC Securities South China*

During the Reporting Period, there were no changes in the branches of CITIC Securities South China. As at the end of the Reporting Period, CITIC Securities South China had one branch office and 29 securities outlets.

5. *CSI*

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

No.	Name of Branch	Address
1	ICC CITICS Plus Center	Units 6806B-6807, 68/F, International Commerce Centre, 1 Austin Road West, Tsim Sha Tsui, Hong Kong

As at the end of the Reporting Period, CSI had 5 branches.

6. *Kington Securities*

During the Reporting Period, there were no changes in the branches of Kington Securities. As at the end of the Reporting Period, Kington Securities had 2 securities outlets.

5.9.2 Subsequent progress of matters previously announced

Standardizing the publicly-offered collective investment schemes of the Company

In accordance with the Resolution on Standardizing the Publicly-offered Collective Investment Schemes of the Company as considered and approved by the 35th Meeting of the Sixth Session of the Board, rectification and standardization of the publicly-offered collective investment schemes of the Company are moving ahead in an orderly manner. Currently, applications for modifications to the contracts of 19 publicly-offered collective investment schemes of the Company have been approved by the CSRC, of which 17 schemes are managed normally following the model of public funds. The rectification and standardization of other publicly-offered collective investment schemes of the Company are underway in an active and orderly manner.

Amendments to the Articles of Association

To further improve corporate governance, after preview by the 34th Meeting of the Seventh Session of the Board of the Company on 24 January 2022, the Resolution in Relation to the Amendments to the Articles of Association of the Company was approved by 2022 First Extraordinary General Meeting of the Company on 13 April 2022 to amend the Articles of Association and appendixes in accordance with the Securities Law of the People's Republic of China, the Announcement on Canceling or Adjusting Certain Administrative Approval Items in Relation to Securities Companies and Other Matters, the Code of Corporate Governance for Listed Companies and the Ten Elements of Cultural Construction in the Securities Industry and other laws, regulations and normative documents and in light of the Company's actual condition. Due to the completion of the Company's Rights Issue and public offering of securities, in accordance with the authorization of the shareholders' general meeting, the Proposal on Increasing the Company's Registered Capital and Amending the Company's Articles of Association was considered and approved at the 38th Meeting of the Seventh Session of the Board on 13 April 2022, consent to change the registered capital of the Company from RMB12,926,776,029 to RMB14,820,546,829 and amend the Articles of Association. The amended Articles of Association became effective on 13 April 2022.

Capital increase in CITIC Futures

On 28 March 2022, the 37th Meeting of the Seventh Session of the Board considered and approved the Resolution on Capital Increase in CITIC Futures Company Limited, and it was agreed to make a capital increase of RMB2.0 billion in cash to CITIC Futures. CITIC Futures received the said amount of RMB2.0 billion on 13 April 2022, and completed the registration and filing procedures for change in the registered capital on 23 May 2022, with its registered capital changed from RMB5.6 billion to RMB7.6 billion.

Transfer of 34.55% equity interest in Xinjiang Equity Exchange

On 28 October 2021, the 29th Meeting of the Seventh Session of the Board considered and approved the Resolution on the Transfer of 34.55% Equity Interest in Xinjiang Equity Exchange Co., Ltd. (新疆股權交易中心有限公司) Held by the Company, agreeing to transfer 34.55% equity interest in Xinjiang Equity Exchange held by the Company by way of listing (hereinafter referred to as the "Target Equity"). Upon completion of the transfer, the Company held 20% equity interest in Xinjiang Equity Exchange. The Target Equity was delisted in China Beijing Equity Exchange on 7 February 2022, and the transferee is Xinjiang Financial Investment Co., Ltd. (新疆金融投資有限公司). The Company has entered into an equity transfer agreement with the transferee and has received the consideration of RMB39,951.5 thousand, and the relevant industrial and commercial registration of changes was completed on 18 May 2022.

Re-authorization of the adjustment to the registered capital of CITIC Securities Investment

On 13 May 2022, the 40th Meeting of the Seventh Session of the Board considered and approved the Resolution on Re-authorization of the Adjustment to the Registered Capital of CITIC Securities Investment, authorizing the management of the Company to complete at its sole discretion the formalities in relation to the capital increase and reduction on the premise that various risk control indicators of the Company are in compliance with the regulatory requirements. The above capital increase and reduction may be carried out multiple times as required by the business. CITIC Securities Investment received a capital increase amount of RMB3 billion on 24 May 2022, with paid-up capital of RMB17 billion, and the relevant formalities for filing of the industrial and commercial registration of changes are underway.

5.10 As at the Date of Publication of this Results Announcement, there was no Subsequent Event that has Material Impact on the Company and its Subsidiaries.

VI. CHANGES IN ORDINARY SHARES AND INFORMATION ON SHAREHOLDERS

6.1 Changes in Shares

Unit: Shares

	Prior to changes		Increase/decrease (+, -)		After changes	
	Number	Percentage (%)	New shares issued	Subtotal	Number	Percentage (%)
I. Shares subject to trading moratorium	833,786,629	6.45	—	—	833,786,629	5.63
1. Shares held by State-owned legal persons	809,867,629	6.27	—	—	809,867,629	5.46
2. Other domestic shares	23,919,000	0.19	—	—	23,919,000	0.16
II. Tradable shares not subject to trading moratorium	12,092,989,400	93.55	1,893,770,800	1,893,770,800	13,986,760,200	94.37
1. Ordinary shares in RMB	9,814,661,700	75.93	1,552,021,645	1,552,021,645	11,366,683,345	76.70
2. Foreign shares listed overseas	2,278,327,700	17.62	341,749,155	341,749,155	2,620,076,855	17.68
III. Total number of Shares	12,926,776,029	100.00	1,893,770,800	1,893,770,800	14,820,546,829	100.00

The Company completed the A+H Share Rights Issue in the first quarter of 2022. Among which, 1,552,021,645 new shares under A Share Rights Issue were listed on the SSE on 15 February 2022. 341,749,155 new shares under H Share Rights Issue were listed on the Hong Kong Stock Exchange on 4 March 2022.

Yuexiu Financial Holdings and Financial Holdings Limited acquired a total of 833,786,629 A Shares of the Company in the Company's transaction of acquisition of assets by the issuance of Shares in 2019. According to the undertaking, such shares shall not be transferred within 48 months from the completion date of the above issuance for transaction; the above-mentioned agreement shall also apply to the additional shares held by Yuexiu Financial Holdings and Financial Holdings Limited in the event of the Company's share rights issue, etc. Therefore, the additional 39,802,949 shares and 81,677,195 shares held by Yuexiu Financial Holdings and Financial Holdings Limited respectively as a result of their participation in the Company's A Share Rights Issue shall be subject to the same lock-up period as the original shares.

6.2 Information on Shareholders

Total number of Shareholders of the Company as at 30 June 2022: 619,019 Shareholders, including 618,856 A Shareholders and 163 registered H Shareholders.

6.2.1 Shareholdings of the top 10 Shareholders as at the end of the Reporting Period

Unit: Shares

Full name of Shareholders	Shareholdings of the top 10 Shareholders						
	Change during the Reporting Period	Number of Shares held at the end of the Reporting Period	Percentage (%)	Number of Shares held subject to trading moratorium	Shares pledged, marked or frozen	Status	Nature of the Shareholder
HKSCC Nominees Limited ^{Note 1}	341,675,969	2,619,039,111	17.67	—	Unknown	—	Foreign legal person
CITIC Corporation Limited ^{Note 2}	299,954,362	2,299,650,108	15.52	—	Nil	—	State-owned legal person
Guangzhou Yuexiu Financial Holdings Group Limited ^{Note 3}	81,677,195	626,191,828	4.23	626,191,828	Nil	—	State-owned legal person
Hong Kong Securities Clearing Company Limited ^{Note 4}	-48,074,451	537,007,594	3.62	—	Nil	—	Foreign legal person
Guangzhou Yuexiu Financial Holdings Group Co., Ltd. ^{Note 3}	39,802,949	305,155,945	2.06	305,155,945	Nil	—	State-owned legal person

Shareholdings of the top 10 Shareholders							
Full name of Shareholders	Change during the Reporting Period	Number of Shares held at the end of the Reporting Period	Percentage (%)	Number of Shares held subject to trading moratorium	Shares pledged, marked or frozen		Nature of the Shareholder
					Status	Number	
Central Huijin Asset Management Corporation Limited	26,758,300	205,146,964	1.38	—	Nil	—	State-owned legal person
China Construction Bank Corporation — Guotai CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund	33,379,396	199,525,434	1.35	—	Nil	—	Unknown
Da Cheng Fund — Agricultural Bank — Da Cheng China Securities and Financial Assets Management Program	23,058,933	176,785,150	1.19	—	Nil	—	Unknown
China AMC Fund — Agricultural Bank — China AMC China Securities and Financial Assets Management Program	21,670,830	166,143,027	1.12	—	Nil	—	Unknown
Zhong Ou Fund — Agricultural Bank — Zhong Ou China Securities and Financial Assets Management Program	21,026,835	161,205,735	1.09	—	Nil	—	Unknown

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

Note 2: As at 30 June 2022, CITIC Limited, a party acting in concert with CITIC Corporation Limited, held 434,311,604 H Shares of the Company; and CITIC Corporation Limited, together with its party acting in concert, held a total of 2,733,961,712 Shares of the Company, accounting for 18.45% of the total issued Shares of the Company

Note 3: As at 30 June 2022, Yuexiu Financial Holdings directly held 305,155,945 A Shares of the Company, Financial Holdings Limited directly held 626,191,828 A Shares of the Company, indirectly held 122,468,100 H Shares of the Company as a non-registered Shareholder of the Southbound Trading Connect, and indirectly held 125,966,093 H Shares of the Company through its wholly-owned subsidiary of Yuexiu Financial International, totaling 1,179,781,966 Shares of the Company, accounting for 7.96% of the total issued Shares of the Company

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

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

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

6.2.2 Shareholdings of the top 10 Holders of Tradable Shares not Subject to Trading Moratorium as at 30 June 2022

Unit: Shares

Shareholdings of the top 10 Shareholders not subject to trading moratorium			
Name of Shareholders	Number of tradable Shares held not subject to trading moratorium	Class and number of Shares	
		Class	Number
HKSCC Nominees Limited	2,619,039,111	Overseas-listed foreign Shares	2,619,039,111
CITIC Corporation Limited	2,299,650,108	RMB ordinary Shares	2,299,650,108
Hong Kong Securities Clearing Company Limited	537,007,594	RMB ordinary Shares	537,007,594
Central Huijin Asset Management Corporation Limited	205,146,964	RMB ordinary Shares	205,146,964
China Construction Bank Corporation — Guotai CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund	199,525,434	RMB ordinary Shares	199,525,434
Da Cheng Fund — Agricultural Bank — Da Cheng China Securities and Financial Assets Management Program	176,785,150	RMB ordinary Shares	176,785,150
China AMC Fund — Agricultural Bank — China AMC China Securities and Financial Assets Management Program	166,143,027	RMB ordinary Shares	166,143,027
Zhong Ou Fund — Agricultural Bank — Zhong Ou China Securities and Financial Assets Management Program	161,205,735	RMB ordinary Shares	161,205,735
GF Fund — Agricultural Bank — GF China Securities and Financial Assets Management Program	161,057,499	RMB ordinary Shares	161,057,499
China Southern Fund — Agricultural Bank — China Southern China Securities and Financial Assets Management Program	160,527,420	RMB ordinary Shares	160,527,420

6.2.3 Shareholdings of the Shareholders Subject to Trading Moratorium as at 30 June 2022

Unit: Shares

No.	Name of Shareholders subject to trading moratorium	Number of Shares held subject to trading moratorium	Trading of Shares subject to trading moratorium		
			Date eligible for trading	Number of Shares newly eligible for trading	Terms of trading moratorium
1	Guangzhou Yuexiu Financial Holdings Group Limited	626,191,828	11 March 2024	—	Shareholder undertook to comply with the trading moratorium for 48 months
2	Guangzhou Yuexiu Financial Holdings Group Co., Ltd.	305,155,945	11 March 2024	—	Shareholder undertook to comply with the trading moratorium for 48 months
3	Incentive shares held under custody and others	23,919,000	To be determined after the implementation of the incentive share scheme	—	To be determined after the implementation of the incentive share scheme
Details of related party or concert party relationship among the above Shareholders		Guangzhou Yuexiu Financial Holdings Group Limited is a wholly-owned subsidiary of Guangzhou Yuexiu Financial Holdings Group Co., Ltd., and the two companies are parties acting in concert. The Company is unaware of whether there are related party or concert party relationships among other shareholders.			

6.2.4 Interest and Short Positions of Substantial Shareholders

Pursuant to Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), substantial Shareholders of the Company are required to disclose their interests, and are required to make further disclosure when the changes of their interest reached the prescribed threshold. The following table is derived from the latest interests information of the substantial Shareholders of the Company disclosed on the HKEXnews website of HKEX as at 30 June 2022. As they are only required to disclose the change of their interests when it reaches certain prescribed threshold, the information set out in the following table may be inconsistent with their actual interests as at 30 June 2022.

Name of Shareholders	Capacity	Class of Shares	Number of Shares (Shares)/ type of Shares held	Percentage of the number of A Shares/H Shares of the Company as at 30 June 2022 (%) ^{Note 6}	Percentage of total Shares of the Company as at 30 June 2022 (%) ^{Note 6}
CITIC Group Corporation	Interest of corporation controlled by you ^{Note 1}	A Shares	1,999,695,746/Long positions	16.39	13.49
	Interest of corporation controlled by you ^{Note 1}	H Shares	367,000,000/Long positions	14.01	2.48
Guangzhou Yue Xiu Holdings Limited	Interest of corporation controlled by you ^{Note 2}	A Shares	809,867,629/Long positions	6.64	5.46
	Interest of corporation controlled by you ^{Note 2}	H Shares	238,124,693/Long positions	9.09	1.61
National Council for Social Security Fund	Beneficial owner	H Shares	690,359,200 ^{Note 3} /Long positions	26.35	4.66
The Bank of New York Mellon Corporation	Interest of corporation controlled by you ^{Note 4}	H Shares	291,135,354/Long positions	11.11	1.96
			287,574,164/Shares available for lending	10.98	1.94
Citigroup Inc.	Person having a security interest in shares	H Shares	156,864,964 ^{Note 5} /Long positions	5.99	1.06
	Interest of corporation controlled by you		7,438,689 ^{Note 5} /Short positions	0.28	0.05
	Approved lending agent		144,758,378 ^{Note 5} /Shares available for lending	5.52	0.98

Note 1: CITIC Group indirectly held 1,999,695,746 A Shares of the Company through its controlled corporations (including CITIC Limited and CITIC Corporation Limited), and indirectly held 367,000,000 H Shares of the Company through its controlled corporation CITIC Limited.

Note 2: Guangzhou Yue Xiu Holdings Limited indirectly held 809,867,629 A Shares and 238,124,693 H Shares of the Company through its controlled corporations (namely Financial Holdings Limited and Yuexiu Financial Holdings).

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

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

Note 5: Citigroup Inc., through a series of its controlled corporations, held the relevant interests of long position in 156,864,964 H Shares of the Company, of which 144,758,378 Shares were held in the capacity of approved lending agent; and held interest of short position in 7,438,689 H Shares of the Company.

Note 6: The relevant percentages are calculated based on 2,620,076,855 H Shares or 12,200,469,974 A Shares of the Company in issue as at 30 June 2022.

Save as disclosed above, as at 30 June 2022, the Directors were not aware of any other persons (other than the Directors, Supervisors and the chief executive) having any interest or short position in the Shares or underlying Shares of the Company as recorded in the register to be kept under Section 336 of the Securities and Futures Ordinance.

VII. DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

7.1 Changes in Shares held by Directors, Supervisors and Senior Management

Name	Position	Number of Shares held at the beginning of the Reporting Period (A Shares)	Number of Shares held at the end of the Reporting Period (A Shares)	Change in number of Shares during the Reporting Period (A Shares)	Reason for the change
ZHANG Youjun	Executive Director, Chairman	374	430	56	On 27 January 2022, they subscribed for additional A Shares of the Company as a result of participation in the A Share rights issue of the Company
MA Yao	Member of the Executive Committee	20,000	23,000	3,000	
JIN Jianhua	Former Member of the Senior Management	350,000	402,500	52,500	

Save for the above, during the Reporting Period, there was no change in the shareholdings of other incumbent Directors, Supervisors and Senior Management or those who resigned during the Reporting Period.

7.2 Changes of Directors, Supervisors and Senior Management of the Company

Name	Position	Change
LIU Ke	Former Independent Non-executive Director	Resignation
SONG Kangle	Non-executive Director	Election
FU Linfang	Non-executive Director	Election
ZHAO Xianxin	Non-executive Director	Election
SHI Qingchun	Independent Non-executive Director	Election
JIN Jianhua	Former Senior Management Member	Resignation

Mr. LIU Ke ceased to serve as an independent non-executive Director and resigned from the positions of the Specialized Committees under the Board with effect from 18 January 2022 due to the expiry of his term of office. Following the resignation of Mr. LIU Ke, the Company was temporarily non-compliant with the requirements of Rule 3.10 of the Hong Kong Listing Rules that the board of directors must include at least three independent non-executive Directors, Rule 3.21 of the Hong Kong Listing Rules that the Audit Committee must comprise a minimum of three members, and Rule 3.27A of the Hong Kong Listing Rules that the Nomination Committee must comprise a majority of independent non-executive Directors.

After being nominated at the 36th Meeting of the Seventh Session of the Board and being elected at the 2022 First Extraordinary General Meeting of the Company, Mr. SHI Qingchun formally became an independent non-executive Director and took over the positions of members of the Specialized Committees under the Board which were previously held by Mr. LIU Ke from 13 April 2022, whose term is the same as the Seventh Session of the Board. As a result, the Company has complied with the requirements of Rule 3.10, Rule 3.21 and Rule 3.27A of the Hong Kong Listing Rules.

In February 2022, after the Nomination Committee of the Board reviewed the qualifications and independence of candidates for independent non-executive Directors, at the 36th Meeting of the Seventh Session of the Board of the Company, Mr. SHI Qingchun was nominated as a candidate for independent non-executive Director; In March 2022, CITIC Corporation Limited, the Company's largest Shareholder, nominated Mr. SONG Kangle, Ms. FU Linfang and Mr. ZHAO Xianxin as the candidates of non-executive Directors. The positions as Directors of the above candidates were elected at the 2022 First Extraordinary General Meeting of the Company with effect from 13 April 2022 until the expiry of the term of office of the Seventh Session of the Board.

Mr. JIN Jianhua ceased to serve as a member of the Senior Management with effect from 28 June 2022 due to his work arrangement.

7.3 Changes in Personal Information of Directors, Supervisors and Chief Executive

As of the date of this results announcement, the Directors, Supervisors and chief executive have confirmed that there is no other information that need be disclosed in accordance with Rule 13.51B(1) of the Hong Kong Listing Rules.

7.4 Number of Employees, Remuneration and Training

As of 30 June 2022, the Group had a total number of 25,312 employees, of which 15,319 were employees of the parent company.

During the Reporting Period, there was no change in the remuneration policy of the Company as compared with the disclosure in the 2021 Annual Report of the Company.

In terms of employee training, in the first half of 2022, in response to the occasional outbreak of COVID-19 in China, the Company adopted a combination of online and offline methods for staff training, and continued to carry out staff trainings on various levels and categories and with rich contents. The Company provided incumbent management personnel and reserve cadres with the Linghang Program (領航計劃), Yangfan Program (揚帆計劃) and Qihang Program (啓航計劃) training respectively to enhance the vision and management ability of the leaders at various levels; regarding new management personnel, the Company implemented the training under the “90-day Transformation Plan” to help them master basic management skills as soon as possible and realize the transformation from elite professionals to management personnel. For new employees, the Company carried out the “Internship Inclusion Plan” via cloud live training series before their employment to educate them on the corporate culture and compliance requirements and help them understand the Company’s cultural values in advance; the Company also carried out collective trainings for new employees after their induction, and arranged job rotation to help them quickly integrate into the Company. For in-service employees, the Company organized lectures series of the CITIC Securities Lecture Hall, work skills training series themed Workplace Filling Stations, training for newly promoted employees, on-the-job training for all employees in 2022 and other programs to improve the business knowledge and work skills of employees and help them grow with the Company.

7.5 Directors’, Supervisors’ and Chief Executive’s Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or Its Associated Corporations

As at 30 June 2022, no Directors, Supervisors or chief executive of the Company (except the following person) had interests or short positions in the Shares, underlying Shares and debentures of the Company or its associated corporations (as defined in Part XV of the Securities and Futures Ordinance), which were required, pursuant to Section 352 of the Securities and Futures Ordinance, to be entered into the register referred to therein, or required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (hereinafter referred to as the “**Model Code**”) set out in Appendix 10 to the Hong Kong Listing Rules, to be notified to the Company and the Hong Kong Stock Exchange.

Name	Position	Nature of interest	Class of Shares	Number of Shares held (Shares)	Percentage of total number of Shares of the Company (%)
ZHANG Youjun	Chairman and Executive Director	Personal Interest	A Shares	430	0.000003

Pursuant to the Securities and Futures Ordinance, the chief executive who was required to disclose his interests to the Hong Kong Stock Exchange was the President of the Company and did not include other Senior Management. In addition, as at 30 June 2022, no other Directors, Supervisors and Senior Management or their respective spouses or children under 18 years of age had been granted equity securities or warrants of the Company.

VIII. UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Board of Directors of CITIC Securities Company Limited
(Incorporated in the People's Republic of China with Limited Liability)

Introduction

We have reviewed the interim financial information set out on pages 65 to 132, which comprises the condensed consolidated interim statement of financial position of CITIC Securities Company Limited (the “Company”) and its subsidiaries (together, the “Group”) as at 30 June 2022 and the condensed consolidated interim income statement, the condensed consolidated interim statement of comprehensive income, the condensed consolidated interim statement of changes in equity and the condensed consolidated interim statement of cash flows for the six-month period then ended, and notes, comprising significant accounting policies and other explanatory information (the “Interim Financial Information”). The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 “Interim Financial Reporting”. The directors of the Company are responsible for the preparation and presentation of this Interim Financial Information in accordance with International Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on this Interim Financial Information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Interim Financial Information of the Group is not prepared, in all material respects, in accordance with International Accounting Standard 34 “Interim Financial Reporting”.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 29 August 2022

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2022

(In RMB thousands, unless otherwise stated)

	Notes	Six months ended 30 June	
		2022 (Unaudited)	2021 (Unaudited)
Revenue			
Fee and commission income		18,293,594	18,935,181
Interest income	5	10,410,152	9,855,887
Net Investment income	6	9,461,919	11,428,816
		38,165,665	40,219,884
Income from bulk commodity trading		5,963,985	7,065,963
Other income	7	1,740,174	482,785
Total revenue and other income		45,869,824	47,768,632
Fee and commission expenses	8	2,873,087	2,925,117
Interest expenses	8	7,671,816	7,532,348
Staff costs	8	10,328,326	10,383,395
Depreciation		220,279	195,645
Tax and surcharges		188,178	210,350
Cost from bulk commodity trading		5,934,432	6,965,665
Other operating expenses and costs	8	2,911,028	2,952,766
Expected credit losses	9	(90,290)	691,677
Impairment losses on other assets	10	202,927	47,980
Total operating expenses		30,239,783	31,904,943
Operating profit		15,630,041	15,863,689
Share of profits and losses of:			
Associates		(254,976)	390,243
Joint ventures		25,524	37,291
Profit before income tax		15,400,589	16,291,223
Income tax expense	11	3,789,770	3,696,873
Profit for the period		11,610,819	12,594,350
Attributable to:			
Owners of the Parent		11,196,327	12,197,984
Non-controlling interests		414,492	396,366
		11,610,819	12,594,350
Earnings per share attributable to Owners of the Parent (in RMB yuan)			
— Basic	13	0.76	0.94
— Diluted	13	0.76	0.94

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2022

(In RMB thousands, unless otherwise stated)

	Six months ended 30 June	
	2022	2021
	(Unaudited)	(Unaudited)
Profit for the period	11,610,819	12,594,350
Other comprehensive income		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods		
Net gains/(losses) on investments in debt instruments measured at fair value through other comprehensive income	101,141	(825,110)
Net (losses)/gains on debt instruments measured at fair value through other comprehensive income reclassified to profit or loss on disposal	(57,030)	92,813
Income tax relating to these items	(29,709)	194,466
	<u>14,402</u>	<u>(537,831)</u>
Share of other comprehensive income of associates and joint ventures	8,409	699
Exchange differences on translation of foreign operations	403,678	(241,081)
Other	—	20,188
	<u>426,489</u>	<u>(758,025)</u>
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods		
Net losses on investments in equity instruments designated as at fair value through other comprehensive income	(6,609)	(791,212)
Income tax relating to these items	—	191,341
	<u>(6,609)</u>	<u>(599,871)</u>
Share of other comprehensive income of associates and joint ventures	(2,508)	—
Other	11,169	3,181
	<u>2,052</u>	<u>(596,690)</u>
Other comprehensive income for the period, net of tax	<u>428,541</u>	<u>(1,354,715)</u>
Total comprehensive income for the period	<u>12,039,360</u>	<u>11,239,635</u>
Attributable to:		
Owners of the Parent	11,689,695	10,854,939
Non-controlling interests	349,665	384,696
	<u>12,039,360</u>	<u>11,239,635</u>

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2022

(In RMB thousands, unless otherwise stated)

	Notes	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Non-current assets			
Property, plant and equipment	14	8,048,898	7,800,360
Investment properties	15	931,136	956,861
Goodwill	16	8,710,412	8,675,973
Land-use rights and intangible assets	17	3,448,333	3,592,201
Investments in associates	18	8,735,850	9,089,090
Investments in joint ventures	18	15,659	38,894
Financial assets at fair value through other comprehensive income	19	161,188	164,813
Financial assets at fair value through profit or loss	25	27,488,653	29,231,659
Refundable deposits	20	68,035,128	55,183,604
Deferred income tax assets	21	8,444,694	9,492,914
Right-of-use assets	22	1,874,889	1,893,724
Other non-current assets	23	3,109,913	1,947,104
Total non-current assets		139,004,753	128,067,197
Current assets			
Fee and commission receivables		2,205,462	2,410,131
Margin accounts	24	111,408,963	129,119,054
Financial assets at fair value through other comprehensive income	19	54,252,324	69,091,928
Financial assets at fair value through profit or loss	25	528,554,996	516,102,101
Derivative financial assets	26	31,215,254	31,000,576
Reverse repurchase agreements	27	35,630,729	46,393,304
Other current assets	28	60,528,577	36,410,871
Cash held on behalf of customers	29	256,584,931	222,458,910
Cash and bank balances	30	183,800,526	97,610,703
Total current assets		1,264,181,762	1,150,597,578
Current liabilities			
Customer brokerage deposits	31	304,500,364	251,164,466
Derivative financial liabilities	26	31,457,963	34,117,766
Financial liabilities at fair value through profit or loss	32	61,738,834	49,413,477
Repurchase agreements	33	246,388,055	235,286,476
Due to banks and other financial institutions	34	48,362,039	50,683,601
Taxes payable	35	2,989,857	5,066,551
Short-term loans	36	7,113,950	7,261,987
Short-term financing instruments payable	37	11,357,191	14,630,461
Lease liabilities	38	589,869	541,974
Other current liabilities	39	311,567,979	265,367,689
Total current liabilities		1,026,066,101	913,534,448
Net current assets		238,115,661	237,063,130
Total assets less current liabilities		377,120,414	365,130,327

	<i>Notes</i>	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Non-current liabilities			
Debt instruments issued	40	88,633,580	118,075,506
Deferred income tax liabilities	21	3,716,956	3,188,308
Long-term loans	41	582,324	457,866
Financial liabilities at fair value through profit or loss	32	33,330,109	26,230,119
Lease liabilities	38	1,282,804	1,342,961
Other non-current liabilities	42	2,086,807	2,027,781
		<hr/>	<hr/>
Total non-current liabilities		129,632,580	151,322,541
		<hr/>	<hr/>
Net assets		247,487,834	213,807,786
		<hr/> <hr/>	<hr/> <hr/>
Equity			
Equity attributable to Owners of the Parent			
Issued share capital	43	14,820,547	12,926,776
Other equity instruments	44	13,761,704	10,767,729
Reserves	45	133,828,754	107,816,264
Retained earnings		80,402,909	77,660,564
		<hr/>	<hr/>
		242,813,914	209,171,333
Non-controlling interests		4,673,920	4,636,453
		<hr/>	<hr/>
Total equity		247,487,834	213,807,786
		<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

Approved and authorised for issue by the Board of Directors on 29 August 2022.

ZHANG Youjun
Chairman

YANG Minghui
Executive Director and President

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2022

(In RMB thousands, unless otherwise stated)

	Attributable to owners of the Parent												
	Notes	Share capital	Other equity instruments	Capital reserve	Surplus reserves	General reserves	Reserves			Retained earnings	Subtotal	Non-controlling interests	Total
							Investment revaluation reserve	Foreign currency translation reserve					
At 1 January 2022		12,926,776	10,767,729	65,629,381	9,985,077	32,958,534	(88,824)	(667,904)	77,660,564	209,171,333	4,636,453	213,807,786	
Profit for the period		—	—	—	—	—	—	—	11,196,327	11,196,327	414,492	11,610,819	
Other comprehensive income for the period		—	—	—	—	—	24,863	468,505	—	493,368	(64,827)	428,541	
Total comprehensive income for the period		—	—	—	—	—	24,863	468,505	11,196,327	11,689,695	349,665	12,039,360	
Dividend — 2021	12	—	—	—	—	—	—	—	(8,003,095)	(8,003,095)	—	(8,003,095)	
Distribution to other equity instrument holders	12	—	—	—	—	—	—	—	(243,743)	(243,743)	—	(243,743)	
Appropriation to surplus reserves		—	—	—	—	—	—	—	—	—	—	—	
Appropriation to general reserves		—	—	—	—	207,102	—	—	(207,102)	—	—	—	
Capital increase/(decrease) by equity holders													
— Capital increase by equity holders	43	1,893,771	—	25,309,120	—	—	—	—	—	27,202,891	122,088	27,324,979	
— Capital increase by other equity instrument holders	44	—	2,993,975	—	—	—	—	—	—	2,993,975	—	2,993,975	
— Others		—	—	2,900	—	—	—	—	(42)	2,858	—	2,858	
Dividends to non-controlling interests		—	—	—	—	—	—	—	—	—	(434,286)	(434,286)	
At 30 June 2022 (Unaudited)		<u>14,820,547</u>	<u>13,761,704</u>	<u>90,941,401</u>	<u>9,985,077</u>	<u>33,165,636</u>	<u>(63,961)</u>	<u>(199,399)</u>	<u>80,402,909</u>	<u>242,813,914</u>	<u>4,673,920</u>	<u>247,487,834</u>	

	Attributable to owners of the Parent											
	Notes	Reserves									Non-controlling interests	Total
		Share capital	Capital reserve	Surplus reserves	General reserves	Investment revaluation reserve	Foreign currency translation reserve	Retained earnings	Subtotal			
At 1 January 2021		12,926,776	65,631,818	9,438,480	28,634,720	469,163	(155,872)	64,766,984	181,712,069	4,170,667	185,882,736	
Profit for the period		—	—	—	—	—	—	12,197,984	12,197,984	396,366	12,594,350	
Other comprehensive income for the period		—	—	—	—	(1,113,634)	(229,411)	—	(1,343,045)	(11,670)	(1,354,715)	
Total comprehensive income for the period		—	—	—	—	(1,113,634)	(229,411)	12,197,984	10,854,939	384,696	11,239,635	
Dividend — 2020	12	—	—	—	—	—	—	(5,170,710)	(5,170,710)	—	(5,170,710)	
Appropriation to surplus reserves		—	—	—	—	—	—	—	—	—	—	
Appropriation to general reserves		—	—	—	244,647	—	—	(244,647)	—	—	—	
Capital increase/(decrease) by equity holders												
— Capital increase by equity holders		—	—	—	—	—	—	—	—	(4)	(4)	
— Others		—	(1,391)	—	—	—	—	11,065	9,674	—	9,674	
Dividends to non-controlling interests		—	—	—	—	—	—	—	—	(382,426)	(382,426)	
At 30 June 2021 (Unaudited)		<u>12,926,776</u>	<u>65,630,427</u>	<u>9,438,480</u>	<u>28,879,367</u>	<u>(644,471)</u>	<u>(385,283)</u>	<u>71,560,676</u>	<u>187,405,972</u>	<u>4,172,933</u>	<u>191,578,905</u>	

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2022

(In RMB thousands, unless otherwise stated)

	Six months ended 30 June	
	2022 (Unaudited)	2021 (Unaudited)
Cash flows from operating activities		
Profit before income tax	15,400,589	16,291,223
Adjustments for:		
Financing interest expense	3,330,430	3,886,087
Share of profits and losses of associates and joint ventures	229,452	(427,534)
Interest income from debt instruments at fair value through other comprehensive income	(820,551)	(1,839,879)
Net gains on disposal of debt instruments at fair value through other comprehensive income	(185,599)	(24,316)
Net gains on disposal of property, plant and equipment and other assets	(7,802)	(790)
Gains on disposal of associates, joint ventures and subsidiaries	4,885	—
Fair value gains on financial assets and liabilities measured at fair value through profit or loss	(2,043,038)	(1,836,523)
Depreciation	650,737	601,576
Amortisation	186,983	180,267
Expected credit losses	(90,290)	691,677
Impairment on other assets	202,927	47,980
	<u>16,858,723</u>	<u>17,569,768</u>
Net (decrease)/increase in operating assets		
Financial assets at fair value through profit or loss	(13,175,239)	(59,325,679)
Cash held on behalf of customers	(34,126,021)	(7,746,036)
Other assets	<u>62,720,752</u>	<u>(6,298,951)</u>
	<u>15,419,492</u>	<u>(73,370,666)</u>
Net increase/(decrease) in operating liabilities		
Customer brokerage deposits	52,540,862	42,047,454
Repurchase agreements	11,101,579	16,037,088
Other liabilities	<u>(22,365,022)</u>	<u>(1,118,591)</u>
	<u>41,277,419</u>	<u>56,965,951</u>
Net cash inflow from operating activities before tax	<u>73,555,634</u>	<u>1,165,053</u>
Income tax paid	<u>(4,425,576)</u>	<u>(6,681,045)</u>
Net cash inflow from operating activities	<u><u>69,130,058</u></u>	<u><u>(5,515,992)</u></u>

	<i>Notes</i>	Six months ended 30 June	
		2022 (Unaudited)	2021 (Unaudited)
Cash flows from investing activities			
Net cash flow from purchases and sales of items of property, plant and equipment and other assets		(477,771)	(163,914)
Net cash flow from investments in associates and joint ventures		85,123	(218,211)
Net cash flow of financial assets at fair value through other comprehensive income		17,554,703	2,663,969
Net cash flow from other investing activities		32,669	29,798
Net cash inflow/(outflow) from investing activities		17,194,724	2,311,642
Cash flows from financing activities			
Cash inflows from rights issue		27,156,972	—
Cash inflows from perpetual bonds		3,000,000	—
Cash inflows from borrowing activities		14,997,420	16,463,325
Cash inflows from issuing bonds		31,558,626	41,355,352
Payment of debts		(72,814,517)	(44,612,068)
Dividends and interest expense		(3,988,133)	(3,791,179)
Other cash outflows from financing activities		24,632	1,207,822
Net cash inflow/(outflow) from financing activities		(65,000)	10,623,252
Net increase in cash and cash equivalents		86,259,782	7,418,902
Cash and cash equivalents at the beginning of the period		90,064,626	83,339,178
Effect of exchange rate changes on cash and cash equivalents		(296,836)	(931,673)
Cash and cash equivalents at the end of the period	46	176,027,572	89,826,407

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2022

(In RMB thousands, unless otherwise stated)

1 CORPORATE INFORMATION

CITIC Securities Company Limited (the “Company”) was established in Beijing, the People’s Republic of China (the “PRC” or “Mainland China”, which excludes for the purpose of the financial statements, the Hong Kong Special Administrative Region of the PRC or “Hong Kong”, the Macau Special Administrative Region of the PRC or “Macau”, and Taiwan (China)) on 25 October 1995. Pursuant to the approval by the China Securities Regulatory Commission (the “CSRC”), the Company was restructured as a joint stock limited company in 1999. The unified social credit code of the Company for its business license is 914403001017814402. The Company’s common stock was listed on the Shanghai Stock Exchange in 2003, and listed on The Stock Exchange of Hong Kong Limited in 2011. The registered office of the Company is located at North Tower, Excellence Times Plaza II, No. 8 Zhongxin San Road, Futian District, Shenzhen, Guangdong Province, the PRC.

The Company (also referred to as the “Parent”) and its subsidiaries (collectively referred to as the “Group”) conduct the following principal activities:

- Securities and futures brokerage;
- Securities investment fund distribution and introducing brokerage business for futures companies;
- Agency sale of financial products;
- Securities underwriting and sponsorship;
- Investment advisory and consultancy services;
- Proprietary securities activities;
- Asset management and fund management;
- Margin financing and securities lending; and
- Stock option market-making.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements for the six months ended 30 June 2022 have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”), as well as with all applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

The condensed consolidated interim financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2021.

2.2 SIGNIFICANT ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value. Except for those described below, the accounting policies and methods of computation used in preparing the condensed consolidated interim financial statements are the same as those adopted in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2021.

Relevant standards and amendments effective in 2022 and adopted by the Group:

In the current interim period, the Group has adopted the following International Financial Reporting Standards (“IFRSs”) and amendments issued by the International Accounting Standards Board (“IASB”), that are mandatorily effective for the current interim period. Descriptions of these standards and amendments were disclosed in the Group’s annual consolidated financial statements for the year ended 31 December 2021.

Amendments to IFRS 3	Business Combinations
Amendments to IAS 16	Property, Plant and Equipment
Amendments to IAS 37	Provisions, Contingent Liabilities and Contingent Assets
Amendments to IFRS 1, IFRS9, IFRS16 and IAS41	Annual Improvements to IFRS (2018–2020 Annual Cycle)

The adoption of the above-mentioned standards and amendments does not have a significant impact on the operating results, comprehensive income, or financial position of the Group.

Relevant standards and amendments that are not yet effective in the current interim period and have not been adopted before their effective dates by the Group are as follows:

		Effective for annual periods beginning on or after
(1)	IFRS 17 Insurance Contracts	1 January 2023
(2)	Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture	The amendments were originally intended to be effective for annual periods beginning on or after 1 January 2016. The effective date has now been deferred/removed. Early application of the amendments continues to be permitted.
(3)	Amendments to IAS 1 Classification of liabilities	1 January 2023 ¹
(4)	Amendments to IAS 12 Deferred income tax related to assets and liabilities arising from a single transaction	1 January 2023
(5)	Amendments to IAS 1, IFRS Practice Statement 2 and IAS 8 Disclosure of Significant Accounting Policies, Distinguish between changes in accounting policies and changes in accounting estimates	1 January 2023

Descriptions of these amendments were disclosed in the Group’s annual consolidated financial statements for the year ended 31 December 2021. The Group anticipates that the adoption of these amendments will not have a significant impact on the Group’s consolidated financial statements.

2.3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, and income and expenses. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainties were the same as those that applied to the Group’s consolidated financial statements for the year ended 31 December 2021.

3 TAXATION

According to relevant tax regulation, the most significant categories of taxes to which the Company is currently subject are as follows:

(1) Income tax

The income tax rate applicable to the Company and its major domestic subsidiaries is 25%. Hong Kong and overseas subsidiaries pay taxes according to the applicable tax rate in the territory where their tax residency is located.

¹ Since issuing these amendments, the IASB issued an exposure draft proposing further changes and the deferral of the amendments until at least 1 January 2024.

(2) Value added tax

The Group is subject to value-added tax (“VAT”) on its income from principal businesses at 6%.

The Group is subject to VAT at rate of 3% for its asset management taxable activities.

(3) Vehicle and vessel taxes, property taxes and stamp duties are levied in accordance with the provisions of the relevant tax laws and regulations.

(4) Urban maintenance and construction taxes, education surcharges and local education surcharges are levied at 5%/7%, 3% and 2%, respectively, of the payable amount of relevant turnover taxes.

4 OPERATING SEGMENT INFORMATION

For management purposes, the Group’s operating businesses are structured and managed separately according to the nature of their operations and the services they provide. Each of the Group’s operating segments represents a strategic business engaged in the following activities, which are subject to risks and returns that are different from the other operating segments.

Investment Banking — Securities placement and underwriting activities, and financial advisory services;

Brokerage — Securities and futures dealing and brokerage, as well as the sale of financial products as agent;

Trading — Equity, fixed income and derivatives trading and market-making, margin financing and securities lending and alternative investment activities;

Asset Management — Asset management services to collective assets management, directive assets management, special assets management, fund management and other investment account management; and

Others — Private equity investment, direct investment, bulk commodity trading and other financial activities.

Management monitors the results of the Group’s operating segments for the purposes of resource allocation and operating decision-making. Operating segment performance is measured consistently, and on the same basis as, operating profit or loss in the Group’s consolidated financial statements.

Income taxes are managed as a whole and are not allocated to operating segments.

Six months ended 30 June 2022 (Unaudited)	Investment banking	Brokerage	Trading	Asset management	Others	Total
Segment revenue and other income						
Fee and commission income	3,599,023	8,273,223	245,057	5,678,403	497,888	18,293,594
Interest income	6	2,818,699	7,286,248	48,935	256,264	10,410,152
Investment income	—	128,659	8,868,177	342,736	122,347	9,461,919
Other income	3,643	323,461	926,474	47,468	6,403,113	7,704,159
Subtotal	3,602,672	11,544,042	17,325,956	6,117,542	7,279,612	45,869,824
Operating expenses	1,773,652	9,011,518	9,565,024	3,062,359	6,827,230	30,239,783
Including: Interest expenses	—	773,115	6,775,677	23,213	99,811	7,671,816
Expected credit losses	(651)	(5,251)	(110,208)	(889)	26,709	(90,290)
Impairment losses on other assets	—	—	—	—	202,927	202,927
Operating profit	1,829,020	2,532,524	7,760,932	3,055,183	452,382	15,630,041
Share of profits and losses of associates and joint ventures	—	—	—	—	(229,452)	(229,452)
Profit before income tax	1,829,020	2,532,524	7,760,932	3,055,183	222,930	15,400,589
Income tax expenses						3,789,770
Net profit for the period						11,610,819
Other segment information:						
Depreciation and amortisation	38,694	354,997	32,341	98,633	313,055	837,720
Capital expenditure	147,561	101,577	68,580	46,433	113,620	477,771

Six months ended 30 June 2021 (Unaudited)	Investment banking	Brokerage	Trading	Asset management	Others	Total
Segment revenue and other income						
Fee and commission income	3,285,362	9,927,554	108,488	5,825,436	(211,659)	18,935,181
Interest income	—	2,306,452	7,294,789	61,012	193,634	9,855,887
Investment income	—	84,175	9,139,339	419,492	1,785,810	11,428,816
Other income	1,156	162,241	37,363	85,999	7,261,989	7,548,748
Subtotal	3,286,518	12,480,422	16,579,979	6,391,939	9,029,774	47,768,632
Operating expenses	1,627,811	9,407,185	10,418,845	3,023,644	7,427,458	31,904,943
Including: Interest expenses	5	631,593	6,662,136	21,646	216,968	7,532,348
Expected credit losses	—	(329)	688,893	(359)	3,472	691,677
Impairment losses on other assets	—	—	—	—	47,980	47,980
Operating profit	1,658,707	3,073,237	6,161,134	3,368,295	1,602,316	15,863,689
Share of profits and losses of associates and joint ventures	—	—	—	—	427,534	427,534
Profit before income tax	1,658,707	3,073,237	6,161,134	3,368,295	2,029,850	16,291,223
Income tax expenses						3,696,873
Net profit for the period						12,594,350
Other segment information:						
Depreciation and amortisation	37,083	385,172	31,553	95,008	233,028	781,844
Capital expenditure	11,639	124,470	5,635	18,087	4,082	163,913

5 INTEREST INCOME

	Six months ended 30 June	
	2022	2021
	(Unaudited)	(Unaudited)
Interest income on margin and other financing	5,232,718	5,751,674
Bank interest income	4,246,240	3,107,852
Interest income on debt instruments at fair value through other comprehensive income	820,551	869,809
Others	110,643	126,552
Total	<u>10,410,152</u>	<u>9,855,887</u>

6 NET INVESTMENT INCOME

	Six months ended 30 June	
	2022	2021
	(Unaudited)	(Unaudited)
Net gains/(losses) from financial assets at fair value through profit or loss (mandatory)	(16,030,444)	14,377,187
Net gains/(losses) from financial assets at fair value through profit or loss (designated)	1,590,330	291,915
Net gains/(losses) from disposal of debt instruments at fair value through other comprehensive income	185,599	24,316
Dividend income from financial assets at fair value through other comprehensive income	—	970,070
Net gains/(losses) from financial liabilities at fair value through profit or loss	355,479	(3,470,168)
Net gains/(losses) from derivatives and others	23,360,955	(764,504)
Total	<u>9,461,919</u>	<u>11,428,816</u>

7 OTHER INCOME

	Six months ended 30 June	
	2022	2021
	(Unaudited)	(Unaudited)
Lease fee	95,037	90,286
Foreign exchange gains	1,105,557	45,594
Government grants	180,508	138,222
Others	359,072	208,683
Total	<u>1,740,174</u>	<u>482,785</u>

	Six months ended 30 June	
	2022	2021
	(Unaudited)	(Unaudited)
Fee and commission expenses:		
— Handling charges and commission expense	2,771,195	2,802,157
— Others	101,892	122,960
Total	<u>2,873,087</u>	<u>2,925,117</u>

	Six months ended 30 June	
	2022	2021
	(Unaudited)	(Unaudited)
Interest expenses:		
— Due to banks and other financial institutions	3,033,174	3,002,951
— Debt instruments issued and short-term financing instruments payable	3,181,481	3,600,486
— Customer brokerage deposits	725,997	537,205
— Others	731,164	391,706
Total	<u>7,671,816</u>	<u>7,532,348</u>

	Six months ended 30 June	
	2022	2021
	(Unaudited)	(Unaudited)
Staff costs (including directors', supervisors' and senior executives' remuneration):		
— Salaries and bonuses	8,776,095	9,142,245
— Staff benefits	980,047	793,361
— Contributions to defined contribution schemes (i)	572,184	447,789
Total	<u>10,328,326</u>	<u>10,383,395</u>

(i) Retirement benefits are included herein and their nature is described below:

Full-time employees of the Group in Mainland China are covered by various government-sponsored retirement plans, under which the employees are entitled to a monthly pension. Relevant government agencies determine the amount of pension benefits and are responsible for the related pension liabilities to eligible retired employees. The Group is required to make monthly contributions to the government related to these government-sponsored retirement plans for active employees. The Group has no obligation for post-retirement benefits beyond these contributions, which are expensed as incurred.

In addition, the Group participates in various defined contribution retirement schemes for its qualified employees in certain countries or regions outside of Mainland China.

	Six months ended 30 June	
	2022	2021
	(Unaudited)	(Unaudited)
Other operating expenses and costs:		
— Fund distribution and administration expenses	852,921	899,149
— Depreciation of right-of-use assets	358,310	330,181
— Electronic device operating expenditure	357,488	302,879
— Marketing promotion expenses	165,869	156,683
— Amortisation of intangible assets	140,553	134,659
— Short-term rental expenses	108,040	98,011
— Consulting expenses	105,208	145,034
— Travel expenses	100,299	148,751
— Investors Protection Fund	98,997	94,672
— Postal and communication expenses	93,463	92,858
— Auditor's remuneration	14,122	13,235
— Payment to reporting auditors	9,278	10,485
— Others	515,758	536,654
Total	<u>2,911,028</u>	<u>2,952,766</u>

9 EXPECTED CREDIT LOSSES

	Six months ended 30 June	
	2022	2021
	(Unaudited)	(Unaudited)
Reverse repurchase agreements	(97,044)	312,995
Margin accounts	(71,588)	432,200
Financial assets at fair value through other comprehensive income (debt instruments)	157,648	(134,554)
Other assets	9,824	—
Others	(89,130)	81,036
Total	<u>(90,290)</u>	<u>691,677</u>

10 IMPAIRMENT LOSSES ON OTHER ASSETS

	Six months ended 30 June	
	2022	2021
	(Unaudited)	(Unaudited)
Impairment losses on inventory and others	<u>202,927</u>	<u>47,980</u>
Total	<u>202,927</u>	<u>47,980</u>

11 INCOME TAX EXPENSE

	Six months ended 30 June	
	2022	2021
	(Unaudited)	(Unaudited)
Current income tax expense	2,219,993	4,096,577
Mainland China	1,912,428	4,010,001
Outside Mainland China	307,565	86,576
Deferred income tax expense	1,569,777	(399,704)
Total	<u>3,789,770</u>	<u>3,696,873</u>

12 DIVIDENDS

	Six months ended 30 June	
	2022	2021
	(Unaudited)	(Unaudited)
Dividends on ordinary shares approved but not paid	<u>8,003,095</u>	<u>5,170,710</u>
Distribution to other equity instrument holders (Note 13(1))	<u>243,743</u>	<u>—</u>

The distribution of dividends for the year ended 31 December 2021 on ordinary shares was approved in the General Shareholders' Meeting of the Company on 29 June 2022.

13 EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT

The calculations of basic and diluted earnings per share are based on:

	Six months ended 30 June	
	2022	2021
	(Unaudited)	(Unaudited)
Earnings:		
Profit attributable to owners of the Parent	11,196,327	12,197,984
Less: Profit for the year attributable to other equity holders of the Company (1)	<u>243,743</u>	<u>—</u>
Profit attributable to ordinary shareholders of the Company	<u>10,952,584</u>	<u>12,197,984</u>
Shares:		
Weighted average number of ordinary shares in issue (thousand)	<u>14,504,221</u>	<u>12,926,776</u>
Basic and diluted earnings per share (in RMB yuan)	<u>0.76</u>	<u>0.94</u>

Basic earnings per share was calculated by dividing profit for the period attributable to owners of the Parent by the weighted average number of ordinary shares outstanding.

There were no dilutive items during the six months ended 30 June 2022 (Six months ended 30 June 2021: None).

(1) As of 30 June 2022, there were four tranches of perpetual subordinated bonds existed under the terms and conditions as detailed in Note 44 Other Equity Instruments. For the purpose of calculating basic earnings per ordinary share, profit attributable to other equity holders was deducted from the profit attributable to ordinary equity holders of the Company.

14 PROPERTY, PLANT AND EQUIPMENT

30 June 2022 (Unaudited)	Properties and buildings	Communication equipment	Office equipment	Vehicles	Security equipment	Electronic devices	Others	Subtotal	Construction in progress	Total
Cost										
31 December 2021 (Audited)	5,943,880	65,707	278,175	2,338,532	11,049	2,702,391	29,239	11,368,973	1,178,524	12,547,497
Increases	7,405	4,017	6,743	3,981	64	113,370	—	135,580	325,351	460,931
Decreases	—	(565)	(6,082)	(2,824)	(93)	(26,344)	(3,023)	(38,931)	(17,492)	(56,423)
Effect of exchange rate change	4,066	1,626	1,088	114,358	—	47,669	(9)	168,798	—	168,798
30 June 2022 (Unaudited)	5,955,351	70,785	279,924	2,454,047	11,020	2,837,086	26,207	11,634,420	1,486,383	13,120,803
Accumulated depreciation										
31 December 2021 (Audited)	1,404,321	60,491	247,006	662,402	8,982	2,253,879	28,456	4,665,537	—	4,665,537
Increases	87,832	1,312	8,081	59,363	396	117,410	64	274,458	—	274,458
Decreases	—	(488)	(6,006)	(2,733)	(91)	(24,233)	(3,023)	(36,574)	—	(36,574)
Effect of exchange rate change	4,078	1,495	849	32,931	—	43,694	(376)	82,671	—	82,671
30 June 2022 (Unaudited)	1,496,231	62,810	249,930	751,963	9,287	2,390,750	25,121	4,986,092	—	4,986,092
Allowances for impairment										
31 December 2021 (Audited)	1,525	—	—	80,072	—	3	—	81,600	—	81,600
Increases	—	—	—	—	—	—	—	—	—	—
Decreases	—	—	—	—	—	(3)	—	(3)	—	(3)
Effect of exchange rate change	—	—	—	4,216	—	—	—	4,216	—	4,216
30 June 2022 (Unaudited)	1,525	—	—	84,288	—	—	—	85,813	—	85,813
Net carrying amount										
30 June 2022 (Unaudited)	4,457,595	7,975	29,994	1,617,796	1,733	446,336	1,086	6,562,515	1,486,383	8,048,898
31 December 2021 (Audited)	4,538,034	5,216	31,169	1,596,058	2,067	448,509	783	6,621,836	1,178,524	7,800,360

31 December 2021 (Audited)	Properties and buildings	Communication equipment	Office equipment	Vehicles	Security equipment	Electronic devices	Others	Subtotal	Construction in progress	Total
Cost										
31 December 2020	6,109,897	76,366	296,127	2,389,387	10,483	2,604,284	36,675	11,523,219	482,344	12,005,563
Increases	19,924	1,047	19,139	8,013	1,188	300,614	311	350,236	774,862	1,125,098
Decreases	(179,231)	(9,395)	(34,622)	(7,791)	(622)	(169,189)	(7,070)	(407,920)	(78,682)	(486,602)
Effect of exchange rate changes	(6,710)	(2,311)	(2,469)	(51,077)	—	(33,318)	(677)	(96,562)	—	(96,562)
31 December 2021	5,943,880	65,707	278,175	2,338,532	11,049	2,702,391	29,239	11,368,973	1,178,524	12,547,497
Accumulated depreciation										
31 December 2020	1,279,287	69,015	269,243	558,651	8,200	2,253,940	34,705	4,473,041	—	4,473,041
Increases	179,196	2,814	13,831	123,619	1,352	193,516	1,399	515,727	—	515,727
Decreases	(48,794)	(9,216)	(34,035)	(7,271)	(570)	(163,785)	(6,989)	(270,660)	—	(270,660)
Effect of exchange rate changes	(5,368)	(2,122)	(2,033)	(12,597)	—	(29,792)	(659)	(52,571)	—	(52,571)
31 December 2021	1,404,321	60,491	247,006	662,402	8,982	2,253,879	28,456	4,665,537	—	4,665,537
Allowances for impairment										
31 December 2020	1,525	—	106	—	—	250	—	1,881	—	1,881
Increases	—	—	—	80,072	—	—	—	80,072	—	80,072
Decreases	—	—	(106)	—	—	(247)	—	(353)	—	(353)
31 December 2021	1,525	—	—	80,072	—	3	—	81,600	—	81,600
Net carrying amount										
31 December 2021	4,538,034	5,216	31,169	1,596,058	2,067	448,509	783	6,621,836	1,178,524	7,800,360
31 December 2020	4,829,085	7,351	26,778	1,830,736	2,283	350,094	1,970	7,048,297	482,344	7,530,641

15 INVESTMENT PROPERTIES

30 June 2022 (Unaudited)		Properties and buildings
Cost		
31 December 2021 (Audited)		1,354,795
Increases		—
Decreases		—
Effect of exchange rate changes		(16,255)
30 June 2022 (Unaudited)		1,338,540
Accumulated depreciation		
31 December 2021 (Audited)		288,383
Increases		16,721
Decreases		—
Effect of exchange rate changes		(1,157)
30 June 2022 (Unaudited)		303,947
Allowances for impairment		
31 December 2021 (Audited)		109,551
Increases		—
Decreases		—
Effect of exchange rate changes		(6,094)
30 June 2022 (Unaudited)		103,457
Net carrying amount		
30 June 2022 (Unaudited)		931,136
31 December 2021 (Audited)		956,861

31 December 2021 (Audited)	Properties and Buildings
Cost	
31 December 2020	1,470,705
Increases	—
Decreases	(102,917)
Effect of exchange rate changes	(12,993)
31 December 2021	<u>1,354,795</u>
Accumulated depreciation and amortisation	
31 December 2020	260,528
Increases	34,208
Decreases	(5,666)
Effect of exchange rate changes	(687)
31 December 2021	<u>288,383</u>
Allowances for impairment	
31 December 2020	149,966
Increases	—
Decreases	(35,615)
Effect of exchange rate changes	(4,800)
31 December 2021	<u>109,551</u>
Net carrying amount	
31 December 2021	<u><u>956,861</u></u>
31 December 2020	<u><u>1,060,211</u></u>

16 GOODWILL

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Carrying amount at the beginning of the period/year:		
Cost	11,655,647	11,725,325
Less: Accumulated impairment	(2,979,674)	(948,627)
Net carrying amount	<u>8,675,973</u>	<u>10,776,698</u>
Movements during the period/year:		
Additions and effect of exchange rate changes	141,982	(69,678)
Impairment and effect of exchange rate changes*	(107,543)	(2,031,047)
Carrying amount at the end of the period/year:		
Cost	11,797,629	11,655,647
Less: Accumulated impairment	(3,087,217)	(2,979,674)
Net carrying amount	<u>8,710,412</u>	<u>8,675,973</u>

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
China Asset Management Co., Ltd.	7,418,587	7,418,587
CITIC Securities International Co., Ltd.	874,099	835,118
CITIC Securities South China Company Limited	91,725	91,725
CITIC Futures Co., Ltd.	193,826	193,826
CITIC Securities (Shandong) Co., Ltd.	88,675	88,675
CITIC Securities Company Limited	43,500	43,500
Xin Jiang Equity Exchange Centre Limited	—	4,542
CITIC Securities Overseas Investment Company Limited	—	—
Total	8,710,412	8,675,973

* As of 30 June 2022, the balance of impairment provision increased by RMB108 million due to exchange rate changes (31 December 2021: decreased by RMB38 million).

17 LAND-USE RIGHTS AND INTANGIBLE ASSETS

30 June 2022 (Unaudited)	Intangible assets					Total
	Seats on stock exchanges	Software development	Customer relationships	Trademarks	Land-use rights	
Cost						
31 December 2021 (Audited)	127,752	1,740,794	1,313,011	271,303	3,714,574	7,167,434
Increases	—	25,578	4,361	—	—	29,939
Decreases	—	(5,566)	—	—	(24,274)	(29,840)
Effect of exchange rate change	1,936	28,731	62,297	14,229	—	107,193
30 June 2022 (Unaudited)	129,688	1,789,537	1,379,669	285,532	3,690,300	7,274,726
Accumulated amortisation						
31 December 2021 (Audited)	100,824	1,430,808	1,089,800	—	672,094	3,293,526
Increases	171	49,986	63,637	—	47,340	161,134
Decreases	(62)	(4,870)	—	—	(3,520)	(8,452)
Effect of exchange rate change	767	28,775	54,358	—	—	83,900
30 June 2022 (Unaudited)	101,700	1,504,699	1,207,795	—	715,914	3,530,108
Allowance for impairment						
31 December 2021 (Audited)	—	207	10,582	270,918	—	281,707
Increases	—	—	—	—	—	—
Decreases	—	(207)	—	—	—	(207)
Effect of exchange rate change	—	—	556	14,229	—	14,785
30 June 2022 (Unaudited)	—	—	11,138	285,147	—	296,285
Net carrying amount						
30 June 2022 (Unaudited)	27,988	284,838	160,736	385	2,974,386	3,448,333
31 December 2021 (Audited)	26,928	309,779	212,629	385	3,042,480	3,592,201

31 December 2021 (Audited)	Intangible assets					Total
	Seats on stock exchanges	Software development	Customer relationships	Trademarks	Land-use rights	
Cost						
31 December 2020	131,594	1,690,768	1,336,613	277,663	2,272,436	5,709,074
Increases	—	177,567	4,143	—	1,462,188	1,643,898
Decreases	(1,501)	(110,598)	—	—	(20,050)	(132,149)
Effect of exchange rate changes	(2,341)	(16,943)	(27,745)	(6,360)	—	(53,389)
31 December 2021	<u>127,752</u>	<u>1,740,794</u>	<u>1,313,011</u>	<u>271,303</u>	<u>3,714,574</u>	<u>7,167,434</u>
Accumulated amortisation						
31 December 2020	102,198	1,406,145	983,909	—	324,918	2,817,170
Increases	342	88,086	128,016	—	351,197	567,641
Decreases	—	(48,483)	—	—	(4,021)	(52,504)
Effect of exchange rate changes	(1,716)	(14,940)	(22,125)	—	—	(38,781)
31 December 2021	<u>100,824</u>	<u>1,430,808</u>	<u>1,089,800</u>	<u>—</u>	<u>672,094</u>	<u>3,293,526</u>
Allowance for impairment						
31 December 2020	1,500	35,401	—	—	—	36,901
Increases	—	—	10,703	274,017	—	284,720
Decreases	(1,501)	(33,269)	—	—	—	(34,770)
Effect of exchange rate changes	1	(1,925)	(121)	(3,099)	—	(5,144)
31 December 2021	<u>—</u>	<u>207</u>	<u>10,582</u>	<u>270,918</u>	<u>—</u>	<u>281,707</u>
Net carrying amount						
31 December 2021	<u>26,928</u>	<u>309,779</u>	<u>212,629</u>	<u>385</u>	<u>3,042,480</u>	<u>3,592,201</u>
31 December 2020	<u>27,896</u>	<u>249,222</u>	<u>352,704</u>	<u>277,663</u>	<u>1,947,518</u>	<u>2,855,003</u>

18 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Associates	8,792,505	9,145,745
Joint ventures	15,659	38,894
Less: Allowance for impairment	<u>(56,655)</u>	<u>(56,655)</u>
Total	<u><u>8,751,509</u></u>	<u><u>9,127,984</u></u>

The following table illustrates the summarised financial information of the Group's material associates

- (i) CITIC Private Equity Funds Management Co., Ltd., as a major associate of the Group, is primarily engaged in investment fund management, and is accounted for using the equity method. The relevant financial information is as follows (All listed in thousands of RMB):

	30 June 2022 (Unaudited)	31 December 2021 (Unaudited)
Current assets	5,287,140	5,355,347
Non-current assets	166,720	157,094
Current liabilities	76,209	76,108
Non-current liabilities	<u>1,893,171</u>	<u>300,082</u>

	Six months ended 30 June 2022 (Unaudited)	2021 (Unaudited)
Revenue	91,170	576,073
Profit from continuing operations	(1,668,846)	184,133
Total comprehensive income	<u>(1,668,846)</u>	<u>184,133</u>

- (ii) CSC Financial Co., Ltd., as a major associate of the Group, is primarily engaged in securities brokerage and investment consulting, and is accounted for using the equity method. According to the unaudited financial data as of and for the six months ended 30 June 2022 provided by the management of CSC Financial Co., Ltd., the Group calculated its share of net assets based on its shareholding ratio.

19 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 June 2022 (Unaudited)	
	Current	Non-current
Debt instruments (Mandatory)	<u>54,252,324</u>	<u>—</u>
Equity instruments (Designated)		
Non-tradable equity instruments	<u>—</u>	<u>161,188</u>
Total	<u><u>54,252,324</u></u>	<u><u>161,188</u></u>
Loss allowance	<u>495,106</u>	<u>—</u>
Analysed into:		
Listed	<u>52,644,525</u>	<u>—</u>
Unlisted	<u>1,607,799</u>	<u>161,188</u>
	<u><u>54,252,324</u></u>	<u><u>161,188</u></u>

	31 December 2021 (Audited)	
	Current	Non-current
Debt instruments (Mandatory)	<u>69,091,928</u>	<u>—</u>
Equity instruments (Designated)		
Non-tradable equity instruments	<u>—</u>	<u>164,813</u>
Total	<u><u>69,091,928</u></u>	<u><u>164,813</u></u>
Loss allowance	<u>409,959</u>	<u>—</u>
Analysed into:		
Listed	<u>67,891,649</u>	<u>—</u>
Unlisted	<u>1,200,279</u>	<u>164,813</u>
	<u><u>69,091,928</u></u>	<u><u>164,813</u></u>

20 REFUNDABLE DEPOSITS

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Trading deposits	<u>51,948,499</u>	40,448,292
Credit deposits	<u>1,079,017</u>	1,354,659
Performance bonds	<u>15,007,612</u>	13,380,653
Total	<u><u>68,035,128</u></u>	<u><u>55,183,604</u></u>

21 DEFERRED INCOME TAX ASSETS AND LIABILITIES

Deferred income tax assets (Unaudited)	Depreciation allowance	Fair value changes of financial instruments	Allowance for impairment losses	Salaries, bonuses, and allowances payable	Others	Total
At 31 December 2021	9,684	1,656,270	3,073,652	4,398,090	355,218	9,492,914
Credited/(Debited) to the statement of profit or loss	19	(1,268,625)	(95,628)	155,966	151,764	(1,056,504)
Credited/(Debited) to other comprehensive income	2,170	(190)	—	(4,934)	11,346	8,392
Others	—	—	(108)	—	—	(108)
At 30 June 2022	<u>11,873</u>	<u>387,455</u>	<u>2,977,916</u>	<u>4,549,122</u>	<u>518,328</u>	<u>8,444,694</u>

Deferred income tax assets (Audited)	Depreciation allowance	Fair value changes of financial instruments	Allowance for impairment losses	Salaries, bonuses, and allowances payable	Others	Total
At 31 December 2020	5,238	2,362,110	2,933,007	4,067,555	294,010	9,661,920
Credited/(Debited) to the statement of profit or loss	4,664	(705,062)	140,645	335,205	58,497	(166,051)
Credited/(Debited) to other comprehensive income	(218)	(778)	—	(4,670)	2,711	(2,955)
At 31 December 2021	<u>9,684</u>	<u>1,656,270</u>	<u>3,073,652</u>	<u>4,398,090</u>	<u>355,218</u>	<u>9,492,914</u>

Deferred income tax liabilities (Unaudited)	Amortisation allowance	Fair value changes of financial instruments	Others	Total
At 31 December 2021	62,733	2,112,112	1,013,463	3,188,308
Debited/(Credited) to the statement of profit or loss	(20,219)	443,931	89,561	513,273
Debited/(Credited) to other comprehensive income	2,665	10,699	2,402	15,766
Others	—	(391)	—	(391)
At 30 June 2022	<u>45,179</u>	<u>2,566,351</u>	<u>1,105,426</u>	<u>3,716,956</u>

Deferred income tax liabilities (Audited)	Amortisation allowance	Fair value changes of financial instruments	Others	Total
At 31 December 2020	197,098	2,117,458	861,636	3,176,192
Debited/(Credited) to the statement of profit or loss	(140,837)	218,161	146,590	223,914
Debited/(Credited) to other comprehensive income	6,472	(223,507)	5,237	(211,798)
At 31 December 2021	<u>62,733</u>	<u>2,112,112</u>	<u>1,013,463</u>	<u>3,188,308</u>

30 June 2022 (Unaudited)	Properties and buildings	Transportation vehicles	Electronic devices	Others	Total
Cost					
31 December 2021 (Audited)	3,213,916	1,300	686	1,973	3,217,875
Increases	372,228	—	—	—	372,228
Decreases	(173,751)	—	—	—	(173,751)
Effect of exchange rate changes	38,561	(60)	(27)	—	38,474
30 June 2022 (Unaudited)	3,450,954	1,240	659	1,973	3,454,826
Accumulated depreciation					
31 December 2021 (Audited)	1,321,831	845	550	925	1,324,151
Increases	361,957	147	89	239	362,432
Decreases	(127,495)	—	—	—	(127,495)
Effect of exchange rate changes	20,916	(43)	(24)	—	20,849
30 June 2022 (Unaudited)	1,577,209	949	615	1,164	1,579,937
Allowances for impairment					
31 December 2021 (Audited)	—	—	—	—	—
Increases	—	—	—	—	—
Decreases	—	—	—	—	—
Effect of exchange rate changes	—	—	—	—	—
30 June 2022 (Unaudited)	—	—	—	—	—
Net carrying amount					
30 June 2022 (Unaudited)	1,873,745	291	44	809	1,874,889
31 December 2021 (Audited)	1,892,085	455	136	1,048	1,893,724

31 December 2021 (Audited)	Properties and Buildings	Transportation Vehicles	Electronic Devices	Others	Total
Cost					
31 December 2020	2,819,343	1,795	768	1,609	2,823,515
Increases	933,233	124	—	364	933,721
Decreases	(505,853)	(422)	—	—	(506,275)
Effect of exchange rate change	(32,807)	(197)	(82)	—	(33,086)
31 December 2021	3,213,916	1,300	686	1,973	3,217,875
Accumulated depreciation					
31 December 2020	1,055,728	1,059	412	542	1,057,741
Increases	730,932	309	192	383	731,816
Decreases	(450,997)	(390)	—	—	(451,387)
Effect of exchange rate change	(13,832)	(133)	(54)	—	(14,019)
31 December 2021	1,321,831	845	550	925	1,324,151
Allowances for impairment					
31 December 2020	—	—	—	—	—
Increases	—	—	—	—	—
Decreases	—	—	—	—	—
Effect of exchange rate change	—	—	—	—	—
31 December 2021	—	—	—	—	—
Net carrying amount					
31 December 2021	1,892,085	455	136	1,048	1,893,724
31 December 2020	1,763,615	736	356	1,067	1,765,774

23 OTHER NON-CURRENT ASSETS

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Receivables and others	3,109,913	1,947,104
Total	3,109,913	1,947,104

24 MARGIN ACCOUNTS

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Margin accounts	114,658,937	132,438,405
Less: impairment allowance	(3,249,974)	(3,319,351)
Total	111,408,963	129,119,054

Margin accounts are funds that the Group lends to the customers for margin financing business.

As of 30 June 2022, the Group received collateral with fair value amounted to RMB508,976 million (31 December 2021: RMB604,176 million), in connection with its margin financing business.

	30 June 2022 (Unaudited)	
	Current	Non-current
Mandatory		
Debt instruments	253,940,634	466,447
Equity instruments	192,675,784	22,451,504
Others	71,274,741	2,027,516
	<u>517,891,159</u>	<u>24,945,467</u>
Designated		
Debt instruments	825,999	—
Equity instruments	9,808,871	2,089,963
Others	28,967	453,223
	<u>10,663,837</u>	<u>2,543,186</u>
Total	<u><u>528,554,996</u></u>	<u><u>27,488,653</u></u>
Analysed into:		
Mandatory		
Listed	422,395,898	5,035,370
Unlisted	95,495,261	19,910,097
	<u>517,891,159</u>	<u>24,945,467</u>
Designated		
Listed	9,807,797	229,293
Unlisted	856,040	2,313,893
	<u>10,663,837</u>	<u>2,543,186</u>
Total	<u><u>528,554,996</u></u>	<u><u>27,488,653</u></u>

As of 30 June 2022, financial assets at fair value through profit or loss of RMB212,853 million (31 December 2021: RMB189,906 million) were collateralised for reverse repurchase agreements, amount due to CSF, and securities lending transactions and short-term loans.

	31 December 2021 (Audited)	
	Current	Non-current
Mandatory		
Debt instruments	240,167,107	466,449
Equity instruments	196,274,080	23,851,608
Others	67,863,499	3,586,890
	<u>504,304,686</u>	<u>27,904,947</u>
Designated		
Debt instruments	832,754	—
Equity instruments	10,907,100	754,087
Others	57,561	572,625
	<u>11,797,415</u>	<u>1,326,712</u>
Total	<u>516,102,101</u>	<u>29,231,659</u>
Analysed into:		
Mandatory		
Listed	427,939,226	6,018,207
Unlisted	76,365,460	21,886,740
	<u>504,304,686</u>	<u>27,904,947</u>
Designated		
Listed	10,905,999	156,339
Unlisted	891,416	1,170,373
	<u>11,797,415</u>	<u>1,326,712</u>
Total	<u>516,102,101</u>	<u>29,231,659</u>

26 DERIVATIVE FINANCIAL INSTRUMENTS

	30 June 2022 (Unaudited)		
	Notional amounts	Fair value	
		Assets	Liabilities
Interest rate derivatives	1,382,569,946	7,050,616	6,672,146
Currency derivatives	252,061,973	1,952,703	2,069,064
Equity derivatives	426,221,773	19,418,546	17,679,436
Credit derivatives	10,681,292	34,084	290,541
Others	668,291,179	2,759,305	4,746,776
Total	<u>2,739,826,163</u>	<u>31,215,254</u>	<u>31,457,963</u>

	31 December 2021 (Audited)		
	Notional amounts	Fair value	
		Assets	Liabilities
Interest rate derivatives	1,480,778,754	6,734,730	7,042,396
Currency derivatives	184,764,645	2,311,987	1,070,496
Equity derivatives	450,713,282	16,596,726	22,585,514
Credit derivatives	8,132,484	137,525	339,840
Others	489,988,642	5,219,608	3,079,520
Total	<u>2,614,377,807</u>	<u>31,000,576</u>	<u>34,117,766</u>

Under the daily mark-to-market and settlement arrangement, the Group's future contracts were settled on a daily basis and the amount of mark-to-market gain or loss of those unexpired future contracts is reflected in profit or loss and not included in derivative financial instruments above. The corresponding payments or receipts are reflected in "cash and bank balances". As at 30 June 2022, the fair value of those unexpired daily settled future contracts was a gain of RMB1,576 million (31 December 2021: Loss of RMB47 million).

27 REVERSE REPURCHASE AGREEMENTS

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Analysed by collateral:		
Stocks	22,678,049	22,033,509
Debts	9,749,942	29,699,294
Others	9,950,252	1,505,059
	<u>42,378,243</u>	53,237,862
Less: impairment allowance	<u>(6,747,514)</u>	(6,844,558)
Total	<u><u>35,630,729</u></u>	<u>46,393,304</u>
Analysed by business:		
Pledged repo	30,120,462	48,961,875
Outright repo	2,307,529	2,770,928
Others	9,950,252	1,505,059
	<u>42,378,243</u>	53,237,862
Less: impairment allowance	<u>(6,747,514)</u>	(6,844,558)
Total	<u><u>35,630,729</u></u>	<u>46,393,304</u>
Analysed by counterparty:		
Banks	10,482,167	2,719,672
Non-bank financial institutions	1,122,857	7,115,787
Others	30,773,219	43,402,403
	<u>42,378,243</u>	53,237,862
Less: impairment allowance	<u>(6,747,514)</u>	(6,844,558)
Total	<u><u>35,630,729</u></u>	<u>46,393,304</u>

As at 30 June 2022, stock-pledged repo under reverse repurchase agreements totalled RMB22,678 million (31 December 2021: RMB22,034 million) with credit impairment loss allowance of RMB6,748 million (31 December 2021: RMB6,845 million).

As at 30 June 2022, the Group received collateral amounting to RMB81,023 million (31 December 2021: RMB94,895 million), in connection with its reverse repurchase agreements.

As part of the reverse repurchase agreements, the Group received securities allowed to be re-pledged in the absence of default by counterparties. If the collateral received declines in value, the Group may, in certain circumstances, require additional collateral. The Group had an obligation to return the collateral to its counterparties at the maturity of the contracts.

As at 30 June 2022, the amount of the above collateral allowed to be re-pledged was RMB2,883 million (31 December 2021: RMB4,840 million), and the amount of the collateral re-pledged was RMB2,333 million (31 December 2021: RMB2,389 million).

28 OTHER CURRENT ASSETS

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Brokerage accounts due from clients	13,679,510	8,138,283
Accounts due from brokers	18,887,884	10,566,199
Settlement deposits receivable	18,603,656	7,905,333
Bulk commodity trading inventory	1,262,043	2,301,404
Interest receivable	294,124	374,159
Deferred expenses	64,660	75,773
Dividends receivable	23,777	2,465
Others	10,018,136	9,195,054
Subtotal	62,833,790	38,558,670
Less: Impairment allowance	(2,305,213)	(2,147,799)
Total	60,528,577	36,410,871

29 CASH HELD ON BEHALF OF CUSTOMERS

The Group maintains segregated deposit accounts with banks and authorised institutions to hold cash on behalf of customers arising from its normal course of business. The Group has recorded the related amounts as cash held on behalf of customers and the corresponding liabilities as customer brokerage deposits (Note 31). In the PRC, the use of cash held on behalf of customers for security and the settlement of their transactions is restricted and governed by relevant third-party deposit regulations issued by the CSRC. In Hong Kong, the “Securities and Futures (Client Money) Rules” together with the related provisions of the Securities and Futures Ordinance impose similar restrictions. In other countries and regions, cash held on behalf of customers is supervised by relevant institutions.

30 CASH AND BANK BALANCES

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Cash on hand	242	195
Deposits in banks	183,800,284	97,610,508
Total	183,800,526	97,610,703

As at 30 June 2022, the Group had restricted funds of RMB7,108 million (31 December 2021: RMB6,569 million).

31 CUSTOMER BROKERAGE DEPOSITS

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Customer brokerage deposits	304,500,364	251,164,466

Customer brokerage deposits represent the amount received from and repayable to clients arising from the ordinary course of the Group’s securities brokerage activities. For more details, please refer to Note 29 “Cash held on behalf of customers”.

	30 June 2022 (Unaudited)	
	Current	Non-current
Financial liabilities held for trading		
Debt instruments	6,587,691	—
Equity investments	6,770,860	—
Others	200,551	—
Subtotal	13,559,102	—
Financial liabilities designated as at fair value through profit or loss		
Beneficiary certificates and structured notes	45,918,635	22,430,593
Minority interests in consolidated structured entities and others	2,261,097	10,899,516
Subtotal	48,179,732	33,330,109
Total	61,738,834	33,330,109

As at 30 June 2022, there were no significant fair value changes related to the changes in the credit risk of the Group (31 December 2021: None).

	31 December 2021 (Audited)	
	Current	Non-current
Financial liabilities held for trading		
Debt instruments	2,105,086	—
Equity investments	3,354,631	—
Other	617,600	—
Subtotal	6,077,317	—
Financial liabilities designated as at fair value through profit or loss		
Beneficiary certificates and structured notes	42,321,036	15,429,529
Minority interests in consolidated structured entities and others	1,015,124	10,800,590
Subtotal	43,336,160	26,230,119
Total	49,413,477	26,230,119

33 REPURCHASE AGREEMENTS

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Analysed by collateral:		
Equity	30,038,987	30,185,502
Debts	142,947,684	154,402,507
Precious metal	14,146,015	11,834,085
Others	59,255,369	38,864,382
Total	<u>246,388,055</u>	<u>235,286,476</u>
Analysed by counterparty:		
Banks	106,908,392	83,547,103
Non-bank financial institutions	23,095,666	21,904,630
Others	116,383,997	129,834,743
Total	<u>246,388,055</u>	<u>235,286,476</u>

As at 30 June 2022, the Group's pledged collateral in connection with its repurchase agreements amounted to RMB266,540 million (31 December 2021: RMB257,925 million).

34 DUE TO BANKS AND OTHER FINANCIAL INSTITUTIONS

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Due to banks	48,362,039	50,683,601
Total	<u>48,362,039</u>	<u>50,683,601</u>

35 TAXES PAYABLE

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Enterprise income tax	1,664,222	3,864,522
Individual income tax	1,026,256	941,336
Value added tax	246,106	201,234
Others	53,273	59,459
Total	<u>2,989,857</u>	<u>5,066,551</u>

36 SHORT-TERM LOANS

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Analysed by nature:		
Credit loans	6,855,667	7,098,889
Collateralised loans	258,283	163,098
Total	<u>7,113,950</u>	<u>7,261,987</u>
Analysed by maturity:		
Maturity within one year	<u>7,113,950</u>	<u>7,261,987</u>

As at 30 June 2022, the annual interest rates on the short-term loans were in the range of 0.00% to 2.97% (31 December 2021: 0.00% to 10.00%). The collateral of the Group are financial assets at fair value through profit or loss. As at 30 June 2022, the book value of the collateral was RMB3,767 million (31 December 2021: RMB3,236 million).

As at 30 June 2022, the maturity of short-term loans is within one year, there was no default related to any short-term loans (31 December 2021: None).

37 SHORT-TERM FINANCING INSTRUMENTS PAYABLE

Six months ended 30 June 2022 (Unaudited)

Name	Issue date	Maturity date	Coupon rate	Opening balance	Increase	Repayment	Ending balance
CITICS MTN ECP16	19/01/2021	18/01/2022	0.75%	321,060	143	321,203	—
CITICS MTN ECP20	25/05/2021	24/05/2022	0.00%	158,952	443	159,395	—
CITICS MTN ECP21	02/06/2021	01/06/2022	0.00%	190,712	562	191,274	—
CITICS MTN ECP22	20/07/2021	19/07/2022	0.00%	325,991	16,056	—	342,047
CITICS MTN ECP23	22/07/2021	21/07/2022	0.00%	244,485	12,042	—	256,527
CITICS MTN ECP24	10/08/2021	08/03/2022	0.00%	318,517	268	318,785	—
CITICS MTN ECP25	19/08/2021	18/08/2022	0.00%	444,239	25,104	—	469,343
CITICS MTN ECP26	19/08/2021	18/03/2022	0.00%	191,094	177	191,271	—
CITICS MTN ECP27	08/09/2021	07/09/2022	0.00%	325,723	16,043	—	341,766
CITICS MTN ECP28	14/09/2021	14/06/2022	0.00%	317,888	904	318,792	—
CITICS MTN ECP29	17/09/2021	15/09/2022	0.58%	638,025	36,020	—	674,045
CITICS MTN ECP30	17/09/2021	16/09/2022	0.00%	317,173	17,890	—	335,063
CITICS MTN ECP31	29/09/2021	28/09/2022	0.00%	317,121	17,870	—	334,991
CITICS MTN ECP32	10/11/2021	12/05/2022	0.00%	76,336	172	76,508	—
CITICS MTN ECP33	10/11/2021	11/05/2022	0.00%	114,507	256	114,763	—
CITICS MTN ECP34	18/11/2021	18/05/2022	0.00%	1,081,193	2,680	1,083,873	—
CITICS MTN ECP35	18/11/2021	18/05/2022	0.00%	611,761	1,467	613,228	—
CITICS MTN ECP36	23/11/2021	22/11/2022	0.00%	632,434	36,305	—	668,739
CITICS MTN ECP37	02/12/2021	01/12/2022	0.00%	243,355	12,326	—	255,681
CITICS MTN ECP38	14/12/2021	13/12/2022	0.75%	612,707	31,076	—	643,783
CITICS MTN ECP39	20/12/2021	19/12/2022	0.00%	202,651	10,296	—	212,947
CITICS MTN ECP40	21/12/2021	21/09/2022	0.00%	316,749	18,151	—	334,900
CITICS MTN ECP41	28/01/2022	28/01/2023	0.00%	—	533,574	—	533,574
CITICS MTN ECP42	19/04/2022	19/10/2022	0.00%	—	166,833	—	166,833
CITICS MTN ECP43	25/05/2022	23/12/2022	0.00%	—	497,152	—	497,152
CITICS MTN ECP44	27/05/2022	22/05/2023	2.82%	—	201,716	—	201,716
CITICS MTN ECP45	27/05/2022	20/12/2022	0.00%	—	331,458	—	331,458
CITICS MTN ECP46	27/05/2022	27/02/2023	0.00%	—	329,403	—	329,403
Beneficiary certificates	06/07/2021	04/01/2022	1.00%				
	~30/06/2022	~27/12/2022	~4.00%	6,627,788	6,150,496	8,351,061	4,427,223
Total				<u>14,630,461</u>	<u>8,466,883</u>	<u>11,740,153</u>	<u>11,357,191</u>

Year ended 31 December 2021 (Audited)

Name	Issue date	Maturity date	Coupon rate	Opening balance	Increase	Repayment	Ending balance
20 CS 08	02/06/2020	02/06/2021	2.08%	1,010,833	9,967	(1,020,800)	—
20 CS S1	28/07/2020	28/04/2021	2.84%	505,475	5,185	(510,660)	—
20 CS S2	07/08/2020	07/08/2021	2.95%	2,828,388	54,212	(2,882,600)	—
CITICS MTN ECP08	26/05/2020	25/05/2021	0.00%	323,672	2,565	(326,237)	—
CITICS MTN ECP10	20/08/2020	19/08/2021	0.00%	194,139	1,596	(195,735)	—
CITICS MTN ECP11	17/09/2020	16/09/2021	0.95%	653,786	4,867	(658,653)	—
CITICS MTN ECP12	16/10/2020	20/01/2021	0.00%	195,667	80	(195,747)	—
CITICS MTN ECP13	19/11/2020	19/05/2021	0.00%	251,606	899	(252,505)	—
CITICS MTN ECP14	25/11/2020	24/11/2021	0.00%	64,662	582	(65,244)	—
CITICS MTN ECP15	15/12/2020	14/12/2021	0.00%	775,512	7,403	(782,915)	—
CITICS MTN ECP16	19/01/2021	18/01/2022	0.75%	—	328,542	(7,482)	321,060
CITICS MTN ECP17	01/02/2021	02/08/2021	0.00%	—	647,089	(647,089)	—
CITICS MTN ECP18	09/02/2021	09/08/2021	0.00%	—	643,853	(643,853)	—
CITICS MTN ECP19	08/03/2021	30/11/2021	0.00%	—	194,137	(194,137)	—
CITICS MTN ECP20	25/05/2021	24/05/2022	0.00%	—	161,229	(2,277)	158,952
CITICS MTN ECP21	02/06/2021	01/06/2022	0.00%	—	190,712	—	190,712
CITICS MTN ECP22	20/07/2021	19/07/2022	0.00%	—	331,641	(5,650)	325,991
CITICS MTN ECP23	22/07/2021	21/07/2022	0.00%	—	248,723	(4,238)	244,485
CITICS MTN ECP24	10/08/2021	08/03/2022	0.00%	—	322,736	(4,219)	318,517
CITICS MTN ECP25	19/08/2021	18/08/2022	0.00%	—	450,122	(5,883)	444,239
CITICS MTN ECP26	19/08/2021	18/03/2022	0.00%	—	193,625	(2,531)	191,094
CITICS MTN ECP27	08/09/2021	07/09/2022	0.00%	—	331,117	(5,394)	325,723
CITICS MTN ECP28	14/09/2021	14/06/2022	0.00%	—	322,481	(4,593)	317,888
CITICS MTN ECP29	17/09/2021	15/09/2022	0.58%	—	647,243	(9,218)	638,025
CITICS MTN ECP30	17/09/2021	16/09/2022	0.00%	—	321,755	(4,582)	317,173
CITICS MTN ECP31	29/09/2021	28/09/2022	0.00%	—	321,703	(4,582)	317,121
CITICS MTN ECP32	10/11/2021	12/05/2022	0.00%	—	76,516	(180)	76,336
CITICS MTN ECP33	10/11/2021	11/05/2022	0.00%	—	114,776	(269)	114,507
CITICS MTN ECP34	18/11/2021	18/05/2022	0.00%	—	1,083,736	(2,543)	1,081,193
CITICS MTN ECP35	18/11/2021	18/05/2022	0.00%	—	614,863	(3,102)	611,761
CITICS MTN ECP36	23/11/2021	22/11/2022	0.00%	—	633,921	(1,487)	632,434
CITICS MTN ECP37	02/12/2021	01/12/2022	0.00%	—	243,496	(141)	243,355
CITICS MTN ECP38	14/12/2021	13/12/2022	0.75%	—	613,063	(356)	612,707
CITICS MTN ECP39	20/12/2021	19/12/2022	0.00%	—	202,769	(118)	202,651
CITICS MTN ECP40	21/12/2021	21/09/2022	0.00%	—	316,933	(184)	316,749
Beneficiary certificates	08/07/2020	04/01/2021	1.70%				
	~31/12/2021	~31/10/2022	~4.00%	5,138,131	32,410,687	(30,921,030)	6,627,788
Total				<u>11,941,871</u>	<u>42,054,824</u>	<u>(39,366,234)</u>	<u>14,630,461</u>

As at 30 June 2022, short-term financing instruments payable comprised short-term corporate bonds and structured notes with an original tenure of less than one year.

As at 30 June 2022, there was no default relating to any short-term financing instruments payable issued (31 December 2021: Nil).

38 LEASE LIABILITIES

	30 June 2022 (Unaudited)	
	Current	Non-current
Lease liabilities	<u>589,869</u>	<u>1,282,804</u>
	31 December 2021 (Audited)	
	Current	Non-current
Lease liabilities	<u>541,974</u>	<u>1,342,961</u>

As at 30 June 2022, the future cash flows of lease contracts signed by the Group but lease not yet commenced are shown as follows:

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Lease term:		
Within one year	3,012	7,550
One to two years	3,974	10,255
Two to five years	8,413	3,520
More than five years	919	—
	<u>16,318</u>	<u>21,325</u>

39 OTHER CURRENT LIABILITIES

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Client deposits payable	133,171,963	112,889,865
Debt instruments issued due within one year and others (Notes 40 (a) (i)(iii)(v)(vii)(ix)(x)(xii)(xiii)(xlv))	70,755,819	63,327,476
Settlement deposits payable	20,679,713	15,916,019
Salaries, bonuses and allowances payable	19,293,542	18,944,850
Dividends payable	8,406,523	159,685
Accounts due to brokers	29,907,241	23,741,901
Contract liabilities	360,769	172,929
Fee and commissions payable	697,926	817,418
Funds payable to securities holders	167,012	167,393
Funds payable to securities issuers	306,437	711,227
Interest payable	182,461	224,302
Accrued liabilities	844,535	954,228
Others	26,794,038	27,340,396
Total	<u>311,567,979</u>	<u>265,367,689</u>

40 DEBT INSTRUMENTS ISSUED

By category		30 June 2022 (Unaudited)	31 December 2021 (Audited)
Bonds and medium term notes issued (a)		88,633,580	116,593,411
Structured notes issued (b)		—	1,482,095
		<u>88,633,580</u>	<u>118,075,506</u>

	30 June 2022	31 December 2021
By maturity	(Unaudited)	(Audited)
Maturity within five years	71,608,598	101,869,947
Maturity over five years	17,024,982	16,205,559
	88,633,580	118,075,506

As at 30 June 2022, there was no default related to any issued debt instruments (31 December 2021: None).

(a) *Bonds and medium term notes issued*

		30 June 2022	31 December 2021
		(Unaudited)	(Audited)
Item			
13 CITICS 02	(i)	—	12,339,984
15 CITICS 02	(ii)	2,501,783	2,566,009
18 CS G2	(iii)	—	616,095
19 CS G2	(iv)	1,030,414	1,011,662
20 CS G1	(v)	—	3,074,558
20 CS G2	(vi)	2,020,467	2,053,286
20 CS G3	(vii)	—	2,250,198
20 CS G4	(viii)	2,016,652	2,048,363
20 CS C1	(ix)	—	2,049,090
20 CS G6	(x)	—	3,355,984
20 CS G7	(xi)	1,004,949	1,020,294
20 CS 09	(xii)	—	4,564,604
20 CS 11	(xiii)	—	2,030,380
20 CS 13	(xiv)	3,100,417	3,045,688
20 CS 15	(xv)	7,734,328	7,600,910
20 CS 16	(xvi)	5,360,156	5,266,108
20 CS 18	(xvii)	2,879,812	2,830,146
20 CS 20	(xviii)	824,971	808,209
20 CS 24	(xix)	923,618	904,450
21 CS 02	(xx)	4,663,273	4,743,646
21 CS 03	(xxi)	3,248,134	3,313,877
21 CS C1	(xxii)	3,041,733	3,100,316
21 CS 04	(xxiii)	1,515,555	1,542,065
21 CS 05	(xxiv)	3,033,258	3,094,894
21 CS 06	(xxv)	2,522,604	2,573,967
21 CS 07	(xxvi)	1,408,426	1,436,762
21 CS 08	(xxvii)	999,630	1,018,005
21 CS 09	(xxviii)	2,498,804	2,549,288
21 CS 10	(xxix)	1,549,442	1,522,100
21 CS 11	(xxx)	1,553,455	1,524,113
21 CS 12	(xxx i)	3,070,861	3,024,680
21 CS 13	(xxx ii)	1,026,108	1,009,276
21 CS 14	(xxx iii)	4,599,597	4,528,772
21 CS 16	(xxx iv)	2,246,553	2,211,816
21 CS 17	(xxx v)	1,842,734	1,811,279
21 CS 18	(xxx vi)	2,551,039	2,509,573
21 CS 19	(xxx vii)	2,045,101	2,008,963
21 CS 20	(xxx viii)	3,048,209	3,001,147
21 CS 21	(xxx ix)	3,041,374	2,995,801
22 CS 01	(xl)	504,804	—
22 CS 02	(xli)	1,011,711	—
22 CS 03	(xlii)	1,009,584	—

		30 June 2022 (Unaudited)	31 December 2021 (Audited)
22 CS 04	(xliii)	505,298	—
CITIC SEC N2504	(xliv)	2,008,723	—
CITIC SEC N2410	(xlv)	1,342,009	1,273,615
CITIC SEC N2306	(xlv)	—	3,184,612
CITIC SEC N2506	(xlv)	3,347,994	3,178,826
Carrying amount		<u>88,633,580</u>	<u>116,593,411</u>

- (i) The Company issued a 10-year unguaranteed bond with a face value of RMB12.00 billion in June 2013. The coupon rate of the bond is 5.05% and the maturity date is 7 June 2023. As at 30 June 2022, the bond was presented as debt instruments issued due within one year and others (Note 39).
- (ii) The Company issued a 10-year unguaranteed bond with a face value of RMB2.50 billion in June 2015. The coupon rate of the bond is 5.10% and the maturity date is 25 June 2025.
- (iii) The Company issued a 5-year unguaranteed bond with a face value of RMB0.60 billion in June 2018. The coupon rate of the bond is 4.90% and the maturity date is 15 June 2023. As at 30 June 2022, the bond was presented as debt instruments issued due within one year and others (Note 39).
- (iv) The Company issued a 5-year unguaranteed bond with a face value of RMB1.00 billion in September 2019. The coupon rate of the bond is 3.78% and the maturity date is 10 September 2024.
- (v) The Company issued a 3-year unguaranteed bond with a face value of RMB3.00 billion in February 2020. The coupon rate of the bond is 3.02% and the maturity date is 21 February 2023. As at 30 June 2022, the bond was presented as debt instruments issued due within one year and others (Note 39).
- (vi) The Company issued a 5-year unguaranteed bond with a face value of RMB2.00 billion in February 2020. The coupon rate of the bond is 3.31% and the maturity date is 21 February 2025.
- (vii) The Company issued a 3-year unguaranteed bond with a face value of RMB2.20 billion in March 2020. The coupon rate of the bond is 2.95% and the maturity date is 10 March 2023. As at 30 June 2022, the bond was presented as debt instruments issued due within one year and others (Note 39).
- (viii) The Company issued a 5-year unguaranteed bond with a face value of RMB2.00 billion in March 2020. The coupon rate of the bond is 3.20% and the maturity date is 10 March 2025.
- (ix) The Company issued a 3-year unguaranteed subordinated bond with a face value of RMB2.00 billion in March 2020. The coupon rate of the bond is 3.32% and the maturity date is 24 March 2023. As at 30 June 2022, the bond was presented as debt instruments issued due within one year and others (Note 39).
- (x) The Company issued a 3-year unguaranteed bond with a face value of RMB3.30 billion in April 2020. The coupon rate of the bond is 2.54% and the maturity date is 14 April 2023. As at 30 June 2022, the bond was presented as debt instruments issued due within one year and others (Note 39).
- (xi) The Company issued a 5-year unguaranteed bond with a face value of RMB1.00 billion in April 2020. The coupon rate of the bond is 3.10% and the maturity date is 14 April 2025.
- (xii) The Company issued a 3-year unguaranteed bond with a face value of RMB4.50 billion in May 2020. The coupon rate of the bond is 2.70% and the maturity date is 2 June 2023. As at 30 June 2022, the bond was presented as debt instruments issued due within one year and others (Note 39).
- (xiii) The Company issued a 3-year unguaranteed bond with a face value of RMB2.00 billion in June 2020. The coupon rate of the bond is 3.10% and the maturity date is 19 June 2023. As at 30 June 2022, the bond was presented as debt instruments issued due within one year and others (Note 39).
- (xiv) The Company issued a 3-year unguaranteed bond with a face value of RMB3.00 billion in July 2020. The coupon rate of the bond is 3.58% and the maturity date is 14 July 2023.
- (xv) The Company issued a 3-year unguaranteed bond with a face value of RMB7.50 billion in July 2020. The coupon rate of the bond is 3.49% and the maturity date is 28 July 2023.

- (xvi) The Company issued a 3-year unguaranteed bond with a face value of RMB5.20 billion in August 2020. The coupon rate of the bond is 3.55% and the maturity date is 7 August 2023.
- (xvii) The Company issued a 3-year unguaranteed bond with a face value of RMB2.80 billion in August 2020. The coupon rate of the bond is 3.48% and the maturity date is 24 August 2023.
- (xviii) The Company issued a 10-year unguaranteed bond with a face value of RMB0.80 billion in September 2020. The coupon rate of the bond is 4.20% and the maturity date is 11 September 2030.
- (xix) The Company issued a 10-year unguaranteed bond with a face value of RMB0.90 billion in October 2020. The coupon rate of the bond is 4.27% and the maturity date is 28 October 2030.
- (xx) The Company issued a 3-year unguaranteed bond with a face value of RMB4.60 billion in January 2021. The coupon rate of the bond is 3.56% and the maturity date is 25 January 2024.
- (xxi) The Company issued a 10-year unguaranteed bond with a face value of RMB3.20 billion in January 2021. The coupon rate of the bond is 4.10% and the maturity date is 25 January 2031.
- (xxii) The Company issued a 3-year unguaranteed subordinated bond with a face value of RMB3.00 billion in February 2021. The coupon rate of the bond is 3.97% and the maturity date is 8 February 2024.
- (xxiii) The Company issued a 3-year unguaranteed bond with a face value of RMB1.50 billion in March 2021. The coupon rate of the bond is 3.60% and the maturity date is 1 March 2024.
- (xxiv) The Company issued a 10-year unguaranteed bond with a face value of RMB3.00 billion in March 2021. The coupon rate of the bond is 4.10% and the maturity date is 1 March 2031.
- (xxv) The Company issued a 10-year unguaranteed bond with a face value of RMB2.50 billion in March 2021. The coupon rate of the bond is 4.10% and the maturity date is 19 March 2031.
- (xxvi) The Company issued a 10-year unguaranteed bond with a face value of RMB1.40 billion in April 2021. The coupon rate of the bond is 4.04% and the maturity date is 13 April 2031.
- (xxvii) The Company issued a 5-year unguaranteed bond with a face value of RMB1.00 billion in June 2021. The coupon rate of the bond is 3.70% and the maturity date is 11 June 2026.
- (xxviii) The Company issued a 10-year unguaranteed bond with a face value of RMB2.50 billion in June 2021. The coupon rate of the bond is 4.03% and the maturity date is 11 June 2031.
- (xxix) The Company issued a 5-year unguaranteed bond with a face value of RMB1.50 billion in July 2021. The coupon rate of the bond is 3.62% and the maturity date is 9 July 2026.
- (xxx) The Company issued a 10-year unguaranteed bond with a face value of RMB1.50 billion in July 2021. The coupon rate of the bond is 3.92% and the maturity date is 9 July 2031.
- (xxxi) The Company issued a 3-year unguaranteed bond with a face value of RMB3.00 billion in August 2021. The coupon rate of the bond is 3.01% and the maturity date is 23 August 2024.
- (xxxii) The Company issued a 5-year unguaranteed bond with a face value of RMB1.00 billion in August 2021. The coupon rate of the bond is 3.34% and the maturity date is 23 August 2026.
- (xxxiii) The Company issued a 3-year unguaranteed bond with a face value of RMB4.50 billion in September 2021. The coupon rate of the bond is 3.08% and the maturity date is 16 September 2024.
- (xxxiv) The Company issued a 1095 days unguaranteed bond with a face value of RMB2.20 billion in September 2021. The coupon rate of the bond is 3.09% and the maturity date is 27 September 2024.
- (xxxv) The Company issued a 5-year unguaranteed bond with a face value of RMB1.80 billion in September 2021. The coupon rate of the bond is 3.47% and the maturity date is 28 September 2026.
- (xxxvi) The Company issued a 3-year unguaranteed bond with a face value of RMB2.50 billion in October 2021. The coupon rate of the bond is 3.25% and the maturity date is 19 October 2024.
- (xxxvii) The Company issued a 5-year unguaranteed bond with a face value of RMB2.00 billion in October 2021. The coupon rate of the bond is 3.59% and the maturity date is 19 October 2026.

- (xxxviii) The Company issued a 3-year unguaranteed bond with a face value of RMB3.00 billion in November 2021. The coupon rate of the bond is 3.07% and the maturity date is 24 November 2024.
- (xxxix) The Company issued a 3-year unguaranteed bond with a face value of RMB3.00 billion in December 2021. The coupon rate of the bond is 2.97% and the maturity date is 14 December 2024.
- (xl) The Company issued a 1808 days unguaranteed bond with a face value of RMB0.50 billion in February 2022. The coupon rate of the bond is 3.20% and the maturity date is 29 January 2027.
- (xli) The Company issued a 3,642 days unguaranteed bond with a face value of RMB1.00 billion in February 2022. The coupon rate of the bond is 3.69% and the maturity date is 6 March 2032.
- (xlii) The Company issued a 3-year unguaranteed bond with a face value of RMB1.00 billion in March 2022. The coupon rate of the bond is 3.03% and the maturity date is 11 March 2025.
- (xliii) The Company issued a 5-year unguaranteed bond with a face value of RMB0.50 billion in March 2022. The coupon rate of the bond is 3.40% and the maturity date is 11 March 2027.
- (xliv) CITIC Securities International Co., Ltd. issued a 3-year unguaranteed medium-term notes with a face value of USD0.3 billion in April 2022. The coupon rate of the bond is 3.375% and the maturity date is 21 April 2025.
- (xlv) CITIC Securities Finance MTN Co., Ltd. established a USD3.00 billion guaranteed Medium Term Notes Program in October 2014 outside Mainland China. Since then CITIC Securities Finance MTN Co., Ltd. has made various drawdown and settlements under the program. These medium-term notes programs are guaranteed by the Company with no counter-guarantee arrangement.

(b) Beneficiary certificates issued

As at 30 June 2022, there were no beneficiary certificates issued by the Group with remaining tenures over one year (As at 31 December 2021, the beneficiary certificates issued by the Group amounted to RMB1,482 million were with maturity dates over one year and coupon rates ranging from 2.60% to 3.30%).

41 LONG-TERM LOANS

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Analysed by nature:		
Collateralised loans	<u>582,324</u>	<u>457,866</u>
Total	<u><u>582,324</u></u>	<u><u>457,866</u></u>
Analysed by maturity:		
Maturity within five years	<u>582,324</u>	<u>457,866</u>
Maturity over five years	<u>—</u>	<u>—</u>
Total	<u><u>582,324</u></u>	<u><u>457,866</u></u>

As at 30 June 2022, the interest rates on the long-term loans were in the range of 2.70%–6.50% (31 December 2021: 1.33% to 3.30%). The collateral of the Group are property, plant and equipment and investment properties. As at 30 June 2022, the book value of the collateral was RMB1,241 million (31 December 2021: RMB1,037 million).

42 OTHER NON-CURRENT LIABILITIES

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Risk reserve provision	1,642,947	1,502,295
Others	443,860	525,486
Total	<u>2,086,807</u>	<u>2,027,781</u>

43 ISSUED SHARE CAPITAL

	30 June 2022		31 December 2021	
	Number of shares (Thousand) (Unaudited)	Nominal Value (Unaudited)	Number of shares (Thousand) (Audited)	Nominal Value (Audited)
Ordinary Shares				
Registered, issued and fully paid:				
A shares of RMB1 each	12,200,470	12,200,470	10,648,448	10,648,448
H shares of RMB1 each	2,620,077	2,620,077	2,278,328	2,278,328
Total	<u>14,820,547</u>	<u>14,820,547</u>	<u>12,926,776</u>	<u>12,926,776</u>

Pursuant to the CSRC's Approval in respect of the Rights Issue of CITIC Securities Company Limited (Zheng Jian Xu Ke [2021] No. 3729), the Company has offered A shares right issue on the basis of 1.5 A shares for every 10 existing A shares held to all A Shareholders registered on the registry of the Company at the Shanghai branch of China Securities Depository and Clearing Corporation Limited after the close of trading on the A shares Record Date (18 January 2022). The actual number of shares placed in this A shares placement is 1,552,021,645 shares. The subscription payment for the A-share rights issue ended on 25 January 2022.

Pursuant to the CSRC's Approval in respect of the Rights Issue of CITIC Securities Company Limited (Zheng Jian Xu Ke [2021] No. 3714), the Company has offered H shares right issue on the basis of 1.5 H shares for every 10 existing H shares held to all H shareholders registered on the registry of the Company at Hong Kong Securities Clearing Company Limited on the H Share Record Date (9 February 2022). The actual number of shares placed in this H shares placement is 341,749,155 shares. The subscription payment for the H-share rights issue ended on 23 February 2022.

The above-mentioned A shares and H shares placement raised a total of net amount of RMB27,202,891,118.60, increasing the share capital by RMB1,893,770,800.00 and increasing the capital reserve by RMB25,309,120,318.60.

44 OTHER EQUITY INSTRUMENTS

Other equity instruments of the Group are as follows:

In July 2021, the Company issued the first tranche of perpetual subordinated bonds of 2021 amounted to RMB3.3 billion.

In August 2021, the Company issued the second tranche of perpetual subordinated bonds of 2021 amounted to RMB6.0 billion.

In August 2021, the Company issued the third tranche of perpetual subordinated bonds of 2021 amounted to RMB1.5 billion.

In January 2022, the Company issued the first tranche of perpetual subordinated bonds of 2022 amounted to RMB3.0 billion.

Key terms and conditions relating to the equity instruments that exist as at 30 June 2022 are as follows:

- The bonds are repriced every 5 interest-accruing years, and at the end of the repricing cycle, the issuer has the option to extend the bonds for another repricing cycle (another five years) or redeem them in full;
- The bonds offer no redemption option to the investors so that investors cannot require the issuer to redeem their bonds during the duration of the bonds;
- The Company has the option to defer interest payment, except in the event of mandatory interest payments, so that at each interest payment date, the issuer may choose to defer the interest payment to the next payment date for current period as well as all interests and accreted interests already deferred according to the related terms, without any limitation with respect to the number of deferrals. Mandatory interest payment events are limited to dividend distributions to ordinary equity holders and reductions of registered capital;
- The priority over repayment of the 2021 perpetual subordinated bonds (the first tranche), the 2021 perpetual subordinated bonds (the second tranche) and the 2021 perpetual subordinated bonds (the third tranche) and 2022 perpetual subordinated bonds (the first tranche) is subordinated to the Company's general debts and subordinated bonds, unless in the event of liquidation of the Company, investors of these bonds cannot require the Company to accelerate payment of bonds' principals.

The perpetual subordinated bonds issued by the Company are classified as equity instruments and recognised under equity in the consolidated statement of financial position. As at 30 June 2022, the interest payable by the Company for the perpetual bonds was RMB401 million (31 December 2021: 158 million).

45 RESERVES

The amounts of the Group's reserves and the related movements are presented in the condensed consolidated interim statement of changes in equity.

(a) *Capital reserve*

Capital reserve primarily includes share premium arising from the issuance of new shares at prices in excess of par value.

(b) *Surplus reserves*

(i) *Statutory surplus reserve*

Pursuant to the Company Law of the PRC, the Company is required to appropriate 10% of its profit for the year for the statutory surplus reserve until the reserve balance reaches 50% of its registered capital.

Subject to the approval of the shareholders, the statutory surplus reserve may be used to offset accumulated losses, if any, and may also be converted into capital of the Company, provided that the balance of the statutory surplus reserve after this capitalisation is not less than 25% of the registered capital immediately before capitalisation.

The Company did not appropriate any statutory surplus reserve for the period ended 30 June 2022, as such reserve balance has reached 50% of its registered capital.

(ii) *Discretionary surplus reserve*

After making the appropriation to the statutory surplus reserve, the Company may also appropriate its after-tax profit for the year, as determined under China Accounting Standards to its discretionary surplus reserve upon approval by the General Shareholders' Meeting. Subject to the approval of General Shareholders' Meeting, the discretionary surplus reserve may be used to offset accumulated losses, if any, and may be converted into share capital.

(c) *General reserves*

Pursuant to the requirements of regulatory authorities, including the Ministry of Finance and the CSRC, the Company is required to appropriate 10% of its after-tax profit for the year for the general risk reserve and 10% for trading risk reserve. These reserves may be used to offset accumulated losses of the Company but shall not be announced as dividends or converted into share capital. General reserves also include reserves that are established by subsidiaries and branches in certain countries or jurisdictions outside of the Mainland China in accordance with the regulatory requirements in their respective territories are also included herein. These regulatory reserves are not available for distribution.

(d) *Investment revaluation reserve*

Investment revaluation reserve represents the fair value changes of financial assets at fair value through other comprehensive income.

(e) *Foreign currency translation reserve*

Foreign currency translation reserve represents the exchange difference arising from the translation of the financial statements of the subsidiaries incorporated outside Mainland China with functional currencies other than RMB.

(f) *Distributable profits*

The Company's distributable profits are based on the retained earnings of the Company as determined under China Accounting Standards and IFRSs, whichever is lower.

46 CASH AND CASH EQUIVALENTS

	30 June 2022 (Unaudited)	30 June 2021 (Unaudited)
Cash and bank balances	183,800,526	96,760,179
Less: Restricted funds (Note 30)	(7,107,961)	(6,513,792)
Interests receivables	(664,993)	(419,980)
Cash and cash equivalents	<u>176,027,572</u>	<u>89,826,407</u>

47 COMMITMENTS AND CONTINGENT LIABILITIES

(a) *Capital commitments*

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Contracted, but not provided for	<u>3,543,855</u>	<u>3,699,104</u>

The above-mentioned capital commitments are mainly in respect of the construction of properties and purchase of equipment of the Group.

(b) *Lease commitments — as a lessor*

The undiscounted amount of lease payments payable to the Group as lessor upon the balance sheet date is summarised as follows:

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Within one year	259,352	285,758
After one year but no more than two years	250,609	271,082
After two years but no more than three years	248,592	260,991
After three years but no more than four years	202,966	230,454
After four years but no more than five years	35,499	141,153
More than five years	82,604	110,628
Total	1,079,622	1,300,066

(c) *Legal proceedings*

From time to time in the ordinary course of business, the Group is subject to claims and are parties to legal and regulatory proceedings. As at 30 June 2022 and 31 December 2021, the Group was not involved in any material legal, or arbitration that if adversely determined, would materially and adversely affect the Group's financial position or results of operations.

48 RELATED PARTY DISCLOSURES

(1) *Largest equity holder*

Name of the shareholder	Enterprise type	Place of registration	Legal representative	Principal activities	Registered share capital	Percentage of equity interest	Voting rights	Unified Social Credit Code
CITIC Corporation Limited ¹	State-controlled	Beijing	Zhu Hexin	Financial, industrial and other services	RMB139 billion	15.52%	15.52%	911100007178317092
CITIC Limited ²	State-controlled	Hong Kong	Zhu Hexin	Financial, industrial and other services	Not applicable	2.93%	2.93%	Not applicable

(2) *Related party transactions*

(a) *Related party transactions with CITIC Corporation Limited*

Transactions during the period

	Six months ended 30 June 2022 (Unaudited)	2021 (Unaudited)
Income from providing services	3,692	89
Interest expense	323	82

¹ The Company received a notice from CITIC Corporation Limited on 13 April 2022 that the Company's operating performance and financial position were consolidated into the financial statements of CITIC Corporation Limited from that date.

² CITIC Limited is the person acting in concert with CITIC Corporation Limited.

(b) *Related party transactions with subsidiaries*

Transactions during the period

	Six months ended 30 June	
	2022 (Unaudited)	2021 (Unaudited)
Interest income	454,657	404,098
Income from providing services	53,514	28,518
Other income	—	—
Leasing income	5,896	2,010
Net investment (losses)/gains	(18,494)	(14,853)
Interest expenses	28,258	117,028
Lease payment	173,013	163,757
Interest expenses of leasing liabilities	18,448	25,942

Balances at the end of the period/year

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
	Other current assets	44,902,509
Financial assets at fair value through other comprehensive income	7,088,094	8,011,171
Deposits for investments-stock index futures	9,399,705	9,951,736
Derivative financial assets	2,454,270	1,429,764
Refundable deposits	6,469,648	5,585,913
Financial assets at fair value through profit or loss (Mandatory)	16,321,210	18,199,419
Property, plant and equipment	—	744
Land use rights and intangible assets	—	184
Right-of-use assets	880,013	1,038,995
Other current liabilities	1,129,257	2,530,610
Derivative financial liabilities	4,972,591	4,411,629
Customer brokerage deposits	1,273,426	294,493
Short-term financing instruments payable	145,278	123,682
Debt instruments issued	590,303	969,094
Lease liabilities	864,839	1,023,196

Significant balances and transactions between the Parent and subsidiaries set out above have been eliminated in the consolidated financial statements.

As at 30 June 2022, the collective assets management plans managed by the Company and held by the Company and its subsidiaries amounted to RMB591 million (31 December 2021: RMB607 million).

(c) *Related party transactions with major related parties of CITIC Corporation Limited*

Transactions during the period

	Six months ended 30 June	
	2022	2021
	(Unaudited)	(Unaudited)
Interest income	502,593	450,427
Income from providing services	436,418	191,275
Leasing income	20,875	16,120
Net investment gains/(losses)	(40,287)	2,450
Bank charges, custodian and other service fees	157,255	124,919
Interest expenses	16,199	8,848
Lease payment	31,989	23,078
Depreciation of right-of-use assets	17,376	12,958
Interest expenses of leasing liabilities	1,346	1,743

Balances at the end of the period/year

	30 June	31 December
	2022	2021
	(Unaudited)	(Audited)
Cash held on behalf of customers (i)	40,116,858	37,903,272
Cash and bank balances (i)	12,924,918	4,577,230
Right-of-use assets	80,483	94,372
Other current assets	135,104	184,242
Lease liabilities	84,207	93,555
Other current liabilities	14,480	24,239

- (i) Represented deposits placed with financial institutions, which are the subsidiaries of the largest equity holder of the Company.

As of 30 June 2022, the contracted amount of CITIC Financial Center construction paid to the major related parties of CITIC Corporation Limited by the Company is RMB532 million (31 December 2021: RMB306 million).

As at 30 June 2022, the principal balance of the repurchase agreement with the major related parties of CITIC Corporation Limited is RMB5,279 million (31 December 2021: Nil).

¹ Major related parties refer to the subsidiaries and joint ventures of CITIC Corporation Limited; the controlling shareholder and ultimate holding controller of CITIC Corporation Limited and its subsidiaries, joint ventures.

(d) *Related party transactions with shareholder directly or indirectly holding 5% or more shares of the Company*

Transactions during the period

	Six months ended 30 June	
	2022 (Unaudited)	2021 (Unaudited)
Net investment gains/(losses) (i)	20,905	437,262
Income from providing services	1,617	2,531
Interest expenses	—	58,207

Balances at the end of the period/year

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Other current liabilities	3,544	3,544

(i) During the six months ended 30 June 2022, net investment gains received by the Company from shareholders directly or indirectly holding 5% or more shares of the Company are compensations under the Asset Protection Agreement related to issuance of shares to purchase assets.

(e) *Related party transactions with associates*

Transactions during the period

	Six months ended 30 June	
	2022 (Unaudited)	2021 (Unaudited)
Interest income	4,588	—
Income from providing services	28	—
Net investment (losses)/gains	13,318	(9,851)
Interests expense	8,832	—
Bank charges, custodian and other service fees	4,196	5,543

Balances at the end of the period/year

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Refundable deposits	498,685	499,840
Other current assets	—	8,455
Other current liabilities	34,866	29,347

As of 30 June 2022, the balance of reverse repurchase agreements with the Company's associates is RMB350 million (31 December 2021: Nil).

49 FAIR VALUE AND FAIR VALUE HIERARCHY

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair values of financial instruments:

Level 1: Quoted prices (unadjusted) in active markets, in which the Group principally trades, for identical financial assets or financial liabilities at the measurement date.

Level 2: Valuation techniques using inputs other than quoted prices included within level 1 that are observable for the financial asset or financial liability, either directly or indirectly.

Level 3: Valuation techniques using inputs for the financial asset or financial liability that are not based on observable market data (unobservable inputs).

(a) Financial instruments recorded at fair value

30 June 2022 (Unaudited)	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss (Mandatory)				
— Debt instruments	61,033,769	149,225,763	44,147,549	254,407,081
— Equity instruments	188,635,046	4,605,500	21,886,742	215,127,288
— Others	5,201,613	67,593,077	507,567	73,302,257
Subtotal	254,870,428	221,424,340	66,541,858	542,836,626
Financial assets at fair value through profit or loss (Designated)	17,479	1,448,912	11,740,632	13,207,023
Derivative financial assets	724,901	26,247,129	4,243,224	31,215,254
Financial assets at fair value through other comprehensive income				
— Debt instruments	3,928,014	44,688,267	5,636,043	54,252,324
— Others	—	—	161,188	161,188
Subtotal	3,928,014	44,688,267	5,797,231	54,413,512
Total	259,540,822	293,808,648	88,322,945	641,672,415
Financial liabilities:				
Financial liabilities at fair value through profit or loss				
— Financial liabilities held for trading	12,435,333	1,123,769	—	13,559,102
— Financial liabilities designated as at fair value through profit or loss	446	46,431,696	35,077,699	81,509,841
Subtotal	12,435,779	47,555,465	35,077,699	95,068,943
Derivative financial liabilities	1,409,073	24,354,629	5,694,261	31,457,963
Total	13,844,852	71,910,094	40,771,960	126,526,906

31 December 2021 (Audited)	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss (Mandatory)				
— Debt securities	56,721,423	127,254,061	56,658,072	240,633,556
— Equity investments	191,193,489	6,490,378	22,441,821	220,125,688
— Others	7,227,836	63,884,991	337,562	71,450,389
Subtotal	255,142,748	197,629,430	79,437,455	532,209,633
Financial assets at fair value through profit or loss (Designated)				
Derivative financial assets	28,997	1,587,307	11,507,823	13,124,127
Financial assets at fair value through other comprehensive income				
— Debt securities	5,048,472	54,890,002	9,153,454	69,091,928
— Equity investments	—	—	164,813	164,813
Subtotal	5,048,472	54,890,002	9,318,267	69,256,741
Total	260,881,912	281,525,286	103,183,879	645,591,077
Financial liabilities:				
Financial liabilities at fair value through profit or loss				
— Financial liabilities held for trading	4,962,092	1,115,225	—	6,077,317
— Financial liabilities designated as at fair value through profit or loss	—	36,517,620	33,048,659	69,566,279
Subtotal	4,962,092	37,632,845	33,048,659	75,643,596
Derivative financial liabilities	589,625	26,003,911	7,524,230	34,117,766
Total	5,551,717	63,636,756	40,572,889	109,761,362

(b) *Valuation techniques used and the qualitative and quantitative information of key parameters for fair value measurement categorised within Level 2*

For debt instruments at fair value through profit or loss and at fair value through other comprehensive income whose value is available on China bond pricing system on the valuation date is measured using the latest valuation results published by China bond pricing system.

For debt instruments, equity instruments and listed stocks with restricted period at fair value through profit or loss and at fair value through other comprehensive income whose value is not available in public market, the fair value is determined by valuation technique. The inputs of those valuation techniques include risk-free interest rate, implied volatility curve, RMB denominated swap yield curve, etc., which are all observable.

For equity instruments at fair value through other comprehensive income, the fair value is determined by the equity investment account report provided by CSF.

For forward and swap interest rate derivative contracts in derivative financial assets and liabilities, the fair value is determined by discounting future cash flows using market interest rates based on the terms and maturity of each contract. The fair value of the derivatives embedded in the swap contracts is determined by using the returns calculated from the publicly quoted prices in the relevant market. The fair value of options business is determined through the option pricing model, and the volatility of the underlying reflects the observable input value of the corresponding option.

From January to June 2022, there were no change on the valuation technique used by the Group for the above recurring fair value measurements categorised within Level 2.

(c) **Valuation techniques used and the qualitative and quantitative information of key parameters for fair value measurements categorised within Level 3**

For unlisted equity investments, fund investments, bond investments, stocks instruments without quoted prices in active markets, listed equity instruments with disposal restriction in a specific period, trusts, Over-the-counter options, financial liabilities, etc., the Group adopts significant judgements and applies counterparties' quotations and valuation techniques to determine the fair value. Valuation techniques include a discounted cash flow analysis, the market comparison approach, the option pricing model and the monte carlo model etc. The fair value measurement of these financial instruments may involve unobservable inputs such as liquidity discount, volatility, risk adjusted discount rate and price to book ratios, etc. The fair value of the financial instruments classified under Level 3 is not significantly sensitive to a reasonable change in these unobservable inputs.

From January to June 2022, there were no change on the valuation technique used by the Group for the above recurring fair value measurements categorised within Level 3.

(d) **Movements in Level 3 financial instruments measured at fair value**

The reconciliations of the opening and closing balances of Level 3 financial assets and liabilities which are recorded at fair value are presented below:

Unaudited	As at 1 January 2022	Total gains/ (losses) recorded in profit or loss	Total gains/ (losses) recorded in other comprehensive income	Additions	Decreases	Transfers				As at 30 June 2022
						to Level 3 from Level 1	to Level 3 from Level 2	to Level 1 from Level 3	to Level 2 from Level 3	
Financial assets:										
Financial assets										
at fair value										
through profit or loss										
(Mandatory)										
— Debt instruments	56,658,072	381,275	10,020	59,674,881	(72,649,974)	—	520,462	(427,033)	(20,154)	44,147,549
— Equity instruments	22,441,821	(147,033)	86,583	2,368,228	(3,248,578)	—	522,818	(137,097)	—	21,886,742
— Others	337,562	(148,515)	—	635,410	(273,971)	—	61,887	(45,254)	(59,552)	507,567
Financial assets										
at fair value										
through profit or loss										
(Designated)										
	11,507,823	(801,014)	13,177	1,289,788	(269,142)	—	—	—	—	11,740,632
Derivative financial assets	2,920,334	3,622,742	3,114	42,488	(2,345,454)	—	—	—	—	4,243,224
Financial assets										
at fair value										
through other										
comprehensive income										
	9,318,267	(199,708)	58,948	837,274	(4,156,457)	—	—	—	(61,093)	5,797,231
Financial liabilities:										
Financial liabilities										
at fair value										
through profit or loss										
— Financial liabilities										
designated as										
at fair value										
through profit or loss										
	33,048,659	248,736	—	6,053,063	(4,272,759)	—	—	—	—	35,077,699
— Financial liabilities										
held for trading										
	—	—	—	—	—	—	—	—	—	—
Derivative financial liabilities	7,524,230	(1,162,635)	—	2,178,781	(2,846,115)	—	—	—	—	5,694,261

Audited	As at 1 January 2021	Total gains/ (losses) recorded in profit or loss	Total gains/ (losses) recorded in other comprehensive income	Additions	Decreases	Transfers		Transfers		As at 31 December 2021
						to Level 3 from Level 1	to Level 3 from Level 2	to Level 1 from Level 3	to Level 2 from Level 3	
Financial assets:										
Financial assets										
at fair value										
through profit or loss										
(Mandatory)										
— Debt instruments	2,923,915	(1,606,035)	(5,469)	46,645,011	(7,300,497)	—	16,071,916	(30,978)	(39,791)	56,658,072
— Equity instruments	17,551,143	2,707,608	(10,508)	7,926,311	(6,263,844)	—	1,233,832	(97,800)	(604,921)	22,441,821
— Others	344,994	(19,359)	—	—	(192,559)	—	204,486	—	—	337,562
Financial assets										
at fair value										
through profit or loss										
(Designated)										
	9,855,880	1,632,094	(8,634)	328,021	(595,355)	—	436,633	—	(140,816)	11,507,823
Derivative financial assets	2,365,516	3,349,233	(678)	1,263,060	(4,537,648)	—	635,262	—	(154,411)	2,920,334
Financial assets										
at fair value										
through other										
comprehensive income										
	836,102	(59,107)	(45,657)	1,002,017	(1,677,400)	—	9,262,312	—	—	9,318,267
Financial liabilities:										
Financial liabilities										
at fair value										
through profit or loss										
— Financial liabilities										
designated as										
at fair value										
through profit or loss	23,944,148	3,316,279	—	19,792,818	(14,004,586)	—	—	—	—	33,048,659
— Financial liabilities										
held for trading										
	233	(17)	—	—	—	—	—	—	(216)	—
Derivative financial liabilities	8,487,725	4,894,174	—	3,216,722	(11,183,852)	—	2,286,910	—	(177,449)	7,524,230

The amount of investment income recognised in profit or loss from Level 3 financial instruments held by the Group was RMB4,141 million for the six months ended 30 June 2022 (2021: RMB2,081 million).

(e) **Transfers between Level 1 and Level 2**

During the six months ended 30 June 2022, the amount of financial assets held by the Group transferred from Level 1 to Level 2 was RMB2 million and the amount of financial assets from Level 2 to Level 1 was RMB1,094 million (31 December 2021: the amount of financial assets held by the Group transferred from Level 1 to Level 2 was RMB0.30 million and the amount of financial assets from Level 2 to Level 1 was RMB2,267 million).

(f) **Financial instruments not measured at fair value**

At the end of the reporting period, the following financial assets and liabilities of the Group are not measured at fair value.

- (-) For refundable deposits, reverse repurchase agreements, cash held on behalf of customers, cash and bank balances, fee and commission receivables, margin accounts, due from banks and other financial institutions, customer brokerage deposits, repurchase agreements, short-term loans, short-term financing instruments payable and lease liabilities, these financial instruments' fair values approximate to their carrying amounts.

- (ii) The recorded amounts and fair values of debt instruments issued are summarised below:

	Carrying amount		Fair value	
	30 June 2022 (Unaudited)	31 December 2021 (Audited)	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Debt instruments issued	<u>88,633,580</u>	<u>118,075,506</u>	<u>90,127,744</u>	<u>120,112,605</u>

Overview

The Company has always believed that effective risk management and internal control are critical to its successful operation. The Company has implemented comprehensive risk management mechanism and internal control processes, through which it monitors, evaluates and manages the financial, operational, compliance and legal risks that it is exposed to in its business activities, and implements vertical risk management of its subsidiaries through different models including business guidance, operational support and decision-making management.

The Company has established a complete and effective governance structure in accordance with relevant laws, regulations and regulatory requirements. The Company's general meeting, the Board and Supervisory Committee perform their duties to oversee and manage the operation of the Company based on the Company Law, Securities Law, and the Articles of Association of the Company. By strengthening the relevant internal control arrangements and improving the Company's internal control environment and internal control structures, the Board has incorporated internal control and risk management as essential elements in the Company's decision-making processes.

Structure of Risk Management

The major organizational framework of the risk management of the Company consists of the Risk Management Committee under the Board, the professional committees under the Operation Management, the relevant internal control departments and business departments/business lines, which formed a relatively comprehensive three-level risk management system featuring collective decision by the respective committees and close cooperation among internal control departments and business departments/business lines, and managing the risks through review, decision, execution and supervision. At the division and business line level, the Company has established three lines of defense in risk management, that is, business departments/business lines to assume the primary responsibility for risk management, internal control departments, including the Risk Management Department and the Compliance Department, to conduct professional management of all types of risks, and the Audit Department to take charge of post-risk supervision and evaluation.

Level 1: The Board

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

Level 2: Operation Management

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

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

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

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

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

(a) Credit risk

Credit risk is the risk in respect of loss arising from the failure to perform obligations by a borrower, counterparty or issuer of financial positions held, or the result of whose credit qualifications deteriorate.

The Group continues to maintain strict risk management standards for its securities financing business from multiple perspectives such as pledge ratio, collaterals, security deposits ratio, concentration, liquidity and durations, and manages its credit risk exposure through timely mark to market.

Expected credit loss (ECL) measurement

The measurement of the ECL allowance for financial instruments, including investments in financial assets measured at amortized cost (including margin accounts, reverse repurchase agreements), FVOCI and securities lending is an area that requires the use of models and assumptions about the future economic conditions and credit behavior of the clients (such as the likelihood of customers defaulting and the resulting losses).

The Company has applied a 'three-stage' impairment model for ECL measurement based on changes in credit quality since the initial recognition of financial instruments as summarised below:

- A financial instrument that is not credit-impaired on initial recognition is classified as "Stage 1" and has its credit risk continuously monitored by the Company;
- If a significant increase in credit risk ("SICR") since initial recognition is identified, the financial instrument is moved to "Stage 2" but is not yet deemed to be credit-impaired;
- If the financial instrument is credit-impaired, the financial instrument is moved to "Stage 3".

Stage 1: The Company measures the loss allowance for a financial instrument at an amount equal to the next 12 months ECL. Stage 2 and 3: The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime ECL. Purchased or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition. The ECL is always measured on a lifetime basis.

For Stage 1 and Stage 2, the ECL is measured on a 12-month (12M) and Lifetime basis, respectively, using the risk parameter modelling approach that incorporated key parameters, including Probability of Default ("PD"), Loss Given Default ("LGD"), Exposure at Default ("EAD") and Loss Ratio ("LR") taking into consideration of forward looking factors. For credit-impaired financial assets classified under Stage 3, the management assesses the credit loss allowances by estimating the cash flows expected to arise from the financial assets after taking into consideration of forward looking factors.

The measurement of ECL adopted by the management according to IFRS 9, involves judgements, assumptions and estimations, including:

- Selection of the appropriate models and assumptions;
- Determination of the criteria for significant increase in credit risk (“SICR”), definition of default and credit impairment;
- Establishment of the number and relative weightings of forward-looking scenarios for each type of product.

For debt securities investments, ECL is the discounted product of the PD, LGD and EAD after considering the forward-looking impact. For margin accounts and stock-pledged repo under reverse repurchase agreements (“financing assets”), ECL are the discounted product of the LR and EAD after considering the forward-looking impact.

- PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation. For debt securities investments, the appropriate external and internal credit ratings are taken into consideration.
- LGD represents the Company’s expectation of the extent of loss on a defaulted exposure. For debt securities investments, LGD is determined based on assessed publicly available information.
- EAD is based on the amounts the Company expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD).
- LR represents the Company’s expectation of the likelihood of default and extent of loss on exposure. The Company uses historical loss rates and assesses their appropriateness. The Company determines LR based on factors including: the coverage ratio of related loan to underlying collateral value and the volatility of such collateral’s valuation, the realised value of collateral upon forced liquidation taking account the estimated volatility over the realisation period.

The criteria of significant increase in credit risk (“SICR”)

The Company evaluates the financial instruments at each financial statement date after considering whether a SICR has occurred since initial recognition. An ECL allowance for financial instruments is recognised according to the stage of ECL, which reflects the reasonable information and evidence available about the SICR and is also forward-looking. The Company considers a financial instrument to have experienced SICR when one or more of the following quantitative, qualitative or backstop criteria have been met.

The Company considers debt securities investments to have experienced a SICR if the latest internal ratings of issuers of debt securities or the debt securities themselves underwent two levels of downward migration or more, compared to their ratings on initial recognition; or if the latest external ratings of the debt securities or the issuers of the debt securities were under investment grade.

The Company considers financing assets to have experienced a SICR if margin calls are triggered when the threshold of relevant collateral to loan ratios are below a force liquidation level.

A backstop is applied to all relevant financial instruments and they are considered to have experienced a SICR if the borrower, the counterparty, the issuer or the debtor is more than 30 days past due on its contractual payments.

Financial instruments are considered to have a low risk when the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Company has not used the low credit risk exemption as of 30 June 2022.

Definition of credit-impaired assets

The Company assesses whether a financial instrument is credit-impaired in accordance with IFRS 9, in a manner consistent with its internal credit risk policies for managing financial instruments. The consideration includes quantitative criteria and qualitative criteria. The Company defines a financial instrument as credit-impaired, which is fully aligned with the definition of “in default”, when it meets one or more of the following criteria:

- The borrower is more than 90 days past due on its contractual payments;
- Bonds or other bonds of the same issuer have materially defaulted, or extended or triggered cross-protection clauses;
- For financing assets, a forced liquidation of a client’s position is triggered based on a pre-determined threshold of collateral to loan ratios and the collateral valuation falls short of the related loan or repo amounts;
- The latest external ratings of issuers of debt securities or debt securities themselves are in default grade;
- The debtor, issuer, borrower or counterparty is in significant financial difficulty;
- An active market for that financial instrument has disappeared because of financial difficulties;
- Concessions have been made by the Company relating to the debtor, issuer, borrower or counterparty’s financial difficulty;
- It is becoming probable that the debtor, issuer, borrower, or counterparty will enter bankruptcy or undertake a financial restructuring.

When a financial instrument is considered to be credit-impaired, it may be the result of multiple events, not due to a separately identifiable event.

Forward-looking information

The assessment of SICR and the calculation of ECL both incorporate forward-looking information.

For debt securities investments, the Company has performed historical data analysis and identified the key economic variables impacting credit risk and ECL. Key economic variables mainly include the growth rate of Domestic GDP, producer price index and the total retail sales of consumer goods. The Company using the regression analysis method to establish the historical relationship between these economic indicators and PD, EAD and LGD, forward-looking adjustments are finally made to ECL of financing financial assets.

For financing assets, based on the analysis of the characteristics of these products, the Company has identified the key economic variables impacting credit risk and ECL for these financial instrument portfolio include Volatility of Shanghai Composite Index and Shenzhen Composite Index. The Company makes forward looking adjustments to the ECL of financing assets by analyzing the impacts of these economic variables.

In addition to the base economic scenario, the Company’s expert team also provided other possible scenarios along with scenario weightings. The number of other scenarios used is set based on an analysis of each major product type to ensure non-linearities are captured. The number of scenarios and their attributes are reassessed at each financial statement date.

As at 30 June 2022 and 31 December 2021, the Company concluded that three scenarios appropriately captured the non-linearities of key economic variables for all portfolios. The scenario weightings are determined by a combination of statistical analysis and expert judgement, taking account of the range of possible outcomes each chosen scenario is representative of. The probability-weight of the three scenarios employed by the Company were almost same.

The Company measures ECL as either a probability weighted 12 month ECL (Stage 1), or a probability weighted lifetime ECL (Stages 2 and 3). These probability-weighted ECLs are determined by running each scenario through the relevant ECL model and multiplying it by the appropriate scenario weighting.

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Company considers these forecasts to represent its best estimate of the possible outcomes as at the financial statement date.

Sensitivity analysis

The allowance for credit losses could be sensitive to the inputs used in internally developed models, macroeconomic variables in the forward-looking forecasts, weighting applied to economic scenarios and other factors considered when applying expert judgement. Changes in these inputs, assumptions and judgements are likely to have an impact on the assessment of significant increase in credit risk and the measurement of ECLs. The Company regularly rechecks the model annually and makes appropriate amendments and optimisation to the assumptions and parameters used in the models according to the external economic environment and internal observable data.

A sensitivity analysis is performed on key economic indicators, economic scenarios and weightings assigned used in forward-looking measurement. When the assigned weightings of optimistic scenario and pessimistic scenario change by 10%, the impact on ECL recognised is not significant.

Meanwhile, the Company also uses sensitivity analysis to monitor the impact of changes to the credit risk classification of the financial assets on ECL. As at 30 June 2022, assuming there was no significant increase in credit risk since initial recognition, and all the financial assets in Stage 2 were moved to Stage 1, the decremental impact on ECL recognised in financial statements is not significant.

Collateral and other credit enhancements

The Company employs a range of policies and credit enhancements to mitigate credit risk exposure to an acceptable level. The most common of these is accepting collateral through funds advanced or guarantees. The Company determines the type and amount of collaterals according to the credit risk evaluation of counterparties. The collateral under financing assets are primarily stocks, debt securities, funds etc. Management tests the market value of collateral periodically, and makes margin calls according to related agreements. It also monitors the market value fluctuation of collateral when reviewing the measurement of the loss allowance.

Loss Ratio of Financing Assets

Based on the obligors' credit quality, contract maturity date, the related collateral securities information, which including the sector situation, liquidity discount factor, concentration, volatility and related information, the Company sets differentiated collateral to loan ratios (generally no less than 150%) as triggering margin calls and force liquidation thresholds (collateral to loan ratios generally no less than 130%) against different exposures related to these transactions.

- For financing assets exposures with collateral to loan ratios above the force liquidation thresholds and no past due; or those past due for no more than 30 days and exposures with collateral to loan ratios above triggering margin calls are classified under Stage 1.
- For financing assets exposures with collateral to loan ratios above triggering margin calls and past due for more than 30 days and within 90 days; or those exposures with collateral to loan ratios between force liquidation thresholds and triggering margin calls and past due within 90 days; or those exposures with collateral to loan ratios between 100% and force liquidation thresholds and no past due or past due with 90 days are considered to be with significant increase in credit risks and are classified under Stage 2.
- For financing assets exposures with collateral to loan ratios fall below 100%; or those past due for more than 90 days are considered to be credit-impaired and non-performing. These exposures are classified under Stage 3.

Loss ratio applied by the Company on its financing assets under the 3 stages were as follows:

Stage 1: 1% to 3% according to different collateral ratios;

Stage 2: No less than 10%;

Stage 3: Discounted cash flow on individual exposure.

Credit Risk Exposure Analysis

The Company considered the credit risk of the financing assets was relatively low. As at 30 June 2022 and 31 December 2021, most of the Financing Assets' ratio to underlying collateral value was over force liquidation level. As at 30 June 2022 and 31 December 2021, most of the debt securities investments of the Company were rated at investment grade or above.

The maximum credit risk exposure of the Group without taking account of any collateral and other credit enhancements.

The maximum credit risk exposure of the Group after impairment allowance without taking account of any collateral and other credit enhancements is presented below:

	30 June 2022 (Unaudited)	31 December 2021 (Audited)
Financial assets at fair value through other comprehensive income (Debt instruments)	54,252,324	69,091,928
Refundable deposits	68,035,128	55,183,604
Margin accounts	111,408,963	129,119,054
Financial assets at fair value through profit or loss	364,331,005	334,136,558
Derivative financial assets	31,215,254	31,000,576
Reverse repurchase agreements	35,630,729	46,393,304
Cash held on behalf of customers	256,584,931	222,458,910
Bank balances	183,800,283	97,610,508
Others	63,900,700	37,730,933
Total maximum credit risk exposure	<u>1,169,159,317</u>	<u>1,022,725,375</u>

Risk concentrations

The breakdown of the Group's maximum credit risk exposure, without taking account of any collateral or other credit enhancements, as categorised by geographical area are summarised below.

30 June 2022 (Unaudited)	By geographical area		Total
	Mainland China	Outside Mainland China	
Financial assets at fair value through other comprehensive income (Debt instruments)	52,315,310	1,937,014	54,252,324
Refundable deposits	64,580,501	3,454,627	68,035,128
Margin accounts	107,347,943	4,061,020	111,408,963
Financial assets at fair value through profit or loss	313,677,816	50,653,189	364,331,005
Derivative financial assets	21,503,123	9,712,131	31,215,254
Reverse repurchase agreements	34,416,310	1,214,419	35,630,729
Cash held on behalf of customers	240,112,230	16,472,701	256,584,931
Bank balances	161,435,966	22,364,317	183,800,283
Others	10,397,943	53,502,757	63,900,700
Total maximum credit risk exposure	<u>1,005,787,142</u>	<u>163,372,175</u>	<u>1,169,159,317</u>

31 December 2021 (Audited)	By geographical area		Total
	Mainland China	Outside Mainland China	
Financial assets at fair value through other comprehensive income (debt instruments)	67,795,614	1,296,314	69,091,928
Refundable deposits	53,319,018	1,864,586	55,183,604
Margin accounts	123,240,896	5,878,158	129,119,054
Financial assets at fair value through profit or loss	300,044,239	34,092,319	334,136,558
Derivative financial assets	20,066,880	10,933,696	31,000,576
Reverse repurchase agreements	45,150,962	1,242,342	46,393,304
Cash held on behalf of customers	208,029,174	14,429,736	222,458,910
Bank balances	76,958,858	20,651,650	97,610,508
Others	8,592,204	29,138,729	37,730,933
Total maximum credit risk exposure	903,197,845	119,527,530	1,022,725,375

The Group's credit risk exposure of financial instruments for which an ECL allowance is recognised as follows according to the stage of ECL:

Loss allowance	30 June 2022 (Unaudited)			Total
	Stage of ECL			
	Stage I 12-month ECL	Stage II Lifetime ECL	Stage III	
Reverse repurchase agreements				
Amortized cost	34,229,310	1,890,032	6,258,901	42,378,243
Loss allowance	305,125	309,214	6,133,175	6,747,514
Book value	33,924,185	1,580,818	125,726	35,630,729
Margin accounts				
Amortized cost	111,507,794	1,297,214	1,853,929	114,658,937
Loss allowance	1,107,332	396,284	1,746,358	3,249,974
Book value	110,400,462	900,930	107,571	111,408,963
Financial assets at fair value through other comprehensive income (Debt instruments)				
Fair value	52,780,056	1,472,268	—	54,252,324
Loss allowance	204,758	246,348	44,000	495,106
Others				
Amortized cost	62,995,631	104,059	1,973,857	65,073,547
Loss allowance	187,021	75,754	1,869,553	2,132,328
Book value	62,808,610	28,305	104,304	62,941,219

Loss allowance	31 December 2021 (Audited)			Total
	Stage of ECL			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3	
Reverse repurchase agreements				
Amortised cost	44,237,950	2,446,554	6,553,358	53,237,862
Loss allowance	(289,567)	(516,394)	(6,038,597)	(6,844,558)
Book value	<u>43,948,383</u>	<u>1,930,160</u>	<u>514,761</u>	<u>46,393,304</u>
Margin accounts				
Amortised cost	127,238,656	807,217	4,392,532	132,438,405
Loss allowance	(1,274,829)	(191,920)	(1,852,602)	(3,319,351)
Book value	<u>125,963,827</u>	<u>615,297</u>	<u>2,539,930</u>	<u>129,119,054</u>
Financial assets at fair value through other comprehensive income (debt instruments)				
Fair value	<u>69,091,928</u>	<u>—</u>	<u>—</u>	<u>69,091,928</u>
Loss allowance	<u>365,959</u>	<u>—</u>	<u>44,000</u>	<u>409,959</u>
Others				
Amortised cost	36,810,664	128,407	1,908,093	38,847,164
Loss allowance	(208,160)	(80,160)	(1,803,789)	(2,092,109)
Book value	<u>36,602,504</u>	<u>48,247</u>	<u>104,304</u>	<u>36,755,055</u>

(i) Credit loss allowance for reverse repurchase agreements

	Stage of ECL			Total
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL (Credit-impaired)	
31 December 2021 (Audited)	289,567	516,394	6,038,597	6,844,558
Increases	20,455	71,687	30,099	122,241
Reversals	(4,897)	(8,445)	(205,943)	(219,285)
Write-offs	—	—	—	—
Transfers between stages				
— Increase	—	—	270,422	270,422
— Decrease	—	(270,422)	—	(270,422)
Other changes	—	—	—	—
30 June 2022 (Unaudited)	<u>305,125</u>	<u>309,214</u>	<u>6,133,175</u>	<u>6,747,514</u>

	Stage of ECL			Total
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL (Credit-impaired)	
1 January 2021	58,758	1,331,267	6,648,914	8,038,939
Increases	285,814	442,645	215,915	944,374
Reversals	(55,005)	(1,200,761)	(882,989)	(2,138,755)
Write-offs	—	—	—	—
Transfers between stages				
— Increase	—	—	56,757	56,757
— Decrease	—	(56,757)	—	(56,757)
Others	—	—	—	—
31 December 2021 (Audited)	<u>289,567</u>	<u>516,394</u>	<u>6,038,597</u>	<u>6,844,558</u>

Analysed loss allowance for reverse repurchase agreements

	30 June 2022 (Unaudited)			
	Stage of ECL			Total
	Stage 1	Stage 2	Stage 3	
Book value	14,529,115	1,890,032	6,258,901	22,678,048
Loss allowance	305,124	309,214	6,133,176	6,747,514
Collateral	48,713,344	5,075,517	7,135,439	60,924,300

	31 December 2021 (Audited)			
	Stage of ECL			Total
	Stage 1	Stage 2	Stage 3	
Book value	13,033,597	2,446,554	6,553,358	22,033,509
Loss allowance	(289,567)	(516,394)	(6,038,597)	(6,844,558)
Collateral	45,236,015	6,661,269	8,901,206	60,798,490

(ii) *Credit loss allowance for margin accounts*

	Stage of ECL			Total
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL (Credit-impaired)	
31 December 2021 (Audited)	1,274,829	191,920	1,852,602	3,319,351
Increases	—	243,301	1,244	244,545
Reversals	(162,905)	(43,535)	(109,693)	(316,133)
Write-offs	—	—	—	—
Transfers between stages				
— Increase	—	4,598	—	4,598
— Decrease	(4,598)	—	—	(4,598)
Other changes	6	—	2,205	2,211
30 June 2022 (Unaudited)	<u>1,107,332</u>	<u>396,284</u>	<u>1,746,358</u>	<u>3,249,974</u>

	Stage of ECL			Total
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL (Credit-impaired)	
1 January 2021	344,216	12,547	1,176,770	1,533,533
Increases	946,337	267,284	777,224	1,990,845
Reversals	(8,271)	(55,968)	(138,177)	(202,416)
Write-offs	—	—	—	—
Transfers between stages				
— Increase	354	4,642	39,389	44,385
— Decrease	(7,800)	(36,585)	—	(44,385)
Other changes	(7)	—	(2,604)	(2,611)
31 December 2021 (Audited)	<u>1,274,829</u>	<u>191,920</u>	<u>1,852,602</u>	<u>3,319,351</u>

(iii) Credit loss allowance for financial assets at fair value through other comprehensive income

	Stage of ECL			Total
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL (Credit-impaired)	
31 December 2021 (Audited)	365,959	—	44,000	409,959
Increases	70,970	102,651	—	173,621
Reversals	(15,973)	—	—	(15,973)
Write-offs	(82,712)	—	—	(82,712)
Transfers between stages				
— Increase	—	133,488	—	133,488
— Decrease	(133,488)	—	—	(133,488)
Other changes	2	10,209	—	10,211
30 June 2022 (Unaudited)	<u>204,758</u>	<u>246,348</u>	<u>44,000</u>	<u>495,106</u>

	Stage of ECL			Total
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL (Credit-impaired)	
1 January 2021	533,493	—	44,000	577,493
Increases	133,444	—	—	133,444
Reversals	(160,890)	—	—	(160,890)
Write-offs	(138,488)	—	—	(138,488)
Transfers between stages				
— Increase	—	—	—	—
— Decrease	—	—	—	—
Other changes	(1,600)	—	—	(1,600)
31 December 2021 (Audited)	<u>365,959</u>	<u>—</u>	<u>44,000</u>	<u>409,959</u>

(iv) Credit loss allowance for other financial assets measured at amortized cost

	Stage of ECL			Total
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL (Credit-impaired)	
31 December 2021 (Audited)	208,160	80,160	1,803,789	2,092,109
Increases	18,213	1,658	34,990	54,861
Reversals	(38,761)	(6,019)	(257)	(45,037)
Write-offs	—	(5)	(3,367)	(3,372)
Transfers between stages				
— Increase	—	10	—	10
— Decrease	(10)	—	—	(10)
Other changes	(581)	(50)	34,398	33,767
30 June 2022 (Unaudited)	187,021	75,754	1,869,553	2,132,328

	Stage of ECL			Total
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL (Credit-impaired)	
1 January 2021	173,932	8,131	1,949,385	2,131,448
Increases	74,590	81,873	22,342	178,805
Reversals	(30,603)	(9,482)	(28,957)	(69,042)
Write-offs	(572)	—	(112,007)	(112,579)
Transfers between stages				
— Increase	—	225	587	812
— Decrease	(225)	(587)	—	(812)
Other changes	(8,962)	—	(27,561)	(36,523)
31 December 2021 (Audited)	208,160	80,160	1,803,789	2,092,109

(b) Liquidity risk

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

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

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on their contractual undiscounted payments, is as follows:

	30 June 2022 (Unaudited)						Total
	Overdue/ repayable on demand	Less than three months	Three months to one year	One to five years	More than five years	Undated	
Non-derivative financial liabilities:							
Customer brokerage deposits	304,500,364	—	—	—	—	—	304,500,364
Financial liabilities at fair value through profit or loss	121,034	27,615,920	22,197,167	24,859,214	2,001,440	19,159,508	95,954,283
Repurchase agreements	5,636,809	217,754,956	17,995,128	1,460,666	—	3,786,725	246,634,284
Due to banks and other financial institutions	—	48,364,380	—	—	—	—	48,364,380
Short-term loans	53,252	7,063,324	7,148	—	—	—	7,123,724
Short-term financing instruments payable	—	7,288,199	4,116,162	—	—	—	11,404,361
Debt instruments issued	—	1,245,180	1,806,336	77,181,162	19,621,649	—	99,854,327
Long-term loans	—	30,333	90,098	516,471	—	—	636,902
Lease liabilities	95	182,995	630,622	1,210,831	85,962	—	2,110,505
Others	161,227,259	59,291,715	62,411,399	884,921	—	6,484,818	290,300,112
Total	471,538,813	368,837,002	109,254,060	106,113,265	21,709,051	29,431,051	1,106,883,242
Cash flows from derivative financial liabilities settled on a net basis	284,508	5,091,391	10,882,576	9,322,905	4,188,893	—	29,770,273
Gross-settled derivative financial liabilities:	2,003	621,297	1,137,774	313,709	959	—	2,075,742
Contractual amounts receivable	(292,104)	(38,390,169)	(54,030,332)	(14,798,225)	(240,170)	—	(107,751,000)
Contractual amounts payable	294,107	39,011,466	55,168,106	15,111,934	241,129	—	109,826,742

	31 December 2021 (Audited)						Total
	Overdue/ repayable on demand	Less than three months	Three months to one year	One to five years	More than five years	Undated	
Non-derivative financial liabilities:							
Customer brokerage deposits	251,164,466	—	—	—	—	—	251,164,466
Financial liabilities at fair value through profit or loss	4,283,109	22,901,197	26,654,023	9,184,156	1,349,491	11,271,619	75,643,595
Repurchase agreements	—	222,149,894	8,585,753	4,086,478	—	864,149	235,686,274
Due to banks and other financial institutions	—	50,691,702	—	—	—	—	50,691,702
Short-term loans	163,329	7,094,010	6,791	—	—	—	7,264,130
Short-term financing instruments payable	—	6,761,724	7,925,823	—	—	—	14,687,547
Debt instruments issued	—	1,045,660	1,470,357	108,778,838	18,952,170	—	130,247,025
Long-term loans	—	27,520	82,351	363,577	—	—	473,448
Leases	267	136,421	550,587	1,205,550	101,953	—	1,994,778
Others	142,603,593	40,461,761	56,728,845	703,898	—	4,868,242	245,366,339
Total	398,214,764	351,269,889	102,004,530	124,322,497	20,403,614	17,004,010	1,013,219,304
Cash flows from derivative financial liabilities settled on a net basis	161,060	5,602,947	9,888,529	12,896,160	5,827,062	—	34,375,758
Gross-settled derivative financial liabilities:	665	675,215	610,464	194,958	—	—	1,481,302
Contractual amounts receivable	(240,083)	(54,166,884)	(27,604,088)	(11,003,199)	—	—	(93,014,254)
Contractual amounts payable	240,748	54,842,099	28,214,552	11,198,157	—	—	94,495,556

(c) **Market risk**

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

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

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

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

The Risk Management Department mainly uses quantitative indicators to estimate possible market risk losses, including both the risks in normal environment and the impact of extreme market conditions. The risk report will be delivered on a daily, weekly, monthly or quarterly basis to present market risks to the responsible officers of the business departments/business lines and the Operation Management of the Company.

The Company adopts VaR as a major indicator of its overall market risk measurement. The calculation of specific parameter is based on a holding period of one trading day and a confidence level of 95%. The Company constantly inspects the accuracy of VaR through back-testing and other methods. The Company also evaluates the possible losses in its proprietary positions arising from extreme situations through a series of stress tests in macro and micro scenarios, compares its risk resistant capacities, and evaluates whether the overall market risk profile of the Company is within an acceptable range.

The Company sets risk limits for its respective business departments/business lines to control market exposures, which are monitored by the Risk Management Department on a daily basis. When risk level is approaching or exceeds the threshold values, the Risk Management Department will warn the relevant management officers in advance, discuss with the respective business management officers, and implement measures in accordance with the opinion reached through discussions as approved by the corresponding authorized personnel or organization.

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

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

(i) *VaR*

VaR analysis is a statistical technique that estimates the potential maximum losses that could occur on risk positions due to movements in interest rates, stock prices or currency rates over a specified time period and at a given level of confidence.

The calculation is based on the historical data of the Group's VaR (confidence level of 95% and a holding period of one trading day).

The Group's VaR analysis by risk categories is summarised as follows:

	30 June 2022 (Unaudited)	30 June 2021 (Unaudited)
Stock price-sensitive financial instruments	429,584	352,560
Interest rate-sensitive financial instruments	194,667	62,674
Exchange rate-sensitive financial instruments	87,901	43,376
Total portfolio VaR	<u>504,269</u>	<u>357,525</u>

(ii) *Interest rate risk*

The Group's interest rate risk is the risk of fluctuation in the fair value of one or more financial instruments arising from adverse movements in interest rates. The Group's interest rate risk mainly sources from the volatility of fair value of financial instruments held by the Group which are sensitive to the interest rate risk, resulting from market interest rate's negative fluctuation.

The Group uses interest rate sensitivity analysis as the principal tool to monitor interest rate risk. The use of interest rate sensitivity analysis assumes all other variables remain constant, but changes in the fair value of financial instruments held at the end of the measurement period may impact the Group's total income and total equity when interest rates fluctuate reasonably and possibly.

Assuming a parallel shift in the market interest rates and without taking into consideration of the management's activities to reduce interest rate risk, the impact of such a shift on revenue and shareholders' equity based on an interest rate sensitivity analysis of the Group is as follows:

Sensitivity of revenue

	Six months ended 30 June	
	2022	2021
	(Unaudited)	(Unaudited)
Change in basis points		
+25 basis points	(848,566)	(502,404)
-25 basis points	846,486	513,448

Sensitivity of equity

	30 June	31 December
	2022	2021
	(Unaudited)	(Audited)
Change in basis points		
+25 basis points	(145,823)	(157,218)
-25 basis points	150,889	164,798

(iii) *Currency risk*

Currency risk is the risk of fluctuation in the fair value of financial instruments or future cash flows arising from adverse movements in foreign exchange rates. The Group's currency risk primarily relates to the Group's operating activities, whose settlements and payments are denominated in foreign currencies different from the Group's functional currency, and its net investment in foreign subsidiaries.

The tables below indicate a sensitivity analysis of exchange rate changes of the currencies to which the Group had significant exposure. The analysis calculates the effect of a reasonably possible movement in the currency rates against RMB, with all other variables held constant, on revenue and equity. A negative amount in the table reflects a potential net reduction in revenue or equity, while a positive amount reflects a potential net increase.

Sensitivity of revenue

Currency	Change in exchange rate	Six months ended 30 June	
		2022	2021
		(Unaudited)	(Unaudited)
USD	-3%	588,514	1,067,301
HKD	-3%	(516,878)	(593,695)

Sensitivity of equity

Currency	Change in exchange rate	30 June 2022 (Unaudited)	31 December 2021 (Audited)
USD	-3%	(276,753)	(245,339)
HKD	-3%	<u>10,087</u>	<u>8,802</u>

While the table above indicates the effect on revenue and equity of 3% depreciation of USD and HKD, there will be an opposite effect with the same amount if the currencies appreciate by the same percentage.

The tables below summarise the Group's exposure to foreign currency exchange rate risk as at 30 June 2022 and 31 December 2021. The Group's exposure to RMB is provided in the tables below for comparison purposes. Included in the table are the carrying amounts of the assets and liabilities of the Group in RMB equivalent, categorised by the original currencies.

	As at 30 June 2022 (Unaudited)				Total
	RMB	USD in RMB equivalent	HKD in RMB equivalent	Other in RMB equivalent	
Net on-balance sheet position	<u>218,919,047</u>	<u>1,440,612</u>	<u>18,322,587</u>	<u>8,805,588</u>	<u>247,487,834</u>

	As at 31 December 2021 (Audited)				Total
	RMB	USD in RMB equivalent	HKD in RMB equivalent	Other in RMB equivalent	
Net on-balance sheet position	<u>197,909,127</u>	<u>2,455,664</u>	<u>5,896,250</u>	<u>7,546,745</u>	<u>213,807,786</u>

(iv) Price risk

Price risk is the risk that the fair value of equity instruments decreases due to the variance between the stock index level and individual share values. If this occurs, market price fluctuations of equity instruments at fair value through profit or loss will impact the Group's profit; and market price fluctuations of equity instruments classified as financial assets at fair value through other comprehensive income will impact shareholders' equity for the Group.

As at 30 June 2022, the equity investment accounted for approximately 16.19% of the total assets (as at 31 December 2021: 18.14%).

51 EVENTS AFTER THE REPORTING PERIOD

Issuance of corporate bonds

In accordance with the resolutions of the 22nd meeting of the 6th Board of Directors, the resolutions of the 2017 Annual Shareholders' General Meeting, the approval of the Shanghai Stock Exchange, and the registry of CSRC, the Company was approved to publicly issue corporate bonds in mainland China that do not exceed RMB80 billion in total in face value to professional investors. On 24 August 2022, the Company completed the public issuance of such corporate bond (the third issuance), in the amount of RMB3 billion, with a maturity of 3 years and a coupon rate of 2.50%.

Issuance of Euro-commercial paper

CITIC Securities Finance MTN Co., Ltd. issued 5 tranches of Euro-commercial paper with a total issue size of USD290 million during 1 July 2022 to 29 August 2022. The Euro-commercial paper was unconditionally and irrevocably guaranteed by the Company with joint and several liability.

Profit distribution

According to the 2021 profit distribution plan passed in the Company's 2021 Annual General Meeting of the Shareholders held on 28 June 2022, the Company declared cash dividends on its profit for the year ended 31 December 2021. The cash dividend distributions of the Company were completed on 26 August 2022.

52 APPROVAL OF THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

The interim financial information was approved and authorised for issue by the Board of Directors on 29 August 2022.

IX. DOCUMENTS AVAILABLE FOR INSPECTION

Financial statements signed by the head of the Company, the Chief Financial Officer and the head of the accounting department and chopped with the official chop of the Company.

The original copy of the audit report with chops of the accounting firm and signatures and chops of CPAs.

The originals of all the documents and announcements of the Company published during the Reporting Period in the media designated by the CSRC for information disclosures.

Interim reports published in other stock exchanges.

The Articles of Association of the Company.

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

Beijing, China
29 August 2022

As at the date of this announcement, the Company's executive Directors are Mr. ZHANG Youjun and Mr. YANG Minghui; non-executive Directors are Mr. SONG Kangle, Ms. FU Linfang, Mr. ZHAO Xianxin and Mr. WANG Shuhui; and independent non-executive Directors are Mr. ZHOU Zhonghui, Mr. LI Qing and Mr. SHI Qingchun.

APPENDIX: INDEX OF INFORMATION DISCLOSURE

Information disclosures made by the Company on the website of the SSE (<http://www.sse.com.cn>) and in China Securities Journal, Shanghai Securities News and Securities Times during the Reporting Period are set out as follows:

No.	Date of Publication	Subject Matter
1	2022-01-05	Preannouncement on Estimated Growth in Profit for the Year 2021 of CITIC Securities
2		Monthly Return on Movements in Securities of CITIC Securities for December 2021
3	2022-01-13	Announcement on the Preliminary Financial Data for the Year 2021 of CITIC Securities
4	2022-01-14	Announcement on Online Roadshow Relating to the A Share Rights Issue of CITIC Securities
5		Indicative Announcement on Suspension and Resumption of Trading for A Shares of CITIC Securities
6		Announcement on the Resolutions Passed at the 33rd Meeting of the Seventh Session of the Board of CITIC Securities
7		Summary of the A Share Rights Issue Prospectus of CITIC Securities
8		A Share Rights Issue Prospectus of CITIC Securities
9		Announcement on the A Share Rights Issue of CITIC Securities
10	2022-01-19	Indicative Announcement on the A Share Rights Issue of CITIC Securities
11		Announcement on Resignation of Independent Director due to Expiry of Term of CITIC Securities
12	2022-01-20	Indicative Announcement on the A Share Rights Issue of CITIC Securities
13	2022-01-21	Indicative Announcement on the A Share Rights Issue of CITIC Securities
14	2022-01-24	Indicative Announcement on the A Share Rights Issue of CITIC Securities
15	2022-01-25	Indicative Announcement on the A Share Rights Issue of CITIC Securities
16		Announcement on Amendments to the Articles of Association of CITIC Securities
17		Rules of Procedures of the Strategic Planning and ESG Committee of the Board of CITIC Securities
18		Announcement on the Resolutions Passed at the 34th Meeting of the Seventh Session of the Board of CITIC Securities
19	2022-01-27	Announcement on Results of the A Share Rights Issue of CITIC Securities
20	2022-02-08	Announcement on Entering into the Tripartite Supervision Agreement for the Deposit of Raised Fund in Designated Account of CITIC Securities
21		Announcement on Preliminary Financial Data of China AMC for the Year 2021 of CITIC Securities
22		Monthly Return on Movements in Securities of CITIC Securities for January 2022
23	2022-02-09	H Share Announcement of CITIC Securities — Proposed H Share Rights Issue of 341,749,155 H Shares on the Basis of 1.5 H Rights Shares for Every 10 Existing H Shares at HK\$17.67 per H Rights Share Payable in Full on Acceptance
24		Announcement on the Resolutions Passed at the 13th Meeting of the Seventh Session of the Supervisory Committee of CITIC Securities
25		Announcement on the Resolutions Passed at the 35th Meeting of the Seventh Session of the Board of CITIC Securities
26		Independent Opinions of the Independent Non-executive Directors of the Seventh Session of the Board of CITIC Securities on Temporary Idle Raised Funds Used for Cash Management
27		Verification Opinions of Tianfeng Securities Co., Ltd. and China Post Securities Co., Ltd. on Temporary Idle A Share Raised Funds Used for Cash Management of CITIC Securities
28		Announcement on Some Temporary Idle Raised Funds Used for Cash Management of CITIC Securities
29	2022-02-10	Listing Sponsorship Letter of Tianfeng Securities Co., Ltd. and China Post Securities Co., Ltd. on Public Issuance of Securities by Way of the A Share Rights Issue of CITIC Securities
30		Announcement on Changes in Shareholding as a Result of the A Share Rights Issue and Listing of the A Rights Shares of CITIC Securities
31	2022-02-12	Announcement on the Progress of Some Idle Raised Funds Used for Cash Management of CITIC Securities
32	2022-02-18	Indicative Announcement on Changes in Shareholders' Equity of CITIC Securities
33	2022-02-23	Announcement on By-election of Independent Non-executive Directors of CITIC Securities
34		Statement of the Candidate for Independent Director
35		Statement of the Nominator of Independent Director of CITIC Securities
36		Independent Opinions of the Independent Non-executive Directors of the Seventh Session of the Board on Relevant Matters at the 36th Meeting of the Seventh Session of the Board of CITIC Securities

No.	Date of Publication	Subject Matter
37		Announcement on the Resolutions Passed at the 36th Meeting of the Seventh Session of the Board of CITIC Securities
38	2022-02-25	Documents of the 2022 First Extraordinary General Meeting of CITIC Securities
39		Notice on Convening of the 2022 First Extraordinary General Meeting of CITIC Securities
40	2022-03-03	Announcement on H Share Rights Issue Results and Changes in Shares of CITIC Securities
41	2022-03-04	H Share Announcement of CITIC Securities — Next Day Disclosure Return
42		Monthly Return on Movements in Securities of CITIC Securities for February 2022
43	2022-03-15	Notification of Board Meeting
44	2022-03-23	Announcement on Convening of the 2021 Annual Results Presentation of CITIC Securities
45	2022-03-29	H Share Announcement of CITIC Securities — Participation in the 2022 First Extraordinary General Meeting through Online Platform and the Supplemental Data of the Related Circular
46		Announcement on the Estimation of Related Party/Continuing Connected Transactions Contemplated in the Ordinary Course of Business of CITIC Securities in 2022
47		Announcement in Relation to Provision for Other Assets Impairment Loss of CITIC Securities
48		Announcement on Profit Distribution Plan of CITIC Securities
49		Announcement on the Resolutions Passed at the 14th Meeting of the Seventh Session of the Supervisory Committee of CITIC Securities
50		Special Remarks and Independent Opinions of the Independent Non-executive Directors of the Seventh Session of the Board on Relevant Matters at the 37th Meeting of the Seventh Session of the Board of CITIC Securities
51		Announcement on the Resolutions Passed at the 37th Meeting of the Seventh Session of the Board of CITIC Securities
52		The Status Report and Assurance Report on Internal Funds Pre-invested in the Investment Projects to be Funded by the Proceeds of CITIC Securities as of 27 January 2022
53		Verification Opinions of Tianfeng Securities Co., Ltd. and China Post Securities Co., Ltd. on Replacement of the Pre-invested Internal Funds with the Proceeds from the Rights Issue by CITIC Securities
54		Announcement on Replacement of the Pre-invested Internal Funds with the Proceeds from the Rights Issue by CITIC Securities
55		Report on the Audit Committee of the Board on the Performance of Duties in 2021 of CITIC Securities
56		Audit Report on the Internal Control of 31 December 2021 of CITIC Securities
57		2021 Social Responsibility Report of CITIC Securities
58		2021 Assessment Report on the Internal Control of CITIC Securities
59		Duty Performance Report of Independent Non-executive Directors for 2021
60		Special Statement Regarding the Appropriation of Funds by Largest Shareholder and Other Related Parties of CITIC Securities
61		2021 Financial Statements and Audit Report of CITIC Securities
62		The 2021 Annual Report of CITIC Securities
63		Summary of the 2021 Annual Report of CITIC Securities
64	2022-04-01	Documents of the 2022 First Extraordinary General Meeting of CITIC Securities (Supplemental draft)
65		Announcement on Adding Provisional Proposals at the 2022 First Extraordinary General Meeting and Supplemental Notice of the General Meeting of CITIC Securities
66	2022-04-02	Monthly Return on Movements in Securities of CITIC Securities for March 2022
67	2022-04-12	2021 Continuous Supervision Report and Continuous Supervision Summary Report of HUAXI Securities as Independent Financial Adviser on Acquisition of Assets by Issuance of Shares and Related Party Transactions of CITIC Securities
68	2022-04-13	Announcement on the Preliminary Financial Data for the First Quarter of 2022 of CITIC Securities
69	2022-04-14	Announcement on the Consolidation of the Company into Its Largest Shareholder of CITIC Securities
70		Announcement on the Resolutions Passed at the 38th Meeting of the Seventh Session of the Board of CITIC Securities
71		Announcement on the Redemption of Part of the Idle Fund Raised for Cash Management Upon Maturity of CITIC Securities
72		Legal Opinions of Beijing Jia Yuan Law Offices on the 2022 First Extraordinary General Meeting of CITIC Securities
73		Announcement on the Resolutions of the 2022 First Extraordinary General Meeting of CITIC Securities
74		The Articles of Association of the Company (2022 First Revision)

No.	Date of Publication	Subject Matter
75		Announcement on Increase of Registered Capital and Amendments to the Articles of Association of the Company of CITIC Securities
76	2022-04-23	Announcement on the Issuance and Guarantee by Indirect Wholly-owned Subsidiary Under the Medium-term Note Scheme of CITIC Securities
77		Notification of Board Meeting
78	2022-04-29	Announcement on the Resolutions Passed at the 39th Meeting of the Seventh Session of the Board of CITIC Securities
79		2022 First Quarterly Results of CITIC Securities
80	2022-05-06	Monthly Return on Movements in Securities of CITIC Securities for April 2022
81	2022-05-13	Announcement on Redemption of Part of Matured Idle Raised Funds Used for Cash Management, Continuing Cash Management and Related Party Transactions of CITIC Securities
82	2022-05-14	Announcement on the Re-appointment of Accounting Firms of CITIC Securities
83		Prior Approval and Independent Opinions of the Independent Non-executive Directors of the Seventh Session of the Board on Relevant Matters at the 40th Meeting of the Seventh Session of the Board of CITIC Securities
84		Announcement on the Resolutions Passed at the 40th Meeting of the Seventh Session of the Board of CITIC Securities
85	2022-05-27	The Working Rules of the Executive Committee of CITIC Securities
86		Announcement on the Resolutions Passed at the 41st Meeting of the Seventh Session of the Board of CITIC Securities
87	2022-06-02	Monthly Return on Movements in Securities of CITIC Securities for May 2022
88	2022-06-07	Documents of the 2021 Annual General Meeting of CITIC Securities
89		Notice of the 2021 Annual General Meeting of CITIC Securities
90	2022-06-23	Detailed Report on Changes in Equity of CITIC Securities
91		Indicative Announcement on Entering into the Gratuitous Share Transfer Agreement with the Largest Shareholder and Equity Change of CITIC Securities
92	2022-06-29	Announcement on the Resolutions Passed at the 42nd Meeting of the Seventh Session of the Board of CITIC Securities
93		Legal Opinions of Beijing Jia Yuan Law Offices on the 2021 Annual General Meeting of CITIC Securities
94		Announcement on the Resolutions of the 2021 Annual General Meeting of CITIC Securities
95		Independent Opinions of the Independent Non-executive Directors of the Seventh Session of the Board of CITIC Securities on the Waiver of Right of First Refusal on the 10% Equity Interest in China Asset Management Company Limited and Related Party Transactions
96		Prior Approval Opinions of the Independent Non-executive Directors of the Seventh Session of the Board of CITIC Securities on the Waiver of Right of First Refusal on the 10% Equity Interest in China Asset Management Company Limited and Related Party Transactions
97		Announcement on the Waiver of Right of First Refusal on the 10% Equity Interest in China Asset Management Company Limited and Related Party Transactions of CITIC Securities

Note: The “dates” set out in the above table are dates on which the relevant announcements were published in China Securities Journal, Shanghai Securities News and Securities Times and on the website of the SSE. Each of these announcements was published on the HKEXnews website of HKEX in the morning of the above “date” or in the evening on the immediately preceding date.

Information disclosures made by the Company on the HKEXnews website of HKEX (<http://www.hkexnews.hk>) during the Reporting Period are set out as follows:

No.	Date of Publication	Subject Matter
1	2022-01-04	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended 31 December 2021
2		Preannouncement on Estimated Growth in Profit for the Year 2021
3	2022-01-12	Preliminary Financial Data for the Year 2021
4	2022-01-13	Overseas Regulatory Announcement — Announcement on Online Roadshow Relating to the A Share Rights Issue
5		Overseas Regulatory Announcement — Indicative Announcement on Suspension and Resumption of Trading of A Shares
6		Overseas Regulatory Announcement — Announcement on the Resolutions Passed at the 33rd Meeting of the Seventh Session of the Board
7		Overseas Regulatory Announcement — Summary of the A Share Rights Issue Prospectus
8		Overseas Regulatory Announcement — the A Share Rights Issue Prospectus
9		Overseas Regulatory Announcement — Announcement on the A Share Rights Issue
10	2022-01-14	Proposed H Share Rights Issue of 341,749,155 H Shares on the Basis of 1.5 H Rights Shares for Every 10 Existing H Shares at HK\$17.67 per H Rights Share Payable in Full on Acceptance; Proposed A Share Rights Issue of 1,597,267,249 A Shares on the Basis of 1.5 A Rights Shares for Every 10 Existing A Shares at RMB14.43 per A Rights Share Payable in Full on Acceptance; Closure of the H Shareholders' Register from Friday, 28 January 2022 to Tuesday, 8 February 2022
11	2022-01-18	Announcement — Resignation of Independent Non-executive Director due to Expiry of Term
12		Overseas Regulatory Announcement — Indicative Announcement on the A Share Rights Issue
13		List of Directors and their Roles and Functions
14	2022-01-19	Overseas Regulatory Announcement — Indicative Announcement on the A Share Rights Issue
15	2022-01-20	Overseas Regulatory Announcement — Indicative Announcement on the A Share Rights Issue
16	2022-01-23	Overseas Regulatory Announcement — Indicative Announcement on the A Share Rights Issue
17	2022-01-24	Overseas Regulatory Announcement — Indicative Announcement on the A Share Rights Issue
18		Overseas Regulatory Announcement — Rules of Procedures of the Strategic Planning and ESG Committee of the Board
19		Overseas Regulatory Announcement — Announcement on the Resolutions Passed at the 34th Meeting of the Seventh Session of the Board
20		Proposed Amendments to the Articles of Association
21	2022-01-26	Announcement on Results of the A Share Rights Issue
22	2022-02-07	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended 31 January 2022
23		Overseas Regulatory Announcement — Announcement on the Entering into the Tripartite Supervision Agreement for the Deposits of Raised Funds in Designated Accounts
24		Announcement — Preliminary Financial Data of China AMC for the Year 2021
25	2022-02-08	Proposed H Share Rights Issue of 341,749,155 H Shares on the Basis of 1.5 H Rights Shares for Every 10 Existing H Shares at HK\$17.67 per H Rights Share Payable in Full on Acceptance
26		Provisional Allotment Letter
27		Excess Application Form
28		Overseas Regulatory Announcement — Announcement on the Resolutions Passed at the 35th Meeting of the Seventh Session of the Board
29		Overseas Regulatory Announcement — Announcement on the Resolutions Passed at the 13th Meeting of the Seventh Session of the Supervisory Committee
30		Overseas Regulatory Announcement — Announcement on Some Temporary Idle Raised Funds Used for Cash Management
31		Overseas Regulatory Announcement — Independent Opinions of the Independent Non-executive Directors of the Seventh Session of the Board on Temporary Idle Raised Funds Used for Cash Management
32		Overseas Regulatory Announcement — Verification Opinions of Tianfeng Securities Co., Ltd. and China Post Securities Co., Ltd. on Temporary Idle A Share Raised Funds Used for Cash Management of CITIC Securities
33	2022-02-09	Overseas Regulatory Announcement — Listing Sponsorship Letter of Tianfeng Securities Co., Ltd. and China Post Securities Co., Ltd. on Public Issuance of Securities by Way of the A Share Rights Issue of CITIC Securities
34		Next Day Disclosure Return
35		Announcement on Changes in Shareholding as a Result of the A Share Rights Issue and Listing of the A Rights Shares

No.	Date of Publication	Subject Matter
36	2022-02-11	Overseas Regulatory Announcement — Announcement on the Progress of Some Idle Raised Funds Used for Cash Management
37	2022-02-17	Overseas Regulatory Announcement — Indicative Announcement on Changes in Shareholders' Equity
38	2022-02-22	Proposed Appointment of Independent Non-executive Director and Appointment of Member of the Specialized Committees under the Board
39		Overseas Regulatory Announcement — Announcement on the Resolutions Passed at the 36th Meeting of the Seventh Session of the Board
40		Overseas Regulatory Announcement — Independent Opinions of the Independent Non-executive Directors of the Seventh Session of the Board on Relevant Matters at the 36th Meeting of the Seventh Session of the Board
41		Overseas Regulatory Announcement — Statement of the Candidate for Independent Director
42		Overseas Regulatory Announcement — Statement of the Nominator of Independent Director
43	2022-02-24	Proposed Amendments to the Articles of Association; Proposed Appointment of the Independent Non-executive Director; and Notice of the 2022 First Extraordinary General Meeting
44		Notice of the 2022 First Extraordinary General Meeting
45		Proxy Form
46		Reply Slip — For the 2022 First Extraordinary General Meeting and Any Adjournment thereof to be held by CITIC Securities Company Limited on 13 April 2022 (Wednesday)
47		Notification Letter to Non-Registered Holders — Notice of Publication of Circular of 2022 First Extraordinary General Meeting and Request Form
48		Notification Letter to Registered Holders — Notice of Publication of Circular, Proxy Form and Reply Form of 2022 First Extraordinary General Meeting and Change Request Form
49	2022-03-02	Results of the H Share Rights Issue of 341,749,155 H Shares on the Basis of 1.5 H Rights Shares for Every 10 Existing H Shares at HK\$17.67 Per H Rights Share Payable in Full on Acceptance
50	2022-03-03	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended 28 February 2022
51		Next Day Disclosure Returns
52	2022-03-14	Notification of Board Meeting
53	2022-03-22	Voluntary Announcement — Convening of the 2021 Annual Results Presentation
54	2022-03-28	Participation in the 2022 First Extraordinary General Meeting Through Online Platform and Supplemental Information to the Related Circular
55		Final Dividend for the Year Ended 31 December 2021
56		Announcement in Relation to the Replacement of the Pre-invested Internal Funds with the Proceeds from the Rights Issue
57		2021 Social Responsibility Report
58		Notification Letter to Shareholders — Notice of Publication of 2021 Social Responsibility Report
59		Announcement in Relation to Provision for Other Asset Impairment Losses
60		Overseas Regulatory Announcement — Announcement on the Resolutions Passed at the 37th Meeting of the Seventh Session of the Board
61		Overseas Regulatory Announcement — Announcement on the Resolutions Passed at the 14th Meeting of the Seventh Session of the Supervisory Committee
62		Overseas Regulatory Announcement — Announcement on the Estimation of Related Party/ Continuing Connected Transactions Contemplated in the Ordinary Course of Business in 2022
63		Overseas Regulatory Announcement — 2021 Assessment Report on the Internal Control
64		Overseas Regulatory Announcement — Audit Report on the Internal Control of 31 December 2021
65		Overseas Regulatory Announcement — Special Statement Regarding the Appropriation of Funds by Its Largest Shareholder and Other Related Parties
66		Overseas Regulatory Announcement — Special Remarks and Independent Opinions of the Independent Non-executive Directors of the Seventh Session of the Board on Relevant Matters at the 37th Meeting of the Seventh Session of the Board
67		Overseas Regulatory Announcement — Report of the Audit Committee of the Board on the Performance of Duties in 2021
68		Overseas Regulatory Announcement — Duty Performance Report of Independent Non-executive Directors for 2021
69		Overseas Regulatory Announcement — Verification Opinions of Tianfeng Securities Co., Ltd. and China Post Securities Co., Ltd. on the Replacement of the Pre-invested Internal Funds with the Proceeds from the Rights Issue by CITIC Securities
70		Overseas Regulatory Announcement — The Status Report and Assurance Report on Internal Funds Pre-invested in the Investment Projects to be Funded by the Proceeds as of 27 January 2022
71		2021 Annual Results Announcement

No.	Date of Publication	Subject Matter
72	2022-03-31	Proposed Appointment of Non-Executive Director; and Supplemental Notice of the 2022 First Extraordinary General Meeting
73		Supplemental Notice of the 2022 First Extraordinary General Meeting
74		Supplemental Proxy Form
75		Notification Letter to Registered Holders — Notice of Publication of Supplemental Circular and Supplemental Proxy Form of 2022 First Extraordinary General Meeting and Change Request Form
76		Notification Letter to Non-Registered Holders — Notice of Publication of Supplemental Circular of 2022 First Extraordinary General Meeting and Request Form
77	2022-04-01	Monthly Return for Equity Issuer on Movements in Securities for the Month Ended 31 March 2022
78	2022-04-11	Overseas Regulatory Announcement — 2021 Continuous Supervision Report and Continuous Supervision Summary Report of HUAXI Securities Co., Ltd. as Independent Financial Adviser on Acquisition of Assets by Issuance of Shares and Related Party Transactions of CITIC Securities
79	2022-04-12	Preliminary Financial Data for the First Quarter of 2022
80	2022-04-13	Amendments to the Articles of Association of the Company
81		Overseas Regulatory Announcement — Announcement on the Resolutions Passed at the 38th Meeting of the Seventh Session of the Board
82		Overseas Regulatory Announcement — Announcement on Increased Registered Capital and Amendments to the Articles of Association of the Company
83		Overseas Regulatory Announcement — Announcement on the Redemption of Part of the Idle Fund Raised for Cash Management Upon Maturity
84		Announcement — Poll Results of the 2022 First Extraordinary General Meeting
85		List of Directors and their Roles and Functions
86		Consolidation of the Company into Its Largest Shareholder's Financial Statements
87		The Articles of Association of the Company
88	2022-04-22	Notification of Board Meeting
89		Overseas Regulatory Announcement — Announcement on the Issuance and Guarantee by Indirect Wholly-owned Subsidiary Under the Medium Term Note Scheme
90	2022-04-25	2021 Annual Report
91		Notification Letter to Registered Holders — Notice of Publication of 2021 Annual Report and Change Request Form
92		Notification Letter to Non-Registered Holders — Notice of Publication of 2021 Annual Report and Request Form
93	2022-04-28	Overseas Regulatory Announcement — Announcement on the Resolutions Passed at the 39th Meeting of the Seventh Session of the Board
94		Appointment of Members of Special Committees of the Board
95		List of Directors and their Roles and Functions
96		2022 First Quarterly Results
97	2022-05-05	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended 30 April 2022
98	2022-05-12	Overseas Regulatory Announcement — Announcement on Redemption of Part of Matured Idle Raised Funds Used for Cash Management, Continuing Cash Management and Related Party Transactions
99	2022-05-13	Overseas Regulatory Announcement — Announcement on the Resolutions Passed at the 40th Meeting of the Seventh Session of the Board
100		Overseas Regulatory Announcement — Prior Approval and Independent Opinions of the Independent Non-executive Directors of the Seventh Session of the Board on Relevant Matters at the 40th Meeting of the Seventh Session of the Board
101		Overseas Regulatory Announcement — Announcement on the Re-appointment of Accounting Firms
102	2022-05-26	Overseas Regulatory Announcement — Detailed Rules for the Work of the Executive Committee
103		Overseas Regulatory Announcement — Announcement on the Resolutions Passed at the 41st Meeting of the Seventh Session of the Board
104	2022-06-01	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended 31 May 2022
105	2022-06-06	Work Report of the Board; Work Report of the Supervisory Committee; 2021 Annual Report; 2021 Profit Distribution Plan; Resolution on Re-appointment of Accounting Firms; Resolution on the Estimated Investment Amount for the Proprietary Business of the Company for 2022; Resolution on Considering the Total Remuneration of the Directors and the Supervisors of the Company for 2021; Resolution on Estimation of Related Party/Continuing Connected Transactions Contemplated in the Ordinary Course of Business of the Company in 2022; and Notice of the Annual General Meeting
106		Notice of the Annual General Meeting

No.	Date of Publication	Subject Matter
107		Proxy Form
108		Notification Letter to Registered Holders — Notice of publication of Circular, Proxy Form and Reply Slip of 2021 Annual General Meeting
109		Notification Letter to Non-Registered Holders — Notice of Publication of Circular of 2021 Annual General Meeting
110		Notification Letter to Registered Holders — Joining the AGM through Online Webcast
111		Final Dividend for the Year Ended 31 December 2021
112	2022-06-22	Voluntary Announcement — Gratuitous Transfer of Shares of the Company
113		Overseas Regulatory Announcement — Detailed Report on Changes in Equity
114		Overseas Regulatory Announcement — Indicative Announcement on the Signing of the Gratuitous Transfer of Shares Agreement and Changes in Equity by the Largest Shareholder
115	2022-06-28	Overseas Regulatory Announcement — Announcement on the Resolutions Passed at the 42nd Meeting of the Seventh Session of the Board
116		Overseas Regulatory Announcement — Independent Opinions of Independent Non-executive Directors of the Seventh Session of the Board on the Waiver of the Preemptive Right of 10% Equity of China Asset Management Company Limited and Related Party Transactions
117		Overseas Regulatory Announcement — Announcement of the Independent Non-executive Director of the Seventh Session of the Board on the Waiver of the Preemptive Right of 10% Equity of China Asset Management Company Limited and Related Party Transactions
118		Overseas Regulatory Announcement — Prior Approval Opinion of the Independent Non-executive Director of the Seventh Session of the Board on the Waiver of the Preemptive Right of 10% Equity of China Asset Management Company Limited and Related Party Transactions
119		Overseas Regulatory Announcement — Legal Opinions of Beijing Jia Yuan Law Offices on the 2021 Annual General Meeting of CITIC Securities
120		Announcement — Change of Senior Management
121		Announcement — Poll Results of the 2021 Annual General Meeting and Payment of the 2021 Final Dividend
122		Final Dividend for the Year Ended 31 December 2021 (updated)