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## **China International Capital Corporation Limited**

**中國國際金融股份有限公司**

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

**(Stock Code: 03908)**

### **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2022**

The board of directors of China International Capital Corporation Limited (the “**Company**”) hereby announces the unaudited interim results of the Company and its subsidiaries for the six months ended June 30, 2022. This announcement, containing the main 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 preliminary announcements of interim results. The printed version of the Company's 2022 interim report will be despatched to the shareholders of the Company in due course and the Company's 2022 interim report will be available on the website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.cicc.com](http://www.cicc.com).

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

Beijing, the PRC  
August 30, 2022

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

# CORE VALUES

## BY THE PEOPLE AND FOR THE NATION

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

## PROFESSIONALISM AND DILIGENCE

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

## INNOVATION AND ENTREPRENEURSHIP

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

## CLIENT FIRST

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

## INTEGRITY

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

## CHINESE ROOTS AND INTERNATIONAL REACH

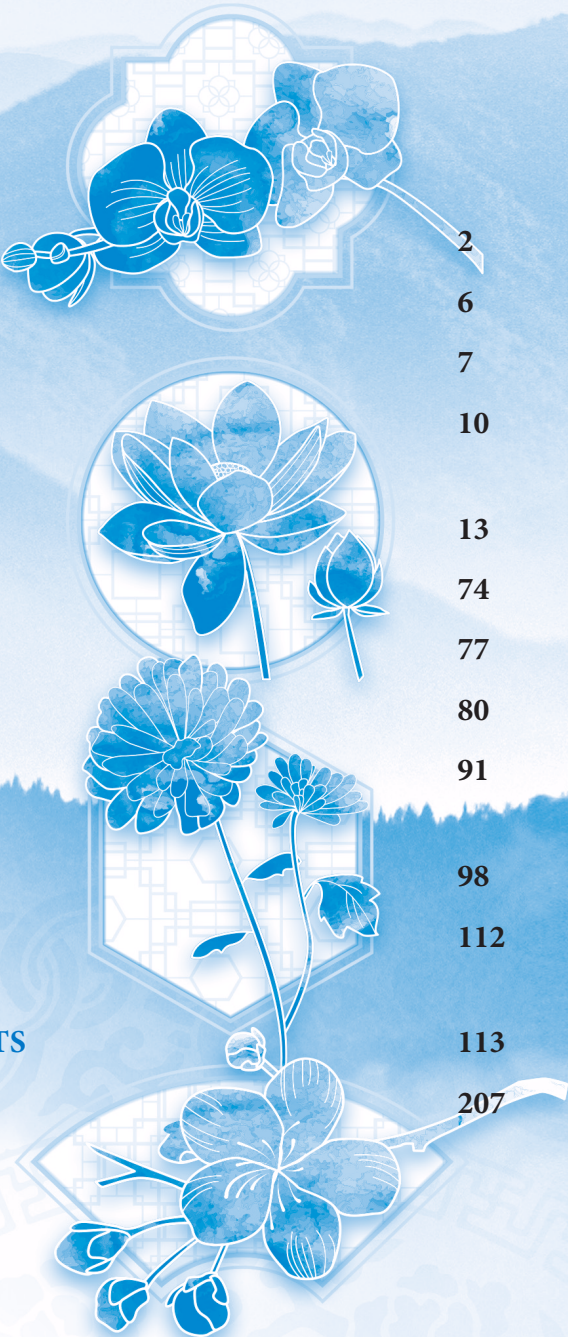
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As a China-based global investment bank, we are proud of our Chinese roots and of our international DNA. We bridge China and the world by providing best-in-class services to clients at home and abroad.



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# Definitions

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

|                                 |  |
|---------------------------------|--|
| “A Share(s)”                    | ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is (are) subscribed for and traded in RMB and listed on the Shanghai Stock Exchange  |
| “A Share Offering and Listing”  | the initial public offering of RMB ordinary shares (A Shares) and listing on the Shanghai Stock Exchange of the Company  |
| “Articles of Association”       | the articles of association of China International Capital Corporation Limited   |
| “AUM”                           | the amount of assets under management  |
| “Board” or “Board of Directors” | the board of directors of our Company  |
| “CASs”                          | Chinese Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC and other relevant requirements   |
| “Central Bank” or “PBOC”        | the People’s Bank of China* (中國人民銀行), the central bank of the PRC  |
| “China Investment Consulting”   | China Investment Consulting Co., Ltd.* (中國投資諮詢有限責任公司), a company incorporated in the PRC in March 1986 and a wholly-owned subsidiary of Jianyin Investment and a Shareholder of our Company  |
| “ChiNext Market”                | the ChiNext board of the Shenzhen Stock Exchange   |
| “CICC Capital”                  | CICC Capital Management Co., Ltd.* (中金資本運營有限公司), a company incorporated in the PRC in March 2017 and a wholly-owned subsidiary of our Company  |
| “CICC Fund Management”          | CICC Fund Management Co., Ltd.* (中金基金管理有限公司), a company incorporated in the PRC in February 2014 and a wholly-owned subsidiary of our Company  |
| “CICC Futures”                  | CICC Futures Co., Ltd.* (中金期貨有限公司), a company incorporated in the PRC in July 2004 and a wholly-owned subsidiary of our Company  |
| “CICC International”            | China International Capital Corporation (International) Limited (中國國際金融(國際)有限公司), a company incorporated in Hong Kong in April 1997 and a wholly-owned subsidiary of our Company, formerly known as China International Capital Corporation (Hong Kong) Limited (中國國際金融(香港)有限公司) |
| “CICC Private Equity”           | CICC Private Equity Management Co., Ltd.* (中金私募股權投資管理有限公司), a company incorporated in the PRC in October 2020 and a wholly-owned subsidiary of our Company   |
| “CICC Pucheng”                  | CICC Pucheng Investment Co., Ltd.* (中金浦成投資有限公司), a company incorporated in the PRC in April 2012 and a wholly-owned subsidiary of our Company  |
| “CICC Singapore”                | China International Capital Corporation (Singapore) Pte. Limited, a company incorporated in Singapore in July 2008 and a wholly-owned subsidiary of our Company  |



# Definitions

|   |  |
|---|--|
| “CICC UK”   | China International Capital Corporation (UK) Limited, a company incorporated in the United Kingdom in August 2009 and a wholly-owned subsidiary of our Company   |
| “CICC US”   | CICC US Securities, Inc., a company incorporated in the United States in August 2005 and a wholly-owned subsidiary of our Company  |
| “CICC Wealth Management” or “CICC Wealth Management Securities” | China CICC Wealth Management Securities Company Limited (中國中金財富證券有限公司), a company incorporated in the PRC in September 2005 and a wholly-owned subsidiary of our Company, formerly known as China Investment Securities Company Limited (中國中投證券有限責任公司)   |
| “Company”, “our Company” or “CICC”                              | China International Capital Corporation Limited (中國國際金融股份有限公司), a joint stock company with limited liability converted from China International Capital Corporation Limited (中國國際金融有限公司), a Chinese-foreign equity joint venture, on June 1, 2015, whose H Shares are listed on Hong Kong Stock Exchange (Stock Code: 03908) and A Shares are listed on the Shanghai Stock Exchange (Stock Code: 601995) |
| “Company Law”   | the Company Law of the PRC* (中華人民共和國公司法)   |
| “Corporate Governance Code”                                     | Corporate Governance Code, Appendix 14 to the Listing Rules of the Stock Exchange  |
| “CSRC”  | the China Securities Regulatory Commission* (中國證券監督管理委員會)  |
| “Directors”   | directors of our Company   |
| “ETF(s)”  | exchange-traded fund(s)  |
| “FICC”  | fixed income, commodities and currencies   |
| “FoF”   | Fund of Fund   |
| “GDR(s)”  | global depositary receipt(s)   |
| “Group”, “our Group” or “we”                                    | our Company and its subsidiaries (or with reference to the context, our Company and any one or more of its subsidiaries)   |
| “H Share(s)”  | ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is (are) subscribed for and traded in HK dollars and listed on the Hong Kong Stock Exchange  |
| “Haier Jinying”   | Haier Group (Qingdao) Jinying Holdings Co., Ltd., a company incorporated in the PRC in February 2014 and a Shareholder of our Company, formerly known as Haier Group (Qingdao) Financial Holdings Ltd.   |
| “HK\$”, “HKD” or “HK dollars”                                   | Hong Kong dollars, the lawful currency of Hong Kong  |
| “Hong Kong”   | the Hong Kong Special Administrative Region of the PRC   |
| “Hong Kong Stock Exchange” or “HKEX”                            | The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited   |

# Definitions

|  |   |
|--|---|
| “Huijin”, “Huijin Company” or “Central Huijin” | Central Huijin Investment Ltd.* (中央匯金投資有限責任公司), a wholly state-owned company ultimately owned by the PRC Government and a Shareholder of our Company  |
| “IFRSs”  | the International Financial Reporting Standards, which include standards, amendments and interpretations promulgated by the International Accounting Standards Board and the International Accounting Standards (IAS) and interpretations issued by the International Accounting Standards Committee (IASC) |
| “Jiayin Investment”                            | China Jiayin Investment Limited* (中國建銀投資有限責任公司), a company incorporated in the PRC in June 1986, a wholly-owned subsidiary of Huijin and a Shareholder of our Company   |
| “JIC Investment”                               | JIC Investment Co., Ltd.* (建投投資有限責任公司), a company incorporated in the PRC in October 2012 and a wholly-owned subsidiary of Jiayin Investment and a Shareholder of our Company   |
| “Latest Practicable Date”                      | August 30, 2022   |
| “Listing Rules of the Stock Exchange”          | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited  |
| “Listing Rules of the SSE”                     | the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, together with the Listing Rules of the Stock Exchange, are referred to as the “Listing Rules”   |
| “Ministry of Finance”                          | the Ministry of Finance of the PRC* (中華人民共和國財政部)  |
| “Model Code”                                   | the Model Code for Securities Transactions by Directors of Listed Companies set out in Appendix 10 to the Listing Rules of the Stock Exchange   |
| “Net capital”                                  | net capital refers to net assets after risk adjustments on certain types of assets as defined in the Provisions on the Calculation Basis for Risk Control Indicators of Securities Companies  |
| “NSSF”   | the National Council for Social Security Fund of the PRC* (中國全國社會保障基金理事會)   |
| “PRC” or “China”                               | the People’s Republic of China  |
| “PRC Government”                               | the central government of the PRC, including all governmental subdivisions (including provincial, municipal and other regional or local government entities) and instrumentalities  |
| “QFII(s)”                                      | Qualified Foreign Institutional Investor* (合格境外機構投資者)   |
| “REITs”  | real estate investment trusts   |
| “Reporting Period”                             | the period from January 1, 2022 to June 30, 2022  |
| “RMB”  | Renminbi, the lawful currency of the PRC  |

# Definitions

|  |   |
|--|---|
| “Science and technology innovation board” or “STAR Market” | Sci-Tech innovation board of Shanghai Stock Exchange  |
| “Securities Law”   | the Securities Law of the PRC* (中華人民共和國證券法)   |
| “SFC”  | the Securities and Futures Commission of Hong Kong (香港證券及期貨事務監察委員會)   |
| “SFO”  | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)   |
| “Shanghai Stock Exchange” or “SSE”                         | the Shanghai Stock Exchange* (上海證券交易所)  |
| “Share(s)”   | ordinary shares in the share capital of our Company with a nominal value of RMB1.00 each  |
| “Shareholder(s)”   | holder(s) of the Share(s)   |
| “Shenzhen Stock Exchange” or “SZSE”                        | the Shenzhen Stock Exchange* (深圳證券交易所)  |
| “SOE(s)”   | state-owned enterprise(s)   |
| “Supervisor(s)”  | supervisor(s) of our Company  |
| “Supervisory Committee”                                    | the supervisory committee of our Company  |
| “Tencent Holdings”   | Tencent Holdings Limited, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the Hong Kong Stock Exchange (Stock Code: 00700) |
| “Tencent Mobility Limited”                                 | Tencent Mobility Limited, a company incorporated in Hong Kong with limited liability, a wholly-owned subsidiary of Tencent Holdings and a Shareholder of our Company          |
| “UNPRI”  | The United Nations-supported Principles for Responsible Investment  |
| “US\$” or “USD”  | United States dollars, the lawful currency of the United States   |
| “Wind”   | Wind Information Co., Ltd.  |
| “%”  | per cent  |

## Note:

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



# Important Notes

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

| Name             | Position                           | Reason of Not Attending in Person | Name of Proxy |
|------------------|------------------------------------|-----------------------------------|---------------|
| Peter Hugh Nolan | Independent Non-executive Director | Personal reason                   | Liu Li        |

- III. The interim report was unaudited. The interim condensed consolidated financial statements for 2022 were prepared by our Company according to the IFRSs, which have been reviewed by Deloitte Touche Tohmatsu.
- IV. The Company will neither distribute profit nor increase Shares with the use of capital reserve during the mid-term of 2022.
- V. Statement for the risks involved in the forward-looking statement

The forward-looking statements such as future plans, development strategies contained in this report do not constitute substantive undertakings by our Company to investors who are advised to be cautious about investment risks.

- VI. No appropriation of funds on a non-operating basis by the Company's controlling shareholders or their respective related parties has occurred.
- VII. The Company did not provide any external guarantee in violation of the decision-making procedures.
- VIII. The business operations of our Company are closely related to the macro economy, monetary policy and market conditions in China and other jurisdictions where our businesses are operated. Any fluctuation in domestic and international capital markets will affect the Company's business operations.

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

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

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



# Company Profile

(As of June 30, 2022)

## I. BASIC CORPORATE INFORMATION

|                                |  |
|--------------------------------|--|
| Chinese name                   | 中國國際金融股份有限公司   |
| Abbreviation of Chinese name   | 中金公司   |
| English name                   | China International Capital Corporation Limited  |
| Abbreviation of English name   | CICC   |
| Legal representative           | Shen Rujun   |
| Chairman                       | Shen Rujun   |
| Chief Executive Officer        | Huang Zhaohui  |
| Authorized Representatives     | Huang Zhaohui, Zhou Jiaying  |
| Joint Company Secretaries      | Sun Nan, Zhou Jiaying  |
| Registered and office address  | 27th and 28th Floor, China World Office 2, 1 Jianguomenwai Avenue, Chaoyang District, Beijing, PRC |
| Postcode                       | 100004   |
| Place of business in Hong Kong | 29/F, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong, China           |
| Company website                | <a href="http://www.cicc.com">http://www.cicc.com</a>  |
| E-mail                         | <a href="mailto:Investorrelations@cicc.com.cn">Investorrelations@cicc.com.cn</a>                   |
| Registered capital             | RMB4,827,256,868   |
| Net capital                    | RMB47,582,045,557  |

# Company Profile

## Each individual business qualification of the Company

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

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

## II. CONTACT

|           |  |
|-----------|--|
| Contact   | Secretary to the Board: Sun Nan<br>Securities Affairs Representative: Zhou Cen                     |
| Address   | 27th and 28th Floor, China World Office 2, 1 Jianguomenwai Avenue, Chaoyang District, Beijing, PRC |
| Telephone | +86-10-65051166  |
| Facsimile | +86-10-65051156  |
| E-mail    | Investorrelations@cicc.com.cn  |

# Company Profile

## III. INFORMATION DISCLOSURE AND PLACE AVAILABLE FOR INSPECTION

Names and websites of the medium where the interim report is disclosed China Securities Journal ([www.cs.com.cn](http://www.cs.com.cn)), Shanghai Securities News ([www.cnstock.com](http://www.cnstock.com)), Securities Times ([www.stcn.com](http://www.stcn.com)), Securities Daily ([www.zqrb.cn](http://www.zqrb.cn))

Websites where the interim report is disclosed Website of the SSE: <http://www.sse.com.cn>  
Website of the HKEX: <http://www.hkexnews.hk>

Places available for inspection of the interim report 27th and 28th Floor, China World Office 2, 1 Jianguomenwai Avenue, Chaoyang District, Beijing, PRC

## IV. OVERVIEW OF COMPANY STOCK

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



# Summary of Accounting Data and Financial Indicators

## I. MAJOR ACCOUNTING DATA AND FINANCIAL INDICATORS

Unit: RMB in million

| Items   | Six months ended<br>June 30, 2022 | Six months ended<br>June 30, 2021 | Change                             |
|---|-----------------------------------|-----------------------------------|------------------------------------|
| <b>Operating results</b>                                  |                                   |                                   |                                    |
| Total revenue and other income                            | 17,651.0                          | 19,479.4                          | (9.4%)                             |
| Total expenses  | 13,148.6                          | 13,394.3                          | (1.8%)                             |
| Profit before income tax                                  | 4,518.4                           | 6,119.1                           | (26.2%)                            |
| Profit attributable to shareholders of the parent company | 3,841.6                           | 5,007.0                           | (23.3%)                            |
| Net cash generated from/(used in) operating activities    | 20,536.7                          | (25,066.5)                        | N/A                                |
| Basic earnings per share (RMB/share)                      | 0.743                             | 1.004                             | (26.0%)                            |
| Weighted average return on net assets                     | 4.6%                              | 7.0%                              | Decreased by 2.4 percentage points |

| Items  | June 30, 2022  | December 31, 2021 | Change                            |
|--|----------------|-------------------|-----------------------------------|
| <b>Financial position</b>  |                |                   |                                   |
| Total assets   | 679,994.4      | 649,795.5         | 4.6%                              |
| Total liabilities  | 588,904.7      | 565,064.7         | 4.2%                              |
| Total equity attributable to shareholders of the parent company  | 90,773.0       | 84,422.1          | 7.5%                              |
| Accounts payable to brokerage clients and to underwriting clients  | 106,361.2      | 100,749.5         | 5.6%                              |
| <b>Total share capital (in million shares)</b>   | <b>4,827.3</b> | <b>4,827.3</b>    | –                                 |
| <b>Net assets per share attributable to shareholders of the parent company (RMB/share)<sup>(1)</sup></b> | <b>16.2</b>    | <b>15.7</b>       | 3.2%                              |
| <b>Gearing ratio<sup>(2)</sup></b>   | <b>84.1%</b>   | <b>84.6%</b>      | Decreased by 0.4 percentage point |

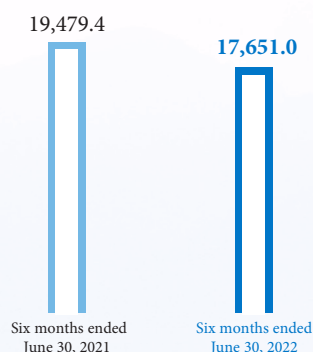
(1) Net assets per share attributable to shareholders of the parent company is calculated based on total equity attributable to shareholders of the parent company less other equity instruments.

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

# Summary of Accounting Data and Financial Indicators

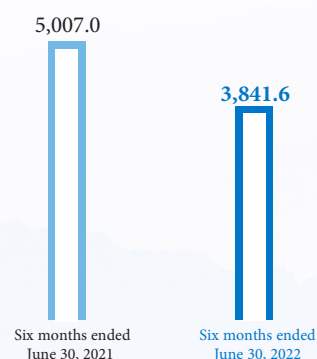
## Total revenue and other income

RMB in million

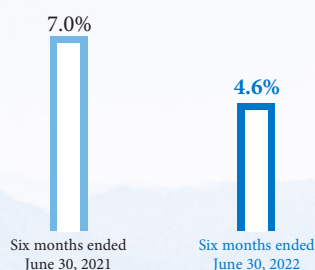


## Profit attributable to shareholders of the parent company

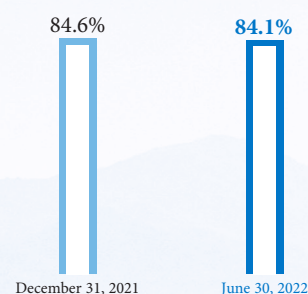
RMB in million



## Weighted average return on net assets

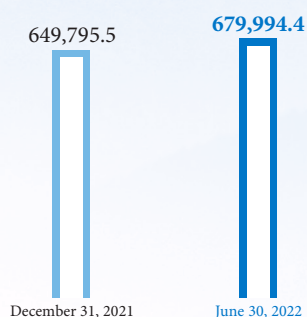


## Gearing ratio



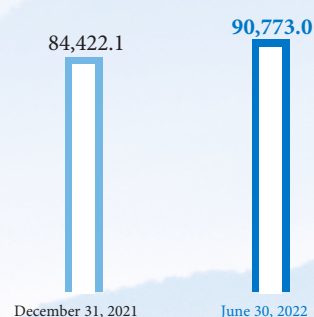
## Total assets

RMB in million



## Total equity attributable to shareholders of the parent company

RMB in million



# Summary of Accounting Data and Financial Indicators

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

In terms of our Group's profit attributable to shareholders of the parent company for the six months ended June 30, 2022 and ended June 30, 2021 and the net assets attributable to shareholders of the parent company as of June 30, 2022 and December 31, 2021, there's no difference between the numbers presented in the condensed consolidated financial statements prepared in accordance with IFRSs and those presented in the consolidated financial statements prepared in accordance with CASs.

## III. NET CAPITAL AND RELEVANT RISK CONTROL INDICATORS

As of June 30, 2022, the net capital of the parent company amounted to RMB47,582.0 million, representing a decrease of 1.3% compared with RMB48,228.7 million as of December 31, 2021. During the Reporting Period, our parent company's net capital and other risk control indicators all met regulatory requirements.

Unit: RMB in million

| Items  | June 30, 2022 | December 31, 2021 |
|--|---------------|-------------------|
| Core net capital   | 31,721.4      | 32,528.7          |
| Supplementary net capital                                      | 15,860.7      | 15,700.0          |
| Net capital  | 47,582.0      | 48,228.7          |
| Net assets   | 71,736.7      | 66,656.6          |
| Total risk capital reserves                                    | 29,222.4      | 31,808.0          |
| Total on-and-off-balance-sheet assets                          | 270,473.0     | 253,907.9         |
| Risk coverage ratio  | 162.8%        | 151.6%            |
| Capital leverage ratio   | 11.7%         | 12.8%             |
| Liquidity coverage ratio                                       | 497.5%        | 316.7%            |
| Net stable funding ratio                                       | 149.9%        | 136.4%            |
| Net capital/net assets   | 66.3%         | 72.4%             |
| Net capital/liabilities  | 17.8%         | 19.7%             |
| Net assets/liabilities   | 26.9%         | 27.2%             |
| Equity securities and related derivatives held/net capital     | 43.2%         | 58.0%             |
| Non-equity securities and related derivatives held/net capital | 347.0%        | 306.4%            |



# Management Discussion and Analysis

## I. CORPORATE STRATEGIES AND OPERATIONS

### Market Environment

In the first half of 2022, China successfully withstood challenges from the resurgence of COVID-19 and maintained positive economic growth. Since the beginning of the year, the global landscape has become increasingly complex and challenging, while China has experienced frequent and sporadic pandemic resurgence. Adverse impacts from these trends increased markedly. Against such a backdrop, the Chinese government stepped up its efforts to build stronger capabilities for pandemic control and prevention, and took prompt action to improve pandemic containment measures, which delivered quite positive results. Meanwhile, the Chinese government effectively coordinated measures for pandemic containment and efforts to maintain social and economic growth. Thanks to intensified macro policy adjustment and effective implementation of pro-growth policy packages, the Chinese economy achieved positive growth in 2Q22 despite headwinds, and the country's GDP grew 2.5% year-on-year in the first half of 2022.

We believe China's macro policies will aim to strengthen the groundwork for an economic recovery. The decline of China's major economic indicators moderated in May, and the Chinese economy stabilized and rallied in June. However, we still see many uncertainties in the existing environment for economic development. Since May, the Chinese government has worked diligently and promptly to implement policies drawn in the Central Economic Work Conference and the Government Work Report. Policymakers have introduced a package of 33 pro-growth measures and held a nationwide teleconference on plans to stabilize the macro economy. We believe there is still sizeable room for the implementation of pro-growth policy packages, and macro policies are quite likely to remain consistent and continue to support the economic recovery.

China continued to advance economic transformation and upgrading, and the country's emerging development engines continued to grow rapidly. In the first half of 2022, hi-tech manufacturing companies above the designated size maintained robust growth and recorded a 9.6% year-on-year increase in their industrial value-added, which was

6.2 percentage points above the value-added growth of all industrial companies above the designated size. Investment in hi-tech sectors grew 20.2% year-on-year, which outpaced the growth of national fixed asset investment by 14.1 percentage points and served as a key driving force behind economic transformation and upgrading. Meanwhile, China continued to forge ahead with green transition. In the first half of 2022, the proportion of clean energy in total energy consumption expanded by 1.3 percentage points year-on-year. The production of new energy vehicles and solar cells increased by 111.2% and 31.8% year-on-year, respectively.

China's capital market reform in 2022 has focused on the "registration-based IPO system" and "opening up". "Full implementation of the registration-based IPO system" is a clear statement in the government's work report to the 2022 annual sessions of the National People's Congress and the Chinese People's Political Consultative Conference. This signifies the final campaign in the A-share registration-based IPO system reform is about to begin following successful trials in the SSE STAR Market and the ChiNext Market. We believe this will become another milestone in China's reform to the issuance system of its capital market. As for "opening up", the CSRC issued in 2022 Provisions on the Supervision and Administration of Depository Receipts under the Stock Connect Scheme between Domestic and Overseas Stock Exchanges. The regulatory authority expanded the original Shanghai-London Stock Connect program in both directions, which marks further progress in China's endeavors to open up its capital market to overseas investors and grant domestic investors access to overseas markets. In addition, CSRC and the SFC agreed to expand the Stock Connect program to include eligible exchange-traded funds (ETFs). We believe this move will facilitate overseas investment in China's capital market, promote the integration of capital markets in the Chinese mainland and Hong Kong SAR, and help further open up China's capital market.

China's capital market has been relatively resilient in 2022 from a global perspective. In early 2022, the Chinese market experienced sharp fluctuations as the country's pro-growth efforts encountered supply shocks stemming from domestic COVID-19 resurgence and overseas geopolitical risks. However, the Chinese market as a whole still managed to outperform

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overseas markets and showed relative resilience amid the divergence between Chinese and overseas economic cycles, economic slowdown in China vs. soaring inflation in overseas economies, as well as policy easing in China vs. policy tightening in overseas economies. In the first half of 2022, capital flows of domestic and overseas institutions were volatile amid poor performance of global markets. On the domestic side, mutual fund units increased by 1.4 trillion in the first half of 2022, lower than historical growth in the same period of 2021. The amount of securities assets managed by privately offered funds also declined from the historical level recorded at the end of 2021. On the overseas side, domestic and overseas risks led to a net outflow of northbound funds in the Stock Connect program in early 2022. However, northbound funds apparently returned to the Chinese market as it gradually became relatively more attractive in terms of fundamentals, valuations and policies. Net inflows of northbound funds totalled RMB54,500 million in the first half of 2022. As the implementation of more pro-growth policies supports the recovery of China's economic fundamentals, the Chinese market still offers one of the best growth opportunities worldwide and is likely to become a safe haven for overseas investors. Institutionalization and internationalization of China's capital market are set to continue.

The financial industry's service for the real economy has been improving in terms of both quality and efficiency. China has been strengthening the regulation of deposit interest rates and stabilizing the cost of bank liabilities. In June 2022, the interest rate of new corporate loans dropped by 34 basis points year-on-year to 4.2%, and the comprehensive corporate financing cost declined slightly. At the end of June 2022, the balance of inclusive loans for small and micro enterprises increased by 23.8% year-on-year, 13 percentage points above the growth of overall loan balance. Meanwhile, 52.39 million small and micro enterprises received inclusive credit lines, up 36.8% year-on-year. These figures indicate further improvements in the support for medium, small, and micro enterprises. As of end-June, the balance of medium- and long-term loans for the manufacturing industry increased by 29.7% year-on-year, and the cumulative amount of instruments issued to support carbon emission cuts reached RMB182,700 million, which facilitated carbon emission reduction by more than 60 million tonnes. These numbers clearly show the financial industry has provided greater support for key sectors.

China made remarkable achievements in the prevention and elimination of major financial risks. High risks in certain conglomerates have been properly dealt with, and the number of existing high-risk institutions has been declining. According to financial institution ratings issued by the People's Bank of China (PBOC) in 4Q21, 99% of the total assets in the banking sector are within the safe boundary, and ratings for the vast majority of small and medium banks are also within the safe boundary. China has been establishing long-term mechanisms to maintain financial stability. In April, the country unveiled a draft financial stability law to solicit public opinions. In addition, the regulatory authority plans to establish a guarantee fund for financial stability to help mitigate major systemic financial risks. These events and trends indicate that China has further strengthened its "financial safety net".

## Landscape of Securities Industry

Amid fluctuations of domestic and overseas capital markets in the first half of 2022, we believe the securities industry may see a decline in earnings, although leading comprehensive securities firms will likely show relatively stronger resilience. The CSI 300 Index, the ChiNext Index and the Hang Seng Index fell by 9.2%, 15.4% and 6.6% in the first half of 2022, respectively. Meanwhile, the A-share market's daily average turnover grew 7.4% year-on-year to RMB976,000 million. The balance of margin trading and short selling shrank to RMB1.6 trillion, down 12.5% from the level at the beginning of 2022. The pullback of major market indexes undermined the performance of securities firms' investment-related businesses, which weighed on the industry's overall earnings. Here are our estimates on performance of various business lines in the securities industry: We expect revenue from the industry's brokerage business to remain stable, as market turnover edged up year-on-year, the transition to wealth management progressed in an orderly fashion, although the industry's commission rate further declined marginally. Revenue from the industry's investment banking business will likely grow year-on-year due to a clear year-on-year increase in total IPO proceeds in the first half of 2022 along with further progresses in the reform to implement a registration-based IPO system and development of the multi-tier capital market system. We believe revenue from



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the industry's asset management business is likely to remain solid and stable thanks to the expanding proportion of active asset management and year-on-year growth in the amount of assets managed by mutual funds. The industry's investment-related revenue will likely face headwinds in the first half of 2022, since the decline in market indexes led to a substantial drop in revenues from unhedged proprietary stock trading and co-investment, while the demand-driven capital intermediary business became less active. Overall, we believe leading securities firms with strong capabilities for comprehensive customer services and limited exposure to unhedged investment will likely deliver more resilient business performance.

China continued to forge ahead with its capital market reform and accelerate transformation of the securities industry. The increase in industry concentration is coupled with the rise of professional securities firms with unique characteristics. China's 2022 government work report stated that the country aims to "achieve full implementation of the registration-based IPO system, and promote steady and sound development of the capital market". At a 2022 work conference, CSRC also stressed that it would advance capital market reforms by fully implementing the registration-based IPO system. Further progress in market reforms paves the way for high-quality development of the securities industry. The securities industry is shifting from its traditional business structure, which is dominated by proprietary trading and the so-called "channel business", to a comprehensive service model that puts customers at its center. Capitalizing on increasingly stronger and diversified demand from retail, corporate and institutional customers, this fundamental change aims to promote the transition to wealth management and active asset management businesses, expand broad investment banking operations and boost their capital-based business development, and shift the proprietary trading business towards capital intermediary businesses based on customer demand. In addition, securities firms are enhancing their comprehensive financial service capabilities through digitalization and collaboration between various business lines. As the securities industry transforms and grows, leading securities firms stand to benefit from their comprehensive competitive advantages in capital strength, business

capabilities, compliance, risk control, branding and corporate culture. We believe leading securities firms will contribute to steady increases of industry concentration and the formation of a professional, differentiated industry landscape with specialized corporate characteristics.

China endeavors to build world-class Chinese investment banks as the country forges ahead with financial opening-up in both directions. Further opening-up of China's financial industry has allowed international investment banks to accelerate their foray into the Chinese market, especially in cross-border mergers and acquisitions, cross-border financing, asset management and wealth management businesses. As a result, Chinese investment banks face intense competition from global giants in terms of capital strength, human resources, professional capabilities, business systems and resource networks. Therefore, China strives to improve competitiveness and structure of its securities industry through reforms based on and driven by opening-up. Meanwhile, the demand for premium, complex and cross-border services is growing, since domestic industrial and financial investors are expediting their expansion into international markets, while cross-border capital flows are increasingly frequent in both directions amid China's supply-side reforms and progresses in the Belt and Road Initiative. The accelerated development of world-class investment banks with strong market influence and competitiveness is of strategic importance to China in terms of support for the country's national strategies, services for the real economy, expansion of the proportion of direct financing, further reforms and opening-up, as well as improvements in China's international influence.

## Development Strategies

Looking into the future, a new round of deep reform and opening up of China's economy and capital market will provide unprecedented historical opportunities for CICC to achieve leapfrog development. In line with our medium and long-term development objectives, we will strive to increase the market share, expand the revenue size, and accelerate our pace to become a world-class international investment bank.



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## Business Plans

2022 will be a critical year for CICC to deepen strategic execution and digital transformation. The Company will focus on the “Three + One” strategic deployment of “digitization, regionalization and internationalization” and “One CICC”, and strive to reach a higher stage of development in both scale and quality by increasing resource investment, improving network coverage, accelerating transformation and development, and consolidating capacities for the middle-and-back-offices.

## II. ANALYSIS OF CORE COMPETITIVENESS

### (I) Premier Brand

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

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

### (II) High-quality Client Base

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

### (III) Forward-Looking and Balanced Business Structure

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

# Management Discussion and Analysis

## (IV) Outstanding Cross-border Capability

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

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

In terms of cross-border business, our Company has been serving the “bringing in” and “going global” needs of industrial capital and financial capital, which enabled us to enjoy certain advantages in businesses such as overseas IPOs for PRC-based companies, offshore bond offerings, and cross-border mergers and acquisitions, to sustain strong growth in emerging businesses such as cross-border transactions and the Connect business and to maintain the leading market position in terms of transaction volume of the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect business, thereby obtaining more bargaining and pricing power in the international capital markets. In addition, our Company continued to enhance cross-border business capabilities through the acquisition of Krane Funds Advisors in the United States. In 2021, based on the research and judgment of the international situation, and in line with our strategic needs, our

Company has further enhanced the international presence and formulated a development roadmap.

## (V) Leading and Influential Research

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

Our research capabilities have been widely recognized by influential international institutions. These included the “No. 1 Overall Country Research for China” in the Asiamoney Brokers Poll, which marked the 16th consecutive year of our championship in this poll from 2006 to 2021. We were also named the “No.1 The All-China Best Research Team” by Institutional Investor for ten consecutive years from 2012 to 2021. In 2020, our Company established the CICC Global Institute (CGI), which focuses on public policy research and is committed to building a new think tank in the new era. The CGI and CICC Research are committed to working side by side to provide all-round research support for the economic and social development.

## (VI) Experienced Management and High-quality Workforce

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

Most members of our senior management team have work experience in domestic and overseas financial institutions with global perspectives. In the meantime, they have experienced the main development course and multiple cycles of China’s securities industry, and are equipped with rich experience and profound understanding regarding domestic and overseas capital markets and the securities markets. Riding on the

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concept of “Chinese Roots and International Reach”, our senior management team has constantly combined advanced management experience with the practices of China’s financial reform, and took the lead in developing new products and vigorously exploring new markets.

Our excellent brand and high-quality platforms enabled us to recruit the best graduates from top domestic and overseas universities, providing the best talents for our domestic and overseas branches. Our sound staff development and training system has provided comprehensive and systematic training for employees at different levels and positions, thereby continuously enhancing professional capabilities of our workforce and equipping them with practice capabilities to obtain full licenses. Meanwhile, riding on the advanced international experience, our Company has developed advanced talent selection and cultivation mechanism combining incentives in line with market benchmarks, thereby maintaining a large number of outstanding talents to support the long-term sustainable development of our Company. Through the above measures, we have developed high-quality workforce to support our rapid, healthy and sustainable development.

## **(VII) Efficient Management Model and Prudent Risk Management Mechanism**

Our Company has established an efficient and reasonable management model and a comprehensive and prudent risk management mechanism. Since establishment, our Company has adhered to the concept of combining best international practices with the actual conditions of China, formulated a full set of governance structure and management procedures in line with international standards, and established a vertical management model covering all business operations and internal control of the Company to ensure efficient and effective management. At the same time, our Company has always adhered to and continuously strengthened the “all staff, whole process, full coverage and penetrating” risk control compliance

system and operating mechanism, through which the parent company can conduct integrated vertical management over domestic and overseas subsidiaries and branches, and the same business and the same client can be subject to unified risk management. Therefore, our Company has formed centralized and effective business management and risk control, and unified decision-making, management and resources allocation, thus ensuring the smooth and orderly development of our business and the stable operation of our risk control system.

## **(VIII) Advanced Information Technology Capabilities**

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

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



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leading technology companies to develop new products, businesses and models with data and technology. In 2020, the Company kick-started digital transformation, and was committed to becoming “a world-class investment bank with Internet genes”.

## III. ANALYSIS OF PRINCIPAL BUSINESS

The Company's investment banking business mainly provides investment banking services such as equity financing, debt and structured financing and financial advisory for domestic and foreign corporate and institutional customers, including sponsorship and underwriting of initial public offering and listing at home and abroad, sponsorship and underwriting for refinancing of domestic and foreign listed companies, underwriting of various domestic and overseas fixed income financing instruments, financial advisory services for transactions such as corporate mergers and acquisitions, strategic acquisition of shares, privatization and spin-off of listed companies.

The Company's equities business mainly provides domestic and overseas professional investors with one-stop comprehensive financial services covering “investment research, sales and trading, derivatives products and cross-border business”, including institutional trading services and capital business. Capital business mainly includes providing professional investors with various innovative products and capital services such as prime brokers, over-the-counter derivatives, capital introduction and market-making transactions.

The Company's FICC business mainly provides domestic and foreign enterprises and institutional customers with integrated and comprehensive services covering sales, trading, research, advisory and structuring of fixed income, commodity and foreign exchange securities and derivatives. Specifically, FICC operates in interest rate business, credit business, structured business (including securitized products and non-standard products), foreign exchange business and commodity business (including futures business).

The Company has full licenses in asset management, and a diversified portfolio of asset management products. With reference to international industry standards and domestic regulatory requirements, the Company has established a unified asset management business platform covering domestic and overseas markets, which mainly designs and provides diversified asset management products and services, including social security and annuity investment management, institutional entrusted investment management, offshore asset management, retail and mutual fund products and services for domestic and foreign investors.

The Company's private equity business serves domestic and foreign investors, designing and providing integrated private equity investment fund products and services, mainly including corporate equity investment fund, FoF, USD fund, real asset fund, and infrastructure fund. The Company carries out unified management of domestic and overseas private equity investment fund business through our private equity fund management subsidiaries, which invest in high-quality enterprises with long-term growth potential, core competitiveness and strong management teams.

The wealth management business of the Company mainly provides a wide range of wealth management products and services to individuals, families and corporate customers to meet their trading, investment and asset allocation demand, including trading services, capital services such as margin financing, securities lending and stock-pledge repo, and product allocation services.

The research business of the Company mainly supports various business lines of the Company by providing objective, independent, rigorous and professional research services to domestic and foreign customers. In 2020, the Company established the CICC Global Institute, which focuses on public policy research and is committed to building a featured think tank in the new era.

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## (I) INVESTMENT BANKING

### Equity Financing

#### *Market Environment*

In the first half of 2022, a total of 176 A-share IPOs were completed, with an aggregate financing size of approximately RMB260,076 million, representing a year-on-year increase of 19.0%; a total of 121 A-share follow-on offerings were completed, with an aggregate financing size of approximately RMB267,029 million, representing a year-on-year decrease of 12.3%.

In the Hong Kong primary market, a total of 27 Hong Kong IPOs were completed, with an aggregate financing size of approximately US\$2,687 million, representing a year-on-year decrease of 91.2%; in terms of follow-on offerings and selldowns, a total of 79 transactions were closed with an aggregate amount of approximately US\$5,508 million, representing a year-on-year decrease of 90.1%.

In the U.S. primary market, a total of 5 US IPOs of PRC-based companies were completed, with an aggregate financing size of approximately US\$148 million, representing a year-on-year decrease of 98.9%. A total of 11 US follow-on offerings and selldowns of PRC-based companies were completed, with an aggregate size of approximately US\$207 million, representing a year-on-year decrease of 96.7%.

#### *Actions and Achievements*

In the first half of 2022, our Company closed a total of 14 A-share IPOs acting as the lead underwriter, with an aggregate lead underwriting amount of RMB22,225 million, leading A-share IPOs including IPOs of Zhongyi Technology and LUSTER. The Company closed a total of 21 A-share follow-on offerings acting as the lead underwriter, with an aggregate lead underwriting amount of RMB48,066 million, ranking No.1 in the market and completed milestone transactions such as the rights issue of Orient Securities and the non-public offering of Daqo Energy.

In the first half of 2022, the Company sponsored a total of 9 Hong Kong IPOs acting as the sponsor, including that of Huitongda and Ferretti, with an aggregate amount of US\$644 million, ranking No.1 in the market; the Company closed a total of 12 Hong Kong IPOs acting as the global coordinator, with an aggregate lead underwriting amount of US\$577 million, ranking first in the market; the Company also closed a total of 12 Hong Kong IPOs acting as the bookrunner, with an aggregate lead underwriting amount of US\$227 million, ranking second in the market. The Company closed 6 transactions of follow-on offerings and selldowns acting as the bookrunner, with an aggregate lead underwriting amount of US\$318 million.

In the first half of 2022, following the policy directions of the CPC Central Committee, we took various measures to help stabilize the economy and continuously enhance our ability to serve the real economy. We supported the technological self-reliance of China by participating in the IPO financing of over RMB17,000 million in the STAR Market and the ChiNext Market, including IPO of Zhongfu Shenying (中復神鷹) in the STAR Market, IPO of Rendu Biotechnology (仁度生物) in the STAR Market, IPO of Wankai New Materials in the ChiNext Market and other projects. We contributed to securing the supply chain and industrial chain, and completed the IPO of Oriental Semiconductor in the STAR Market, the A-share non-public offering of National Silicon Industry Group, with transactions amounting to over RMB98,000 million. The Company served the financing of energy enterprises, completing projects including A-share IPO of CNOOC and A-share non-public offering of Sinopec Oilfield Equipment, with transactions amounting to approximately RMB30,000 million.



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| Items               | January to June 2022                         |                     | January to June 2021                         |                     |
|---------------------|--|---------------------|--|---------------------|
|                     | Lead underwriting amount<br>(RMB in million) | Number of offerings | Lead underwriting amount<br>(RMB in million) | Number of offerings |
| <b>A shares</b>     |  |                     |  |                     |
| IPOs                | 22,225                                       | 14                  | 11,576                                       | 8                   |
| Follow-on offerings | 48,066                                       | 21                  | 35,078                                       | 14                  |

| Items                             | January to June 2022                         |                     | January to June 2021                         |                     |
|-----------------------------------|--|---------------------|--|---------------------|
|                                   | Lead underwriting amount<br>(USD in million) | Number of offerings | Lead underwriting amount<br>(USD in million) | Number of offerings |
| <b>Hong Kong equity offerings</b> |  |                     |  |                     |
| IPOs                              | 227  | 12                  | 1,966  | 15                  |
| Follow-on offerings               | 318  | 6                   | 2,703  | 12                  |

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

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

## Outlook for the Second Half of 2022

In the second half of 2022, the Company will continue to give full play to our professional know-how, focus on three tasks of serving the real economy, preventing and controlling financial risks and deepening financial reform, and promote the high-quality development of the investment banking business in serving the development of China. We will seize the opportunities from the comprehensive reform of the registration-based system and the interconnection between domestic and foreign markets, enlarge the breadth and depth of customer coverage and increase the number of projects in the pipeline. We will make full use of our market experience to support the comprehensive reform of the registration-based system. We will be deeply engaged in regional strategies to support the financing in the real economy in key regions including the Guangdong-Hong Kong-Macao Greater Bay Area and the Yangtze River Delta integration. We will promote high-level openness of the capital market, seize GDR and other business opportunities, and continuously enhance our international business capabilities.



# Management Discussion and Analysis

## Debt and Structured Financing

### *Market Environment*

In the first half of 2022, due to the pandemic, China's monetary policy was relatively relaxed, with greater support for the real economy. The yield of short-term interest-rate bonds fell, while the yield of long-term interest-rate bonds fluctuated. In the first half of the year, credit bonds issued amounted to approximately RMB9.10 trillion, representing a year-on-year decrease of 3.3%, among which the asset securitization products issued amounted to RMB0.96 trillion, representing a year-on-year decrease of 32.6%. In the first half of the year, local government bonds issued amounted to RMB5.25 trillion, representing a year-on-year increase of 57.1%. In terms of offshore bonds, the interest rate rose due to the Federal Reserve's interest rate hikes and the rising inflation expectations. The amount of overseas bond offerings by Chinese issuers dropped significantly as compared with the previous year, with medium-and long-term bonds of US\$68,261 million issued, representing a year-on-year decrease of 37.4%.

### *Actions and Achievements*

In the first half of 2022, the onshore bonds underwriting amount of CICC was RMB494,742 million; the offshore bonds underwriting amount was US\$3,687 million.

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

In the first half of 2022, CICC completed many representative projects and product innovations. In terms of science and technology innovation bonds, the Company assisted Xiaomi Telecom (小米通訊) in completing the issuance of China's first corporate bond of a technology enterprise in the intelligent manufacturing industry, Guangzhou Port Holdings (廣州港股份) in completing the issuance of China's first "BRI technology innovation" corporate bond, which is

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the first batch of scientific and technological innovation corporate bonds of the Shanghai Stock Exchange, Shenzhen Hi-Tech Investment and Small Loan (深圳高新投小貸) in completing the issuance of China's first ABSs for science and technology innovation, China Reform Holdings (國新控股) in completing the issuance of the exchange's first extendable corporate bond for digital economic science and technology innovation. In terms of green bonds, the Company assisted CECEP Solar Energy Technology (中節能股份) in completing the issuance of China's first "carbon neutrality" and "rural revitalization" corporate bond, China Merchants Bank in completing the issuance of China's first bond for rural revitalization and green finance, China Jinmao (中國金茂) in completing the issuance of China's first Quasi-REITs with "carbon neutrality" office buildings as the underlying assets, and Huaneng Group in completing the issuance of the first exchange-traded low-carbon transition-linked bond. In addition, the Company assisted Huaneng Tiancheng (華能天成) in issuing China's first bond for supporting the development of the non-government-owned entities, Orient Asset Management in completing the issuance of China's first financial bond for AMC real estate risk mitigation and disposal, and New Development Bank in completing the biggest issuance of Panda bonds among super-sovereign organizations to date. In terms of offshore bonds, CICC assisted Deqing Cultural Tourism (德清文旅) in completing the issuance of RMB bonds in China (Shanghai) Pilot Free Trade Zone, Jinan Energy (濟南能源) in completing the issuance of Lotus bonds settled by Macao Central Securities Depository (MCSD) System, CNCBI (信銀國際) in completing the issuance of subordinated perpetual bonds of additional Tier 1 (AT1) capital replenishment instruments, and The Bank of East Asia in completing the issuance of non-preferred loss absorbing notes. In terms of ESG bonds, the Company assisted enterprises including Shandong Hi-Speed (山東高速), Hubei Liantou (湖北聯投) and Hangzhou Water (杭州水務) in completing the issuance of overseas green bonds, and Gansu Highway Aviation Tourism Group (甘肅公航旅集團) in completing the issuance of offshore sustainable bonds.

## *Outlook for the Second Half of 2022*

In the second half of 2022, the Company will continue to increase input in policy-directed fields, respond to market changes quickly and actively seize market opportunities, with a focus on serving national and regional economic development objectives. In response to a series of policies to stabilize the economy and the support for the real economy in expanding effective investment, the Company will continuously carry out the bond underwriting business in terms of supporting the supply chain and the industrial chain, financing of micro, small and medium-sized enterprises, support in the rural revitalization and promotion of low-carbon transition. The Company will actively expand the global network in international business, take advantage of CICC cross-border platform, and provide customized financing and risk management solutions for enterprises. The Company will continuously build and improve the full-cycle financial service chain, and actively explore business opportunities for debt management and credit repair. In addition, the Company will further strengthen risk prevention and control awareness, comprehensively improve the quality of fixed income underwriting business, and enhance project selection and execution capabilities.

## **Financial Advisory Services**

### *Market Environment*

In the first half of 2022, according to Dealogic, 1,452 mergers and acquisitions ("M&A") transactions in PRC Market were announced with an aggregate volume of approximately US\$199,192 million, representing a year-on-year decrease of 26.8%, among which, 1,282 transactions were domestic with a total volume of approximately US\$172,360 million, representing a year-on-year decrease of 25.7%; and 170 transactions were cross-border with a total volume of approximately US\$26,832 million, representing a year-on-year decrease of 33.5%.

# Management Discussion and Analysis

## *Actions and Achievements*

In the first half of 2022, according to Dealogic, CICC maintained our leading position and continued to rank No.1 in the PRC M&A Market. In the first half of 2022, CICC announced 49 transactions, involving an aggregate volume of approximately US\$66,788 million. Among these transactions, 42 were domestic with a total volume of approximately US\$63,831 million and 7 were cross-border and offshore with a total volume of approximately US\$2,957 million.

In the first half of 2022, we closely followed national strategies, and contributed to the deepening of the reform of SOEs, stabilizing of the market and promoting the investment in transportation infrastructure. We announced a number of deals, including the integration by Jiangxi State-owned Capital Operation Holding of four provincial state-owned enterprises, the merger of three regional city commercial banks by Zhongyuan Bank, the acquisition

of the control over Shandong Aviation Group by Air China and triggering of a mandatory offer for Shandong Aviation B, the privatization of Xiamen International Port. We continued to promote high-tech, new economy and market-oriented merger and acquisition transactions, and announced deals such as the acquisition of Broadex Technologies by Yangtze Optical Fibre, the acquisition of Time Interconnect Technology by Luxshare Precision. We continued to maintain our leading edge in the cross-border business and Hong Kong and US stock markets, and announced deals such as the acquisition of the digital system segment of OSRAM by Inventronics, strategic investment of Philips in B-soft, privatization of HKEX-listed China VAST Development by China Jinmao, and privatization of NASDAQ-listed Glory Star New Media. We assisted the government and enterprises in resolving risks, guaranteeing employment, and led the completion of debt restructuring deals for companies including Tsinghua Unigroup, Qinghai Provincial Investment Group, Shengjing Energy, and Xinchufeng Automobile.



# Management Discussion and Analysis

Milestone transactions announced/completed in the first half of 2022 include:

| Project   | Size             | Highlights  |
|---|------------------|---|
| Integration by Jiangxi State-owned Capital Operation Holding of four provincial state-owned enterprises, namely Jiangxi Provincial Communications Investment, Jiangxi Copper Corporation, Jiangxi Water Conservancy Investment and Jiangxi Railway & Aviation | US\$39.5 billion | Serving the reform of local SOEs, optimizing, strengthening and expanding the state-owned capital operation of Jiangxi province, assisting the central region to create a new pattern of high-quality development, representing the largest transaction in Jiangxi Province in recent ten years |
| Merger of three regional city commercial banks by Zhongyuan Bank  | US\$4.5 billion  | Serving the milestone project of regional integration in Henan Province and building a trillion-level city commercial bank, representing the largest acquisition conducted by Hong Kong listed financial company in recent ten years  |
| Acquisition by China Power of new energy assets of SPIC Group   | US\$1.1 billion  | Active response to the “carbon peaking and carbon neutrality” policy, securitization of high-quality new energy power generation assets, and accelerated achievement of the goals of strategic development of clean energy  |
| Cross-border acquisition of a controlling stake in Time Interconnect Technology by Luxshare Precision and triggering of a mandatory conditional cash offer  | US\$0.3 billion  | A strategic setup for M&A of industrial bellwethers in the high-end manufacturing industry in the Greater Bay Area, representing the market-oriented acquisition of HKEX-listed company by A-share listed company   |
| Acquisition of Broadex Technologies by Yangtze Optical Fibre  | US\$0.2 billion  | Covering three regions, namely Shanghai, Hong Kong and Shenzhen, and involving the transfer of control over three A share listed companies, achieving a powerful combination in the field of optical devices  |
| Strategic investment of Philips in B-soft   | US\$0.2 billion  | The first foreign MNC’s strategic investment in A-share listed company in healthcare sector in recent five years  |
| Acquisition of the control over Shandong Aviation Group by Air China and triggering of a mandatory offer for Shandong Aviation B  | Undisclosed      | A bailout case in the civil aviation industry, and deepened the cooperation between the central and the local governments to ensure “stability on six fronts” and “security in six areas”, and the first B-share mandatory offer for the purpose of de-listing                                  |
| Debt restructuring of Tsinghua Unigroup   | RMB150.7 billion | China’s largest-ever debt restructuring transaction in the semiconductor industry, involving various strategic emerging industries, with an investment of RMB60 billion   |

# Management Discussion and Analysis

| Project   | Size            | Highlights  |
|---|-----------------|---|
| Debt restructuring of Qinghai Provincial Investment Group | RMB64.1 billion | Assisted local SOEs in resolving their debt risks and maximizing asset value by bringing in strategic investor, contributing to regional industrial development and employment  |
| Debt restructuring of Shengjing Energy                    | RMB12.8 billion | The largest debt restructuring transaction in China's heating industry, deepening the reform of state-owned assets and enterprises in Northeast China, resolving risks, supporting the revitalization of Northeast China and ensuring people's livelihood   |
| Debt restructuring of Xinchufeng Automobile               | RMB4 billion    | The first transaction in which CICC acted as the bankruptcy administrator, deepening the service to the local government, realizing the industrial transformation and upgrading and conversion of new and old kinetic energy transition, and support efforts towards "carbon peaking and carbon neutrality" goals |

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

## *Outlook for the Second Half of 2022*

In the second half of 2022, the Company will continue to seize the merger and acquisition business opportunities in the changing macro environment and domestic and foreign capital markets, boost the high-quality development of the real economy and connectivity between domestic and foreign capital markets, strengthen regional presence, and strive to further increase market share.



# Management Discussion and Analysis

## (II) EQUITIES

### *Market Environment*

In the first half of 2022, the global stock market fluctuated violently due to geopolitical conflicts and changes in the monetary environment. The overall trend was relatively weak, and all major indexes of the global stock market declined. The A-share market was subject to fluctuations and corrections, with slight increase in trading volume as compared with the same period of the previous year. As of the first half of 2022, performance of the A-share market can be illustrated by the following indexes: -6.6% in SSE Composite Index, -13.2% in SZSE Component Index, -15.4% in ChiNext Price Index, -6.6% in Hang Seng Indexes, -6.9% in Hang Seng China Enterprises Index and -14.1% in Hang Seng Tech Index. In the first half of 2022, the average daily turnover of A shares reached RMB976,000 million, representing a year-on-year increase of 7.4%; the average daily turnover in the Hong Kong stock market was HK\$138,263 million, representing a year-on-year decrease of 26.5%; the net northbound flow under the Stock Connect Scheme was RMB71,799 million, and the net Southbound flow reached HK\$207,632 million.

### *Actions and Achievements*

In the first half of 2022, we continued to deliver high-quality development of the equities business, with institutional coverage, innovative products, and cross-border business maintaining leading positions in the market.

We continued to advance our business with institutional clients following the principle of client first, and continued to diversify our clientele. We provide domestic and overseas institutional investors with one-stop comprehensive financial services, including investment research, sales, trading, products,

and cross-border services. In the first half of 2022, the number of new client accounts continued to increase, with the turnover and market share of brokerage remaining at a relatively high level. The market share of QFII trading commission has exceeded 55%, and QFII client coverage maintained a leading position for 19 consecutive years. Our investment research service for mutual funds and insurance clients continuously improved and outperformed market peers. We have achieved wide coverage of most hedge funds, as well as of WFOE clients. We built all-round cooperation with wealth management subsidiaries of commercial banks, and ranked first in terms of investment research service for bank clients.

We are committed to providing more tailor-made products. As a core market maker, our domestic businesses continued to grow with more market-leading products and services covering client needs. We proactively implemented national strategies by delivering stronger support to regional development, green finance, technological innovation etc., and specifically launched innovative index products such as the CICC Low Carbon Leading Index and CICC Strategic Hard Technology Index. In the offshore market, we continued to diversify the product and client structure, forming a competitive product mix, and ranking among the tops of overseas Chinese securities companies. Our capital introduction business began to form branding effect.

We continued to promote internationalization. Strengthening on international setup, CICC International kept a leading position in cross-border businesses and provided professional clients with first-class global capital market services, especially in the Stock Connect Scheme; CICC Singapore cemented closer cooperation with SGX; CICC US further

<sup>1</sup> The average daily turnover in the Hong Kong stock market comes from the Hong Kong Stock Exchange, and the data includes warrants.



# Management Discussion and Analysis

consolidated its leading position among PRC-based institutions in the local market; and CICC UK became a main PRC-based securities firm partner for European institutional clients and the first Chinese investment bank in Europe qualified to access the Stock Connect Scheme with UK, Germany and Switzerland. Our overseas teams participated in more than 20 overseas stock offerings projects in primary and secondary markets, by introducing overseas strategic and cornerstone investors for listed companies and actively mediating long-term funds into the market.

We continued to strengthen our centralized risk control and operational platform to improve operational efficiency to better serve clients. No major risk events occurred in the first half of 2022, as we continued to build our comprehensive risk control system to ensure all major risks are thoroughly identified and controlled, so as to safeguard the long-term steady business development. We accelerated to build a platform-based open ecological service system, expand digital intelligence capabilities, and build more datasets as digital assets to empower business development.

## *Outlook for the Second Half of 2022*

We will leverage on our leading international reach and solid client bases, further promote cross-selling between business lines, adhere to safe and sound strategy in a volatile market environment, and build a world-leading equities business franchise to provide one-stop services. We will continuously improve our business systems to enhance operational and managerial efficiency, as well as client experience, and strengthen our risk management capability to ensure no significant loss and to create more value to our clients.

## (III) FICC

### *Market Environment*

The flare-ups of the Covid-19 in the first half of 2022 and geopolitical conflicts increased the global macroeconomic uncertainty, leading to greater fluctuations in global interest rates and exchange rates. The domestic bond market was self-reliant and relatively resilient; while the overseas bond markets were generally dragged down by U.S. debt market. At the beginning of the year, with an increase in downward pressure on the economy and a strong expectation for a cut in interest rate and RRR (Required Reserve Ratio), the yield saw the largest downward swing in the first half of the year in the domestic market. The yield fell to a low at the end of January and subsequently rose to the level at the beginning of the year due to factors including the growth stabilization policy and the higher-than-expected progress in Federal Reserve's interest rate hikes and balance sheet reduction. Since April, the yield has declined continuously due to the flare-ups of the pandemic. In June, the market yield rose with the recovery from the pandemic and the implementation of policies for the resumption of production and work. In the first half of the year, due to the Federal Reserve's interest rate hikes, USD bonds issued in overseas markets by Chinese-invested companies were volatile with a declining trend, while credit spread was widened due to risk aversion arising out of geopolitical events. In terms of cross-border investment and financing, foreign institutions slightly reduced their holdings of Chinese bonds in the first half of 2022 due to the inversion of the Sino-US interest rate spread arising out of the increase in the interest rate of USD bonds. In the first half of 2022, the total bond transaction amount in the inter-bank market was RMB80.1 trillion, including RMB3.8 trillion via Bond Connect, representing a year-on-year increase of 21.5%.

# Management Discussion and Analysis

## *Actions and Achievements*

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

In order to actively capture opportunities, we enhanced our product innovation and customer services and continued to develop derivatives business. We continued to capture market opportunities from areas of publicly-offered REITs, carbon trading, green finance, and SRDI (Specialized, Refinement, Differential and Innovation). In order to develop the capacity to provide customized products and services, we enhanced the innovation of onshore and offshore products and launched a number of innovative product lines. We continued to develop the cross-border derivatives business and expand the interest rate and foreign exchange businesses, thereby rallying among leading market makers in terms of key categories of commodities.

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

## *Outlook for the Second Half of 2022*

In the second half of 2022, the FICC business will continue to promote business transformation, enhance comprehensive customer service capabilities, and develop a first-class market-making platform for cross-border, cross-market and cross-platform FICC products, thus constantly expanding our influence. FICC will continue to enhance market-making and trading capabilities, and strengthen risk control to achieve better returns. FICC will further strengthen capabilities in customized products, continuously promote product innovation, and improve the capacity to serve the real economy, with an aim to build an one-stop customer service platform covering all products. FICC will improve cross-border business capabilities and capitalize on domestic and international dual circulations, thus accelerating the setup of our international business. In the meantime, FICC will continue to promote the digital transformation and step up the development of digital economy to build a first-class FICC fin-tech platform.

## **(IV) ASSET MANAGEMENT**

### **Asset Management**

#### *Market Environment*

2022 is the first year of the formal implementation of the new asset management rules. After transformation and accelerated development, the asset management industry is gradually entering a new stage of high-quality development, with a steady increase in the overall size of the asset management industry, continuous optimization of its structure, increasing diversification of the sources of capital for the industry, constantly diversified supply of products, phased results in NAV-based transformation, and gradual establishment of new landscape and ecology of the

# Management Discussion and Analysis

industry. Meanwhile, the complexity of the economic environment puts a greater demand on the industry. Under the new situation, asset management institutions should focus on main responsibilities and businesses, strengthen the assumption of responsibilities, fulfill the mission of supporting the transformation of the real economy and contributing to stabilizing the national economy, seize the historical opportunities from wealth management, third pillar pension system, etc., develop differentiated core competitiveness, actively explore new direction and strategic arrangements for business development, create innovative and high-quality product spectrum, and strictly prevent financial risks.

## *Actions and Achievements*

In 2022, we continued to diversify our product lines, strengthened the product mix in relation to inclusive finance, green finance and technological innovation, intensified the research and development of new investment strategies, innovative products and comprehensive solutions based on the market environment and customer needs, and continuously enhanced our comprehensive customer service capabilities; we further strengthened investment and research capabilities, improved the investment research management system, and strengthened team building and talent training; further expanded the customer coverage, extended the depth and breadth of customer services. For example, we strengthened the development and maintenance of centrally-owned enterprises and industry customers' annuity business, and dug deeper into the needs of wealth management subsidiaries of banks, vigorously developed the investment management business of urban and rural commercial banks and corporates, strengthened in-depth cooperation with retail channels, improved customer response and value-

added service capabilities, and continued to strengthen the coverage of international customers and overseas PRC-based institutions, to expand overseas channels. We accelerated the system construction of our asset management business, launched the asset management product life cycle management system, continuously optimized the iterative institutional service platform, the integrated investment and research platform and the data center, accelerated the transformation of financial technology, and enhanced customer stickiness through digital services to boost business development. Meanwhile, we comprehensively strengthened risk management and control, further enhanced the compliance awareness of all employees and strictly abide by the bottom line of compliance and risk control.

As of June 30, 2022, the AUM of the Asset Management Department of the Company was RMB824,851 million. By product line, the AUM of collective asset management products and segregated asset management products (including NSSF, corporate annuities, pensions and occupational pensions) were RMB314,561 million and RMB510,290 million, respectively. We had altogether 788 products under management.

## *Outlook for the Second Half of 2022*

In the second half of 2022, we will continue to contribute to boosting the real economy, seize major development opportunities of the industry to vigorously promote the development of regular business and the setup of strategic business, pace up high-quality development in line with new development concepts, and accelerate the establishment of a world-class asset management institution that closely follows the pulse of the times and the needs of customers.



# Management Discussion and Analysis

In the second half of 2022, we will continuously consolidate asset management business capabilities, actively improve the ability to serve the demand for household wealth management, the reform and development of the capital market, as well as the real economy and national strategies, promote the construction of the investment research system, optimize the product mix, diversify product portfolios, expand the customer coverage, facilitate the development of financial technology, enhance the capability to provide comprehensive asset management services for various customers, and promote the transformation toward the business model with higher added value. Meanwhile, we will firmly make strategic investments in key areas, so as to create a new driver for high-quality development.

## CICC Fund Management

### *Market environment*

In the first half of 2022, with the constant geopolitical conflicts and anabatic currency inflation, major capital markets in the world fell sharply. Due to the repeated disturbance of the COVID-19 pandemic, economic growth was sluggish, and the stock market experienced a relatively large adjustment. In the first half of the year, the growth rate of the mutual fund industry slowed down, and the popularity of new product issuance plummeted. As of the end of May 2022, the AUM of mutual fund increased slightly to RMB26.3 trillion compared with the end of 2021, and the new issuance in the first half of the year was less than RMB700,000 million, only accounting for 40% of the first half of 2021. In April, the CSRC issued the “Opinions on Accelerating the High-quality Development of Mutual Fund Industry”, taking multiple measures to guide the high-quality development.

### *Actions and Achievements*

In the first half of 2022, CICC Fund Management continued to enhance our core capabilities of investment and research, expanded the talent team, improved the coverage and depth of research, and strengthened investment style. We continued to optimize product line and actively participated in product innovation. During the first half of 2022, CICC Fund Management issued 6 new products, including the Company's first FoF, interbank deposit certificate index fund, etc. The overall business operation remained stable, and there were no major violations of laws or regulations or major potential compliance risks.

As of June 30, 2022, the AUM of CICC Fund Management increased by RMB11,531 million to RMB96,722 million, representing an increase of 13.54% compared with the end of 2021. In particular, the size of mutual funds increased to RMB91,435 million, representing an increase of 12.46% compared with the end of 2021.

### *Outlook for the Second Half of 2022*

In the second half of 2022, CICC Fund Management will continue to focus on investment and research team and capacity building, to improve product performance. Focusing on the goal of serving the wealth management needs of retail investors, we will actively anticipate and explore product innovation such as product with medium or low volatility and product with management fee concession, accelerate the setup of equity products, and build diversified sales and service capabilities. We will actively promote existing C-REITs to improve operation and management capabilities; we will continue to strengthen compliance and risk control management to firmly safeguard the bottom line of no occurrence of major risks.

# Management Discussion and Analysis

## (V) PRIVATE EQUITY INVESTMENT

### *Market Environment*

In the first half of 2022, due to the resurgence of the COVID-19 pandemic and the volatile macro environment, the fundraising of private equity market in China declined. Meanwhile, the incremental capital flowed into leading private equity companies more rapidly, and the polarization between large and small-to-medium alternative investment companies continued. As the government encouraged institutional investors to participate in the private equity market, insurance companies and wealth management subsidiaries of banks were expected to be more active in the future. With the government support, China's private equity market boosted the direct social financing, accelerated the formation of innovative capitals, and comprehensively supported the restructure of Chinese economy.

In the first half of 2022, due to the Russia-Ukraine war, fluctuations in international financial and commodity markets, and the resurgence of the COVID-19 pandemic in China, the investment in China's private equity market slowed down, and the risk appetite of fund managers declined, while the prudence in valuation increased. New energy, semiconductors, industrial internet were investment hotspots in the first half of 2022. The ecosystem of emerging industries developed vigorously, and high-quality companies were extremely appealing to investors. With the strong support for small and medium-sized companies that apply special, sophisticated techniques to produce unique and novel products in recent years, alternative investment companies steadily increased their allocation for early-stage enterprises with technology innovation.

As the registration-based IPO regime in China evolved constantly, the IPO exit channels for invested companies remained robust. In the first half of 2022, due to the volatile global environment, the exit of China's private equity market slowed down. Despite the obstacles faced by Chinese companies seeking IPOs in the U.S., the Hong Kong Stock Exchange deepened the reform and improved its attractiveness significantly. Meanwhile, various policies actively promoted the secondary transaction of private equity funds, providing a new exit method for equity investment.

### *Actions and Achievements*

As of June 30, 2022, CICC Capital's assets under management reached RMB331,700 million. In the first half of 2022, CICC Capital completed the fundraising for various new funds focusing on investment themes such as technology innovation and carbon neutrality. Meanwhile, we leveraged funds to cover emerging industries like science and technology innovation, advanced manufacturing, healthcare, industrial internet and environmental protection, with many invested companies listing successfully.

CICC Capital adhered to the CICC philosophy of "For the Nation", and guided private capital to support technology self-reliance, green development, regional coordinated development and inclusive finance in China. Through direct investment and FoFs, CICC Capital had invested in early-to mid-stage innovative enterprises focusing on emerging industries including semiconductor, high technology, healthcare, and carbon neutrality to promote technology self-reliance, industrial restructuring, and coordinated regional development. Meanwhile, CICC Capital provided small and medium-sized companies with convenient financing through equity investment, facilitating them to achieve high-quality development without increasing leverage.



# Management Discussion and Analysis

We consolidated our leading position and maintained strong influence in the private equity industry. According to the Asset Management Association of China, CICC Capital ranked first among private equity subsidiaries of brokers in terms of average monthly paid-in amount. CICC Capital was also in a leading position in the entire private equity industry in terms of asset under management. CICC Capital has continuously improved market influence and won many awards from Zero2IPO, ChinaVenture and Global FoF Association.

CICC Capital enabled both the investors and the invested companies. On the one hand, under the customer-oriented principle and the advantages of CICC, CICC Capital provided diversified services to the government, corporates and ultra-high-net-worth individuals; on the other hand, CICC Capital leveraged the capabilities on investment banking, research and asset management to provide invested companies with diversified services and support throughout their life-cycle.

## *Outlook for the Second Half of 2022*

CICC Capital will continue to facilitate the nation's 14th Five-Year Plan, focus on the forefront of innovation in China, support new business to help China gain an edge in global competition, and create decent returns for investors while better serving the economy. CICC Capital will seek progress while maintaining stability, implement CICC's "Three + One" strategy, leverage out advantages and further enhance out market influence.

Specifically, CICC Capital will strengthen cooperation with governments, corporates and other customers, focus on national strategies and innovative industries, establish various industry-specific and regional funds; continue to promote the USD flagship funds, mobilize CICC's resources and promote cooperation with global investors to enhance the global influence of CICC Capital; strengthen the post-investment service to provide diversified support for investors and portfolio companies; develop infrastructure funds while actively exploring new products including secondary funds to broaden the product matrix; promote system construction constantly to support business development; continuously encourage cross-departmental cooperation and coordination; stick to the compliance bottom line and prevent significant risks. In conclusion, CICC Capital will consolidate our overall capacity and build a comprehensive alternative investment management platform that is leading in China and influential worldwide.



# Management Discussion and Analysis

## THE ASSETS UNDER MANAGEMENT OF THE GROUP

As of June 30, 2022, the size of total assets managed by different business divisions and subsidiaries of our Group is set forth as follows:

Unit: RMB in million

| Items  | June 30, 2022    | December 31, 2021 | % of change   |
|--|------------------|-------------------|---------------|
| <b>AUM in relation to fee and commission income</b>      |                  |                   |               |
| <b>(wholly-owned)</b>                                    |                  |                   |               |
| Collective asset management plans                        | 319,116          | 572,635           | (44.3)        |
| Segregated asset management plans                        | 559,635          | 607,445           | (7.9)         |
| Special asset management plans                           | 164,279          | 171,963           | (4.5)         |
| Mutual funds   | 96,722           | 85,191            | 13.5          |
| Private equity investment funds                          | 244,816          | 220,737           | 10.9          |
| <b>Subtotal</b>  | <b>1,384,568</b> | <b>1,657,972</b>  | <b>(16.5)</b> |
| <b>AUM in relation to share of profits of associates</b> |                  |                   |               |
| <b>and joint ventures (jointly-invested)</b>             |                  |                   |               |
| Private equity investment funds                          | 100,907          | 121,067           | (16.7)        |
| Non-private equity investment funds                      | 95,827           | 86,666            | 10.6          |
| <b>Subtotal</b>  | <b>196,734</b>   | <b>207,733</b>    | <b>(5.3)</b>  |
| <b>Total</b>   | <b>1,581,302</b> | <b>1,865,704</b>  | <b>(15.2)</b> |

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

# Management Discussion and Analysis

## (VI) WEALTH MANAGEMENT

### *Market Environment*

In the first half of 2022, China's capital market basically maintained stable development despite unstable overseas situations and persistently high inflation. Although the turnover of Shanghai and Shenzhen stocks was RMB114.09 trillion, representing a decrease of 23.8% half-on-half due to market sentiment, the number of market investors steadily increased by RMB8.8305 million, representing a slight half-on-half increase of 0.4%. In addition, the new asset management regulations were fully adopted in 2022, and wealth management has stepped into the NAV-based era. The scale of mutual funds has exceeded RMB26.3 trillion. With the acceleration of NAV-based transformation, the wealth management industry gradually ushered in high-quality and high-level development.

### *Actions and Achievements*

The products and asset allocation business developed against the headwind, with a focus on supply-side restructuring, and the fee-based investment advisory business. After the innovative launch of "China 50 (中國50)" in 2019 and "Mini 50 (微50)" in 2021, "Mutual Fund 50 (公募50)" in the first half of 2022 was upgraded to meet the wealth management demand of a wider range of inclusive investors in terms of "investment" and "advisory". In the first half of 2022, the balance of products and fee-based investment advisory assets continued to increase steadily, further consolidating the Company's leading position in wealth management model and scale.

The Company achieved a stable increase in the number of customers and enhanced customer acquisition with a focus on inclusiveness. In the first half of 2022, the Company's wealth management business grew steadily,

with a focus on financial inclusiveness, and made achievements under the "omni-channel, multi-scenario and digital" customer acquisition model, with the number of wealth management customers reaching 5.47 million and the assets of customers reaching RMB2.70 trillion, and the continuous increase in the proportion of new accounts to the new investors in the market.

The Company recruited talents through various channels and steadily expanded our team. With the transformation and rapid development of the wealth management industry, the Company had over 200 securities branches nationwide to provide various employment opportunities. In 2022, the Company continued to attract wealth management investment talents, and achieved substantial and differentiated growth of our investment consultant team. With the continuous expansion of the team, the production capacity per investment consultant increased steadily.

### *Outlook for the Second Half of 2022*

Looking forward to the second half of the year, with continuous support of domestic policies and improvement in the macro-environment, the capital market will gradually recover, providing greater market space for wealth management for individual investors. The Company will continue to focus on increasing customer experience in all channels. In terms of products and asset allocation business, the Company will keep focusing on the fee-based investment advisory business and product innovation, and steadily improve the quality and efficiency of asset allocation solutions. In terms of the scale of the investment consultant team, the Company will continuously attract market talents and build industry-leading wealth management investment consultant team. In terms of system construction, the Company will provide comprehensive technological enabling and strengthen the scenario-based innovation capabilities.

# Management Discussion and Analysis

## (VII) RESEARCH

Our research team covers global markets and serves clients both at home and abroad through our offices and platforms across the world. The scope of our research products and investment analysis ranges from macro economy and market strategy to fixed income, financial engineering, asset allocation, equities, commodities, and foreign exchange. As of June 30, 2022, our research team employed over 300 highly experienced professionals, and covered more than 40 sectors and over 1,400 companies listed on stock exchanges in Chinese mainland, Hong Kong SAR, New York, Singapore, Frankfurt, London and Paris.

CICC Research has won recognition from major domestic and overseas investors for our independent, unbiased and insightful research products. In the first half of 2022, we issued more than 9,000 research reports in Chinese and/or foreign languages. On top of numerous sector and company reports, we also published a series of in-depth thematic reports, such as “2H22 Outlook” (2022下半年展望), “Definancialization” (去金融化, Chinese version only), “Metaverse” (元宇宙, Chinese version only), “Observations on property management industry” (物業行業觀察), and “Consumer Track Research (Season III)” (大消費賽道研究(第三季)). These research products have showcased our profound understanding of China. The superior depth and extensive coverage of our research reports have earned us the reputation as the “China Expert”. In June 2022, we held online a month-long “CICC Investment Strategy Conference 2H2022: Post-pandemic Economic Restart and Restructuring”, which received extensive attention and unanimous applause from institutional clients.

CICC Global Institute (CGI) has worked diligently to perform our tasks, improve our social influence, and build a strong, comprehensive brand name for public policy research. In 2021, CGI and the Research Department jointly published a Chinese book titled “*Economics of Carbon Neutrality*” (碳中和經濟學). The English version of the book (“*Guidebook to Carbon Neutrality in China*”) was published globally in February 2022. Downloads of the e-book of the English edition exceeded 50,000 in just four months. In June 2022, CGI held “Forum on Inclusive Growth in the New Development Stage: Launch of the New Book *Towards an Olive Shape Society*”. Written in Chinese, the new book discusses possible paths of and potential challenges to the development of an olive shape society from various perspectives, such as its goals, essence, market mechanisms and public policies. Also In June 2022, CGI worked together with BRI International Green Development Coalition and Energy Foundation China to jointly hold “CCICED 2022 Annual General Meeting Open Forum: Building a Green BRI Together to Boost Global Green and Low-Carbon Transition”

**(VIII) THERE WAS NO MAJOR CHANGE IN THE COMPANY’S OPERATION AND NO MATTER THAT HAD OR EXPECTED TO HAVE A SIGNIFICANT IMPACT ON THE COMPANY’S OPERATION DURING THE REPORTING PERIOD.**



# Management Discussion and Analysis

## IV. ANALYSIS ON PRINCIPAL OPERATIONS AND FINANCIAL STATEMENTS

### (I) Profitability Analysis Of Our Group

In the first half of 2022, affected by the persistence of COVID-19 pandemic, the continuation of geopolitical conflicts and changes in the monetary environment, global capital market fluctuated violently and presented a downward trend in general. Although the Group had a decline in its revenue and profit amid the market turmoil comparing with those for the first half of 2021, the revenue from its FICC business, asset management business and wealth management business still achieved a modest growth.

In the first half of 2022, the Group realized total revenue and other income of RMB17,651.0 million, representing a decrease of RMB1,828.4 million or 9.4% compared with that in the first half of 2021. In the first half of 2022, the Group realized profit attributable to shareholders of the parent company of RMB3,841.6 million, representing a decrease of RMB1,165.4 million or 23.3% compared with that in the first half of 2021. The Group realized earnings per share of RMB0.743 in the first half of 2022, representing a decrease of 26.0% compared with that in the first half of 2021. The weighted average return on net assets was 4.6%, representing a decrease of 2.4 percentage points compared with that in the first half of 2021.

### (II) Asset Structure And Quality

As of June 30, 2022, total assets of the Group amounted to RMB679,994.4 million, representing an increase of RMB30,198.9 million or 4.6% compared with that at the end of 2021. Total liabilities of the Group amounted to RMB588,904.7 million, representing an increase of RMB23,840.1 million or 4.2% compared with that at the end of 2021. The Group's total equity attributable to shareholders of the parent company amounted to RMB90,773.0 million, representing an increase of RMB6,350.9 million or 7.5% compared with that at the end of 2021. After deducting accounts payable to brokerage clients and to underwriting clients of RMB106,361.2 million, the adjusted total assets of the Group amounted to RMB573,633.1 million; the adjusted total liabilities amounted to RMB482,543.5 million; the gearing ratio was 84.1%, decreased by 0.4 percentage point from 84.6% as of December 31, 2021; the operating leverage ratio<sup>(1)</sup> was 6.3 times, representing a decrease of 0.2 time compared with 6.5 times as of December 31, 2021.

As of June 30, 2022, the Group's financial assets at fair value through profit or loss and derivative financial assets totalled RMB315,720.9 million, accounting for 46.4% of the total assets; financial assets at fair value through other comprehensive income amounted to RMB47,955.7 million, accounting for 7.1% of the total assets; cash and bank balances and cash held on behalf of clients totalled RMB163,437.6 million, accounting for 24.0% of the total assets; receivable from margin clients and reverse REPOs totalled RMB73,657.5 million, accounting for 10.8% of the total assets; investments in associates and joint ventures amounted to RMB1,092.9 million, accounting for 0.2% of the total assets; other assets amounted to RMB78,129.7 million, accounting for 11.5% of the total assets.

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

# Management Discussion and Analysis

As of June 30, 2022, most of the Group's liabilities were current liabilities. Accounts payable to brokerage clients and to underwriting clients totally amounted to RMB106,361.2 million, accounting for 18.1% of the total liabilities; REPOs amounted to RMB56,286.0 million, accounting for 9.6% of the total liabilities; placements from financial institutions, short-term debt securities issued and long-term debt securities issued due within one year totalled RMB115,101.7 million, accounting for 19.5% of the total liabilities; financial liabilities at fair value through profit or loss and derivative financial liabilities totalled RMB55,501.4 million, accounting for 9.4% of the total liabilities; long-term debt securities issued amounted to RMB101,253.7 million, accounting for 17.2% of the total liabilities; other liabilities amounted to RMB154,400.7 million, accounting for 26.2% of the total liabilities.

## (III) Cash Flows

In the first half of 2022, excluding the impacts of changes in accounts payable to brokerage clients and to underwriting clients, net increase in cash and cash equivalents of the Group amounted to RMB2,233.2 million, representing a decrease of RMB5,813.4 million or 72.2% as compared with that in the first half of 2021, and were mainly generated from the following daily activities:

- Net cash generated from operating activities in the first half of 2022 amounted to RMB20,536.7 million. The variation from the net cash used in operating activities in the first half of 2021 was mainly due to changes in net cash flows from the net cash outflow from investments in financial instruments at fair value through profit or loss in the first half of 2021 to the corresponding net cash inflow in the first half of 2022; meanwhile, the growth rate of REPOs increased compared with that in the first half of 2021. The above increase in net cash inflow was partially offset by net cash outflow associated with trade payables for derivative transactions;

- Net cash used in investing activities in the first half of 2022 amounted to RMB5,114.7 million. The variation from the net cash generated from investing activities in the first half of 2021 was primarily attributable to an increase in purchase of investments, which was partially offset by the increase in cash receipts from disposal of investments;
- Net cash used in financing activities in the first half of 2022 amounted to RMB13,188.8 million. The variation from the net cash generated from financing activities in the first half of 2021 was primarily attributable to a decrease in proceeds from issuing debt securities and an increase in redemption of debt securities issued.

## (IV) Financing Channels and Capability

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

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



# Management Discussion and Analysis

## (V) Operating Revenue and Profit Analysis

### 1. Analysis of Items in Statement of Profit or Loss

#### *Summary of Financial Performance*

In the first half of 2022, the Group realized a profit of RMB3,849.5 million, representing a decrease of 23.3% compared with that in the first half of 2021. The financial performance of the Group is summarized as follows:

Unit: RMB in million

| Items   | Six months<br>ended<br>June 30, 2022 | Six months<br>ended<br>June 30, 2021 | Change    | % of change |
|---|--------------------------------------|--------------------------------------|-----------|-------------|
| <b>Revenue</b>  |                                      |                                      |           |             |
| Fee and commission income                                 | 8,336.1                              | 8,297.1                              | 39.0      | 0.5%        |
| Interest income   | 3,920.3                              | 3,431.9                              | 488.4     | 14.2%       |
| Investment income   | 5,044.5                              | 8,163.5                              | (3,118.9) | (38.2%)     |
| <b>Total revenue</b>                                      | <b>17,301.0</b>                      | 19,892.4                             | (2,591.5) | (13.0%)     |
| Other income/(losses), net                                | 350.1                                | (413.0)                              | 763.1     | N/A         |
| <b>Total revenue and other income</b>                     | <b>17,651.0</b>                      | 19,479.4                             | (1,828.4) | (9.4%)      |
| <b>Total expenses</b>                                     | <b>13,148.6</b>                      | 13,394.3                             | (245.7)   | (1.8%)      |
| <b>Share of profits of associates and joint ventures</b>  | <b>16.0</b>                          | 34.0                                 | (18.0)    | (53.0%)     |
| <b>Profit before income tax</b>                           | <b>4,518.4</b>                       | 6,119.1                              | (1,600.7) | (26.2%)     |
| Income tax expense  | 668.9                                | 1,103.1                              | (434.3)   | (39.4%)     |
| <b>Profit for the period</b>                              | <b>3,849.5</b>                       | 5,015.9                              | (1,166.4) | (23.3%)     |
| Profit attributable to shareholders of the parent company | 3,841.6                              | 5,007.0                              | (1,165.4) | (23.3%)     |



# Management Discussion and Analysis

## Revenue Breakdown

In the first half of 2022, the Group's revenue decrease by 13.0% to RMB17,301.0 million compared with that in the first half of 2021. Fee and commission income accounted for 48.2% of total revenue, representing an increase of 6.5 percentage points compared with that in the first half of 2021; interest income accounted for 22.7%, representing an increase of 5.4 percentage points compared with that in the first half of 2021; investment income accounted for 29.1%, representing a decrease of 11.9 percentage points compared with that in the first half of 2021. The structure of the Group's revenue for the six months ended June 30, 2022 is presented as follows:

| Items                     | Six months<br>ended<br>June 30, 2022 | Six months<br>ended<br>June 30, 2021 | Change                              |
|---------------------------|--------------------------------------|--------------------------------------|-------------------------------------|
| Fee and commission income | 48.2%                                | 41.7%                                | Increased by 6.5 percentage points  |
| Interest income           | 22.7%                                | 17.3%                                | Increased by 5.4 percentage points  |
| Investment income         | 29.1%                                | 41.0%                                | Decreased by 11.9 percentage points |
| <b>Total</b>              | <b>100.0%</b>                        | <b>100.0%</b>                        |                                     |

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

# Management Discussion and Analysis

## Fee and Commission Income and Expenses

In the first half of 2022, the Group realized a net fee and commission income of RMB7,097.6 million, representing a decrease of RMB94.0 million or 1.3% compared with that in the first half of 2021. A breakdown of the Group's fee and commission income and expenses for the six months ended June 30, 2022 is presented as follows:

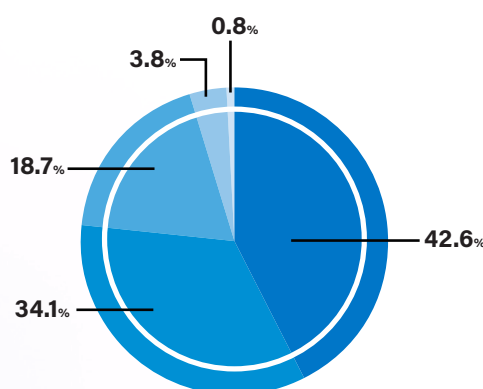
Unit: RMB in million

| Items   | Six months<br>ended<br>June 30, 2022 | Six months<br>ended<br>June 30, 2021 | Change        | % of change   |
|---|--------------------------------------|--------------------------------------|---------------|---------------|
| <b>Fee and commission income</b>                                    |                                      |                                      |               |               |
| Brokerage commission income   | 3,549.3                              | 3,711.3                              | (162.1)       | (4.4%)        |
| Investment banking income   | 2,841.5                              | 2,780.8                              | 60.7          | 2.2%          |
| Underwriting and sponsoring fees from equity financing              | 1,699.7                              | 1,564.5                              | 135.2         | 8.6%          |
| Underwriting and sponsoring fees from debt and structured financing | 689.9                                | 739.3                                | (49.4)        | (6.7%)        |
| Financial advisory fees   | 451.8                                | 477.0                                | (25.2)        | (5.3%)        |
| Asset management fees   | 1,556.5                              | 1,457.0                              | 99.5          | 6.8%          |
| Asset management and mutual funds                                   | 857.5                                | 758.2                                | 99.3          | 13.1%         |
| Private equity investment funds                                     | 699.0                                | 698.8                                | 0.2           | 0.0%          |
| Investment advisory fees  | 316.2                                | 318.3                                | (2.1)         | (0.6%)        |
| Others  | 72.7                                 | 29.7                                 | 43.0          | 144.7%        |
| <b>Total fee and commission income</b>                              | <b>8,336.1</b>                       | <b>8,297.1</b>                       | <b>39.0</b>   | <b>0.5%</b>   |
| <b>Fee and commission expenses</b>                                  | <b>1,238.5</b>                       | <b>1,105.5</b>                       | <b>133.1</b>  | <b>12.0%</b>  |
| <b>Net fee and commission income</b>                                | <b>7,097.6</b>                       | <b>7,191.6</b>                       | <b>(94.0)</b> | <b>(1.3%)</b> |

# Management Discussion and Analysis

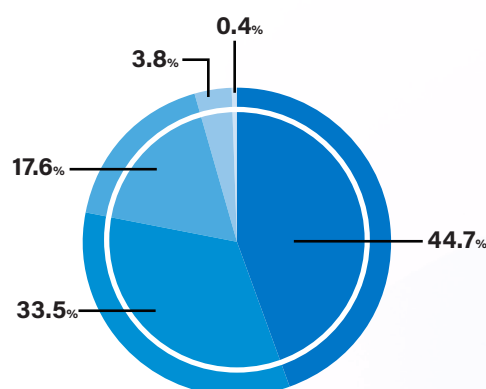
The charts below set forth the composition of the Group's fee and commission income for the six months ended June 30, 2022 and ended June 30, 2021:

Composition of fee and commission income  
for the six months ended June 30, 2022



- Brokerage commission income
- Investment banking income
- Asset management fees

Composition of fee and commission income  
for the six months ended June 30, 2021



- Investment advisory fees
- Others

The structure of the Group's fee and commission income for the six months ended June 30, 2022 and ended June 30, 2021 is presented as follows:

| Items                       | Six months<br>ended<br>June 30, 2022 | Six months<br>ended<br>June 30, 2021 | Change                             |
|-----------------------------|--------------------------------------|--------------------------------------|------------------------------------|
| Brokerage commission income | 42.6%                                | 44.7%                                | Decreased by 2.2 percentage points |
| Investment banking income   | 34.1%                                | 33.5%                                | Increased by 0.6 percentage point  |
| Asset management fees       | 18.7%                                | 17.6%                                | Increased by 1.1 percentage points |
| Investment advisory fees    | 3.8%                                 | 3.8%                                 | Decreased by 0.0 percentage point  |
| Others                      | 0.8%                                 | 0.4%                                 | Increased by 0.4 percentage point  |
| <b>Total</b>                | <b>100.0%</b>                        | <b>100.0%</b>                        |                                    |



# Management Discussion and Analysis

Brokerage commission income amounted to RMB3,549.3 million, representing a decrease of RMB162.1 million or 4.4% compared with that in the first half of 2021.

Investment banking income amounted to RMB2,841.5 million, representing an increase of RMB60.7 million or 2.2% compared with that in the first half of 2021. Investment banking income included underwriting and sponsoring fees from equity financing and from debt and structured financing and financial advisory fees.

Asset management fees amounted to RMB1,556.5 million, representing an increase of RMB99.5 million or 6.8% compared with that in the first half of 2021. Asset management fees consisted of fees from asset management business, mutual fund management business and private equity investment fund management business. In addition to asset management fees, the Group had a share of profits of associates and joint ventures generated from the AUM of the fund management companies jointly-invested by the Group.

Investment advisory fees amounted to RMB316.2 million, representing a decrease of RMB2.1 million or 0.6% compared with that in the first half of 2021.

Fee and commission expenses amounted to RMB1,238.5 million, representing an increase of RMB133.1 million or 12.0% compared with that in the first half of 2021, mainly due to increases in brokerage commission expenses and in investment banking expenses.

# Management Discussion and Analysis

## Interest Income and Expenses

In the first half of 2022, the Group incurred a net interest expense of RMB371.4 million, among which interest income amounted to RMB3,920.3 million, representing an increase of 14.2% compared with that in the first half of 2021, and interest expenses amounted to RMB4,291.7 million, representing an increase of 8.8% compared with that in the first half of 2021. A breakdown of the Group's interest income and expenses for the six months ended June 30, 2022 is presented as follows:

Unit: RMB in million

| Items  | Six months<br>ended<br>June 30, 2022 | Six months<br>ended<br>June 30, 2021 | Change       | % of change    |
|--|--------------------------------------|--------------------------------------|--------------|----------------|
| <b>Interest income</b>   |                                      |                                      |              |                |
| Interest income from financial institutions  | 1,344.3                              | 979.6                                | 364.7        | 37.2%          |
| Interest income from margin financing and securities lending                           | 1,327.4                              | 1,343.4                              | (16.0)       | (1.2%)         |
| Interest income from reverse REPOs   | 497.2                                | 464.1                                | 33.1         | 7.1%           |
| Interest income from financial assets at fair value through other comprehensive income | 647.6                                | 595.7                                | 51.9         | 8.7%           |
| Others   | 103.8                                | 49.1                                 | 54.6         | 111.2%         |
| <b>Total interest income</b>   | <b>3,920.3</b>                       | <b>3,431.9</b>                       | <b>488.4</b> | <b>14.2%</b>   |
| <b>Interest expenses</b>   |                                      |                                      |              |                |
| Interest expenses on accounts payable to brokerage clients                             | 165.1                                | 135.2                                | 29.9         | 22.1%          |
| Interest expenses on REPOs   | 418.6                                | 373.7                                | 44.9         | 12.0%          |
| Interest expenses on placements from financial institutions                            | 602.2                                | 441.4                                | 160.8        | 36.4%          |
| Interest expenses on debt securities issued  | 2,909.7                              | 2,813.3                              | 96.4         | 3.4%           |
| Interest expenses on lease liabilities   | 37.0                                 | 27.4                                 | 9.7          | 35.3%          |
| Others   | 159.0                                | 152.0                                | 7.0          | 4.6%           |
| <b>Total interest expenses</b>   | <b>4,291.7</b>                       | <b>3,943.0</b>                       | <b>348.7</b> | <b>8.8%</b>    |
| <b>Net interest expenses</b>   | <b>(371.4)</b>                       | <b>(511.1)</b>                       | <b>139.7</b> | <b>(27.3%)</b> |

# Management Discussion and Analysis

Interest income from financial institutions amounted to RMB1,344.3 million, representing an increase of RMB364.7 million or 37.2% compared with that in the first half of 2021, mainly due to an increase in average daily scale of bank balances and cash held on behalf of clients as compared with that in the first half of 2021.

Interest income from margin financing and securities lending amounted to RMB1,327.4 million, representing a decrease of RMB16.0 million or 1.2% compared with that in the first half of 2021.

Interest income from reverse REPOs amounted to RMB497.2 million, representing an increase of RMB33.1 million or 7.1% compared with that in the first half of 2021.

Interest income from financial assets at fair value through other comprehensive income amounted to RMB647.6 million, representing an increase of RMB51.9 million or 8.7% compared with that in the first half of 2021.

Interest expenses amounted to RMB4,291.7 million, representing an increase of RMB348.7 million or 8.8% compared with that in the first half of 2021.



# Management Discussion and Analysis

## Investment Income

In the first half of 2022, the Group realized an investment income of RMB5,044.5 million, representing a decrease of RMB3,118.9 million or 38.2% compared with that in the first half of 2021. A breakdown of the Group's investment income for the six months ended June 30, 2022 is presented as follows:

Unit: RMB in million

| Items   | Six months<br>ended<br>June 30, 2022 | Six months<br>ended<br>June 30, 2021 | Change           | % of change    |
|---|--------------------------------------|--------------------------------------|------------------|----------------|
| <b>Investment income</b>  |                                      |                                      |                  |                |
| Net gains from disposal of financial assets at<br>fair value through other comprehensive income                           | 109.3                                | 28.5                                 | 80.8             | 283.0%         |
| Net gains from financial instruments at<br>fair value through profit or loss and<br>from derivative financial instruments | 4,935.2                              | 8,134.7                              | (3,199.4)        | (39.3%)        |
| – Equity investments  | 2,518.1                              | 4,610.0                              | (2,091.9)        | (45.4%)        |
| – Debt investments  | 1,531.2                              | 1,682.6                              | (151.4)          | (9.0%)         |
| – Other investments   | 886.0                                | 1,842.1                              | (956.1)          | (51.9%)        |
| Others  | –                                    | 0.3                                  | (0.3)            | (100.0%)       |
| <b>Total</b>  | <b>5,044.5</b>                       | <b>8,163.5</b>                       | <b>(3,118.9)</b> | <b>(38.2%)</b> |

# Management Discussion and Analysis

Net gains from disposal of financial assets at fair value through other comprehensive income amounted to RMB109.3 million, representing an increase of RMB80.8 million or 283.0% compared with that in the first half of 2021, mainly due to a significant growth in gains from disposal of debt investments at fair value through other comprehensive income.

Net gains from financial instruments at fair value through profit or loss and from derivative financial instruments totalled RMB4,935.2 million, representing a decrease of RMB3,199.4 million or 39.3% compared with that in the first half of 2021, and were from the following categories of investments:

- Net gains from equity investments decreased by RMB2,091.9 million or 45.4% compared with that in the first half of 2021. The decrease was primarily attributable to the heightened volatility in the global capital markets during the first half of 2022, amid which the scale of the Group's OTC derivative transactions decreased and the market value of the securities held by the Group under the following investment mechanism on STAR Market and the valuation of the private equity investment funds fell with the changes in market trends;
- Net gains from debt investments decreased by RMB151.4 million or 9.0% compared with that in the first half of 2021;
- Net gains from other investments decreased by RMB956.1 million or 51.9% compared with that in the first half of 2021, mainly due to a fall in net asset values of the mutual funds held by the Group amid the market with a downward trajectory, resulting in a corresponding decrease in the net gains.

# Management Discussion and Analysis

## Operating Expenses

In the first half of 2022, the Group's operating expenses (excluding fee and commission expenses and interest expenses, the same below) amounted to RMB7,618.4 million, representing a decrease of RMB727.5 million or 8.7% compared with that in the first half of 2021. A breakdown of the Group's operating expenses for the six months ended June 30, 2022 is presented as follows:

Unit: RMB in million

| Items   | Six months<br>ended<br>June 30, 2022 | Six months<br>ended<br>June 30, 2021 | Change         | % of change   |
|---|--------------------------------------|--------------------------------------|----------------|---------------|
| <b>Operating expenses</b>   |                                      |                                      |                |               |
| Staff costs   | 5,499.8                              | 6,560.6                              | (1,060.8)      | (16.2%)       |
| Depreciation and amortization expenses                            | 759.5                                | 540.4                                | 219.1          | 40.5%         |
| Tax and surcharges  | 65.9                                 | 59.4                                 | 6.5            | 10.9%         |
| Other operating expenses and costs                                | 1,361.4                              | 1,214.9                              | 146.5          | 12.1%         |
| Reversal of impairment losses under<br>expected credit loss model | (68.3)                               | (29.5)                               | (38.8)         | 131.4%        |
| <b>Total</b>  | <b>7,618.4</b>                       | <b>8,345.9</b>                       | <b>(727.5)</b> | <b>(8.7%)</b> |

Staff costs amounted to RMB5,499.8 million, representing a decrease of RMB1,060.8 million or 16.2% compared with that in the first half of 2021, primarily attributable to the decline in the Group's operating performance compared with that in the first half of 2021 under the unfavorable market conditions and the corresponding decrease in staff costs.

Depreciation and amortization expenses amounted to RMB759.5 million, representing an increase of RMB219.1 million or 40.5% compared with that in the first half of 2021, mainly due to an increase in the depreciation of properties and equipment and amortization of intangible assets and right-of-use assets.

Tax and surcharges amounted to RMB65.9 million, representing an increase of RMB6.5 million or 10.9% compared with that in the first half of 2021, mainly due to an increase in the taxable revenue in connection with value-added tax, resulting in an increase in value-added tax and related surcharges.

Other operating expenses and costs amounted to RMB1,361.4 million, representing an increase of RMB146.5 million or 12.1% compared with that in the first half of 2021, mainly due to increases in business development expenses and information technology related expenses.

Reversal of impairment losses under expected credit loss model amounted to RMB68.3 million, representing an increase of RMB38.8 million or 131.4% compared with that in the first half of 2021, primarily consisted of the reversal of impairment losses for account receivables.



# Management Discussion and Analysis

## 2. Segment Results

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

Unit: RMB in million

| Items  | Six months<br>ended<br>June 30, 2022 | Six months<br>ended<br>June 30, 2021 | Change                                 | % of change |
|--|--------------------------------------|--------------------------------------|--|-------------|
| <b>Investment Banking</b>                      |                                      |                                      |  |             |
| <b>Segment revenue and other income</b>        | <b>1,744.8</b>                       | 3,018.9                              | (1,274.1)                              | (42.2%)     |
| Fee and commission income                      | 2,282.5                              | 2,258.9                              | 23.6                                   | 1.0%        |
| Interest income                                | 19.5                                 | 26.6                                 | (7.1)                                  | (26.7%)     |
| Investment (losses)/income                     | (557.6)                              | 731.9                                | (1,289.5)                              | N/A         |
| Other income, net                              | 0.4                                  | 1.5                                  | (1.1)                                  | (71.5%)     |
| <b>Interest expenses</b>                       | <b>(172.7)</b>                       | (108.4)                              | (64.3)                                 | 59.3%       |
| <b>Revenue and other income after interest</b> | <b>1,572.2</b>                       | 2,910.5                              | (1,338.3)                              | (46.0%)     |
| <b>Non-interest expenses<sup>(1)</sup></b>     | <b>(1,866.1)</b>                     | (2,130.8)                            | 264.7                                  | (12.4%)     |
| <b>(Losses)/profit before income tax</b>       | <b>(294.0)</b>                       | 779.7                                | (1,073.6)                              | N/A         |
| <b>Segment margin<sup>(2)</sup></b>            | <b>(16.8%)</b>                       | 25.8%                                | Decreased by 42.7<br>percentage points |             |

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

# Management Discussion and Analysis

| Items  | Six months<br>ended<br>June 30, 2022 | Six months<br>ended<br>June 30, 2021 | Change                             | % of change    |
|--|--------------------------------------|--------------------------------------|------------------------------------|----------------|
| <b>Equities</b>                                |                                      |                                      |                                    |                |
| Segment revenue and other income               | 4,422.9                              | 5,223.4                              | (800.5)                            | (15.3%)        |
| Fee and commission income                      | 1,341.5                              | 1,642.9                              | (301.4)                            | (18.3%)        |
| Interest income                                | 415.2                                | 410.6                                | 4.6                                | 1.1%           |
| Investment income                              | 2,967.4                              | 3,534.4                              | (567.0)                            | (16.0%)        |
| Other losses, net                              | (301.2)                              | (364.5)                              | 63.3                               | (17.4%)        |
| Interest expenses                              | (602.6)                              | (533.3)                              | (69.3)                             | 13.0%          |
| <b>Revenue and other income after interest</b> | <b>3,820.3</b>                       | <b>4,690.1</b>                       | <b>(869.8)</b>                     | <b>(18.5%)</b> |
| <b>Non-interest expenses<sup>(1)</sup></b>     | <b>(896.7)</b>                       | <b>(1,003.3)</b>                     | <b>106.5</b>                       | <b>(10.6%)</b> |
| <b>Profit before income tax</b>                | <b>2,923.6</b>                       | <b>3,686.9</b>                       | <b>(763.3)</b>                     | <b>(20.7%)</b> |
| <b>Segment margin<sup>(2)</sup></b>            | <b>66.1%</b>                         | <b>70.6%</b>                         | Decreased by 4.5 percentage points |                |

# Management Discussion and Analysis

| Items  | Six months<br>ended<br>June 30, 2022 | Six months<br>ended<br>June 30, 2021 | Change                                | % of change |
|--|--------------------------------------|--------------------------------------|---------------------------------------|-------------|
| <b>FICC</b>                                    |                                      |                                      |                                       |             |
| <b>Segment revenue and other income</b>        | <b>3,486.9</b>                       | 3,141.8                              | 345.1                                 | 11.0%       |
| Fee and commission income                      | 553.8                                | 437.6                                | 116.1                                 | 26.5%       |
| Interest income                                | 647.2                                | 642.1                                | 5.1                                   | 0.8%        |
| Investment income                              | 2,108.1                              | 2,171.0                              | (62.9)                                | (2.9%)      |
| Other income/(losses), net                     | 177.8                                | (108.9)                              | 286.7                                 | N/A         |
| <b>Interest expenses</b>                       | <b>(1,570.8)</b>                     | (1,533.2)                            | (37.6)                                | 2.5%        |
| <b>Revenue and other income after interest</b> | <b>1,916.1</b>                       | 1,608.7                              | 307.5                                 | 19.1%       |
| <b>Non-interest expenses<sup>(1)</sup></b>     | <b>(616.1)</b>                       | (493.2)                              | (122.9)                               | 24.9%       |
| <b>Profit before income tax</b>                | <b>1,300.1</b>                       | 1,115.5                              | 184.6                                 | 16.5%       |
| <b>Segment margin<sup>(2)</sup></b>            | <b>37.3%</b>                         | 35.5%                                | Increased by 1.8<br>percentage points |             |

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



# Management Discussion and Analysis

| Items   | Six months<br>ended<br>June 30, 2022 | Six months<br>ended<br>June 30, 2021 | Change                              | % of change |
|---|--------------------------------------|--------------------------------------|-------------------------------------|-------------|
| <b>Asset Management</b>                           |                                      |                                      |                                     |             |
| Segment revenue and other income                  | 750.0                                | 640.3                                | 109.7                               | 17.1%       |
| Fee and commission income                         | 729.7                                | 568.9                                | 160.8                               | 28.3%       |
| Interest income                                   | 25.8                                 | 33.0                                 | (7.1)                               | (21.6%)     |
| Investment (losses)/income                        | (7.4)                                | 38.9                                 | (46.3)                              | N/A         |
| Other income/(losses), net                        | 1.8                                  | (0.5)                                | 2.3                                 | N/A         |
| Interest expenses                                 | (77.9)                               | (31.3)                               | (46.6)                              | 149.0%      |
| Revenue and other income after interest           | 672.1                                | 609.0                                | 63.1                                | 10.4%       |
| Non-interest expenses <sup>(1)</sup>              | (446.8)                              | (548.4)                              | 101.6                               | (18.5%)     |
| Share of profits of associates and joint ventures | 16.6                                 | 5.8                                  | 10.7                                | 184.7%      |
| Profit before income tax                          | 241.8                                | 66.4                                 | 175.4                               | 264.0%      |
| Segment margin <sup>(2)</sup>                     | 32.2%                                | 10.4%                                | Increased by 21.9 percentage points |             |

The variation of investment losses of Asset Management from investment income for the first half of 2021 was mainly due to a decrease in net gains from investments in funds and in asset management plans under the unfavorable market conditions; the variation of other income from other losses for the first half of 2021 was mainly attributable to changes in gains and losses from foreign exchange derivatives under the effect of exchange rate fluctuations; and the substantial increase in share of profits of associates and joint ventures as compared with that in the first half of 2021 was primarily a result of an increase in share of profits of joint ventures.

# Management Discussion and Analysis

| Items   | Six months<br>ended<br>June 30, 2022 | Six months<br>ended<br>June 30, 2021 | Change                              | % of change    |
|---|--------------------------------------|--------------------------------------|-------------------------------------|----------------|
| <b>Private Equity</b>                             |                                      |                                      |                                     |                |
| Segment revenue and other income                  | 785.2                                | 1,198.1                              | (412.9)                             | (34.5%)        |
| Fee and commission income                         | 707.5                                | 720.1                                | (12.6)                              | (1.7%)         |
| Interest income                                   | 5.2                                  | 11.2                                 | (6.0)                               | (53.8%)        |
| Investment income                                 | 64.2                                 | 458.9                                | (394.8)                             | (86.0%)        |
| Other income, net                                 | 8.4                                  | 7.8                                  | 0.5                                 | 6.9%           |
| Interest expenses                                 | (133.9)                              | (57.6)                               | (76.3)                              | 132.6%         |
| <b>Revenue and other income after interest</b>    | <b>651.3</b>                         | <b>1,140.5</b>                       | <b>(489.2)</b>                      | <b>(42.9%)</b> |
| <b>Non-interest expenses<sup>(1)</sup></b>        | <b>(496.3)</b>                       | <b>(562.2)</b>                       | <b>65.9</b>                         | <b>(11.7%)</b> |
| Share of profits of associates and joint ventures | 41.9                                 | 51.0                                 | (9.1)                               | (17.9%)        |
| Profit before income tax                          | 197.0                                | 629.4                                | (432.4)                             | (68.7%)        |
| <b>Segment margin<sup>(2)</sup></b>               | <b>25.1%</b>                         | <b>52.5%</b>                         | Decreased by 27.4 percentage points |                |

Interest expenses of Private Equity increased significantly compared with that in the first half of 2021, mainly due to an increase in capital occupancy as a result of expansion of the private equity investment business, resulting in the corresponding increase in the interest expenses calculated on the basis of capital occupancy.

# Management Discussion and Analysis

| Items   | Six months<br>ended<br>June 30, 2022 | Six months<br>ended<br>June 30, 2021 | Change                                | % of change    |
|---|--------------------------------------|--------------------------------------|---------------------------------------|----------------|
| <b>Wealth Management</b>                            |                                      |                                      |                                       |                |
| Segment revenue and other income                    | 5,155.2                              | 4,989.8                              | 165.3                                 | 3.3%           |
| Fee and commission income                           | 2,769.6                              | 2,655.7                              | 113.8                                 | 4.3%           |
| Interest income                                     | 2,095.5                              | 1,948.7                              | 146.8                                 | 7.5%           |
| Investment income                                   | 197.9                                | 350.5                                | (152.6)                               | (43.5%)        |
| Other income, net                                   | 92.2                                 | 34.9                                 | 57.3                                  | 164.2%         |
| Interest expenses                                   | (1,087.5)                            | (1,099.5)                            | 12.0                                  | (1.1%)         |
| <b>Revenue and other income after interest</b>      | <b>4,067.6</b>                       | <b>3,890.4</b>                       | <b>177.3</b>                          | <b>4.6%</b>    |
| <b>Non-interest expenses<sup>(1)</sup></b>          | <b>(2,629.5)</b>                     | <b>(2,243.3)</b>                     | <b>(386.3)</b>                        | <b>17.2%</b>   |
| Share of losses of associates and<br>joint ventures | (42.5)                               | (31.9)                               | (10.5)                                | 33.0%          |
| <b>Profit before income tax</b>                     | <b>1,395.6</b>                       | <b>1,615.2</b>                       | <b>(219.5)</b>                        | <b>(13.6%)</b> |
| <b>Segment margin<sup>(2)</sup></b>                 | <b>27.1%</b>                         | <b>32.4%</b>                         | Decreased by 5.3<br>percentage points |                |

The substantial increase in other income of Wealth Management as compared with that in the first half of 2021 was primarily attributable to an increase in the refunds associated with individual income tax withheld and remitted by the Group of clients for their reduction of positions in restricted shares.



# Management Discussion and Analysis

| Items   | Six months<br>ended<br>June 30, 2022 | Six months<br>ended<br>June 30, 2021 | Change  | % of change |
|---|--------------------------------------|--------------------------------------|---------|-------------|
| <b>Others<sup>(3)</sup></b>   |                                      |                                      |         |             |
| <b>Segment revenue and other income</b>                               | <b>1,306.0</b>                       | 1,267.1                              | 39.0    | 3.1%        |
| Fee and commission income   | (48.5)                               | 12.9                                 | (61.4)  | N/A         |
| Interest income   | 711.9                                | 359.7                                | 352.3   | 97.9%       |
| Investment income   | 271.9                                | 877.9                                | (605.9) | (69.0%)     |
| Other income, net   | 370.7                                | 16.7                                 | 354.0   | 2,121.4%    |
| <b>Segment expenses</b>   | <b>(2,551.7)</b>                     | (3,050.0)                            | 498.4   | (16.3%)     |
| <b>Share of (losses)/profits of associates and<br/>joint ventures</b> | <b>(0.0)</b>                         | 9.0                                  | (9.1)   | N/A         |
| <b>Loss before income tax</b>   | <b>(1,245.7)</b>                     | (1,773.9)                            | 528.2   | (29.8%)     |

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

# Management Discussion and Analysis

## (VI) Contingent Liabilities

The Group is exposed to the risk of economic benefit outflows due to litigations, arbitrations or regulatory investigations in the course of operations. The Group, after having assessed in accordance with the International Accounting Standard, believes that the probability for the occurrence of such risk is relatively low. The Group had no outstanding contingent matters which had a material impact on its consolidated financial position as at the balance sheet date.

## (VII) Pledge of assets of the Group

The Group has no pledge of assets as of June 30, 2022.

## (VIII) Income tax Policy

In accordance with the Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法) and the Provisions of Implementation for the Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法實施條例), the statutory corporate income tax rate applicable to our parent company and our PRC subsidiaries is 25%. Our Hong Kong subsidiaries are subject to a tax rate of 16.5% on their assessable profit. The parent company's income tax computation and payment are governed by the Announcement of the State Administration of Taxation on Printing and Distributing the Administrative Measures for Collection of Consolidated Payments of Enterprise Income Tax by the Enterprises with Trans-regional Operations 《(國家稅務總局關於印發〈跨地區經營匯總納稅企業所得稅徵收管理辦法〉的公告)》 (Public Notice of the State Administration of Taxation [2012] No.57). During the six months ended June 30, 2022, we had fulfilled all our tax obligations and did not have any unresolved tax disputes with the relevant tax authorities in China or other jurisdictions.

## V. ANALYSIS ON INVESTMENT AND FINANCING ACTIVITIES

### (I) Overall analysis on external equity investments

As of June 30, 2022, the Group's interests in associates and joint ventures amounted to RMB1,092.9 million, representing an increase of RMB6.0 million or 0.5% as compared with RMB1,086.9 million as of December 31, 2021.

### (II) Equity Financing

During the Reporting Period, the Company had no significant equity financings.

### (III) Material assets and equity disposal

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

# Management Discussion and Analysis

## (IV) Major controlled and participating companies and structured entities of the Company

### 1. Major controlled and participating companies

As at the end of the Reporting Period, the Company has 8 major subsidiaries, the principal information on which is as follows:

| Name  | Shareholding                                    | Time of establishment | Registered capital (or working capital)        | Person-in-charge  | Contact number | Registered address   | Main business  |
|---|---|-----------------------|--|---|----------------|--|--|
| China International Capital Corporation (International) Limited | 100%  | 1997/04/04            | With issued share capital of HK\$3,900,000,000 | Liu Qingchuan, Xu Yicheng, Wong King Fung, Chu Gang, Huang Haizhou, Xia Xinhan and Ma Kui   | (852)28722000  | 29/F., One International Finance Centre, 1 Harbour View Street, Central, Hong Kong   | Overseas investment holding business   |
| China CICC Wealth Management Securities Company Limited         | 100%  | 2005/09/28            | RMB8 billion                                   | Gao Tao   | (0755)82026676 | L4601-L4608, China Resources Building, No. 2666 Keyuan South Road, Haizhu Community, Yuehai Street, Nanshan District, Shenzhen | Securities brokerage; securities investment consulting; financial consulting relating to the securities trading and securities investment; proprietary trading of securities; securities asset management; proxy sale of securities and investment fund; margin financing and securities lending; and proxy sale of financial products |
| CICC Capital Management Co., Ltd.                               | 100%  | 2017/03/06            | RMB2 billion                                   | Huang Zhaohui   | (010)65051166  | Units 09-11, 9th Floor, 1 Janguomenwai Avenue (Phase II), Chaoyang District, Beijing   | Asset management; investment management; project investment; and investment consulting   |
| CICC Fund Management Co., Ltd.                                  | 100%  | 2014/02/10            | RMB500 million                                 | Hu Changsheng   | (010)63211122  | Room 05, 26th Floor, China World Office 2, 1 Janguomenwai Avenue, Chaoyang District, Beijing                                   | Fund offering, fund sales, provision of asset management service for specific clients, asset management and other activities as approved by the CSRC   |
| CICC Pucheng Investment Co., Ltd.                               | 100%  | 2012/04/10            | RMB6 billion                                   | Liu Jian  | (021)58796226  | Unit 2904A, 29/F, AZIA center, No. 1233 Lujiazui Ring Road, China (Shanghai) Pilot Free Trade Zone                             | Investment management, investment consultancy, import and export of goods and technology, domestic cargo transportation agency services and storage (excluding hazardous articles)   |
| CICC Futures Co., Ltd.  | 100%  | 2004/07/22            | RMB350 million                                 | Sui You   | (0971)8224987  | No. 1811 and 1813, Sapphire Hotel, No. 21 Shengli Road, Chengxi District, Xining, Qinghai                                      | Commodity futures brokerage, financial futures brokerage and asset management  |
| CICC Private Equity Management Co., Ltd.                        | 100%  | 2020/10/30            | RMB500 million                                 | Shan Junbao   | (010)65051166  | Unit 03, 8/F, No. 100 South Zhongshan Road, Huangpu District, Shanghai   | Equity investment management, investment management, asset management, and investment consulting   |
| CICC Financial Trading Limited                                  | Wholly owned by CICC Financial Holdings Limited | 2012/04/10            | With issued share capital of HK\$1             | Diao Zhihai, Lin Ning, Ji Yanbin, Lit Ho Man Vienna, Feng Sibo, Wang Ke, Zhang Yongcheng, Yu Weijiang, Liu Qingchuan, Zhou Xuetao, Huang Haizhou, Jia Jia, Lao Tsz Wing, Wang Jin, Peng Jun and Tan Bin | (852)28722000  | 29/F., One International Finance Centre, 1 Harbour View Street, Central, Hong Kong   | Client facilitation trade, trading of listed securities, exchange-traded funds (ETFs), and derivative financial instruments  |



# Management Discussion and Analysis

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

## **1. CICC International**

As of June 30, 2022, under the Hong Kong Financial Reporting Standards, the total assets amounted to HK\$209,222.1 million; the net assets amounted to HK\$20,014.7 million. In the first half of 2022, CICC International realized a net profit of HK\$1,431.4 million.

## **2. CICC Wealth Management Securities**

As of June 30, 2022, the total assets amounted to RMB162,947.8 million; the net assets amounted to RMB17,937.2 million. In the first half of 2022, CICC Wealth Management Securities realized a net profit of RMB695.2 million.

## **3. CICC Capital**

As of June 30, 2022, the total assets amounted to RMB5,471.2 million; the net assets amounted to RMB2,655.1 million. In the first half of 2022, CICC Capital realized a net profit of RMB269.5 million.

## **4. CICC Fund Management**

As of June 30, 2022, the total assets amounted to RMB625.0 million; the net assets amounted to RMB397.7 million. In the first half of 2022, CICC Fund Management realized a net profit of RMB29.3 million.

## **5. CICC Pucheng**

As of June 30, 2022, the total assets amounted to RMB8,700.7 million; the net assets amounted to RMB5,672.4 million. In the first half of 2022, CICC Pucheng realized a net profit of RMB230.5 million.

## **6. CICC Futures**

As of June 30, 2022, the total assets amounted to RMB6,275.1 million; the net assets amounted to RMB686.9 million. In the first half of 2022, CICC Futures realized a net profit of RMB30.0 million.

## **7. CICC Private Equity**

As of June 30, 2022, the total assets amounted to RMB529.2 million; the net assets amounted to RMB340.0 million. In the first half of 2022, CICC Private Equity realized a net profit of RMB170.8 million.

## **8. CICC Financial Trading Limited**

As of June 30, 2022, under the Hong Kong Financial Reporting Standards, the total assets amounted to US\$18,135.9 million; the net assets amounted to US\$872.4 million. In the first half of 2022, CICC Financial Trading Limited realized a net profit of US\$174.4 million.

# Management Discussion and Analysis

## VI. RISK MANAGEMENT

### (I) Overview

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

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

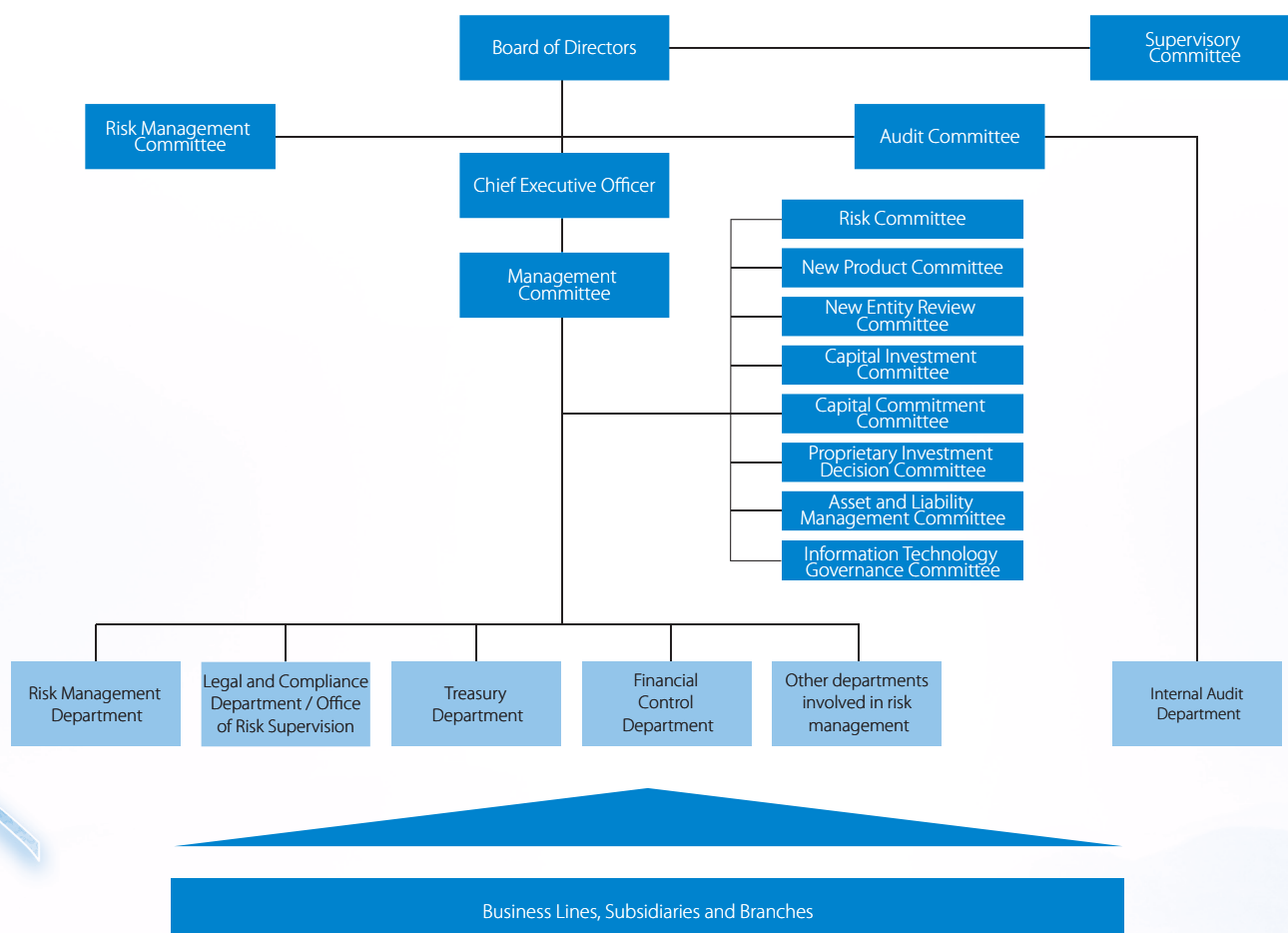
### (II) Risk Management Framework

The Company has established a multi-level risk management organizational structure which comprises the Board of Directors, the Supervisory Committee, senior management, independent departments performing risk management functions, business departments and branches, of which, (1) the Board of Directors is the top level of our Company’s risk management and internal control governance structure and is responsible for facilitating the enforcement of the firmwide risk management culture and reviewing and approving the overall risk management goals, risk appetite, risk tolerance, important risk limits and the risk management policy of our Company. The Board of Directors performs its risk management duties primarily through the Risk Management Committee and the Audit Committee; (2) the Supervisory Committee assumes the supervision duty on the effectiveness of the overall risk management of our

Company, and supervises and inspects the fulfillment of the risk management duties performed by the Board of Directors and the management, and reviews the rectification of risk management deficiencies and findings; (3) under the Board of Directors, our Company has established the Management Committee chaired by the Chief Executive Officer. The Management Committee determines the risk appetite of our Company in accordance with the overall risk management goals set by the Board of Directors and assumes the major responsibility of ensuring the effectiveness of the overall risk management of our Company; (4) the Risk Committee established under the Management Committee reports risk issues to the Management Committee and significant risk matters to the Risk Management Committee under the Board of Directors. The Chief Operating Officer is the chairman of the Risk Committee, and the Chief Risk Officer and Chief Compliance Officer are the co-executive chairmen of the Risk Committee. Other members include the Chief Financial Officer, heads of each of the business departments and heads of independent departments performing risk management functions. There are New Product Committee, New Entity Review Committee, Capital Investment Committee, Capital Commitment Committee, Proprietary Investment Decision Committee, Asset and Liability Management Committee and Information Technology Governance Committee under Management Committee, which perform their duties in respect of new business/new product approval, branch set-up and approval, approval of capital contribution from owned funds, risk control of issuance and underwriting in investment banking business, management of investment decision-making process of proprietary business, management of assets and liabilities of the Company and management of information technology and etc.; (5) independent departments performing risk management functions, including departments such as Risk Management Department, Legal and Compliance Department, Treasury Department, Financial Control Department, Operations Department, Information Technology Department and Public Relations Department, coordinate to manage various risks based on their respective perspectives; and (6) heads of business departments and branches take the primary responsibility for the effectiveness of risk management. During our daily business operations, all staff involved in business operations in our business departments and branches are required to perform risk management functions.

# Management Discussion and Analysis

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



## (III) Risk to Our Company's Business activities and Management Measures

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

In the first half of 2022, the external environment became more complicated and severe with the slowdown in global economic growth, continuous geopolitical conflicts, more inflationary pressure from the rise in energy and food prices, more serious supply chain chokeholds, and the increased volatility in financial markets and capital flows; China fully implemented the important decisions and deployments of "outbreak prevention, economic stabilization and safe development" and effectively coordinated pandemic prevention and control, and economic and social development. However, economic development remained subject to pressure from shrinking demand, supply shock and weakening expectations. Confronted with severe and complex market environment challenges, the Company persisted in implementing the risk management and control requirements of "full coverage, looking through, and full cycle", and continuously strengthened the integrated vertical risk management system covering its subsidiaries and branches. Through joint efforts on risk management control of three lines of



# Management Discussion and Analysis

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

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

## Market Risk

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

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

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

# Management Discussion and Analysis

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

## Value at Risk (VaR)

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

## The Company

| (RMB in million)                | June 30, 2022 | December 31, 2021 | Six months ended June 30, 2022 |              |              | Twelve months ended December 31, 2021 |              |              |
|---------------------------------|---------------|-------------------|--------------------------------|--------------|--------------|---------------------------------------|--------------|--------------|
|                                 |               |                   | Average                        | Highest      | Lowest       | Average                               | Highest      | Lowest       |
| Equity prices <sup>(1)</sup>    | 152.9         | 185.7             | 141.8                          | 187.3        | 110.9        | 180.1                                 | 215.7        | 132.5        |
| Interest rates <sup>(2)</sup>   | 68.4          | 51.7              | 68.3                           | 83.0         | 50.9         | 54.6                                  | 79.3         | 35.8         |
| Currency rates <sup>(3)</sup>   | 35.8          | 39.1              | 33.5                           | 39.1         | 21.5         | 33.8                                  | 44.3         | 19.0         |
| Commodity prices <sup>(4)</sup> | 0.7           | 1.0               | 1.4                            | 2.7          | 0.6          | 0.6                                   | 1.5          | 0.1          |
| Diversification effect          | (88.2)        | (97.2)            | (89.2)                         |              |              | (83.7)                                |              |              |
| <b>Total portfolio</b>          | <b>169.6</b>  | <b>180.3</b>      | <b>155.8</b>                   | <b>186.1</b> | <b>135.2</b> | <b>185.4</b>                          | <b>220.8</b> | <b>151.3</b> |

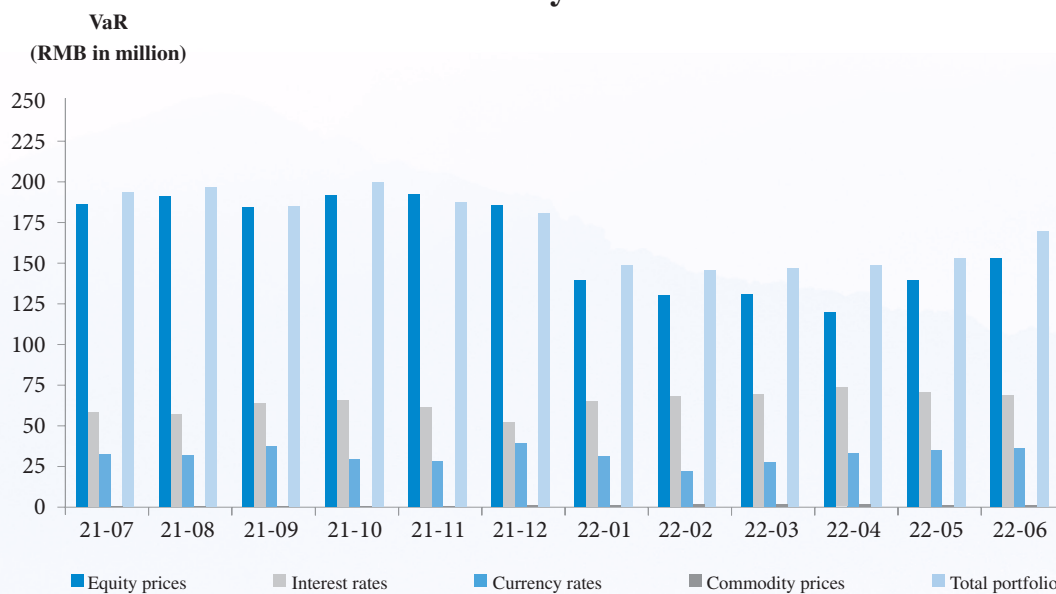
Notes:

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

# Management Discussion and Analysis

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

## Monthly VaR Chart





# Management Discussion and Analysis

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

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

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

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

## Credit Risk

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

## *Bond Investments Business*

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

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

# Management Discussion and Analysis

| The Company      | As of June 30, 2022 (Unit: RMB in million) |              |              |
|------------------|--|--------------|--------------|
|                  | Position                                   | DV01         | Spread DV01  |
| Overseas rating  |  |              |              |
| – AAA            | 197.4                                      | 0.01         | 0.01         |
| – AA- to AA+     | 287.2                                      | 0.03         | 0.03         |
| – A- to A+       | 6,376.6                                    | 0.90         | 0.88         |
| – BBB- to BBB+   | 3,393.8                                    | 0.68         | 0.68         |
| – below BBB-     | 480.1                                      | 0.05         | 0.05         |
| – NR             | 3,577.3                                    | 0.25         | 0.25         |
| <b>Sub-total</b> | <b>14,312.4</b>                            | <b>1.93</b>  | <b>1.91</b>  |
| Domestic rating  |  |              |              |
| – AAA            | 77,946.4                                   | 12.77        | 9.51         |
| – AA- to AA+     | 9,167.4                                    | 1.33         | 1.33         |
| – A- to A+       | 1,144.3                                    | 0.12         | 0.12         |
| – below A-       | 761.2                                      | 0.06         | 0.06         |
| <b>Sub-total</b> | <b>89,019.2</b>                            | <b>14.28</b> | <b>11.02</b> |
| – Non-rated 1    | 30,507.3                                   | 6.74         | 0.00         |
| – Non-rated 2    | 12,522.5                                   | 0.01         | 0.01         |
| <b>Total</b>     | <b>146,361.5</b>                           | <b>22.96</b> | <b>12.95</b> |

Notes: The Risk Management Department uses DV01 and Spread DV01 to measure the interest rate sensitivity and credit spread sensitivity of bonds. DV01 measures the change in the value of interest rate sensitive products for each parallel movement of one basis point in a market interest rate curve. Spread DV01 measures the change in the value of credit spread sensitive products for each parallel movement of one basis point in the credit spread.

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

# Management Discussion and Analysis

## *Capital Business*

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

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

### **1. Margin Financing and Securities Lending Business**

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

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

### **2. Stock-based Lending Business**

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

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



# Management Discussion and Analysis

## a. Margin Financing and Securities Lending Business

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

| Items  | Unit: RMB in million   |                            |
|--|------------------------|----------------------------|
|  | As of June 30,<br>2022 | As of December 31,<br>2021 |
| Amounts of margin financing and securities lending | 43,574.5               | 50,211.4                   |
| Market value of collaterals                        | 121,921.8              | 143,029.3                  |
| Collateral ratio                                   | 279.8%                 | 284.9%                     |

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

As of June 30, 2022, the collateral ratio of the margin financing and securities lending business of the Company was 279.8%. Assuming that the market value of all securities as collaterals of the Company's margin financing and securities lending business declined by 10% and 20% respectively, and the liabilities of securities lending business increased by 10% and 20% respectively, the collateral ratio of the Company's margin financing and securities lending business as of June 30, 2022, would have been 248.8% and 217.8% respectively.

## b. Stock-based Lending Business

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

| Items                          | Unit: RMB in million   |                            |
|--------------------------------|------------------------|----------------------------|
|                                | As of June 30,<br>2022 | As of December 31,<br>2021 |
| Amounts of stock-based lending | 6,844.4                | 8,269.2                    |
| Market value of collaterals    | 24,858.3               | 29,556.2                   |
| Collateral ratio               | 363.2%                 | 357.4%                     |

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

# Management Discussion and Analysis

## Liquidity Risk

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

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

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

In order to withstand the potential liquidity risk and satisfy the short-term liquidity needs, our Company constantly holds sufficient unsecured and high-quality liquid assets as its liquidity reserves. The liquidity reserves are held by the Treasury Department and are managed independently from business departments. Our Company manages the liquidity reserves of all branches and subsidiaries vertically to ensure the allocation efficiency of the liquidity reserves. Meanwhile, due to the liquidity transfer restrictions between entities and regions, the liquidity reserves are held in various currencies and maintained within major operating subsidiaries, ensuring that the liquidity requirements of different entities are met in a timely manner. The size and composition of the liquidity reserves are actively managed by our Company based on the

consideration of factors including, but not limited to, funding maturity profile, balance sheet size and composition, business and operational capital requirements, stress test results, and regulatory requirements. Our Company strictly limits the liquidity reserves to high-quality liquid assets (including cash and cash equivalents, interest rate bonds and money market funds) and sets risk limits.

Our Company constantly broadens and diversifies its funding channels to optimize the liability structure. The funding instruments of our Company include corporate bonds, medium-term note program, bank loan, commercial papers, beneficiary certificates, refinancing, transfer of right to income, inter-bank borrowing, REPOs, etc. Our Company maintains good relationship with banks and has sufficient bank credit to meet the funding requirement for business development. As of the Latest Practicable Date, as assessed by China Chengxin International Credit Rating Company Limited (中誠信國際信用評級有限責任公司), the credit rating of our Company was AAA and the rating outlook was stable. As of the Latest Practicable Date, as assessed by Standard & Poor's, the long-term rating of the Company was BBB+, the short-term rating was A-2 and the rating outlook is stable. As assessed by Moody's, the long-term rating of the Company was Baa1, the short-term rating was P-2 and the rating outlook was stable. As assessed by Fitch, the long-term rating of the Company was BBB+, the short-term rating was F2 and the rating outlook was stable.

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

During the Reporting Period, the regulatory liquidity risk management indicator of our Company continued to comply with the regulatory requirements. As of June 30, 2022, the liquidity coverage ratio and the net stable funding ratio of our Company were 497.5% and 149.9%, respectively.



# Management Discussion and Analysis

## Operational Risk

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

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

- Cultivating the operational risk idea of all staffs and improving employees' awareness to operational risks;
- Establishing a transparent organizational structure with a proper decision-making mechanism and defining the responsibilities of the management and control of business processes;
- Promoting risk management in key areas and processes, and optimizing and improving systems, processes and mechanisms;
- Carrying out risk assessment and follow-up review of new businesses and products, and effectively managing and controlling operational risks of new businesses and products;
- Continuously strengthening the identification, assessment, monitoring and response to operational risks of the operational risk management and control tools, and strengthening the ex ante management of operational risks, management of operational risks in the act and ex post facto management of operational risks;
- Optimizing the communication, reporting and processing mechanism for operational risk information to prevent and control risks in a more active and forward-looking manner;
- Promoting the construction of business continuity management systems to enhance the continuity of going concern ability.

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

## IT Risk

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

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

- Establishing an effective IT governance framework to keep information technology construction consistent with business goals;
- Clarifying the information technology risk management mechanism, and clarifying at the policy level the division of responsibilities of the three lines of defense in IT risk management, defining and regulating management strategies and methods;
- Conducting IT risk assessment, fully identifying and analyzing the risks, analyzing the possibility and potential impact of the risks, implementing risk prevention measures; establishing an IT key risk indicator system and monitoring mechanism; cultivating IT risk culture and improving employees' awareness of IT risk prevention and control;
- Ensuring the reliability, integrity, availability and maintainability of information system through the management process of initialization, approval and control of IT projects;



# Management Discussion and Analysis

- Establishing information security management system, formulating and implementing information security plan, monitoring information security threats;
- Establishing a data governance organizational framework to ensure unified management, sustainable controllability and storage safety of data;
- Tracking, responding to, analyzing and dealing with problems of information system and emergencies of information technology through establishing an effective process to manage problems;
- Through establishing an IT emergency management system, formulating an emergency plan, carrying out emergency drills, and continuously improving IT emergency management process, to ensure that the system can support the Company's business operations in a continuous and steady manner.
- Our professional compliance team is responsible for examining various businesses and providing compliance advice. We implement effective compliance risk management measures at an early stage of new businesses and conduct compliance reviews and supervision during carrying out new business;
- Our Company controls the circulation of sensitive information by monitoring information flows and establishing dynamic information barrier walls, with the aim to prevent risks of insider trading and manage conflicts of interest;
- Our Company undertakes compliance supervision and reviews in accordance with applicable laws and regulations, other regulatory documents, self-regulatory rules, industry norms and our internal policies, to monitor the compliance of our business operations and employee activities and identify and prevent compliance risks in a proactive manner;

## Compliance Risk

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

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

- Our Company formulates and updates our compliance policies and procedures in accordance with changes in laws, regulations and industry norms;
- Our Company adopts various means to cultivate a compliance culture within each business line, functional department and branch and provides compliance training to our employees to improve their compliance awareness;
- Our Company has established an internal accountability system in respect of employees' violations of laws and regulations and internal policies to impose applicable punishments on offenders.

# Management Discussion and Analysis

## Legal Risk

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

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

- Our Company continuously enhances our internal policies and business procedures from a legal perspective to ensure that our operations and management satisfy the requirements of applicable laws and regulations;
- Our Company formulates templates for various business contracts and requires our business departments to use our in-house templates to the fullest extent. We also review contracts drafted or provided by counterparties prior to entering into such contracts to mitigate the legal risk associated with performing such contracts;
- Our Company conducts legal training to enhance our employees' legal awareness;
- Our Company applies for trademarks, maintains and protects our existing trademarks, safeguards our goodwill and trade secrets and takes legal actions against behaviors that harm our reputation or interests;
- Our Company takes active measures to mitigate legal risks when disputes and litigation arise.

## Money Laundering Risk

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

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

- Establishing an organizational structure for money laundering risk management and properly conducting anti-money laundering human resource assurance;
- Formulating and updating anti-money laundering policies in accordance with laws, regulations, and regulatory requirements;
- Conducting regular and irregular money laundering risk assessment;
- Integrating risk control measures into relevant business operation processes in consideration of anti-money laundering obligations, including customer identification, preservation of customer identity information and transaction records, suspicious transaction monitoring and reporting, name screening and monitoring, asset freezing;
- Continuously carrying out anti-money laundering publicity and training to promote the full transmission of money laundering risk management culture;
- Establishing and improving the anti-money laundering monitoring system and data quality control mechanism;
- Carrying out anti-money laundering inspection and internal audit work and conducting anti-money laundering performance appraisals, rewards and punishments, and emergency management work.

# Management Discussion and Analysis

## Reputational Risk

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

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

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



# Management Discussion and Analysis

## (IV) Establishment of Monitoring and Complementary Mechanism of the Company's Risk Control Indicators

### Establishment of risk control indicators monitoring

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

### Complementary mechanism

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

# Corporate Governance

## I. INTRODUCTION OF THE SHAREHOLDERS' GENERAL MEETING

During the Reporting Period, our Company convened one shareholders' general meeting, the details and resolutions of which are as follows:

On June 23, 2022, the Company held the 2021 annual general meeting, which considered and approved the following resolutions: Resolution on the Amendments to the Articles of Association, Resolution on the 2021 Work Report of the Board of Directors, Resolution on the 2021 Work Report of the Supervisory Committee, Resolution on the 2021 Annual Report, Resolution on the 2021 Profit Distribution Plan, Resolution on Re-appointment of the Accounting Firms, Resolution on the 2022 Annual Estimation for Daily Related-party Transactions, Resolution on the Election of Mr. Ng Kong Ping Albert as an Independent Non-executive Director, and Resolution on the Election of Mr. Lu Zhengfei as an Independent Non-executive Director.

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

There was no request for convening an extraordinary general meeting by preference shareholders with restored voting rights in the Company.

## II. CHANGES IN DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

### (I) Changes in Directors, Supervisors and Senior Management

From the beginning of the Reporting Period to the Latest Practicable Date, the changes in Directors, Supervisors and senior management of the Company are as follows:

#### 1. Changes in Directors

As of the Latest Practicable Date, the Board of our Company comprises 8 Directors, including one executive Director (Mr. Huang Zhaohui), three non-executive Directors (Mr. Shen Rujun, Ms. Tan Lixia and Mr. Duan Wenwu) and four independent non-executive Directors (Mr. Liu Li, Mr. Ng Kong Ping Albert, Mr. Lu Zhengfei and Mr. Peter Hugh Nolan). From the beginning of the Reporting Period to the Latest Practicable Date, the changes in Directors of the Company are as follows:

- (1) With the approval of the 2021 annual general meeting of the Company held on June 23, 2022, Mr. Ng Kong Ping Albert and Mr. Lu Zhengfei were appointed as independent non-executive Directors of the Company with a term of office from June 23, 2022 until the date of expiration of the term of office for the second session of the Board of the Company, and they will be eligible for re-election then. With the approval of the Board of the Company, Mr. Ng Kong Ping Albert was appointed as the chairman of the Audit Committee and the Related-Party Transaction Control Committee, and the member of each of the Remuneration Committee and the Risk Management Committee of the Board of the Company, and Mr. Lu Zhengfei was appointed as the chairman of the Risk Management Committee, and the member of each of the Nomination and Corporate Governance Committee and the Audit Committee of the Board of the Company from the same date.

# Corporate Governance

- (2) Mr. Siu Wai Keung and Mr. Ben Shenglin have resigned from the office of independent non-executive Directors and positions of the relevant special committees of the Board of the Company with effect from June 23, 2022, after serving for six consecutive years.
- (3) Due to work arrangement, Mr. Zhu Hailin tendered his resignation to the Board on July 27, 2022 to resign from the office of the non-executive director of the Company and the member of each of the Strategy and ESG Committee, the Audit Committee and the Risk Management Committee of the Board with effect from the same date.

## 2. Changes in Supervisors

As of the Latest Practicable Date, the Supervisory Committee of the Company comprises three Supervisors, including one employee representative Supervisor (Mr. Gao Tao) and two non-employee representative Supervisors (Mr. Jin Lizuo and Mr. Cui Zheng).

From the beginning of the Reporting Period to the Latest Practicable Date, there was no change in Supervisors of the Company.

## 3. Changes in Senior Management

- (1) After consideration and approval by the Board of the Company, Mr. Huang Haizhou ceased to serve as a member of the Management Committee of the Company due to age, with effect from June 23, 2022.
- (2) After consideration and approval by the Board of the Company, Mr. Wang Sheng ceased to serve as a member of the Management Committee of the Company due to work arrangement, with effect from July 13, 2022.

Save for the above changes, there was no other change in Directors, Supervisors and senior management of the Company from the beginning of the Reporting Period to the Latest Practicable Date.



# Corporate Governance

## (II) Changes in Biographies of Directors and Supervisors

Mr. Liu Li has served as the independent non-executive director of Metallurgical Corporation of China Ltd., a company listed on the Shanghai Stock Exchange (Stock Code: 601618) and the Hong Kong Stock Exchange (Stock Code: 01618), since January 2022. Mr. Ng Kong Ping Albert has served as the independent non-executive director of Alibaba Group Holding Limited, a company listed on the Hong Kong Stock Exchange (Stock Code: 09988) and the New York Stock Exchange (Stock Code: BABA), since August 2022.

Save as disclosed above, there is no other information of Directors and Supervisors of the Company that is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules of the Stock Exchange.

## III. PLAN ON PROFIT DISTRIBUTION OR CONVERTING CAPITAL RESERVE INTO SHARE CAPITAL

In considering the interim report, the Board of the Company did not make a plan on profit distribution or converting capital reserve into share capital.

## IV. THE SHARE INCENTIVE SCHEME, EMPLOYEE STOCK OWNERSHIP PLAN OR OTHER EMPLOYEE INCENTIVES AND THEIR IMPACTS

During the Reporting Period, the Company did not implement any share incentive scheme, employee stock ownership plan or other employee incentives.

## V. COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the Reporting Period, the Company strictly complied with the Corporate Governance Code, followed all code provisions and met the requirements of part of the recommended best practices set out in the Corporate Governance Code.

## VI. COMPLIANCE WITH THE MODEL CODE

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

## VII. EMPLOYEES AND REMUNERATION

As of June 30, 2022, the Group had 14,250 employees, among whom 13,273 employees were based in the Chinese mainland and 977 employees were based in Hong Kong SAR, Singapore, the United States, the United Kingdom and Germany, representing 93% and 7%, respectively, of the total number of the Group's employees. Approximately 43% and 53% of the Group's employees had obtained bachelor's degrees or master's degrees and above, respectively. Moreover, approximately 30% of the Group's employees and 42% of our managing directors had overseas education or working experience.

During the Reporting Period, there was no change in the remuneration policy and training plans of the Company. For related information, please refer to "Directors, Supervisors, Senior Management and Employees" in the 2021 annual report of the Company.

# Environmental and Social Responsibility

The Company unwaveringly serves the national strategy, actively fulfils its corporate social responsibility, continuously pays attention to sustainable development, comprehensively promotes green transformation of the economy, and contributes to consolidating the results of poverty alleviation with rural revitalization by leveraging its professional know-how. During the Reporting Period, the Company further improved its ESG governance and design of organizational structure. In March 2022, the Company officially changed the name of the “Strategy Committee” under the Board of Directors to the “Strategy and ESG Committee”. In April 2022, the Company formally established the ESG Committee and ESG Office to coordinate relevant departments and branches to carry out specific work on low carbon, environmental protection, innovation, employee development, and social service.

## I. FULFILLING ENVIRONMENTAL RESPONSIBILITIES

The Company vigorously develops green bonds and green funds, and actively deploys ESG-themed strategic products to help achieve the “dual-carbon” goal. In the first half of 2022, the Company facilitated to issue a total of 33 green bonds worth of more than RMB140 billion. For instance, the Company assisted China Development Bank in completing the offering of the first “Bond Connect” green financial bonds with the theme of “clean energy equipment manufacturing”, assisted the Agricultural Development Bank of China in completing the offering of the first green financial bonds in 2022, and assisted CECEP Solar Energy Co., Ltd. in issuing the corporate bonds for green rural revitalization. CICC-GCL Carbon Neutrality Industry Investment Fund, which was established in March 2022 with a management scale of RMB2.5 billion, will deploy all-round investment in the field of carbon neutrality to promote the integration of industry and finance to jointly promote the scale and commercialization of outstanding green enterprises and green technologies. In addition, the Company actively carried out product and strategic layout, and developed product strategies such as ESG bond index, green bond index, carbon neutral bond index, Shanghai-Shenzhen-Hong Kong Stock Connect ESG Stock Portfolio and CSI 300 ESG Stock Portfolio to meet the ESG investment needs of different investors. In March 2022, the Company successfully listed CICC Carbon Futures ETF on the Hong Kong Stock Exchange, which is the first carbon credit ETF in Greater China. In July 2022, the Company became a signatory to the UNPRI.

The Company actively responds to the “dual-carbon” goal and helps protect the ecological environment. The Company launched the “CICC Public Welfare Project for Ecological Carbon Sink Forests in Lanping, Yunnan” by donating to China Green Carbon Foundation through CICC Charity Foundation. It is expected to plant 62,000 spruces and 50,000 fir trees in Lanping County, Nujiang Prefecture, Yunnan Province, covering a total operating area of 1,054 mu. The purpose is to help effectively restore the ecosystem, focus on building an ecological security barrier in Southwest China, increase carbon sinks and reduce carbon emissions, restore and rebuild the habitats of the flagship species represented by Yunnan snub-nosed monkeys and protect biodiversity, thereby playing a positive role in improving local ecological environment and facilitating sustainable development.

# Environmental and Social Responsibility

The Company practices the concept of green development, promotes green office, energy conservation and emission reduction, and actively organizes and advocates environmental protection activities. In terms of green buildings, the Company promoted the construction of CICC Building in accordance with the two-star green building and LEED Gold standards. In terms of low-carbon office, the Company actively pursued shared office and advocated online office and meetings to reduce energy consumption. The Company's first pilot shared office was put into use at the beginning of the year. To further implement the concept of energy conservation and emission reduction, the Company prepares degradable paper cups in the tea room, which will gradually realize the complete replacement of ordinary paper cups, and we also advocate reducing the use of disposable tableware. In terms of low-carbon travel, the Company's business travel system realized the functions of recording the carbon emissions of domestic flights and calculating carbon emissions/mileage in April 2022, which can help reduce travel emissions.

## II. CONSOLIDATING THE RESULTS OF POVERTY ALLEVIATION, AND FACILITATING RURAL REVITALIZATION

The Company has conscientiously implemented the central government's decision and deployment on the effective linkage between poverty alleviation and rural revitalization, and held two party committee meetings to review and formulate annual assistance measures. In the first half of 2022, the Company completed the allocation of RMB24 million to help consolidate the results of poverty alleviation and promote rural revitalization of Huining County; supported the development of local specialty industries by purchasing RMB6 million worth of products from Huining and other counties; and actively contacted public welfare foundations and invested companies to introduce paid and free aid funds. In June 2022, the Company donated RMB17 million to Huining County People's Government of Gansu Province through CICC Charity Foundation for the construction of Huining County No. 1 Middle School; and donated RMB3 million to carry out the "China Reach" early childhood development program to help block the intergenerational transmission of poverty through educational assistance.

## III. OTHER WORK FOR FULFILLING SOCIAL RESPONSIBILITIES

The Company has been actively engaged in the COVID-19 pandemic prevention, control and relief work, and supported the catering, retail, tourism, civil aviation, highway, waterway and railway transportation enterprises and other industries in dire straits. In the first half of 2022, the Company completed the IPO of GogoX (Kuaigou Dache) on the Main Board of Hong Kong Stock Exchange, the placement of Hong Kong shares of Yadea Holdings, the public issuance of corporate bonds (second tranche) of Liaoning Port to professional investors in 2022 and the public issuance of sci-tech innovation corporate bonds of Guangzhou Port to professional investors in 2022, with a transaction size of over RMB42 billion. In face of the increasingly severe pandemic situation in Shanghai, the Company cooperated with the Export-Import Bank of China to jointly customize and issue the first financial bonds of RMB5 billion with the theme of anti-pandemic supply guarantee in Shanghai. In the first half of 2022, the Company invested RMB116 million in asset securitization products related to pandemic prevention and control. In addition, the Company has actively called on the invested companies to mobilize anti-pandemic materials. The invested companies in biomedicine, consumer logistics and other fields have continued to increase their support for pandemic prevention and control to help fight the COVID-19 pandemic.



# Environmental and Social Responsibility

The Company supports and serves small, medium and micro enterprises in various ways. In the first half of 2022, the financing scale of small and micro asset securitization projects exceeded RMB36 billion, and the underwriting scale was nearly RMB10 billion. The “CICC Cloud Investment Bank” online platform facilitates the equity financing needs of SMEs for free. As of the end of June, it has served about 85 SMEs from various industries such as information technology, new energy and high-end manufacturing. Nearly 270 investors have solicited for relevant projects via the platform. CICC Capital assisted small, medium and micro enterprises by direct investment to solve their problem of difficult and expensive financing, and supported them to achieve stable operation without increasing leverage. In the first six months, CICC Capital has completed an investment of more than RMB1.6 billion and invested 30 transactions in small, medium and micro enterprises.

The Company has participated in asset restructuring and disposal of non-performing assets of enterprises in difficulty, assisted them in resolving debt risks and helped stabilize employment. In the first half of 2022, the Company completed the benchmark projects such as Xinchufeng Automobile, Shengjing Energy and enterprises under Loncin Group, involving a debt scale of nearly RMB60 billion and safeguarding jobs for nearly 30,000 people. Among them, Shengjing Energy Group is the largest heat supply enterprise in Shenyang, for which nearly RMB800 million of restructuring investment funds were financed from China Resources Power and Shengjing Assets through judicial restructuring. Upon completion of restructuring, it will provide an employment guarantee for more than 4,000 employees and create an annual output value of over RMB2 billion.

The Company leveraged its advantages in the main business of finance to explore and innovate the development model of public welfare. In the first half of 2022, the Company launched and established the Capital Public Welfare Foundation for the Transformation of Medical Scientific and Technological Achievements (首都醫療科技成果轉化公益基金會), which promotes the reform of medical achievements transformation in hospitals and medical colleges by establishing a public welfare fund-raising mechanism and a professional support system for medical achievements transformation. The above foundation was officially approved to be established in June 2022 to comprehensively promote the transformation of medical scientific and technological achievements in the capital and the innovative development of health care in Beijing through scientific and standardized support for achievement transformation projects, relevant talent construction, and the construction of medical achievement transformation platforms.

In addition, based on the volunteer service management platform, the Company has organized employee to volunteer in diversified volunteer activities and practice the spirit of volunteer services. “CICC Public Welfare Volunteer Team for Pandemic Prevention and Control” has actively responded to the initiative of Jianwai Street, Beijing, where the Company’s headquarters is located, and contributed to the pandemic prevention and control in Beijing with practical actions.

# Significant Events

## I. PERFORMANCE OF UNDERTAKINGS

The undertakings of relevant covenantors during or subsisting in the Reporting Period were fulfilled in a timely and strict manner, and there was no failure in timely fulfillment. The details are as follows:

| Background of undertaking                           | Type of undertaking         | Covenantor  | Undertaking   | Time and duration of undertaking  | Whether there is a performance period |
|---|-----------------------------|---|---|---|---------------------------------------|
| Undertakings in relation to initial public offering | Shares selling restrictions | Central Huijin, Jianyin Investment, JIC Investment and China Investment Consulting  | Undertakings in relation to restrictions on shareholdings and trading   | 36 months from the listing date of A Shares of the Company                  | Yes                                   |
|   | Shares selling restrictions | Central Huijin, Jianyin Investment, JIC Investment and China Investment Consulting  | Undertakings in relation to the price for selling shares within 2 years from the expiring date of restrictions on shareholdings and trading | 2 years from the expiring date of restrictions on shareholdings and trading | Yes                                   |
|   | Others                      | Central Huijin, Jianyin Investment, JIC Investment, China Investment Consulting, and Haier Jinying  | Undertakings in relation to the intention of shareholding and reducing shareholding   | Long-term   | Yes                                   |
|   | Others                      | The Company, Directors (other than Independent Directors and Directors not receiving remuneration from the Company) and senior management   | Undertakings in relation to stabilizing share price   | 3 years from the listing date of A Shares of the Company                    | Yes                                   |
|   | Others                      | Directors and senior management   | Undertakings to take remedial measures against dilution of immediate returns  | Long-term   | Yes                                   |
|   | Others                      | The Company, Central Huijin, Directors, Supervisors, senior management, joint sponsors, joint lead underwriters, lawyers of the Issuer, accountants of the Issuer, and the asset appraisal agency of the Issuer | Undertakings that there were no false records, misleading statements or material omissions in the prospectus                                | Long-term   | Yes                                   |
|   | Others                      | The Company, Central Huijin, Jianyin Investment, JIC Investment, China Investment Consulting, Haier Jinying, Directors, Supervisors, and senior management  | Undertakings in relation to binding measures on any failure to fulfill  | Long-term   | Yes                                   |
|   | Others                      | Central Huijin  | Undertakings in relation to avoiding peer competition   | Long-term   | Yes                                   |
|   | Others                      | Haier Jinying   | Undertakings in relation to reducing and regulating related party transactions  | Long-term   | Yes                                   |
| Other undertakings                                  | Others                      | Haier Jinying   | Undertakings in relation to restrictions on shareholdings and trading   | 36 months from the date of acquiring shares of the Company                  | Yes                                   |



# Significant Events

## II. MISAPPROPRIATION OF FUNDS ON A NON-OPERATING BASIS BY THE CONTROLLING SHAREHOLDER AND OTHER RELATED PARTIES

During the Reporting Period, there was no misappropriation of funds on a non-operating basis by the Company's controlling shareholder and other related parties.

## III. NON-COMPLIANT GUARANTEES

During the Reporting Period, the Company had no non-compliant guarantees.

## IV. CHANGES IN ACCOUNTING FIRM

During the Reporting Period, the Company did not change its accounting firm.

## V. CHANGES IN AND TREATMENTS OF MATTERS INVOLVED IN NON-STANDARD AUDIT OPINION ON THE ANNUAL REPORT OF THE LAST YEAR

There was no non-standard audit opinion on the 2021 annual report of the Company.

## VI. AUDIT OR REVIEW

The financial information contained in the 2022 interim report of the Company was unaudited. The Audit Committee of the Board of the Company has reviewed the unaudited interim results of the Company for the six months ended June 30, 2022 and did not raise any objection to the accounting policies and accounting practices adopted by the Company. The external auditor of the Company has reviewed the condensed consolidated financial statements of the Company for the six months ended June 30, 2022 in accordance with Hong Kong Standard on Review Engagements 2410.

## VII. BANKRUPTCY OR RESTRUCTURING

During the Reporting Period, there was no bankruptcy or restructuring related matters of the Company.

## VIII. MATERIAL LITIGATION AND ARBITRATION

During the Reporting Period, the Company was not involved in any material litigation or arbitration which shall be disclosed in accordance with the requirements under the Listing Rules of the SSE.

## IX. VIOLATIONS, PUNISHMENTS AND RECTIFICATIONS OF THE COMPANY AND DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT, THE CONTROLLING SHAREHOLDER, AND THE ACTUAL CONTROLLER

During the Reporting Period, none of the Company, the Directors, Supervisors, senior management or the controlling shareholder of the Company were suspected of a crime and therefore subject to any investigations or mandatory measures in accordance with the law, subject to any criminal penalty, suspected violation of the law or regulation and therefore subject to any investigation initiated or administrative penalties imposed by the CSRC, subject to any major administrative penalties imposed by other competent authorities, suspected of a serious violation of law or disciplinary offences, or job-related crimes and therefore subject to detention measures by the discipline inspection and supervision authority, affecting the performance of the duties, or suspected of a violation of the law or regulation and therefore subject to mandatory measures by other competent authority, affecting the performance of the duties, or subject to disciplinary action by a stock exchange.



# Significant Events

During the Reporting Period, the Company was subject to administrative regulatory measures imposed by CSRC:

## 1. The administrative regulatory measure of issuing a warning letter to the Company imposed by CSRC

On May 27, 2022, the CSRC issued to the Company, the Decision on Measures of Issuing Warning Letters to China International Capital Corporation Limited ([2022] No.23). As the counterparty to an over-the-counter option contract of CICC was a non-professional investor, which violated relevant provisions of the Measures for Administration of Over-the-counter Option Businesses of Securities Companies, the CSRC decided to take administrative regulatory measures to issue warning letters to the Company.

In response to the administrative regulatory measure, the Company actively carried out rectification: The FICC Department conducted a self-examination on existing customers of foreign exchange and over-the-counter interest rate options, and required customers who did not meet the requirements on the appropriateness of over-the-counter option investors to supplement appropriateness certification materials; if the customers still fail to meet the eligibility requirements, the existing transactions are settled upon maturity and will not be renewed, and no new transactions will be conducted. Self-examination and rectification have been completed. The counterparties to new over-the-counter option transactions will be subject to eligibility review in strict accordance with the requirements on the appropriateness of over-the-counter option investors.

## 2. The administrative regulatory measure of issuing a warning letter to the Company imposed by CSRC

On June 2, 2022, the CSRC issued to the Company, the Decision on Measures of Issuing Warning Letters to China International Capital Corporation Limited ([2022] No.32). The CSRC took administrative regulatory measures to issue warning letters to the Company, with regard to the engagement in CICC real estate investment and development projects by Tianjin Jiacheng Investment Management Co., Ltd. (天津佳成投资管理有限公司), a subsidiary of the Company; the failure to liquidate 46 redundant special purpose vehicles (SPVs) within the specified period and the failure to raise the level of 22 SPVs within the specified period; the failure to amend the articles of association of overseas subsidiaries in accordance with the Measures for the Administration of Overseas Establishment, Acquisition of and Equity Participation in Business Organizations by Securities Companies and Securities Investment Fund Management Companies.

With regard to the administrative regulatory measures, the Company actively made rectification. As of the end of the Reporting Period, the rectification for simplifying the levels of overseas special purpose vehicles of CICC was completed; Tianjin Jiacheng Investment Management Co., Ltd. was cancelled; and the articles of association of overseas subsidiaries which were not SPVs were amended to the extent permitted by local laws.

## X. EXPLANATIONS ON CREDITWORTHINESS AND INDEPENDENCE OF THE COMPANY, CONTROLLING SHAREHOLDER AND THE ACTUAL CONTROLLER

During the Reporting Period, the Company and its controlling shareholder did not fail to perform the obligations determined by any effective court judgment, or to pay outstanding debts with a large amount when due.

During the Reporting Period, there is no situation where the Company cannot guarantee its independence from its controlling shareholder and other related parties, or cannot maintain its ability to operate independently.

# Significant Events

## XI. MATERIAL RELATED PARTY/CONNECTED TRANSACTIONS

The Group conducts related party (connected) transactions in strict compliance with the requirements of the relevant laws and regulations, the Listing Rules, the regulatory authorities and the internal management system. The Group's related party (connected) transactions are conducted based on the principles of equity, openness and fairness, and the relevant transaction agreements are entered into based on the principles of equality, voluntariness, equivalence and compensation. During the Reporting Period, the Group did not conduct any non-exempt connected transactions or continuing connected transactions in accordance with the Listing Rules of the Stock Exchange.

During the Reporting Period, the daily related-party transactions of the Company (as defined in the Listing Rules of the SSE) were implemented in accordance with the Proposal regarding the 2021 Annual Estimation for Daily Related-party Transactions considered and approved at the 2020 Annual General Meeting and the Proposal regarding the 2022 Annual Estimation for Daily Related-party Transactions considered and approved at the 2021 Annual General Meeting. When relevant related-party transactions occur in daily operations, the Company shall determine the transaction price with related-parties strictly in accordance with the principle of fair price, with reference to market price levels, industry practices and third-party pricing, and there is no significant difference between the actual transaction price and the market price. The specific implementation is as follows, which may be different from the "Related Party Relationships and Transactions" set out in the section headed "Notes to the Condensed Consolidated Financial Statements" prepared in accordance with IFRSs:

1. **Matters disclosed in ad hoc announcements without subsequent progress or change: Not applicable**

# Significant Events

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

Unit: RMB in ten thousand

| Transaction category                           | Transaction contents                          | Related-party                                      | Brief introduction of related business or event              | Estimated amount  | Actual amount incurred |
|--|---|--|--|---|------------------------|
| Securities and financial products services     | Income from service charges and commissions   | Global Bridge Capital Management, LLC              | Providing investment consulting services                     | Due to the uncertainty of occurrence and scale of business, the amounts shall be calculated at actual amount incurred | 57.23                  |
|  |   | China National Investment and Guaranty Corporation | Providing securities brokerage business services             |   | 5.92                   |
|  |   |  | Providing fund management services                           |   | 553.55                 |
|  | Expenses from service charges and commissions | Haier Group (Qingdao) Jinying Holdings Co., Ltd.   | Providing securities brokerage business services             |   | 112.95                 |
|  |   | Bank of China Limited (Zhejiang Branch)            | Receiving asset custody services                             |   | 0.09                   |
|  |   | China National Investment and Guaranty Corporation | Interest expenses on settlement funds of client transactions |   | 3.01                   |
| Securities and financial products transactions | Joint investment                              | China National Investment and Guaranty Corporation | Joint investment in funds with related party                 |   | 2,538.85               |
|  | Bonds trading                                 | Bank of Qingdao Co., Ltd.                          | Selling bonds to related party                               |   | 5,000.00               |

## 3. Matters not disclosed in ad hoc announcements: Not applicable

During the Reporting Period, except for the above-mentioned related party transactions relating to daily operations, the Company did not have the followings that should be disclosed:

Related party transactions relating to asset or share acquisition or disposal; significant related party transactions relating to joint external investments; debts due to/from related parties; financial business with any related financial company, any financial company controlled by the Company, and a related party; other significant related party transactions.



# Significant Events

## XII. MATERIAL CONTRACTS AND PERFORMANCE

(I) During the Reporting Period, the Company had no material custody, contracting or leasing

(II) Guarantees

Unit: RMB in 100 million

| External guarantees of the Company (excluding guarantees for its subsidiaries)                                     |        |
|--|--------|
| Total amount of guarantees provided during the Reporting Period (excluding guarantees for subsidiaries)            | –      |
| Total balance of guarantees at the end of the Reporting Period (A) (excluding guarantees for subsidiaries)         | –      |
| Guarantees provided by the Company and its subsidiaries for subsidiaries   |        |
| Total amount of guarantees provided for subsidiaries during the Reporting Period                                   | 43.74  |
| Total balance of guarantees provided for subsidiaries at the end of the Reporting Period (B)                       | 271.88 |
| Total amount of guarantees provided by the Company (including those provided for subsidiaries)                     |        |
| Total amount of guarantees (A+B)   | 271.88 |
| Percentage of total amount of guarantees over net assets of the Company (%)  | 30.0   |
| Including:   |        |
| Amount of guarantees provided for shareholders, actual controller and their related parties (C)                    | –      |
| Amount of debt guarantees directly or indirectly provided for parties with asset-liability ratio exceeding 70% (D) | 271.83 |
| Amount of total guarantees exceeding 50% of net assets (E)   | –      |
| Total amount of above three types of guarantees (C+D+E)  | 271.83 |
| Explanations on unexpired guarantees subject to joint liabilities  | –      |

Notes:

1. The net assets in the above table refer to the total equity attributable to shareholders of the Company in the condensed consolidated financial statements of the Company as of the end of the Reporting Period.
2. The exchange rates involved in the above table refer to the exchange rate of RMB against USD, and RMB against HKD on June 30, 2022.

# Significant Events

During the Reporting Period, the new and existing guarantees of the Company and its subsidiaries are as follows:

**1. Providing guarantees for indirect wholly-owned subsidiaries in connection with the issuance under the overseas medium-term note programme**

CICC International, a wholly-owned subsidiary of the Company, provided an unconditional and irrevocable guarantee for CICC Hong Kong Finance 2016 MTN Limited, an indirect wholly-owned subsidiary of the Company, in connection with the issuance of medium-term note under the overseas medium-term note programme. The guarantee covered the payment of the principal and interest of the notes and other payment obligations under the Notes and Trust Deed.

During the Reporting Period, CICC Hong Kong Finance 2016 MTN Limited completed one issuance under the medium-term note programme, including 3-year notes of US\$600 million, and the notes were listed and dealt on the Hong Kong Stock Exchange on 22 March, 2022 by way of debt securities issues to professional investors only. CICC International provided an unconditional and irrevocable guarantee for CICC Hong Kong Finance 2016 MTN Limited in connection with the repayment obligations under the above issuances. As of the end of the Reporting Period, the amount of guarantee was approximately RMB4,374 million.

Save for the new guarantee during the Reporting Period as disclosed above, as of the end of the Reporting Period, other outstanding issuances and relevant guarantees under the medium-term note programme are as follows: In 2020, CICC Hong Kong Finance 2016 MTN Limited completed two issuances under the medium-term note programme, with an aggregate principal amount of US\$1,500 million, both of which are 3-year notes. In 2021, CICC Hong Kong Finance 2016 MTN Limited completed two issuances under the medium-term note programme, with an aggregate principal amount of US\$1,500 million, including 3-year notes of US\$1,000 million and 5-year notes of US\$500 million. CICC International provided guarantees for CICC Hong Kong Finance 2016 MTN Limited in connection with the above issuances from 2020 to 2021 under the overseas medium-term note programme. As of the end of the Reporting Period, the balance of guarantees was approximately RMB20,709 million.

**2. Providing guarantees for indirect wholly-owned subsidiaries in connection with overseas bank loans**

CICC International provided guarantees for the bank loans of its subsidiaries. There were no new guarantees during the Reporting Period. As of the end of the Reporting Period, the balance of guarantees was approximately RMB2,105 million.

During the Reporting Period, other authorized guarantees of the Company are as follows:

According to the resolution of the 2020 Annual General Meeting of the Company, the Company provided net capital guarantee commitment of no more than RMB3 billion (included) in connection with a wholly-owned asset management subsidiary. The validity period of the guarantee shall last from the establishment date of the asset management subsidiary to the time when its capital status can continuously meet the regulatory requirements. As of the end of the Reporting Period, the asset management subsidiary has not yet been established, and the guarantee commitment has not been implemented.

## (III) Other material contracts

Save as otherwise disclosed in this report, the Company had no other material contracts during the Reporting Period.

# Significant Events

## XIII. DESCRIPTION OF OTHER SIGNIFICANT EVENTS

### (I) Changes in branches

During the Reporting Period, the Group completed the new establishment of a securities branch/business office, with the details as follows:

| No. | Name of Branch/<br>Business Office | Date of<br>Registration | Registered Address  |
|-----|------------------------------------|-------------------------|---|
| 1   | CICC Suzhou Branch                 | April 20, 2022          | Room 2201, Block 1, Suzhou Central Plaza & Rooms 05 and 06, 22/F, Block D, Suzhou Central Office Building, Suzhou Industrial Park, Suzhou Area, China (Jiangsu) Pilot Free Trade Zone |

During the Reporting Period, the Group completed the changes of 22 branches/securities business offices in total, with the details as follows:

| No. | Former Name of Branch/<br>Business Office  | Current Name of Branch/<br>Business Office  | Address before Change  | Address after Change   |
|-----|--|---|--|--|
| 1   | No name change involved  | CICC Shandong Branch  | Room 704, 7/F, Block D, Yinfeng Fortune Plaza, No.1 Long'ao West Road, Lixia District, Jinan             | Rooms 1717, 1718 and 1719, 17/F, Block D, Yinfeng Fortune Plaza, No.1 Long'ao West Road, Lixia District, Jinan, Shandong       |
| 2   | No name change involved  | CICC Chongqing Branch   | 10/F, Building 1 (Star Fest Fortune), No. 8 Fortune East Road, Liangjiang New District, Chongqing        | Units 6#, 7#, 8# and 9-1#, 10/F, Building 1 (Star Fest Fortune), No. 8 Fortune East Road, Liangjiang New District, Chongqing   |
| 3   | No name change involved  | Beijing Janguomenwai Avenue Securities Business Office of CICC Wealth Management Securities Co., Ltd. | Room 02A, 3/F, SKC Building, No.A6 Janguomenwai Avenue, Chaoyang District, Beijing                       | Room 01 in 3601, 36/F, Building 3, No.2 Janguomenwai Avenue, Chaoyang District, Beijing  |
| 4   | No name change involved  | Liaoning Branch of CICC Wealth Management Securities Co., Ltd.  | Units 01 & 08, 33/F, Building 1, Xindi Center, No.10 Youhao Street, Shenhua District, Shenyang, Liaoning | Units 01-02, 15/F, No.286 Qingnian Street, Heping District, Shenyang, Liaoning   |
| 5   | Nanjing Taiping South Road Securities Business Office of CICC Wealth Management Securities Co., Ltd. | Nanjing Longpan Middle Road Securities Business Office of CICC Wealth Management Securities Co., Ltd. | Room 601, No.450, Taiping South Road, Qinhua District, Nanjing, Jiangsu                                  | Rooms 06, 07 and 08, 33/F, AVIC Science and Technology Building, No.218 Longpan Middle Road, Qinhua District, Nanjing, Jiangsu |



# Significant Events

| No. | Former Name of Branch/<br>Business Office  | Current Name of Branch/<br>Business Office  | Address before Change   | Address after Change   |
|-----|--|---|---|--|
| 6   | Shenzhen Shennan Middle Road Securities Business Office of CICC Wealth Management Securities Co., Ltd. | Shenzhen Shenye Shangcheng Securities Business Office of CICC Wealth Management Securities Co., Ltd.  | 19/F, Huaneng Building, 28A Shennan Middle Road, Shenzhen, Guangdong  | Rooms 1803 & 1804, 18/F, Block T1, Shenye Shangcheng (South District), No.5001 Huanggang Road, Lianhuayi Village Community, Huaifu Street, Futian District, Shenzhen, Guangdong                |
| 7   | Hangzhou Global Center Securities Business Office of CICC Wealth Management Securities Co., Ltd.       | Hangzhou Jianghehui Securities Business Office of CICC Wealth Management Securities Co., Ltd.         | 20/F, Global Center, No.19 Xihu Cultural Square, Xiacheng District, Hangzhou, Zhejiang  | Rooms 1111 & 1112, 11/F, Ginza, Zhongtian Qiantang, No.1300, Zhijiang Road, Shangcheng District, Hangzhou, Zhejiang  |
| 8   | Jinhua Wujiang West Road Securities Business Office of CICC Wealth Management Securities Co., Ltd.     | Jinhua Guangnan Road Securities Business Office of CICC Wealth Management Securities Co., Ltd.        | Room 604, Block 1, Times Business Center, No.28 Wujiang West Road, Wucheng District, Jinhua, Zhejiang   | Room 2304, Dachang Auto Club Headquarters Center Building, No.8 Guangnan Road, Duohu Street, Jindong District, Jinhua, Zhejiang  |
| 9   | No name change involved  | Guangzhou Zhujiang New Town Securities Business Office of CICC Wealth Management Securities Co., Ltd. | Rooms 2804, 2805, 2806, 2807 and 2808, 28/F, Kaihua International Center, No.5 Xiancun Road, Zhujiang New Town, Tianhe District, Guangzhou, Guangdong | Rooms 2901, 2902, 2903, 2904, 2907, 2908, 2909, 2910, 2911 and 2912, 29/F, Kaihua International Center, No.5 Xiancun Road, Zhujiang New Town, Tianhe District, Guangzhou, Guangdong            |
| 10  | No name change involved  | Guangdong Branch of CICC Wealth Management Securities Co., Ltd.                                       | Rooms 901-902, No.307 Guangzhou Avenue Middle, Yuexiu District, Guangzhou, Guangdong  | Rooms 2804, 2805, 2806, 2807 and 2808, 28/F, Kaihua International Center, No.5 Xiancun Road, Zhujiang New Town, Tianhe District, Guangzhou, Guangdong  |
| 11  | No name change involved  | Foshan Branch of CICC Wealth Management Securities Co., Ltd.  | 4-5/F, Block 1, Wanbang Commercial Plaza, No.266 Dongle Road, Daliang Town, Shunde District, Foshan, Guangdong  | Rooms 3101, 3102, 3103 and 3104, Block 4, Poly Business Center, No.3 Guotai South Road, Dehe Community Neighborhood Committee, Daliang Sub-district Office, Shunde District, Foshan, Guangdong |
| 12  | Tianjin Nanma Road Securities Business Office of CICC Wealth Management Securities Co., Ltd.           | Nanjing Nanjing Road Securities Business Office of CICC Wealth Management Securities Co., Ltd.        | Nos.1060 & 1061, 10/F and No.114, 1/F, Maigou International Building, Nos.11 & 13 Nanma Road, Nanshi Street, Heping District, Tianjin                 | Rooms 1001 & 1006, Tianjin Huanmao Business Center, No.219 Nanjing Road, Nanyingmen Street, Heping District, Tianjin   |

# Significant Events

| No. | Former Name of Branch/<br>Business Office  | Current Name of Branch/<br>Business Office  | Address before Change  | Address after Change  |
|-----|--|---|--|---|
| 13  | Beijing Zhongguancun South Street Securities Business Office of CICC Wealth Management Securities Co., Ltd.    | Beijing Wanliu Middle Road Securities Business Office of CICC Wealth Management Securities Co., Ltd.            | Room 2601, 22/F, Building 1, No.12 Yard, Zhongguancun South Street, Haidian District, Beijing  | Room 201, 1/F, Building 2, Wanliu Fengniao Home, Haidian District, Beijing  |
| 14  | Huzhou Longxi North Road Securities Business Office of CICC Wealth Management Securities Co., Ltd.             | Huzhou Renhuangshan Road Securities Business Office of CICC Wealth Management Securities Co., Ltd.              | Rooms 1101-1102, 11/F, Liyang Business Building, No.353 Longxi North Road, Huzhou, Zhejiang  | Rooms 501, 514, 515, 518 and 519, Husheng Building, Huzhou, Zhejiang  |
| 15  | No name change involved  | Shenzhen Branch of CICC Wealth Management Securities Co., Ltd.  | Rooms 302 & 303, Investment Building, No.4009 Shennan Avenue, Fu'an Community, Futian Street, Futian District, Shenzhen, Guangdong     | Rooms 903 & 904, Block T3, Kerry Construction Plaza, No.1-1 Zhongxin 4th Road, Fu'an Community, Futian Street, Futian District, Shenzhen, Guangdong   |
| 16  | No name change involved  | Jinan Long'ao West Road Securities Business Office of CICC Wealth Management Securities Co., Ltd.               | Rooms 1717, 1718 and 1719, 17/F, Block D, Yinfeng Fortune Plaza, No.1 Long'ao West Road, Lixia District, Jinan, Shandong               | Room 704, 7/F, Block D, Yinfeng Fortune Plaza, No.1 Long'ao West Road, Lixia District, Jinan, Shandong  |
| 17  | Guangzhou Huadu Fenghuang North Road Securities Business Office of CICC Wealth Management Securities Co., Ltd. | Guangzhou Huadu Poly Financial Center Securities Business Office of CICC Wealth Management Securities Co., Ltd. | Room 1005, Yongyu Garden Hotel, No.41 Fenghuang North Road, Huadu District, Guangzhou, Guangdong                                       | Room 2202, 22/F, (Self-classified Block 15) No.103 Tiangui Road, Blocks 9, 10, 11 and 15, Poly Financial Center, Huadu District, Guangzhou, Guangdong |
| 18  | No name change involved  | Shanghai Changning District Ruby Road Securities Business Office of CICC Wealth Management Securities Co., Ltd. | Rooms 3306 & 3307, 33/F (Actual Floor 29), Block 1, No.188 Ruby Road, Changning District, Shanghai                                     | Rooms 3306, 3307 and 3205, Block 1, No.188 Ruby Road, Changning District, Shanghai  |
| 19  | No name change involved  | Changsha Xiangjiang Middle Road Securities Business Office of CICC Wealth Management Securities Co., Ltd.       | Rooms 3301 & 3302, Building 5, Huayuanhua Center, No.36 Section 2, Xiangjiang Middle Road, Tianxin District, Changsha, Hunan           | Rooms 3302 & 3303, Building 5, Huayuanhua Center, No.36 Section 2, Xiangjiang Middle Road, Tianxin District, Changsha, Hunan                          |
| 20  | No name change involved  | Shenzhen Bay No.1 Securities Business Office of CICC Wealth Management Securities Co., Ltd.                     | T1-17A, Plaza 1, Shenzhen Bay, No.2233 Keyuan South Road, Weilan Coast Community, Yuehai Street, Nanshan District, Shenzhen, Guangdong | T1-17A & 18A, Plaza 1, Shenzhen Bay, No.2233 Keyuan South Road, Weilan Coast Community, Yuehai Street, Nanshan District, Shenzhen, Guangdong, 18A     |

# Significant Events

| No. | Former Name of Branch/<br>Business Office   | Current Name of Branch/<br>Business Office   | Address before Change  | Address after Change   |
|-----|---|--|--|--|
| 21  | No name change involved   | Xiamen Hubin East Road Securities<br>Business Office of CICC Wealth<br>Management Securities Co., Ltd. | Units 1502-1504, No.95 Hubin East Road,<br>Siming District, Xiamen, Fujian | Units 1502-1504 and 1507, Block B, China<br>Resources Building, No.95 Hubin East<br>Road, Siming District, Xiamen, Fujian            |
| 22  | Wuxi Renmin Middle Road Securities<br>Business Office of CICC Wealth<br>Management Securities Co., Ltd. | Wuxi Branch of CICC Wealth<br>Management Securities Co., Ltd.  | No address change involved   | Units 2803-2805, 28/F, Block 2, Hang<br>Lung Plaza Office Building, No.139<br>Renmin Middle Road, Liangxi District,<br>Wuxi, Jiangsu |

## (II) Information on significant domestic and foreign subsidiaries

As of the end of the Reporting Period, the Company directly controlled one overseas subsidiary, which was CICC International; and directly controlled 6 domestic subsidiaries, namely CICC Wealth Management, CICC Capital, CICC Fund Management, CICC Pucheng, CICC Futures and CICC Private Equity. For details, please refer to “Management Discussion and Analysis – V” in this Report.



# Changes in Shares and Information of Shareholders

## I. CHANGES IN SHARE CAPITAL

### (I) Changes in Shares

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

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

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

#### 1. Changes in shareholding structure

Unit: share

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

Notes:

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

# Changes in Shares and Information of Shareholders

## 2. Description of changes in shareholding structure

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

## 3. Effect of changes in shares occurring after the Reporting Period to the disclosure date of the Interim Report on financial indicators such as earnings per share and net assets per share

From the Reporting Period to the disclosure date of the Interim Report, there was no change in the the total number of Shares of the Company. Not applicable.

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

During the Reporting Period, the changes in Shares subject to selling restrictions of the Company are as follows:

Unit: share

| Name of shareholder                             | Number of shares subject to selling restrictions at the beginning of the Period | Number of shares released from selling restrictions in the Reporting Period | Increase in shares subject to selling restrictions in the Reporting Period | Number of shares subject to selling restrictions at the end of the Reporting Period | Reasons for selling restrictions                          | Date of release from selling restrictions |
|---|---|---|--|---|---|---|
| Haier Group (Qingdao) Jinying Holding Co., Ltd. | 398,500,000   | 398,500,000   | -  | -   | A Share Offering and Listing and shareholder undertakings | 2022/3/11                                 |
| <b>Total</b>                                    | 398,500,000   | 398,500,000   | -  | -   | /   | /   |

## II. ISSUANCE AND LISTING OF SECURITIES

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

For the information of the issued and listed bonds of the Company during the Reporting Period, please refer to “Particulars of Bonds” in this report and bonds information disclosed by the Company on the website of SSE.

## III. INFORMATION OF SHAREHOLDERS

### 1. Total Number of Shareholders

As of the end of the Reporting Period, the Company had a total of 109,885 ordinary shareholders, among which 109,497 are holders of A Shares and 388 are registered holders of H Shares.

# Changes in Shares and Information of Shareholders

## 2. Shareholding of Top Ten Shareholders and Top Ten Holders of Shares Not Subject to Selling Restrictions

### (1) Shareholding of top ten shareholders

Unit: share

| Name of shareholder   | Number of shares held as at the end of the Reporting Period | Percentage in the total share capital (%) | Increase/decrease during the Reporting Period | Number of shares held subject to selling restrictions | Class of shares | Pledged, marked or frozen shares | Class of shareholder                  |
|---|---|---|---|---|-----------------|----------------------------------|---------------------------------------|
| Central Huijin Investment Ltd.  | 1,936,155,680   | 40.11                                     | –   | 1,936,155,680   | A Shares        | Nil                              | Nation                                |
| HKSCC Nominees Limited  | 1,902,951,849   | 39.42                                     | -3,600  | –   | H Shares        | Unknown                          | Foreign legal person                  |
| Haier Group (Qingdao) Jinying Holding Co., Ltd.   | 304,950,000   | 6.32                                      | -93,550,000                                   | –   | A Shares        | Nil                              | Domestic non-state-owned legal person |
| China National Investment and Guaranty Corporation  | 127,562,960   | 2.64                                      | –   | –   | A Shares        | Nil                              | State-owned legal person              |
| Hong Kong Securities Clearing Company Limited   | 28,903,194  | 0.60                                      | +13,288,194                                   | –   | A Shares        | Nil                              | Foreign legal person                  |
| China Life Asset Management-Bank of China-China Life Asset-Dingkun Superior Selection 2232 Insurance Asset Management Product | 20,670,000  | 0.43                                      | +20,670,000                                   | –   | A Shares        | Nil                              | Others                                |
| China Life Asset Management-Bank of China-China Life Asset-Dingkun Superior Selection 2265 Insurance Asset Management Product | 20,670,000  | 0.43                                      | +20,670,000                                   | –   | A Shares        | Nil                              | Others                                |
| China Life Asset Management-Bank of China-China Life Asset-Dingkun Superior Selection 2231 Insurance Asset Management Product | 20,545,000  | 0.43                                      | +20,545,000                                   | –   | A Shares        | Nil                              | Others                                |
| China Life Asset Management-Bank of China-China Life Asset-Dingkun Superior Selection 2266 Insurance Asset Management Product | 18,625,000  | 0.39                                      | +18,625,000                                   | –   | A Shares        | Nil                              | Others                                |
| Abu Dhabi Investment Authority  | 14,567,126  | 0.30                                      | +655,873                                      | 13,757,670  | A Shares        | Nil                              | Foreign legal person                  |

#### Notes:

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



# Changes in Shares and Information of Shareholders

## (2) Shareholding of top ten holders of Shares not subject to selling restrictions

Unit: share

| Name of shareholder  | Number of<br>outstanding<br>shares held<br>not subject<br>to selling<br>restrictions | Class of<br>shares | Number of<br>shares held |
|--|--|--------------------|--------------------------|
| HKSCC Nominees Limited   | 1,902,951,849  | H Shares           | 1,902,951,849            |
| Haier Group (Qingdao) Jinying Holding Co., Ltd.  | 304,950,000  | A Shares           | 304,950,000              |
| China National Investment and Guaranty Corporation   | 127,562,960  | A Shares           | 127,562,960              |
| Hong Kong Securities Clearing Company Limited  | 28,903,194   | A Shares           | 28,903,194               |
| China Life Asset Management-Bank of China-China Life Asset-Dingkun Superior Selection<br>2232 Insurance Asset Management Product   | 20,670,000   | A Shares           | 20,670,000               |
| China Life Asset Management-Bank of China-China Life Asset-Dingkun Superior Selection<br>2265 Insurance Asset Management Product   | 20,670,000   | A Shares           | 20,670,000               |
| China Life Asset Management-Bank of China-China Life Asset-Dingkun Superior Selection<br>2231 Insurance Asset Management Product   | 20,545,000   | A Shares           | 20,545,000               |
| China Life Asset Management-Bank of China-China Life Asset-Dingkun Superior Selection<br>2266 Insurance Asset Management Product   | 18,625,000   | A Shares           | 18,625,000               |
| China Reform Investment Co., Ltd.  | 14,107,380   | A Shares           | 14,107,380               |
| China Construction Bank Corporation-Guotai CSI All Share Securities Company Trading<br>Index Securities Investment Open-ended Fund | 13,153,084   | A Shares           | 13,153,084               |

## (3) Other issues

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

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

# Changes in Shares and Information of Shareholders

## 3. Shareholding of Holders of Restricted Shares

Unit: share

| No. | Name  | Number of shares held subject to selling restrictions | Availability of listing and trading of shares subject to selling restrictions |  | Restricted period   |
|-----|---|---|---|--|---|
|     |   |   | Available time for listing and trading  | Number of shares available for listing and trading increased |   |
| 1   | Central Huijin Investment Ltd.  | 1,936,155,680   |   |  |   |
| 2   | Abu Dhabi Investment Authority  | 13,757,670  |   |  |   |
| 3   | Alibaba (China) Network Technology Co., Ltd.  | 13,757,670  |   |  |   |
| 4   | China Life Insurance Company Limited<br>– Traditional-Ordinary insurance products-005L-CT001 Hu | 10,318,252  |   |  |   |
| 5   | Brunei Investment Agency  | 10,318,252  | 2023/11/2   | –  | Within 36 months from the listing date of A Shares of the Company |
| 6   | Taiping Life Insurance Co., Ltd.<br>– Traditional-Ordinary insurance products-022L-CT001 Hu     | 6,878,835   |   |  |   |
| 7   | China Investment Consulting Co., Ltd.   | 911,600   |   |  |   |
| 8   | China Jianyin Investment Limited  | 911,600   |   |  |   |
| 9   | JIC Investment Co., Ltd.  | 911,600   |   |  |   |

Description of the connected relationship or action in concert between the above shareholders: Jianyin Investment, JIC Investment and China Investment Consulting are direct or indirect wholly-owned subsidiaries of Huijin Company.

# Changes in Shares and Information of Shareholders

## 4. Strategic Investors or General Legal Persons Who Became Top Ten Shareholders Due to Placement of New Shares

| Name                           | Number of Shares placed | Starting date of agreed shareholding | Expiration date of agreed shareholding |
|--------------------------------|-------------------------|--------------------------------------|--|
| Abu Dhabi Investment Authority | 13,757,670              | 2020/11/2                            | N/A                                    |

## IV. DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

- During the Reporting Period, there is no change in shareholdings of who currently are or used to be the Directors, Supervisors and senior management during the Reporting Period
- During the Reporting Period, the Directors, Supervisors and senior management were not granted share incentives
- Rights of Directors and Supervisors to Acquire Shares or Debentures

As of the end of the Reporting Period, none of the Directors, Supervisors or their spouses or minor children under the age of 18 were granted with rights, or had exercised any such rights, to acquire benefits by means of acquiring shares or debentures of the Company. Neither the Company nor any of its subsidiaries were a party to any arrangements to enable the Directors, Supervisors or their spouses or minor children under the age of 18 to acquire such rights from any other body corporates.

## V. CHANGE IN THE CONTROLLING SHAREHOLDER OR DE FACTO CONTROLLER

Not applicable.

## VI. DISCLOSURE OF INTERESTS

### 1. Directors', Supervisors' and Chief Executive's Interests and Short Positions

As of the end of the Reporting Period, the interests or short positions of the Directors, Supervisors and chief executive of our Company in the shares, underlying shares or debentures of our Company and its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by our Company under section 352 of the SFO, or as otherwise notified to our Company and the Hong Kong Stock Exchange pursuant to the Model Code as set out in Appendix 10 to the Listing Rules of the Stock Exchange were as follows:

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

Note:

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



# Changes in Shares and Information of Shareholders

## 2. Substantial Shareholders' Interests and Short Positions

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

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

### Notes:

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

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

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

# Particulars of Bonds

## I. CORPORATE BONDS, COMPANY BONDS AND DEBT FINANCING INSTRUMENTS OF NON-FINANCIAL ENTERPRISES

(I) During the Reporting Period, the Company had no corporate bonds

### (II) Company Bonds

#### 1. Organizational Structure

As of the end of the Reporting Period, the outstanding balance of the Company's interest-bearing debt was RMB171,392 million, of which the outstanding balance of corporate credit bonds<sup>2</sup> was RMB100,545 million, accounting for 58.66% of that of the Company's interest-bearing debt; the outstanding balance of other interest-bearing debt was RMB70,848 million, accounting for 41.34% of that of the Company's interest-bearing debt.

Unit: 100 million Yuan Currency: RMB

| Types of Interest-bearing Debt         | Overdue | Time to maturity <sup>3</sup> |  |                              | Total    |
|--|---------|-------------------------------|--|------------------------------|----------|
|  |         | Within 6 months (inclusive)   | 6 months (exclusive) to 1 year (inclusive) | More than 1 year (exclusive) |          |
| Short-term debt securities issued      | –       | 59.13                         | 5.07                                       | –                            | 64.20    |
| Placements from financial institutions | –       | 229.96                        | 67.28                                      | –                            | 297.24   |
| REPOs                                  | –       | 347.04                        | –  | –                            | 347.04   |
| Corporate credit bonds                 | –       | 143.82                        | 194.45                                     | 667.17                       | 1,005.45 |
| Total                                  | –       | 779.94                        | 266.81                                     | 667.17                       | 1,713.92 |

As of the end of the Reporting Period, among the corporate credit bonds issued by the Company, the outstanding balance of corporate bonds was RMB85,572 million, the outstanding balance of financial bonds was RMB2,573 million, and the outstanding balance of perpetual subordinated bonds was RMB12,400 million, of which a total of RMB14,382 million of corporate credit bonds will mature or can be sold back in the second half of 2022.

<sup>2</sup> Including perpetual subordinated bonds with an outstanding balance of RMB12,400 million accounted as equity instruments.

<sup>3</sup> The calculation of the remaining life is based on the exercise date of the early redemption/sell-back option, and the debt securities with clauses which allow such securities to be terminated at any time are classified as less than 6 months (inclusive).

# Particulars of Bonds

## 2. Interest-bearing debts and their changes

- (1) As of the beginning and the end of the Reporting Period, the total interest-bearing debts of the Group amounted to RMB259,852 million and RMB285,041 million respectively, representing an increase of 9.69%.

As of the end of the Reporting Period, among the interest-bearing debts of the Group, the outstanding balance of corporate credit bonds<sup>4</sup> was RMB146,255 million, accounting for 51.31% of that of the Group's interest-bearing debts, of which a total of RMB23,617 million of corporate credit bonds will mature or can be sold back in the second half of 2022; the outstanding balance of other interest-bearing debts was RMB138,786 million, accounting for 48.69% of that of the Group's interest-bearing debts.

Unit: 100 million Yuan Currency: RMB

| Types of Interest-bearing Debt         | Overdue | Time to maturity <sup>5</sup> |  |                              | Total    |
|--|---------|-------------------------------|--|------------------------------|----------|
|  |         | Within 6 months (inclusive)   | 6 months (exclusive) to 1 year (inclusive) | More than 1 year (exclusive) |          |
| Beneficiary certificates               | –       | 111.15                        | 8.48                                       | –                            | 119.62   |
| Structured notes                       | –       | 8.47                          | 5.24                                       | –                            | 13.71    |
| Placements from financial institutions | –       | 374.08                        | 75.04                                      | –                            | 449.12   |
| REPOs                                  | –       | 562.86                        | –  | –                            | 562.86   |
| Corporate credit bonds                 | –       | 236.17                        | 265.12                                     | 961.26                       | 1,462.55 |
| Medium-term notes                      | –       | –                             | 67.27                                      | 175.27                       | 242.54   |
| Total                                  | –       | 1,292.73                      | 421.15                                     | 1,136.54                     | 2,850.41 |

- (2) As of the end of the Reporting Period, the outstanding balance of the medium-term notes issued overseas by the Group was RMB24,254 million, the outstanding balance of the structured notes issued overseas by the Group was RMB1,371 million, of which a total of RMB847 million of structured notes will mature in the second half of 2022.

<sup>4</sup> Including perpetual subordinated bonds with an outstanding balance of RMB12,400 million accounted as equity instruments.

<sup>5</sup> The calculation of the remaining life is based on the exercise date of the early redemption/sell-back option, and the debt securities with clauses which allow such securities to be terminated at any time are classified as less than 6 months (inclusive).



# Particulars of Bonds

## 3. Basic information of corporate bonds

Unit: 100 million Yuan Currency: RMB

| Bond Name   | Abbreviation | Code      | Issuance Date     | Interest Commencement Date | Maturity Date     | Interest Rate (%) | Principal and Interest Payment Method | Place for Trading   | Lead Underwriter | Trustee                                       | Investor Suitability Arrangement | Trading Mechanism                    | Whether There Is Any Risk of Terminating Listed Trading and Its Countermeasures |    |
|---|--------------|-----------|-------------------|----------------------------|-------------------|-------------------|---------------------------------------|---|------------------|---|----------------------------------|--------------------------------------|---|----|
| 2020 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Sixth Tranche) (Type I)                    | 20 CIICC 11  | 175262.SH | October 16, 2020  | October 19, 2020           | October 19, 2023  | 25                | 3.50                                  | The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal | SSE              | CITIC Securities and Huatai United Securities | CITIC Securities                 | Professional investors               | Matching one-click-order, price-enquiry, bidding and agreement trading          | No |
|   | 20 CIICC 13  | 175325.SH | October 27, 2020  | October 28, 2020           | October 28, 2023  | 20                | 3.48                                  | The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal | SSE              | CITIC Securities and Huatai United Securities | CITIC Securities                 | Professional investors               | Matching one-click-order, price-enquiry, bidding and agreement trading          | No |
| 2017 Subordinated Bonds of China International Capital Corporation Limited Non-publicly Issued (Third Tranche)  | 17 CIICC C3  | 145889.SH | November 15, 2017 | November 16, 2017          | November 16, 2022 | 15                | 5.50                                  | The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal | SSE              | CITIC Securities and China Securities         | CITIC Securities                 | Qualified institutional investors    | One-click-order, price-enquiry, bidding and agreement trading                   | No |
|   | 19 CIICC 04  | 163019.SH | November 20, 2019 | November 21, 2019          | November 21, 2025 | 15                | 3.52                                  | The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal | SSE              | CITIC Securities and China Securities         | CITIC Securities                 | Qualified investors                  | Matching one-click-order, price-enquiry, bidding and agreement trading          | No |
| 2020 Corporate Bonds of China International Capital Corporation Limited Non-publicly Issued to Professional Institutional Investors (Fourth Tranche) (Type I) | 20 CIICC F4  | 177385.SH | December 11, 2020 | December 14, 2020          | December 14, 2023 | 25                | 3.85                                  | The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal | SSE              | Huatai United Securities and China Securities | Huatai United Securities         | Professional institutional investors | One-click-order, price-enquiry, bidding and agreement trading                   | No |
|   | 21 CIICC F1  | 177614.SH | January 15, 2021  | January 18, 2021           | January 18, 2024  | 25                | 3.55                                  | The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal | SSE              | Huatai United Securities and China Securities | Huatai United Securities         | Professional institutional investors | One-click-order, price-enquiry, bidding and agreement trading                   | No |

# Particulars of Bonds

| Bond Name   | Abbreviation | Code      | Issuance Date     | Interest Commencement Date | Maturity Date     | Interest Rate (%) | Principal and Interest Payment Method   | Place for Trading | Lead Underwriter                              | Trustee                  | Investor Suitability Arrangement     | Trading Mechanism  | Whether There Is Any Risk of Terminating Listed Trading and Its Countermeasures |
|---|--------------|-----------|-------------------|----------------------------|-------------------|-------------------|---|-------------------|---|--------------------------|--------------------------------------|--|---|
| 2020 Corporate Bonds of China International Capital Corporation Limited Non-publicly Issued (First Tranche) (Epidemic Prevention and Control Bonds)           | 20 CICC F1   | 166132.SH | February 25, 2020 | February 26, 2020          | February 26, 2025 | 3.20              | The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal | SSE               | CITIC Securities and Huatai United Securities | CITIC Securities         | Qualified institutional investors    | One-click-order, price-enquiry, bidding and agreement trading          | No  |
| 2021 Corporate Bonds of China International Capital Corporation Limited Non-publicly Issued to Professional Institutional Investors (Second Tranche) (Type I) | 21 CICC F3   | 178000.SH | March 03, 2021    | March 04, 2021             | March 04, 2024    | 3.60              | The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal | SSE               | Huatai United Securities and China Securities | Huatai United Securities | Professional institutional investors | One-click-order, price-enquiry, bidding and agreement trading          | No  |
| 2020 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Qualified Investors (First Tranche) (Type I)                       | 20 CICC G1   | 163361.SH | April 02, 2020    | April 03, 2020             | April 03, 2026    | 2.89              | The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal | SSE               | CITIC Securities and China Securities         | CITIC Securities         | Qualified investors                  | Matching one-click-order, price-enquiry, bidding and agreement trading | No  |
| 2021 Corporate Bonds of China International Capital Corporation Limited Non-publicly Issued to Professional Institutional Investors (Third Tranche) (Type I)  | 21 CICC F5   | 178338.SH | April 12, 2021    | April 13, 2021             | April 13, 2024    | 3.43              | The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal | SSE               | Huatai United Securities and China Securities | Huatai United Securities | Professional institutional investors | One-click-order, price-enquiry, bidding and agreement trading          | No  |
| 2018 Subordinated Bonds of China International Capital Corporation Limited Non-publicly Issued (First Tranche)  | 18 CICC C1   | 150315.SH | April 19, 2018    | April 20, 2018             | April 20, 2023    | 5.30              | The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal | SSE               | CITIC Securities and China Securities         | CITIC Securities         | Qualified institutional investors    | One-click-order, price-enquiry, bidding and agreement trading          | No  |
| 2020 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Qualified Investors (Second Tranche) (Type I)                      | 20 CICC G3   | 163513.SH | April 30, 2020    | May 06, 2020               | May 06, 2026      | 2.37              | The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal | SSE               | CITIC Securities and China Securities         | CITIC Securities         | Qualified investors                  | Matching one-click-order, price-enquiry, bidding and agreement trading | No  |

# Particulars of Bonds

| Bond Name   | Abbreviation | Code      | Issuance Date      | Interest Commencement Date | Maturity Date      | Interest Rate (%) | Balance | Principal and Interest Payment Method   | Place for Trading | Lead Underwriter                              | Trustee          | Investor Suitability Arrangement  | Trading Mechanism  | Whether There Is Any Risk of Terminating Listed Trading and Its Countermeasures |
|---|--------------|-----------|--------------------|----------------------------|--------------------|-------------------|---------|---|-------------------|---|------------------|-----------------------------------|--|---|
| 2020 Corporate Bonds of China International Capital Corporation Limited Non-publicly Issued (Second Tranche)                                | 20 CICC F2   | 166857.SH | May 27, 2020       | May 28, 2020               | May 28, 2025       | 2.95              | 30      | The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal | SSE               | CITIC Securities and Huatai United Securities | CITIC Securities | Qualified institutional investors | One-click-order, price-enquiry, bidding and agreement trading          | No  |
| 2020 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Qualified Investors (Third Tranche) (Type I)     | 20 CICC G5   | 163610.SH | June 19, 2020      | June 22, 2020              | June 22, 2026      | 3.10              | 15      | The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal | SSE               | CITIC Securities and China Securities         | CITIC Securities | Qualified investors               | Matching one-click-order, price-enquiry, bidding and agreement trading | No  |
| 2020 Corporate Bonds of China International Capital Corporation Limited Non-publicly Issued (Third Tranche)                                 | 20 CICC F3   | 167287.SH | July 23, 2020      | July 24, 2020              | July 24, 2025      | 3.80              | 30      | The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal | SSE               | CITIC Securities and Huatai United Securities | CITIC Securities | Qualified institutional investors | One-click-order, price-enquiry, bidding and agreement trading          | No  |
| 2020 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Fourth Tranche) (Type I) | 20 CICC 07   | 175122.SH | September 9, 2020  | September 10, 2020         | September 10, 2025 | 3.78              | 50      | The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal | SSE               | CITIC Securities and Huatai United Securities | CITIC Securities | Professional investors            | Matching one-click-order, price-enquiry, bidding and agreement trading | No  |
| 2020 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Fifth Tranche) (Type I)  | 20 CICC 09   | 175190.SH | September 22, 2020 | September 23, 2020         | September 23, 2025 | 3.80              | 50      | The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal | SSE               | CITIC Securities and Huatai United Securities | CITIC Securities | Professional investors            | Matching one-click-order, price-enquiry, bidding and agreement trading | No  |
| 2020 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Sixth Tranche) (Type II) | 20 CICC 12   | 175265.SH | October 16, 2020   | October 19, 2020           | October 19, 2025   | 3.74              | 25      | The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal | SSE               | CITIC Securities and Huatai United Securities | CITIC Securities | Professional investors            | Matching one-click-order, price-enquiry, bidding and agreement trading | No  |



# Particulars of Bonds

| Bond Name  | Abbreviation | Code      | Issuance Date     | Interest Commencement Date | Maturity Date     | Interest Rate (%) | Principal and Interest Payment Method   | Place for Trading | Lead Underwriter                                   | Trustee                  | Investor Suitability Arrangement     | Trading Mechanism  | Whether There Is Any Risk of Terminating Listed Trading and Its Countermeasures |
|--|--------------|-----------|-------------------|----------------------------|-------------------|-------------------|---|-------------------|--|--------------------------|--------------------------------------|--|---|
| 2021 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Seventh Tranche) (Type II)                  | 21 CICC 14   | 175326.SH | October 27, 2020  | October 28, 2020           | October 28, 2025  | 3.68              | The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal | SSE               | CITIC Securities and Huatai United Securities      | CITIC Securities         | Professional investors               | Matching one-click-order, price-enquiry, bidding and agreement trading | No  |
| 2020 Corporate Bonds of China International Capital Corporation Limited Non-publicly Issued to Professional Institutional Investors (Fourth Tranche) (Type II) | 20 CICC F5   | 177386.SH | December 11, 2020 | December 14, 2020          | December 14, 2025 | 4.09              | The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal | SSE               | Huatai United Securities and China Securities      | Huatai United Securities | Professional institutional investors | One-click-order, price-enquiry, bidding and agreement trading          | No  |
| 2021 Corporate Bonds of China International Capital Corporation Limited Non-publicly Issued to Professional Institutional Investors (First Tranche) (Type II)  | 21 CICC F2   | 177615.SH | January 15, 2021  | January 18, 2021           | January 18, 2026  | 3.75              | The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal | SSE               | Huatai United Securities and China Securities      | Huatai United Securities | Professional institutional investors | One-click-order, price-enquiry, bidding and agreement trading          | No  |
| 2021 Subordinated Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (First Tranche) (Type I)                  | 21 CICC C1   | 175749.SH | February 5, 2021  | February 8, 2021           | February 8, 2024  | 3.90              | The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal | SSE               | CITIC Securities and Huatai United Securities      | CITIC Securities         | Professional investors               | Matching one-click-order, price-enquiry, bidding and agreement trading | No  |
| 2021 Corporate Bonds of China International Capital Corporation Limited Non-publicly Issued to Professional Institutional Investors (Second Tranche) (Type II) | 21 CICC F4   | 178001.SH | March 3, 2021     | March 4, 2021              | March 4, 2026     | 3.82              | The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal | SSE               | Huatai United Securities and China Securities      | Huatai United Securities | Professional institutional investors | One-click-order, price-enquiry, bidding and agreement trading          | No  |
| 2021 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (First Tranche) (Type I)                     | 21 CICC G1   | 173856.SH | March 15, 2021    | March 16, 2021             | March 16, 2026    | 3.58              | The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal | SSE               | Huatai United Securities and Industrial Securities | Huatai United Securities | Professional investors               | Matching one-click-order, price-enquiry, bidding and agreement trading | No  |
| 2021 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Second Tranche) (Type I)                    | 21 CICC G3   | 175905.SH | March 24, 2021    | March 25, 2021             | March 25, 2026    | 3.51              | The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal | SSE               | Huatai United Securities and Industrial Securities | Huatai United Securities | Professional investors               | Matching one-click-order, price-enquiry, bidding and agreement trading | No  |

# Particulars of Bonds

| Bond Name  | Abbreviation | Code      | Issuance Date     | Interest Commencement Date | Maturity Date     | Interest Rate (%) | Principal and Interest Payment Method   | Place for Trading | Lead Underwriter                                   | Trustee                  | Investor Suitability Arrangement     | Trading Mechanism  | Whether There Is Any Risk of Terminating Listed Trading and Its Countermeasures |
|--|--------------|-----------|-------------------|----------------------------|-------------------|-------------------|---|-------------------|--|--------------------------|--------------------------------------|--|---|
| 2021 Corporate Bonds of China International Capital Corporation Limited Non-publicly Issued to Professional Institutional Investors (Third Tranche) (Type I) | 21 CICC F6   | 178339.SH | April 12, 2021    | April 13, 2021             | April 13, 2026    | 3.70              | The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal | SSE               | Huatai United Securities and China Securities      | Huatai United Securities | Professional institutional investors | One-click-order, price-enquiry, bidding and agreement trading          | No  |
| 2021 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Third Tranche) (Type I)                   | 21 CICC G5   | 188575.SH | August 13, 2021   | August 16, 2021            | August 16, 2026   | 3.04              | The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal | SSE               | Huatai United Securities and Industrial Securities | Huatai United Securities | Professional investors               | Matching one-click-order, price-enquiry, bidding and agreement trading | No  |
| 2019 Subordinated Bonds of China International Capital Corporation Limited Non-publicly Issued (Second Tranche)  | 19 CICC C3   | 162273.SH | October 11, 2019  | October 14, 2019           | October 14, 2024  | 4.09              | The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal | SSE               | CITIC Securities and Soochow Securities            | CITIC Securities         | Qualified institutional investors    | One-click-order, price-enquiry, bidding and agreement trading          | No  |
| 2019 Subordinated Bonds of China International Capital Corporation Limited Non-publicly Issued (Third Tranche)   | 19 CICC C4   | 162470.SH | November 8, 2019  | November 11, 2019          | November 11, 2024 | 4.12              | The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal | SSE               | CITIC Securities and Soochow Securities            | CITIC Securities         | Qualified institutional investors    | One-click-order, price-enquiry, bidding and agreement trading          | No  |
| 2019 Subordinated Bonds of China International Capital Corporation Limited Non-publicly Issued (Fourth Tranche)  | 19 CICC C5   | 162645.SH | December 4, 2019  | December 5, 2019           | December 5, 2024  | 4.20              | The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal | SSE               | CITIC Securities and Soochow Securities            | CITIC Securities         | Qualified institutional investors    | One-click-order, price-enquiry, bidding and agreement trading          | No  |
| 2021 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Fourth Tranche) (Type I)                  | 21 CICC G7   | 185097.SH | December 7, 2021  | December 8, 2021           | December 8, 2024  | 2.97              | The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal | SSE               | Industrial Securities and Huatai United Securities | Huatai United Securities | Professional investors               | Matching one-click-order, price-enquiry, bidding and agreement trading | No  |
| 2020 Subordinated Bonds of China International Capital Corporation Limited Non-publicly Issued (First Tranche)   | 20 CICC C1   | 166049.SH | February 14, 2020 | February 17, 2020          | February 17, 2025 | 3.85              | The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal | SSE               | CITIC Securities and Soochow Securities            | CITIC Securities         | Qualified institutional investors    | One-click-order, price-enquiry, bidding and agreement trading          | No  |

# Particulars of Bonds

| Bond Name  | Abbreviation | Code      | Issuance Date    | Interest Commencement Date | Maturity Date    | Interest Rate (%) | Principal and Interest Payment Method   | Place for Trading | Lead Underwriter                                   | Trustee                  | Investor Suitability Arrangement | Trading Mechanism  | Whether There Is Any Risk of Terminating Listed Trading and Its Countermeasures |
|--|--------------|-----------|------------------|----------------------------|------------------|-------------------|---|-------------------|--|--------------------------|----------------------------------|--|---|
| 2020 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Qualified Investors (First Tranche) (Type II)       | 20 CICC G2   | 163362.SH | April 12, 2020   | April 3, 2020              | April 3, 2027    | 3.25              | The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal | SSE               | CITIC Securities and China Securities              | CITIC Securities         | Qualified investors              | Matching one-click-order, price-enquiry, bidding and agreement trading | No  |
| 2020 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Qualified Investors (Second Tranche) (Type II)      | 20 CICC G4   | 163514.SH | April 30, 2020   | May 6, 2020                | May 6, 2027      | 2.88              | The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal | SSE               | CITIC Securities and China Securities              | CITIC Securities         | Qualified investors              | Matching one-click-order, price-enquiry, bidding and agreement trading | No  |
| 2021 Subordinated Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (First Tranche) (Type II) | 21 CICC C2   | 175750.SH | February 5, 2021 | February 8, 2021           | February 8, 2026 | 4.49              | The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal | SSE               | CITIC Securities and Huatai United Securities      | CITIC Securities         | Professional investors           | Matching one-click-order, price-enquiry, bidding and agreement trading | No  |
| 2021 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Third Tranche) (Type II)    | 21 CICC G6   | 188576.SH | August 13, 2021  | August 16, 2021            | August 16, 2028  | 3.39              | The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal | SSE               | Huatai United Securities and Industrial Securities | Huatai United Securities | Professional investors           | Matching one-click-order, price-enquiry, bidding and agreement trading | No  |
| 2021 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (First Tranche) (Type II)    | 21 CICC G2   | 175857.SH | March 15, 2021   | March 16, 2021             | March 16, 2031   | 4.10              | The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal | SSE               | Huatai United Securities and Industrial Securities | Huatai United Securities | Professional investors           | Matching one-click-order, price-enquiry, bidding and agreement trading | No  |
| 2021 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Second Tranche) (Type II)   | 21 CICC G4   | 175906.SH | March 24, 2021   | March 25, 2021             | March 25, 2031   | 4.07              | The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal | SSE               | Huatai United Securities and Industrial Securities | Huatai United Securities | Professional investors           | Matching one-click-order, price-enquiry, bidding and agreement trading | No  |
| 2021 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Fourth Tranche) (Type II)   | 21 CICC G8   | 185091.SH | December 7, 2021 | December 8, 2021           | December 8, 2031 | 3.68              | The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal | SSE               | Huatai United Securities and Industrial Securities | Huatai United Securities | Professional investors           | Matching one-click-order, price-enquiry, bidding and agreement trading | No  |



# Particulars of Bonds

| Bond Name  | Abbreviation | Code      | Issuance Date    | Interest Commencement Date | Maturity Date | Interest Rate (%) | Balance | Principal and Interest Payment Method   | Place for Trading | Lead Underwriter                              | Trustee                  | Investor Suitability Arrangement     | Trading Mechanism  | Whether There Is Any Risk of Terminating Listed Trading and Its Countermeasures |
|--|--------------|-----------|------------------|----------------------------|---------------|-------------------|---------|---|-------------------|---|--------------------------|--------------------------------------|--|---|
| 2020 Perpetual Subordinated Bonds of China International Capital Corporation Limited Publicly Issued to Professional Institutional Investors (First Tranche) | 20 CICC Y1   | 175075.SH | August 27, 2020  | August 28, 2020            | -             | 4.64              | 50      | The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal | SSE               | Huatai United Securities                      | Huatai United Securities | Professional institutional investors | Matching one-click-order, price-enquiry, bidding and agreement trading | No  |
| 2021 Perpetual Subordinated Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (First Tranche)               | 21 CICC Y1   | 175720.SH | January 28, 2021 | January 29, 2021           | -             | 4.68              | 15      | The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal | SSE               | CITIC Securities and Huatai United Securities | CITIC Securities         | Professional investors               | Matching one-click-order, price-enquiry, bidding and agreement trading | No  |
| 2021 Perpetual Subordinated Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Second Tranche)              | 21 CICC Y2   | 188054.SH | April 23, 2021   | April 26, 2021             | -             | 4.20              | 20      | The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal | SSE               | CITIC Securities and Huatai United Securities | CITIC Securities         | Professional investors               | Matching one-click-order, price-enquiry, bidding and agreement trading | No  |
| 2022 Perpetual Subordinated Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (First Tranche)               | 22 CICC Y1   | 185245.SH | January 12, 2022 | January 13, 2022           | -             | 3.60              | 39      | The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last installment shall be paid together with the principal | SSE               | CITIC Securities and Huatai United Securities | CITIC Securities         | Professional investors               | Matching one-click-order, price-enquiry, bidding and agreement trading | No  |

Note: During the Reporting Period, the Company had no overdue outstanding bonds.

## Particulars of Bonds

### 4. Triggering and implementation of special clauses such as the issuer's or investor's option clause and investor's protection clause

#### (1) Triggering and implementation of the corporate bonds with option clauses during the Reporting Period

- a. The bonds that contain option to adjust coupon rate and option to sell back are as follows:

Bond Code: 163019.SH, 166132.SH, 163361.SH, 163362.SH, 163513.SH, 163514.SH, 166857.SH, 163610.SH, 167287.SH, 175122.SH, 175190.SH, 175262.SH, 175263.SH, 175325.SH, 175326.SH, 177385.SH, 177386.SH, 177614.SH, 177615.SH, 178000.SH, 178001.SH, 175856.SH, 175905.SH, 178338.SH, 178339.SH, 188575.SH and 188576.SH

Bond Abbreviation: 19 CICC 04, 20 CICC F1, 20 CICC G1, 20 CICC G2, 20 CICC G3, 20 CICC G4, 20 CICC F2, 20 CICC G5, 20 CICC F3, 20 CICC 07, 20 CICC 09, 20 CICC 11, 20 CICC 12, 20 CICC 13, 20 CICC 14, 20 CICC F4, 20 CICC F5, 21 CICC F1, 21 CICC F2, 21 CICC F3, 21 CICC F4, 21 CICC G1, 21 CICC G3, 21 CICC F5, 21 CICC F6, 21 CICC G5 and 21 CICC G6

Triggering and implementation of the option clauses: During the Reporting Period, the above-mentioned bonds did not reach the exercise period.

- b. The bonds that contain option to redeem of the issuers who meet the specified conditions, deferred interest payment right, right of redemption and extension option are as follows:

Bond Code: 175075.SH, 175720.SH, 188054.SH and 185245.SH

Bond Abbreviation: 20 CICC Y1, 21 CICC Y1, 21 CICC Y2 and 22 CICC Y1

Triggering and implementation of the option clauses: During the Reporting Period, the above-mentioned bonds did not reach the exercise period.

## Particulars of Bonds

- (2) Triggering and implementation of the corporate bonds with investor protection clauses during the Reporting Period

The bonds that contain investor protection clauses are as follows:

Bond Code: 185097.SH, 185091.SH and 185245.SH

Bond Abbreviation: 21 CICC G7, 21 CICC G8 and 22 CICC Y1

Investor Protection Clauses Agreed in the Bonds:

(I) Credit maintenance commitment

1. The issuer undertakes that the following circumstances will not occur during the duration of the bonds: The issuer has reduced its capital by more than 20% of the original registered capital within a natural year, or has been separated or ordered to cease production and operations.
2. In the event the issuer violates the credit maintenance commitment stipulated in Article 1 above during the duration of the bonds, the issuer will take timely measures to restore relevant requirements of the commitment within half a year.
3. When the issuer violates the credit maintenance commitment or it occurs or is expected to occur related matters that will affect the solvency, the issuer will notify the trustee within 2 trading days and perform the obligation of information disclosure.
4. In the event the issuer violates the credit maintenance commitment and fails to restore the commitment within the time limit specified in Article 2 above, the holder is entitled to request the issuer to take negative matter relief measures in accordance with the relief measures.



## Particulars of Bonds

### (II) Relief measures

1. In the event the issuer violates relevant commitment requirements and fails to restore relevant commitment requirements or take relevant measures within the time limit specified in Article 2 of the credit maintenance commitment, the issuer will immediately take one of the following relief measures on the next day upon receipt of the request of holders who hold more than 30% of the bond, striving to reach a settlement with the bondholders on the breach of commitment through a bondholders' meeting and other means:
  - Increase the guarantee or other credit enhancement measures for the bonds within 30 natural days.
  - Provide and implement other settlement plans approved by the bondholders within 30 natural days.
2. If the holder requires the issuer to implement relief measures, the issuer shall notify the trustee within 2 trading days and perform the obligation of information disclosure, as well as disclose the implementation progress of relief measures in a timely manner.

Triggering and implementation of investor protection clauses: No investor protection clauses were triggered during the Reporting Period.

5. **During the Reporting Period, the credit rating against the Company by domestic rating companies has not been adjusted**

# Particulars of Bonds

## 6. Implementation, changes and their impacts of guarantees, debt repayment plans and other debt repayment guarantee measures during the Reporting Period:

| Status Quo   | Implementation Status   | Changed or Not |
|--|---|----------------|
| The surviving corporate bonds of the Company are all issued in an unsecured manner, and the debt repayment plan is fulfilled as stipulated in the corporate bond prospectus. According to the stipulations in the prospectus, the Company's debt repayment guarantee measures include setting up a special repayment working group, making sure that the funds are used for special purposes, giving full play to the role of bond trustee, formulating rules for bondholders' meetings, strictly controlling information disclosure, etc. | During the Reporting Period, the Company strictly fulfilled the agreements on debt repayment plans and debt repayment guarantee measures in the prospectus, paid all bond interests and principals on time and in full, operated the special account in a standardized manner, and kept relevant plans and measures consistent with relevant commitments in the prospectus. | No             |

## 7. Use of funds raised with corporate bonds during the Reporting Period

Raise of funds with corporate bonds during the Reporting Period are as follows:

Unit: 100 million Yuan Currency: RMB

| Bond Abbreviation | Total Raised Funds | Amount of Raised Funds Used during the Reporting Period | Closing Balance of Raised Funds | Operation of Special Account for Raised Funds during the Reporting Period | Agreed Use of Raised Funds  | Whether to Adjust or Change the Use of Raised Funds | Whether There Are Irregularities in the Use of Raised Funds during the Reporting Period | Whether the Use of Raised Funds during the Reporting Period Complies with Local Government Debt Management Regulations | Actual Use of Raised Funds As of the End of the Reporting Period   | Whether the Use of Raised Funds during the Reporting Period Is Consistent with the Stipulations in the Prospectus | Whether the Raised Funds Are Used for Project Construction, Project Progress and Operating Benefits (If Any) |
|-------------------|--------------------|---|---------------------------------|---|---|---|---|--|--|---|--|
| 22 CICC Y1        | 39                 | 31  | 0                               | Normal  | After deducting the issuance expenses, the funds raised in this issue of bonds are all intended to be used to repay or replace the due corporate bonds. | No  | No  | Yes  | After deducting the issuance expenses, the funds raised in this issue of bonds will all be used to repay or replace the due corporate bonds. | Yes   | No   |

Note: 22 CICC Y1 (185245.SH) has been used RMB800 million of the raised funds in the year of 2021.

## 8. The Company and the bonds issued by the Company are not in violation of laws and regulations, the Articles of Association, the management mechanism of information disclosure affairs, etc., or the stipulations or commitments in the bond prospectus.

## Particulars of Bonds

(III) During the Reporting Period, the Company had no non-financial corporate debt financing instruments in the inter-bank bond market

(IV) During the Reporting Period, the Company did not have a loss in the scope of consolidated statements exceeding 10% of its net assets at the end of the previous year

(V) Major accounting data and financial indicators

Unit: RMB in million

| Major indicators   | June 30,<br>2022                        | December 31,<br>2021                    | % of change  |
|--|---|---|--|
| Current ratio  | 1.8                                     | 1.8                                     | (3.4%)   |
| Quick ratio  | 1.8                                     | 1.8                                     | (3.4%)   |
| Gearing ratio  | 84.1%                                   | 84.6%                                   | Decreased by<br>0.4 percentage<br>point            |
| Major indicators   | Six months<br>ended<br>June 30,<br>2022 | Six months<br>ended<br>June 30,<br>2021 | % of change  |
| Earnings before interest, tax, depreciation and amortization<br>(EBITDA) | 9,404.6                                 | 10,467.3                                | (10.2%)<br>Decreased by<br>0.8 percentage<br>point |
| EBITDA to total debts ratio  | 3.4%                                    | 4.3%                                    | (19.6%)  |
| Interest coverage ratio  | 2.1                                     | 2.6                                     | (19.6%)  |
| Cash interest coverage ratio   | 6.5                                     | (0.5)                                   | N/A  |
| EBITDA interest coverage ratio   | 2.3                                     | 2.7                                     | (17.1%)  |
| Loan repayment ratio   | 100.0%                                  | 100.0%                                  | –  |
| Interest repayment ratio   | 100.0%                                  | 100.0%                                  | –  |

Note: The financial indicators above are calculated based on the Group's consolidated financial statements prepared in accordance with CASs.

## II. DURING THE REPORTING PERIOD, THE COMPANY HAD NO CONVERTIBLE CORPORATE BONDS



# Report on Review of Condensed Consolidated Financial Statements

**Deloitte.**

德勤

## TO THE BOARD OF DIRECTORS OF CHINA INTERNATIONAL CAPITAL CORPORATION LIMITED

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

### INTRODUCTION

We have reviewed the condensed consolidated financial statements of China International Capital Corporation Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 113 to 206, which comprise the condensed consolidated statement of financial position as of 30 June 2022 and the related condensed consolidated statement of profit or loss, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. 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 (“IAS 34”) issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements 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 Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong 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 condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

**Deloitte Touche Tohmatsu**

*Certified Public Accountants*

Hong Kong, China

30 August 2022

# Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2022 (Expressed in Renminbi ("RMB"), unless otherwise stated)

|  | Notes | Six months ended 30 June |                     |
|--|-------|--------------------------|---------------------|
|  |       | 2022<br>(Unaudited)      | 2021<br>(Unaudited) |
| Revenue:   |       |                          |                     |
| Fee and commission income  | 7     | 8,336,102,125            | 8,297,052,187       |
| Interest income  | 8     | 3,920,342,897            | 3,431,922,995       |
| Investment income  | 9     | 5,044,543,256            | 8,163,474,119       |
| Total revenue  |       | 17,300,988,278           | 19,892,449,301      |
| Other income/(losses), net   | 10    | 350,060,393              | (413,004,783)       |
| Total revenue and other income   |       | 17,651,048,671           | 19,479,444,518      |
| Expenses:  |       |                          |                     |
| Fee and commission expenses  | 11    | 1,238,536,177            | 1,105,467,064       |
| Interest expenses  | 12    | 4,291,706,489            | 3,942,995,882       |
| Staff costs  | 13    | 5,499,796,540            | 6,560,611,199       |
| Depreciation and amortisation expenses                                 | 14    | 759,501,970              | 540,395,348         |
| Tax and surcharges   |       | 65,934,659               | 59,437,226          |
| Other operating expenses and costs                                     | 15    | 1,361,394,346            | 1,214,934,063       |
| Reversal of impairment losses under expected credit loss ("ECL") model | 16    | (68,267,500)             | (29,502,853)        |
| Total expenses   |       | 13,148,602,681           | 13,394,337,929      |
| Operating profit   |       | 4,502,445,990            | 6,085,106,589       |
| Share of profits of associates and joint ventures                      |       | 15,961,558               | 33,963,901          |
| Profit before income tax   |       | 4,518,407,548            | 6,119,070,490       |
| Less: Income tax expense   | 17    | 668,873,137              | 1,103,142,914       |
| Profit for the period  |       | 3,849,534,411            | 5,015,927,576       |
| Attributable to:   |       |                          |                     |
| Shareholders of the Company  | 18    | 3,841,640,437            | 5,007,028,294       |
| Non-controlling interests  |       | 7,893,974                | 8,899,282           |
| Basic earnings per share (in RMB per share)                            | 18    | 0.74                     | 1.00                |

The notes on pages 123 to 206 form part of this interim financial report.

# Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2022 (Expressed in RMB, unless otherwise stated)

|  | Six months ended 30 June |               |
|--|--------------------------|---------------|
|  | 2022                     | 2021          |
|  | (Unaudited)              | (Unaudited)   |
| Profit for the period  | 3,849,534,411            | 5,015,927,576 |
| Other comprehensive income for the period  |                          |               |
| Items that may be reclassified to profit or loss in subsequent periods:                  |                          |               |
| Financial assets at fair value through other comprehensive income:                       |                          |               |
| – Net (losses)/gains from changes in fair value  | (213,373,682)            | 87,129,620    |
| – Provision for/(reversal of) impairment losses under ECL model                          | 70,603,522               | (7,038,532)   |
| – Tax effect   | 44,962,659               | (15,831,802)  |
| – Net gains transferred to profit or loss on disposals                                   | (109,299,789)            | (28,540,222)  |
| Foreign currency translation difference of financial statements of overseas subsidiaries | 787,724,987              | (124,809,145) |
| Others   | 3,422,720                | –             |
| Total other comprehensive income for the period, net of income tax                       | 584,040,417              | (89,090,081)  |
| Total comprehensive income for the period  | 4,433,574,828            | 4,926,837,495 |
| Attributable to:   |                          |               |
| Shareholders of the Company  | 4,425,680,854            | 4,917,938,213 |
| Non-controlling interests  | 7,893,974                | 8,899,282     |

The notes on pages 123 to 206 form part of this interim financial report.



# Condensed Consolidated Statement of Financial Position

As at 30 June 2022 (Expressed in RMB, unless otherwise stated)

|  | Notes | As at<br>30 June<br>2022<br>(Unaudited) | As at<br>31 December<br>2021<br>(Audited) |
|--|-------|---|---|
| Non-current assets:  |       |   |   |
| Property and equipment   | 19    | 1,253,410,427                           | 1,131,867,523                             |
| Right-of-use assets  | 20    | 3,027,621,865                           | 2,994,642,543                             |
| Goodwill   | 21    | 1,622,663,283                           | 1,622,663,283                             |
| Intangible assets  | 22    | 595,764,480                             | 432,742,712                               |
| Interests in associates and joint ventures                           |       | 1,092,904,165                           | 1,086,935,585                             |
| Financial assets at fair value through profit or loss                | 23    | 9,380,605,805                           | 8,778,820,783                             |
| Financial assets held under resale agreements ("reverse REPOs")      | 24    | 288,228,104                             | 347,738,411                               |
| Refundable deposits  | 25    | 12,063,601,058                          | 12,631,912,764                            |
| Deferred tax assets  | 26    | 1,728,642,572                           | 1,628,639,392                             |
| Other non-current assets   | 27    | 366,297,607                             | 328,514,762                               |
| Total non-current assets   |       | 31,419,739,366                          | 30,984,477,758                            |
| Current assets:  |       |   |   |
| Accounts receivable  | 28    | 55,974,007,114                          | 45,742,880,588                            |
| Receivable from margin clients                                       | 29    | 35,147,752,304                          | 39,479,056,714                            |
| Financial assets at fair value through<br>other comprehensive income | 30    | 47,955,748,059                          | 43,009,969,681                            |
| Financial assets at fair value through profit or loss                | 23    | 287,305,856,420                         | 292,395,394,321                           |
| Reverse REPOs  | 24    | 38,221,524,761                          | 25,510,755,648                            |
| Derivative financial assets  | 31    | 19,034,460,568                          | 14,564,228,663                            |
| Cash held on behalf of clients                                       | 32    | 94,465,563,657                          | 91,037,390,313                            |
| Cash and bank balances   | 33    | 68,972,013,394                          | 66,143,094,889                            |
| Other current assets   |       | 1,497,702,002                           | 928,240,640                               |
| Total current assets   |       | 648,574,628,279                         | 618,811,011,457                           |
| Total assets   |       | 679,994,367,645                         | 649,795,489,215                           |

The notes on pages 123 to 206 form part of this interim financial report.

# Condensed Consolidated Statement of Financial Position (Continued)

As at 30 June 2022 (Expressed in RMB, unless otherwise stated)

|   | Notes | As at<br>30 June<br>2022<br>(Unaudited) | As at<br>31 December<br>2021<br>(Audited) |
|---|-------|---|---|
| Current liabilities:  |       |   |   |
| Financial liabilities at fair value through profit or loss  | 35    | 42,543,566,051                          | 38,926,786,684                            |
| Derivative financial liabilities                            | 31    | 12,957,787,511                          | 18,134,007,508                            |
| Accounts payable to brokerage clients                       | 36    | 105,975,162,663                         | 93,445,165,307                            |
| Placements from financial institutions                      | 37    | 44,912,256,024                          | 51,477,278,678                            |
| Short-term debt securities issued                           | 38    | 18,445,942,406                          | 22,989,857,489                            |
| Financial assets sold under repurchase agreements ("REPOs") | 39    | 56,286,047,663                          | 16,376,070,951                            |
| Employee benefits payable                                   |       | 5,907,143,732                           | 10,507,201,308                            |
| Income tax payable  |       | 1,056,454,567                           | 979,703,792                               |
| Long-term debt securities issued due within one year        | 41    | 51,743,523,853                          | 34,753,251,574                            |
| Lease liabilities   |       | 808,074,012                             | 725,687,814                               |
| Contract liabilities  | 42    | 530,151,219                             | 412,950,874                               |
| Other current liabilities                                   | 40    | 143,655,578,289                         | 147,853,683,990                           |
| <b>Total current liabilities</b>                            |       | <b>484,821,687,990</b>                  | <b>436,581,645,969</b>                    |
| <b>Net current assets</b>                                   |       | <b>163,752,940,289</b>                  | <b>182,229,365,488</b>                    |
| <b>Total assets less current liabilities</b>                |       | <b>195,172,679,655</b>                  | <b>213,213,843,246</b>                    |
| Non-current liabilities:                                    |       |   |   |
| Non-current employee benefits payable                       |       | 651,137,598                             | 661,663,772                               |
| Long-term debt securities issued                            | 41    | 101,253,674,883                         | 125,755,298,201                           |
| Deferred tax liabilities                                    | 26    | 545,824,487                             | 431,655,234                               |
| Lease liabilities   |       | 1,274,229,558                           | 1,277,207,612                             |
| Other non-current liabilities                               |       | 358,178,744                             | 357,182,000                               |
| <b>Total non-current liabilities</b>                        |       | <b>104,083,045,270</b>                  | <b>128,483,006,819</b>                    |
| <b>Net assets</b>   |       | <b>91,089,634,385</b>                   | <b>84,730,836,427</b>                     |

The notes on pages 123 to 206 form part of this interim financial report.

# Condensed Consolidated Statement of Financial Position (Continued)

As at 30 June 2022 (Expressed in RMB, unless otherwise stated)

|  | Notes | As at<br>30 June<br>2022<br>(Unaudited) | As at<br>31 December<br>2021<br>(Audited) |
|--|-------|---|---|
| Equity:  |       |   |   |
| Share capital  | 43(a) | 4,827,256,868                           | 4,827,256,868                             |
| Other equity instruments                                 | 44    | 12,400,000,000                          | 8,500,000,000                             |
| Reserves   | 43(b) | 46,300,710,705                          | 45,565,955,440                            |
| Retained profits   |       | 27,245,057,495                          | 25,528,908,966                            |
| Total equity attributable to shareholders of the Company |       | 90,773,025,068                          | 84,422,121,274                            |
| Non-controlling interests                                |       | 316,609,317                             | 308,715,153                               |
| Total equity   |       | 91,089,634,385                          | 84,730,836,427                            |

The condensed consolidated financial statements were approved and authorised for issue by the board of directors on 30 August 2022.

**Shen Rujun**  
Chairman of Board

**Huang Zhaohui**  
Chief Executive Officer

Company chop

The notes on pages 123 to 206 form part of this interim financial report.



# Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2022 (Expressed in RMB, unless otherwise stated)

|  | Attributable to shareholders of the Company |                          |                  |                   |                  |                                |                                      |               |                  |                 |                           | Total equity    |
|--|---|--------------------------|------------------|-------------------|------------------|--------------------------------|--------------------------------------|---------------|------------------|-----------------|---------------------------|-----------------|
|  | Reserves                                    |                          |                  |                   |                  |                                |                                      |               | Retained profits | Subtotal        | Non-controlling interests |                 |
|  | Share capital                               | Other equity instruments | Capital reserve  | Surplus reserve   | General reserves | Investment revaluation reserve | Foreign currency translation reserve | Other reserve |                  |                 |                           |                 |
|  |   |                          |                  |                   |                  |                                |                                      |               |                  |                 |                           |                 |
|  |   |                          |                  |                   |                  |                                |                                      |               |                  |                 |                           |                 |
| (Note 43(a))   | (Note 44)                                   | (Note 43(b)(i))          | (Note 43(b)(ii)) | (Note 43(b)(iii)) | (Note 43(b)(iv)) | (Note 43(b)(v))                | (Note 43(b)(vi))                     |               |                  |                 |                           |                 |
| At 1 January 2022  | 4,827,256,868                               | 8,500,000,000            | 39,531,886,525   | 1,392,448,797     | 5,470,061,175    | 129,746,422                    | (955,513,381)                        | (2,674,098)   | 25,528,908,966   | 84,422,121,274  | 308,715,153               | 84,730,836,427  |
| Changes in equity for the six months ended 30 June 2022  |   |                          |                  |                   |                  |                                |                                      |               |                  |                 |                           |                 |
| Profit for the period                                    | -   | -                        | -                | -                 | -                | -                              | -                                    | -             | 3,841,640,437    | 3,841,640,437   | 7,893,974                 | 3,849,534,411   |
| Other comprehensive income for the period                | -   | -                        | -                | -                 | -                | (207,107,290)                  | 787,724,987                          | 3,422,720     | -                | 584,040,417     | -                         | 584,040,417     |
| Total comprehensive income for the period                | -   | -                        | -                | -                 | -                | (207,107,290)                  | 787,724,987                          | 3,422,720     | 3,841,640,437    | 4,425,680,854   | 7,893,974                 | 4,433,574,828   |
| Appropriation to general reserves                        | -   | -                        | -                | -                 | 150,714,848      | -                              | -                                    | -             | (150,714,848)    | -               | -                         | -               |
| Dividends to shareholders                                | -   | -                        | -                | -                 | -                | -                              | -                                    | -             | (1,448,177,060)  | (1,448,177,060) | -                         | (1,448,177,060) |
| Distributions to holders of perpetual subordinated bonds | -   | -                        | -                | -                 | -                | -                              | -                                    | -             | (526,600,000)    | (526,600,000)   | -                         | (526,600,000)   |
| Issuance of perpetual subordinated bonds                 | -   | 3,900,000,000            | -                | -                 | -                | -                              | -                                    | -             | -                | 3,900,000,000   | -                         | 3,900,000,000   |
| Contribution from non-controlling interests              | -   | -                        | -                | -                 | -                | -                              | -                                    | -             | -                | -               | 190                       | 190             |
| At 30 June 2022 (Unaudited)                              | 4,827,256,868                               | 12,400,000,000           | 39,531,886,525   | 1,392,448,797     | 5,620,776,023    | (77,360,868)                   | (167,788,394)                        | 748,622       | 27,245,057,495   | 90,773,025,068  | 316,609,317               | 91,089,634,385  |

The notes on pages 123 to 206 form part of this interim financial report.

# Condensed Consolidated Statement of Changes in Equity (Continued)

For the six months ended 30 June 2022 (Expressed in RMB, unless otherwise stated)

|  | Attributable to shareholders of the Company |                          |                 |                 |                  |                                |                                      |                  |                |             | Non-controlling interests | Total equity |
|--|---|--------------------------|-----------------|-----------------|------------------|--------------------------------|--------------------------------------|------------------|----------------|-------------|---------------------------|--------------|
|  | Reserves                                    |                          |                 |                 |                  |                                |                                      | Retained profits | Subtotal       |             |                           |              |
|  | Share capital                               | Other equity instruments | Capital reserve | Surplus reserve | General reserves | Investment revaluation reserve | Foreign currency translation reserve |                  |                |             |                           |              |
| At 1 January 2021  | 4,827,256,868                               | 5,000,000,000            | 39,533,272,979  | 995,576,479     | 4,074,311,372    | 37,927,416                     | (632,330,268)                        | 17,798,924,176   | 71,634,939,022 | 180,193,972 | 71,815,132,994            |              |
| Changes in equity for the six months ended 30 June 2021  |   |                          |                 |                 |                  |                                |                                      |                  |                |             |                           |              |
| Profit for the period                                    | -   | -                        | -               | -               | -                | -                              | -                                    | 5,007,028,294    | 5,007,028,294  | 8,899,282   | 5,015,927,576             |              |
| Other comprehensive income for the period                | -   | -                        | -               | -               | -                | 35,719,064                     | (124,809,145)                        | -                | (89,090,081)   | -           | (89,090,081)              |              |
| Total comprehensive income for the period                | -   | -                        | -               | -               | -                | 35,719,064                     | (124,809,145)                        | 5,007,028,294    | 4,917,938,213  | 8,899,282   | 4,926,837,495             |              |
| Appropriation to general reserves                        | -   | -                        | -               | -               | 70,296,059       | -                              | -                                    | (70,296,059)     | -              | -           | -                         |              |
| Dividends to shareholders                                | -   | -                        | -               | -               | -                | -                              | -                                    | (868,906,236)    | (868,906,236)  | -           | (868,906,236)             |              |
| Distributions to holders of perpetual subordinated bonds | -   | -                        | -               | -               | -                | -                              | -                                    | (386,200,000)    | (386,200,000)  | -           | (386,200,000)             |              |
| Issuance of perpetual subordinated bonds                 | -   | 3,500,000,000            | -               | -               | -                | -                              | -                                    | -                | 3,500,000,000  | -           | 3,500,000,000             |              |
| At 30 June 2021 (Unaudited)                              | 4,827,256,868                               | 8,500,000,000            | 39,533,272,979  | 995,576,479     | 4,144,607,431    | 73,646,480                     | (757,139,413)                        | 21,480,550,175   | 78,797,770,999 | 189,093,254 | 78,986,864,253            |              |

The notes on pages 123 to 206 form part of this interim financial report.

# Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2022 (Expressed in RMB, unless otherwise stated)

|  | Six months ended 30 June |                  |
|--|--------------------------|------------------|
|  | 2022                     | 2021             |
|  | (Unaudited)              | (Unaudited)      |
| Cash flows from operating activities:  |                          |                  |
| Profit before income tax   | 4,518,407,548            | 6,119,070,490    |
| Adjustments for:   |                          |                  |
| Net financing interest expenses  | 2,992,712,349            | 2,842,174,254    |
| Depreciation and amortisation expenses   | 759,501,970              | 540,395,348      |
| Reversal of impairment losses under ECL model  | (68,267,500)             | (29,502,853)     |
| Net gains on disposal of property, equipment and other assets                          | (1,434,630)              | (1,427,204)      |
| Foreign exchange gains from derivatives and from others                                | (116,772,852)            | (975,498,844)    |
| Gains on changes in fair value of financial instruments                                |                          |                  |
| at fair value through profit or loss   | (6,201,033,270)          | (11,122,500,821) |
| Interest income from financial assets at fair value through other comprehensive income | (647,589,578)            | (595,687,051)    |
| Dividend income from investments in financial assets                                   |                          |                  |
| and share of profits of associates and joint ventures                                  | (18,760,646)             | (90,828,440)     |
| Net gains on disposal of investments   | (137,052,617)            | (174,215,375)    |
| Operating cash flows before movements in working capital                               | 1,079,710,774            | (3,488,020,496)  |
| Decrease/(increase) in receivable from margin clients                                  | 4,534,437,506            | (2,414,854,663)  |
| Increase in accounts receivable, other receivables and prepayments                     | (9,319,949,119)          | (13,260,256,314) |
| Increase in reverse REPOs  | (12,651,616,368)         | (10,032,936,419) |
| Decrease/(increase) in financial instruments at fair value through profit or loss      | 7,414,206,222            | (40,763,403,217) |
| Increase in cash held on behalf of clients   | (3,428,178,099)          | (19,535,313,410) |
| Increase in restricted bank deposits   | (187,764,288)            | (137,812,853)    |
| Decrease/(increase) in refundable deposits   | 568,143,380              | (1,988,618,785)  |
| Increase in accounts payable to brokerage clients                                      | 12,530,002,111           | 15,398,710,183   |
| Increase in REPOs  | 39,898,132,667           | 8,906,586,685    |
| (Decrease)/increase in other liabilities   | (19,369,675,559)         | 43,075,447,219   |
| Cash generated from/(used in) operating activities, before income tax                  | 21,067,449,227           | (24,240,472,070) |
| Income tax paid  | (530,784,817)            | (826,038,840)    |
| Net cash generated from/(used in) operating activities                                 | 20,536,664,410           | (25,066,510,910) |

The notes on pages 123 to 206 form part of this interim financial report.



# Condensed Consolidated Statement of Cash Flows (Continued)

For the six months ended 30 June 2022 (Expressed in RMB, unless otherwise stated)

|  | Six months ended 30 June |                  |
|--|--------------------------|------------------|
|  | 2022                     | 2021             |
|  | (Unaudited)              | (Unaudited)      |
| Cash flows from investing activities:                                    |                          |                  |
| Cash receipts from disposal of investments                               | 73,166,927,351           | 20,405,635,264   |
| Cash receipts of investment returns                                      | 597,057,406              | 800,715,840      |
| Proceeds from disposal of property, equipment and other long-term assets | 3,762,885                | 5,090,063        |
| Purchase of investments  | (78,274,114,885)         | (20,290,554,526) |
| Purchase of property, equipment and other long-term assets               | (608,312,823)            | (408,265,150)    |
| Net cash (used in)/generated from investing activities                   | (5,114,680,066)          | 512,621,491      |
| Cash flows from financing activities:                                    |                          |                  |
| Proceeds from issuance of beneficiary certificates                       | 31,834,054,086           | 23,247,087,747   |
| Proceeds from issuance of perpetual subordinated bonds                   | 3,900,000,000            | 3,500,000,000    |
| Proceeds from issuance of medium-term notes ("MTNs")                     | 3,820,620,000            | 9,727,050,000    |
| Proceeds from issuance of corporate bonds                                | 2,000,000,000            | 31,000,000,000   |
| Proceeds from issuance of subordinated bonds                             | 2,000,000,000            | 7,000,000,000    |
| Proceeds from issuance of structured notes                               | 1,285,260,477            | 1,598,726,701    |
| Capital contribution from non-controlling interests                      | 190                      | –                |
| Redemption of beneficiary certificates                                   | (35,047,633,003)         | (29,413,201,138) |
| Redemption of subordinated bonds   | (6,900,000,000)          | –                |
| Redemption of MTNs   | (6,567,200,000)          | (3,894,780,000)  |
| Redemption of corporate bonds  | (3,000,000,000)          | (4,000,000,000)  |
| Redemption of structured notes   | (1,763,832,134)          | (3,831,407,461)  |
| Redemption of commercial papers  | (1,000,000,000)          | –                |
| Repayment of lease liabilities   | (367,222,498)            | (310,442,736)    |
| Cash paid for dividend or interest                                       | (3,175,527,964)          | (2,018,816,183)  |
| Distribution to holders of perpetual subordinated bonds                  | (154,200,000)            | –                |
| Cash outflows associated with other financing activities                 | (53,125,544)             | (3,783,821)      |
| Net cash (used in)/generated from financing activities                   | (13,188,806,390)         | 32,600,433,109   |

The notes on pages 123 to 206 form part of this interim financial report.

# Condensed Consolidated Statement of Cash Flows (Continued)

For the six months ended 30 June 2022 (Expressed in RMB, unless otherwise stated)

|  | Note | Six months ended 30 June |                     |
|--|------|--------------------------|---------------------|
|  |      | 2022<br>(Unaudited)      | 2021<br>(Unaudited) |
| Net increase in cash and cash equivalents                |      | 2,233,177,954            | 8,046,543,690       |
| Cash and cash equivalents at the beginning of the period |      | 65,192,946,724           | 46,662,433,555      |
| Effect of exchange rate changes                          |      | 361,517,075              | (778,595,672)       |
| Cash and cash equivalents at the end of the period       | 34   | 67,787,641,753           | 53,930,381,573      |
| Net cash used in operating activities including:         |      |                          |                     |
| Interest received  |      | 4,846,353,761            | 3,253,081,125       |
| Interest paid  |      | (1,317,257,960)          | (1,150,939,030)     |

The notes on pages 123 to 206 form part of this interim financial report.

# Notes to the Condensed Consolidated Financial Statements

*(Expressed in RMB, unless otherwise stated)*

## 1. GENERAL INFORMATION

China International Capital Corporation Limited (中國國際金融股份有限公司) (the “Company”) was established on 25 June 1995 in the People’s Republic of China (“PRC”) as approved by the People’s Bank of China (“PBOC”). On 31 July 1995, it obtained the Business License for Enterprise Legal Person (Qi He Guo Zi No.000599) issued by the State Administration for Industry and Commerce of the PRC.

Pursuant to a conversion completed on 1 June 2015, the Company was converted into a joint stock company with limited liability. The Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited on 9 November 2015 and was listed on the Shanghai Stock Exchange on 2 November 2020.

The Company’s unified social credit code is 91110000625909986U, and the registered address of the Company is the 27th and 28th Floor, China World Trade Centre 2, 1 Jian Guo Men Wai Avenue, Chaoyang District, Beijing, the PRC. As at 30 June 2022, the Company has 4 securities business offices and 11 branches.

The Company and its subsidiaries (together “the Group”) are principally engaged in investment banking business, equities business, fixed-income, currency and commodity (“FICC”) business, asset management business, private equity business, wealth management business and other business activities.

## 2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting (“IAS 34”), issued by the International Accounting Standards Board (the “IASB”).

The directors of the Company have, at the time of approving the condensed consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the condensed consolidated financial statements.

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2022 are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2021, except the changes in accounting policies that are expected to be adopted for the preparation of the 2022 annual financial statements. Details of any changes in accounting policies are set out in Note 3.

The condensed consolidated financial statements do not include all of the information and disclosures required for a full set of financial statements prepared in accordance with International Financial Reporting Standards (“IFRSs”), and should be read in conjunction with the Group’s financial statements for the year ended 31 December 2021.



# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 3. CHANGES IN ACCOUNTING POLICIES

### Application of amendments to IFRSs

In the current interim period, the Group has applied the following amendments to IFRS issued by the IASB, for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2022 for the preparation of the Group's condensed consolidated financial statements:

|                      |   |
|----------------------|---|
| Amendment to IFRS 3  | <i>Reference to the Conceptual Framework</i>                      |
| Amendment to IFRS 16 | <i>Covid-19-Related Rent Concessions beyond 30 June 2021</i>      |
| Amendment to IAS 16  | <i>Property, Plant and Equipment-Proceeds before Intended Use</i> |
| Amendment to IAS 37  | <i>Onerous Contracts-Cost of Fulfilling a Contract</i>            |
| Amendment to IFRSs   | <i>Annual Improvements to IFRSs 2018-2020</i>                     |

The application of the amendments to IFRSs in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

## 4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the condensed consolidated financial statements in conformity with IAS 34 requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of uncertainty for the estimation used for the preparation of the condensed consolidated financial statements for the six months ended 30 June 2022 are the same as those for the preparation of the Group's financial statements for the year ended 31 December 2021.

# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 5. TAXATION

### (a) *Value-added tax (“VAT”) and surcharges*

The applicable tax rate is 6% for the six months ended 30 June 2022 and ended 30 June 2021. The urban maintenance and construction tax, education surcharge and local education surcharge are charged at 7%, 3% and 2% of VAT respectively for the six months ended 30 June 2022 and ended 30 June 2021.

### (b) *Income tax*

The income tax rate applicable to the Company and its subsidiaries in mainland China is 25% for the six months ended 30 June 2022 and ended 30 June 2021.

The profits tax rate applicable to the subsidiaries in Hong Kong Special Administrative Region (“Hong Kong SAR”) is 16.5% for the six months ended 30 June 2022 and ended 30 June 2021. Taxes of other offshore subsidiaries are charged at the relevant local rates.

## 6. SEGMENT REPORTING

Reportable segments are identified based on operating segments which are determined based on the Group’s internal organisational structure, management requirements and internal reporting mechanisms. An operating segment is a component of the Group with all the following conditions satisfied:

- that engages in business activities from which it may earn revenues and incur expenses;
- whose operating results are regularly reviewed by the Group’s management for the purposes of resources allocation and performance evaluation; and
- for which statements of financial position, of profit or loss and of cash flows are available.

Two or more operating segments may be aggregated into a single operating segment if the segments have similar economic characteristics in respect of:

- nature of the services;
- type or class of clients for the services;
- approaches to providing the services; and
- nature of the regulatory environment.

# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 6. SEGMENT REPORTING *(continued)*

For management purposes, the Group's businesses are structured and managed separately according to the nature of their operations and the services that the Group provides. Each of the Group's operating segments represents a strategic business unit and offers services which are subject to risks and returns different from those to which the services offered by the other operating segments are subject. A summary of the operating segments is as follows:

- the Investment Banking segment provides investment banking services, including equity financing, debt and structured financing and financial advisory services to domestic and overseas corporations and institutional clients.
- the Equities segment provides one-stop integrated financial services such as investment research, sales, trading, products and cross-border services to domestic and overseas professional investors, including institutional trading services and capital services such as primary brokerage, over-the-counter derivatives, capital introduction and market-making transactions.
- the FICC segment provides a package of services and supports in the areas of market making and financing to domestic and overseas institutional and corporate clients on fixed-income products such as interest rate, credit and structured products, as well as on overseas exchange and commodities.
- the Asset Management segment designs and provides a wide range of asset management products and services to domestic and overseas investors, including social security and annuity investment management business, institutional entrusted investment management business, overseas asset management business, retail and mutual fund business, etc.
- the Private Equity segment designs and provides integrated private equity fund products and services to domestic and overseas investors, mainly including corporate equity funds, Funds of Funds, dollar funds, real asset funds, infrastructure funds, etc.
- the Wealth Management segment provides a wide range of wealth management products and services, consisting of transactional services, capital services and product configuration services, to retail clients, families and corporate clients.
- the Others segment mainly comprises of other business departments and back offices.



# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 6. SEGMENT REPORTING (continued)

### (a) Segment results

|   | Six months ended 30 June 2022 |                 |                 |                     |                   |                      |                 |                 |
|---|-------------------------------|-----------------|-----------------|---------------------|-------------------|----------------------|-----------------|-----------------|
|   | Investment<br>Banking         | Equities        | FICC            | Asset<br>Management | Private<br>Equity | Wealth<br>Management | Others          | Total           |
| Segment revenue   |                               |                 |                 |                     |                   |                      |                 |                 |
| - Fee and commission income (Note 1)                          | 2,282,530,584                 | 1,341,543,227   | 553,770,306     | 729,717,745         | 707,494,515       | 2,769,560,973        | (48,515,225)    | 8,336,102,125   |
| - Interest income   | 19,466,074                    | 415,197,461     | 647,243,696     | 25,841,013          | 5,180,585         | 2,095,487,554        | 711,926,514     | 3,920,342,897   |
| - Investment income   | (557,608,783)                 | 2,967,377,676   | 2,108,102,222   | (7,362,871)         | 64,158,148        | 197,939,765          | 271,937,099     | 5,044,543,256   |
| - Other income/(losses), net                                  | 440,658                       | (301,225,394)   | 177,797,568     | 1,795,295           | 8,387,379         | 92,166,452           | 370,698,435     | 350,060,393     |
| Segment revenue and other income                              | 1,744,828,533                 | 4,422,892,970   | 3,486,913,792   | 749,991,182         | 785,220,627       | 5,155,154,744        | 1,306,046,823   | 17,651,048,671  |
| Segment expenses  | 2,038,808,301                 | 1,499,325,820   | 2,186,860,910   | 524,738,269         | 630,156,637       | 3,717,050,678        | 2,551,662,066   | 13,148,602,681  |
| Segment operating (loss)/profit                               | (293,979,768)                 | 2,923,567,150   | 1,300,052,882   | 225,252,913         | 155,063,990       | 1,438,104,066        | (1,245,615,243) | 4,502,445,990   |
| Share of profits/(losses) of associates and joint ventures    | -                             | -               | -               | 16,565,343          | 41,903,916        | (42,466,426)         | (41,275)        | 15,961,558      |
| (Loss)/profit before income tax                               | (293,979,768)                 | 2,923,567,150   | 1,300,052,882   | 241,818,256         | 196,967,906       | 1,395,637,640        | (1,245,656,518) | 4,518,407,548   |
| Segment assets  | 9,104,842,222                 | 229,479,820,602 | 143,975,240,785 | 4,361,842,157       | 6,918,574,514     | 141,655,626,179      | 142,769,778,614 | 678,265,725,073 |
| Deferred tax assets   |                               |                 |                 |                     |                   |                      |                 | 1,728,642,572   |
| Total assets  |                               |                 |                 |                     |                   |                      |                 | 679,994,367,645 |
| Segment liabilities   | 8,285,038,970                 | 217,904,700,673 | 128,896,763,441 | 3,483,441,673       | 3,552,993,770     | 126,996,950,640      | 99,239,019,606  | 588,358,908,773 |
| Deferred tax liabilities                                      |                               |                 |                 |                     |                   |                      |                 | 545,824,487     |
| Total liabilities   |                               |                 |                 |                     |                   |                      |                 | 588,904,733,260 |
| Other segment information:                                    |                               |                 |                 |                     |                   |                      |                 |                 |
| Interest expenses (Note 2)                                    | 172,668,384                   | 602,591,794     | 1,570,801,426   | 77,894,847          | 133,905,209       | 1,087,517,296        | 646,327,533     | 4,291,706,489   |
| Depreciation and amortisation expenses                        | 53,459,170                    | 50,868,209      | 44,424,345      | 32,512,558          | 30,048,888        | 278,638,623          | 269,550,177     | 759,501,970     |
| (Reversal of)/provision for impairment losses under ECL model | (12,671,220)                  | (104,701,854)   | 71,993,631      | 1,139,528           | 12,302,656        | (35,383,712)         | (946,529)       | (68,267,500)    |

# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 6. SEGMENT REPORTING (continued)

### (a) Segment results (continued)

|  | Six months ended 30 June 2021 |                 |                 |                     |                   |                      |                 |                 |
|--|-------------------------------|-----------------|-----------------|---------------------|-------------------|----------------------|-----------------|-----------------|
|  | Investment<br>Banking         | Equities        | FICC            | Asset<br>Management | Private<br>Equity | Wealth<br>Management | Others          | Total           |
| Segment revenue  |                               |                 |                 |                     |                   |                      |                 |                 |
| – Fee and commission income (Note 1)                             | 2,258,905,324                 | 1,642,923,471   | 437,646,280     | 568,891,567         | 720,080,539       | 2,655,713,900        | 12,891,106      | 8,297,052,187   |
| – Interest income  | 26,574,104                    | 410,646,027     | 642,129,094     | 32,975,051          | 11,223,369        | 1,948,718,034        | 359,657,316     | 3,431,922,995   |
| – Investment income  | 731,857,075                   | 3,534,382,686   | 2,170,994,275   | 38,932,138          | 458,938,077       | 350,511,985          | 877,857,883     | 8,163,474,119   |
| – Other income/(losses), net                                     | 1,544,897                     | (364,547,530)   | (108,934,983)   | (491,057)           | 7,848,528         | 34,887,667           | 16,687,695      | (413,004,783)   |
| Segment revenue and other income                                 | 3,018,881,400                 | 5,223,404,654   | 3,141,834,666   | 640,307,699         | 1,198,090,513     | 4,989,831,586        | 1,267,094,000   | 19,479,444,518  |
| Segment expenses   | 2,239,227,179                 | 1,536,541,465   | 2,026,370,339   | 579,691,433         | 619,744,271       | 3,342,738,920        | 3,050,024,322   | 13,394,337,929  |
| Segment operating profit/(loss)                                  | 779,654,221                   | 3,686,863,189   | 1,115,464,327   | 60,616,266          | 578,346,242       | 1,647,092,666        | (1,782,930,322) | 6,085,106,589   |
| Share of profits/(losses) of associates<br>and joint ventures    | –                             | –               | –               | 5,819,331           | 51,035,773        | (31,934,749)         | 9,043,546       | 33,963,901      |
| Profit/(loss) before income tax                                  | 779,654,221                   | 3,686,863,189   | 1,115,464,327   | 66,435,597          | 629,382,015       | 1,615,157,917        | (1,773,886,776) | 6,119,070,490   |
| Segment assets   | 9,267,835,379                 | 220,636,765,786 | 121,391,069,327 | 2,708,346,364       | 5,779,732,002     | 120,981,971,921      | 135,732,508,028 | 616,498,228,807 |
| Deferred tax assets  |                               |                 |                 |                     |                   |                      |                 | 1,578,548,383   |
| Total assets   |                               |                 |                 |                     |                   |                      |                 | 618,076,777,190 |
| Segment liabilities  | 7,879,487,669                 | 213,999,373,463 | 111,560,904,355 | 2,090,517,020       | 3,209,624,358     | 109,699,054,881      | 89,977,779,207  | 538,416,740,953 |
| Deferred tax liabilities   |                               |                 |                 |                     |                   |                      |                 | 673,171,984     |
| Total liabilities  |                               |                 |                 |                     |                   |                      |                 | 539,089,912,937 |
| Other segment information:                                       |                               |                 |                 |                     |                   |                      |                 |                 |
| Interest expenses (Note 2)                                       | 108,385,386                   | 533,280,677     | 1,533,175,791   | 31,278,939          | 57,568,177        | 1,099,480,221        | 579,826,691     | 3,942,995,882   |
| Depreciation and amortisation expenses                           | 46,755,645                    | 36,994,789      | 29,330,389      | 30,338,002          | 22,416,278        | 196,052,469          | 178,507,776     | 540,395,348     |
| Provision for/(reversal of) impairment losses<br>under ECL model | 5,727,696                     | (19,297,747)    | (2,282,667)     | 34,121,856          | 677,112           | (48,392,728)         | (56,375)        | (29,502,853)    |

# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 6. SEGMENT REPORTING (continued)

### (a) Segment results (continued)

Note 1: Disaggregation of revenue was disclosed in Note 7. Brokerage commission income is mainly generated by Equities and Wealth Management segments; underwriting and sponsoring fees and financial advisory fees are mainly generated by Investment Banking segment; asset management fees are mainly generated by Asset Management, Private Equity and Wealth Management segments.

Note 2: The Group allocates interest expenses across the reportable segments based on the capital used during the reporting period for the purpose of measuring segment operating performance and improving efficiencies of capital management.

### (b) Geographical information

The following table sets out the Group's revenue and other income from external clients and the Group's non-current assets (excluding financial assets at fair value through profit or loss, reverse REPOs, refundable deposits and deferred tax assets, the same as below) in terms of geographical locations. The geographical locations of the revenue and other income from external clients are identified based on the locations in which the services or the products are rendered. The geographical locations of the non-current assets are identified based on the place of incorporation of the business units under which the non-current assets are recorded.

|                        | Revenue and other income from<br>external clients |                              |
|------------------------|---|------------------------------|
|                        | Six months ended 30 June                          |                              |
|                        | 2022  | 2021                         |
| Mainland China         | 14,694,559,547                                    | 15,045,415,581               |
| Outside mainland China | 2,956,489,124                                     | 4,434,028,937                |
| Total                  | 17,651,048,671                                    | 19,479,444,518               |
|                        | Non-current assets                                |                              |
|                        | As at<br>30 June<br>2022                          | As at<br>31 December<br>2021 |
|                        |   |                              |
| Mainland China         | 6,953,712,091                                     | 6,610,534,969                |
| Outside mainland China | 1,004,949,736                                     | 986,831,439                  |
| Total                  | 7,958,661,827                                     | 7,597,366,408                |



# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 6. SEGMENT REPORTING (continued)

### (b) Geographical information (continued)

Reconciliation of segment non-current assets:

|   | Non-current assets       |                              |
|---|--------------------------|------------------------------|
|   | As at<br>30 June<br>2022 | As at<br>31 December<br>2021 |
| Total non-current assets for segments           | 35,411,939,341           | 34,550,643,922               |
| Elimination of inter-segment non-current assets | (27,453,277,514)         | (26,953,277,514)             |
| Total   | 7,958,661,827            | 7,597,366,408                |

### (c) Major clients

The Group's client base is diversified and there was no case in which the revenue recognised from a single client exceeded 10% of the Group's revenue for the six months ended 30 June 2022 and ended 30 June 2021.

## 7. FEE AND COMMISSION INCOME

|                                  | Six months ended 30 June |               |
|----------------------------------|--------------------------|---------------|
|                                  | 2022                     | 2021          |
| Brokerage commission income      | 3,549,273,318            | 3,711,349,362 |
| Underwriting and sponsoring fees | 2,389,626,638            | 2,303,783,973 |
| Asset management fees            | 1,556,498,666            | 1,456,984,677 |
| Financial advisory fees          | 451,831,052              | 476,982,058   |
| Investment advisory fees         | 316,204,856              | 318,258,051   |
| Others                           | 72,667,595               | 29,694,066    |
| Total                            | 8,336,102,125            | 8,297,052,187 |

The remaining performance obligation is recognised as contract liabilities as at 30 June 2022 and 31 December 2021, and disclosed in Note 42. Except as stated in Note 42, there is no significant remaining performance obligation.

# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 8. INTEREST INCOME

|   | Six months ended 30 June |               |
|---|--------------------------|---------------|
|   | 2022                     | 2021          |
| Interest income from financial institutions   | 1,344,333,656            | 979,587,282   |
| Interest income from margin financing and securities lending                              | 1,327,423,328            | 1,343,409,905 |
| Interest income from financial assets at fair value through<br>other comprehensive income | 647,589,578              | 595,687,051   |
| Interest income from reverse REPOs  | 497,236,664              | 464,117,796   |
| Others  | 103,759,671              | 49,120,961    |
| Total   | 3,920,342,897            | 3,431,922,995 |

## 9. INVESTMENT INCOME

|   | Six months ended 30 June |                 |
|---|--------------------------|-----------------|
|   | 2022                     | 2021            |
| Net gains from disposal of financial assets at fair value<br>through other comprehensive income | 109,299,789              | 28,540,222      |
| Net (losses)/gains from financial instruments at fair value through profit or loss              | (7,461,023,475)          | 16,526,931,155  |
| Net gains/(losses) from derivative financial instruments  | 12,396,266,942           | (8,392,250,467) |
| Others  | –                        | 253,209         |
| Total   | 5,044,543,256            | 8,163,474,119   |

# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 10. OTHER INCOME/(LOSSES), NET

|  | Six months ended 30 June |               |
|--|--------------------------|---------------|
|  | 2022                     | 2021          |
| Refund for tax withholding and remittance        | 86,463,229               | 42,078,090    |
| Government grants                                | 33,262,947               | 40,014,605    |
| Foreign exchange gains/(losses) from derivatives | 219,829,848              | (126,263,462) |
| Others (Note)                                    | 10,504,369               | (368,834,016) |
| Total  | 350,060,393              | (413,004,783) |

Note: Others mainly consisted of gains and losses due to exchange rate fluctuations arising from foreign currency transactions other than foreign exchange derivative transactions.

## 11. FEE AND COMMISSION EXPENSES

|                                      | Six months ended 30 June |               |
|--------------------------------------|--------------------------|---------------|
|                                      | 2022                     | 2021          |
| Brokerage commission expenses        | 966,995,298              | 913,197,069   |
| Underwriting and sponsoring expenses | 160,439,868              | 86,760,826    |
| Asset management expenses            | 110,981,644              | 105,509,169   |
| Investment advisory expenses         | 119,367                  | –             |
| Total                                | 1,238,536,177            | 1,105,467,064 |



# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 12. INTEREST EXPENSES

|  | Six months ended 30 June |               |
|--|--------------------------|---------------|
|  | 2022                     | 2021          |
| Interest expenses on:                    |                          |               |
| – Corporate bonds                        | 1,909,810,605            | 1,616,351,055 |
| – Placements from financial institutions | 602,243,847              | 441,409,092   |
| – Subordinated bonds                     | 533,100,956              | 629,972,895   |
| – REPOs                                  | 418,646,821              | 373,709,395   |
| – MTNs                                   | 256,486,565              | 254,728,421   |
| – Accounts payable to brokerage clients  | 165,060,155              | 135,186,037   |
| – Beneficiary certificates               | 157,792,668              | 231,447,121   |
| – Financial bonds                        | 42,026,712               | 42,026,712    |
| – Lease liabilities                      | 37,041,409               | 27,376,647    |
| – Structured notes                       | 6,538,367                | 38,776,688    |
| – Commercial papers                      | 3,912,329                | –             |
| – Others                                 | 159,046,055              | 152,011,819   |
| Total                                    | 4,291,706,489            | 3,942,995,882 |

# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 13. STAFF COSTS

|                                 | Six months ended 30 June |               |
|---------------------------------|--------------------------|---------------|
|                                 | 2022                     | 2021          |
| Salaries, bonus and allowance   | 4,493,704,388            | 6,003,450,797 |
| Retirement scheme contributions | 354,886,411              | 234,949,822   |
| Other social welfare            | 459,510,994              | 233,105,159   |
| Other benefits                  | 191,694,747              | 89,105,421    |
| Total                           | 5,499,796,540            | 6,560,611,199 |

The Group is required to participate in pension schemes in mainland China, Hong Kong SAR and other jurisdictions whereby the Group pays annual contributions for its employees at certain ratios of salaries. The Group has no other material obligations of payment for retirement benefits to its employees beyond the annual contributions described above.

## 14. DEPRECIATION AND AMORTISATION EXPENSES

|  | Six months ended 30 June |             |
|--|--------------------------|-------------|
|  | 2022                     | 2021        |
| Depreciation of right-of-use assets    | 415,833,547              | 304,626,606 |
| Depreciation of property and equipment | 225,930,996              | 167,691,599 |
| Amortisation of intangible assets      | 116,955,543              | 67,502,983  |
| Others                                 | 781,884                  | 574,160     |
| Total                                  | 759,501,970              | 540,395,348 |

# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 15. OTHER OPERATING EXPENSES AND COSTS

|  | Six months ended 30 June |               |
|--|--------------------------|---------------|
|  | 2022                     | 2021          |
| Business development expenses                    | 466,255,841              | 392,283,859   |
| Information technology related expenses          | 341,165,937              | 263,973,101   |
| Professional service fees                        | 127,074,768              | 83,708,531    |
| Travelling and transportation expenses           | 90,591,781               | 150,686,187   |
| Lease expenses                                   | 64,989,448               | 28,208,302    |
| Securities and futures investor protection funds | 48,781,533               | 48,645,180    |
| Utilities and maintenance                        | 47,764,081               | 38,480,768    |
| Auditors' remuneration                           | 4,100,000                | 4,000,000     |
| Others   | 170,670,957              | 204,948,135   |
| Total  | 1,361,394,346            | 1,214,934,063 |

## 16. REVERSAL OF IMPAIRMENT LOSSES UNDER ECL MODEL

|   | Six months ended 30 June |              |
|---|--------------------------|--------------|
|   | 2022                     | 2021         |
| Impairment losses (reversed)/provided for:                        |                          |              |
| Accounts receivable and other assets                              | (115,584,437)            | 39,708,909   |
| Receivable from margin clients                                    | (15,786,643)             | 10,623,450   |
| Reverse REPOs   | (7,168,542)              | (72,721,631) |
| Financial assets at fair value through other comprehensive income | 70,277,638               | (7,001,160)  |
| Cash and bank balances  | (5,516)                  | (112,421)    |
| Total   | (68,267,500)             | (29,502,853) |



# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 17. INCOME TAX EXPENSE

**(a) Taxation in the condensed consolidated statement of profit or loss:**

|                                      | Six months ended 30 June |               |
|--------------------------------------|--------------------------|---------------|
|                                      | 2022                     | 2021          |
| Current tax                          |                          |               |
| – Mainland China income tax          | 320,506,384              | 386,794,923   |
| – Outside mainland China profits tax | 287,029,208              | 357,767,435   |
| Subtotal                             | 607,535,592              | 744,562,358   |
| Deferred tax                         | 61,337,545               | 358,580,556   |
| Total                                | 668,873,137              | 1,103,142,914 |

**(b) Reconciliation between income tax expense and accounting profit at applicable tax rates:**

The income tax has been provided at the statutory rate of 25% in accordance with the relevant tax laws in mainland China during the period. Taxes on profits assessable outside mainland China have been calculated at the applicable tax rates prevailing in the countries/jurisdictions, in which the Group operates, based on the existing legislation, interpretations and practices. Reconciliation between income tax expense that would have resulted from applying the PRC statutory income tax rate to the Group's profit before income tax and the income tax expense in the condensed consolidated statement of profit or loss is as follows:

|   | Six months ended 30 June |               |
|---|--------------------------|---------------|
|   | 2022                     | 2021          |
| Profit before income tax  | 4,518,407,548            | 6,119,070,490 |
| Income tax calculated at the PRC statutory income tax rate  | 1,129,601,887            | 1,529,767,623 |
| Effect of non-deductible expenses   | 14,671,167               | 17,689,003    |
| Effect of non-taxable income  | (248,181,478)            | (221,598,682) |
| Effect of different applicable tax rates of the subsidiaries  | (119,919,746)            | (298,310,179) |
| Effect of deductible temporary differences with no deferred tax asset recognised in the period                          | 40,111,451               | 38,590,919    |
| Effect of utilisation of the deductible temporary differences with no deferred tax asset recognised in previous periods | (7,762,433)              | (4,987,742)   |
| Others  | (139,647,711)            | 41,991,972    |
| Total income tax expense  | 668,873,137              | 1,103,142,914 |

# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 18. BASIC EARNINGS PER SHARE

|   | Six months ended 30 June |               |
|---|--------------------------|---------------|
|   | 2022                     | 2021          |
| Profit attributable to shareholders of the Company                  | 3,841,640,437            | 5,007,028,294 |
| Interest for holders of perpetual subordinated bonds for the period | (256,520,000)            | (159,661,918) |
| Total   | 3,585,120,437            | 4,847,366,376 |
| Weighted average number of ordinary shares in issue                 | 4,827,256,868            | 4,827,256,868 |
| Basic earnings per share (in RMB per share)                         | 0.74                     | 1.00          |

Basic earnings per share was calculated as the profit for the period attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares in issue.

No diluted earnings per share has been presented for the six months ended 30 June 2022 and 2021 as the Company had no potential ordinary shares in issue during the periods.

# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 19. PROPERTY AND EQUIPMENT

|                                     | Buildings    | Office equipment | Furniture and<br>fixtures | Motor vehicles | Leasehold<br>improvements | Construction<br>in progress | Total           |
|-------------------------------------|--------------|------------------|---------------------------|----------------|---------------------------|-----------------------------|-----------------|
| <b>Cost</b>                         |              |                  |                           |                |                           |                             |                 |
| As at 31 December 2021              | 92,721,687   | 1,890,744,489    | 123,413,502               | 10,395,805     | 895,039,173               | 189,436,852                 | 3,201,751,508   |
| Additions and transfer-in           | -            | 176,354,765      | 22,091,185                | -              | 86,121,167                | 101,277,248                 | 385,844,365     |
| Transfer-out                        | -            | -                | -                         | -              | -                         | (34,837,415)                | (34,837,415)    |
| Disposals                           | -            | (43,612,689)     | (6,468,197)               | (286,400)      | (30,296,302)              | -                           | (80,663,588)    |
| Effect of changes in exchange rates | -            | 5,775,157        | 594,210                   | -              | 5,747,198                 | -                           | 12,116,565      |
| As at 30 June 2022                  | 92,721,687   | 2,029,261,722    | 139,630,700               | 10,109,405     | 956,611,236               | 255,876,685                 | 3,484,211,435   |
| <b>Accumulated depreciation</b>     |              |                  |                           |                |                           |                             |                 |
| As at 31 December 2021              | (45,935,909) | (1,297,117,466)  | (85,368,599)              | (8,380,397)    | (633,081,614)             | -                           | (2,069,883,985) |
| Additions                           | (2,072,554)  | (140,446,792)    | (8,947,828)               | (142,297)      | (74,321,525)              | -                           | (225,930,996)   |
| Disposals                           | -            | 41,681,710       | 5,988,092                 | 277,808        | 26,514,910                | -                           | 74,462,520      |
| Effect of changes in exchange rates | -            | (5,075,339)      | (482,387)                 | -              | (3,890,821)               | -                           | (9,448,547)     |
| As at 30 June 2022                  | (48,008,463) | (1,400,957,887)  | (88,810,722)              | (8,244,886)    | (684,779,050)             | -                           | (2,230,801,008) |
| <b>Carrying amount</b>              |              |                  |                           |                |                           |                             |                 |
| As at 30 June 2022                  | 44,713,224   | 628,303,835      | 50,819,978                | 1,864,519      | 271,832,186               | 255,876,685                 | 1,253,410,427   |
| As at 31 December 2021              | 46,785,778   | 593,627,023      | 38,044,903                | 2,015,408      | 261,957,559               | 189,436,852                 | 1,131,867,523   |



# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 19. PROPERTY AND EQUIPMENT (continued)

|   | Buildings    | Office<br>equipment | Furniture<br>and fixtures | Motor<br>vehicles | Leasehold<br>improvements | Construction<br>in progress | Total           |
|---|--------------|---------------------|---------------------------|-------------------|---------------------------|-----------------------------|-----------------|
| <b>Cost</b>                             |              |                     |                           |                   |                           |                             |                 |
| As at 31 December 2020                  | 92,721,687   | 1,600,593,892       | 105,571,362               | 21,250,345        | 811,121,887               | 37,337,284                  | 2,668,596,457   |
| Acquired on acquisition of a subsidiary | –            | 1,303,344           | 917,435                   | –                 | 5,300,327                 | –                           | 7,521,106       |
| Additions and transfer-in               | –            | 411,826,489         | 25,086,388                | –                 | 172,020,313               | 245,529,612                 | 854,462,802     |
| Transfer-out                            | –            | –                   | –                         | –                 | –                         | (93,430,044)                | (93,430,044)    |
| Disposals                               | –            | (118,562,250)       | (6,854,388)               | (10,854,540)      | (88,585,163)              | –                           | (224,856,341)   |
| Effect of changes in exchange rates     | –            | (4,416,986)         | (1,307,295)               | –                 | (4,818,191)               | –                           | (10,542,472)    |
| As at 31 December 2021                  | 92,721,687   | 1,890,744,489       | 123,413,502               | 10,395,805        | 895,039,173               | 189,436,852                 | 3,201,751,508   |
| <b>Accumulated depreciation</b>         |              |                     |                           |                   |                           |                             |                 |
| As at 31 December 2020                  | (41,485,338) | (1,167,366,201)     | (78,923,235)              | (17,163,812)      | (615,259,547)             | –                           | (1,920,198,133) |
| Acquired on acquisition of a subsidiary | –            | (979,879)           | (389,617)                 | –                 | (2,136,835)               | –                           | (3,506,331)     |
| Additions                               | (4,450,571)  | (244,230,810)       | (12,794,005)              | (344,880)         | (107,790,594)             | –                           | (369,610,860)   |
| Disposals                               | –            | 111,529,437         | 6,309,389                 | 9,128,295         | 88,585,162                | –                           | 215,552,283     |
| Effect of changes in exchange rates     | –            | 3,929,987           | 428,869                   | –                 | 3,520,200                 | –                           | 7,879,056       |
| As at 31 December 2021                  | (45,935,909) | (1,297,117,466)     | (85,368,599)              | (8,380,397)       | (633,081,614)             | –                           | (2,069,883,985) |
| <b>Carrying amount</b>                  |              |                     |                           |                   |                           |                             |                 |
| As at 31 December 2021                  | 46,785,778   | 593,627,023         | 38,044,903                | 2,015,408         | 261,957,559               | 189,436,852                 | 1,131,867,523   |
| As at 31 December 2020                  | 51,236,349   | 433,227,691         | 26,648,127                | 4,086,533         | 195,862,340               | 37,337,284                  | 748,398,324     |

# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 20. RIGHT-OF-USE ASSETS

|                                     | Buildings       | Leasehold<br>land | Equipment | Total           |
|-------------------------------------|-----------------|-------------------|-----------|-----------------|
| <b>Cost</b>                         |                 |                   |           |                 |
| As at 31 December 2021              | 3,232,138,927   | 1,266,558,879     | 854,845   | 4,499,552,651   |
| Increases                           | 501,991,248     | –                 | –         | 501,991,248     |
| Decreases                           | (245,119,264)   | –                 | –         | (245,119,264)   |
| Effect of changes in exchange rates | 28,214,932      | –                 | 18,439    | 28,233,371      |
| As at 30 June 2022                  | 3,517,225,843   | 1,266,558,879     | 873,284   | 4,784,658,006   |
| <b>Accumulated depreciation</b>     |                 |                   |           |                 |
| As at 31 December 2021              | (1,286,581,192) | (217,732,444)     | (596,472) | (1,504,910,108) |
| Increases                           | (415,777,013)   | (16,455,329)      | (84,882)  | (432,317,224)   |
| Decreases                           | 186,950,713     | –                 | –         | 186,950,713     |
| Effect of changes in exchange rates | (6,754,683)     | –                 | (4,839)   | (6,759,522)     |
| As at 30 June 2022                  | (1,522,162,175) | (234,187,773)     | (686,193) | (1,757,036,141) |
| <b>Carrying amount</b>              |                 |                   |           |                 |
| As at 30 June 2022                  | 1,995,063,668   | 1,032,371,106     | 187,091   | 3,027,621,865   |
| As at 31 December 2021              | 1,945,557,735   | 1,048,826,435     | 258,373   | 2,994,642,543   |

# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 20. RIGHT-OF-USE ASSETS (continued)

|   | Buildings       | Leasehold<br>land | Equipment | Total           |
|---|-----------------|-------------------|-----------|-----------------|
| <b>Cost</b>                                   |                 |                   |           |                 |
| As at 31 December 2020                        | 2,192,003,536   | 1,266,558,879     | 877,867   | 3,459,440,282   |
| Acquired on acquisition of a subsidiary       | 58,017,322      | –                 | –         | 58,017,322      |
| Transfer-out due to disposals of subsidiaries | (2,066,509)     | –                 | –         | (2,066,509)     |
| Increases                                     | 1,609,171,350   | –                 | –         | 1,609,171,350   |
| Decreases                                     | (609,719,980)   | –                 | –         | (609,719,980)   |
| Effect of changes in exchange rates           | (15,266,792)    | –                 | (23,022)  | (15,289,814)    |
| As at 31 December 2021                        | 3,232,138,927   | 1,266,558,879     | 854,845   | 4,499,552,651   |
| <b>Accumulated depreciation</b>               |                 |                   |           |                 |
| As at 31 December 2020                        | (1,002,613,003) | (184,821,786)     | (453,157) | (1,187,887,946) |
| Acquired on acquisition of a subsidiary       | (30,620,253)    | –                 | –         | (30,620,253)    |
| Transfer-out due to disposals of subsidiaries | 1,606,446       | –                 | –         | 1,606,446       |
| Increases                                     | (658,081,165)   | (32,910,658)      | (156,625) | (691,148,448)   |
| Decreases                                     | 395,439,400     | –                 | –         | 395,439,400     |
| Effect of changes in exchange rates           | 7,687,383       | –                 | 13,310    | 7,700,693       |
| As at 31 December 2021                        | (1,286,581,192) | (217,732,444)     | (596,472) | (1,504,910,108) |
| <b>Carrying amount</b>                        |                 |                   |           |                 |
| As at 31 December 2021                        | 1,945,557,735   | 1,048,826,435     | 258,373   | 2,994,642,543   |
| As at 31 December 2020                        | 1,189,390,533   | 1,081,737,093     | 424,710   | 2,271,552,336   |

# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 21. GOODWILL

### (a) Changes in goodwill

| Subsidiaries                             | As at<br>1 January 2022 | Additions | Disposals | As at<br>30 June 2022 | Less: Impairment<br>loss allowance |
|--|-------------------------|-----------|-----------|-----------------------|------------------------------------|
| CICC Wealth Management (Note 1)          | 1,582,678,646           | -         | -         | 1,582,678,646         | -                                  |
| Science & Technology Innovation (Note 2) | 39,984,637              | -         | -         | 39,984,637            | -                                  |
| Total                                    | 1,622,663,283           | -         | -         | 1,622,663,283         | -                                  |

| Subsidiaries                             | As at<br>1 January 2021 | Additions  | Disposals | As at<br>31 December 2021 | Less: Impairment<br>loss allowance |
|--|-------------------------|------------|-----------|---------------------------|------------------------------------|
| CICC Wealth Management (Note 1)          | 1,582,678,646           | -          | -         | 1,582,678,646             | -                                  |
| Science & Technology Innovation (Note 2) | -                       | 39,984,637 | -         | 39,984,637                | -                                  |
| Total                                    | 1,582,678,646           | 39,984,637 | -         | 1,622,663,283             | -                                  |

Note 1: The Company acquired China CICC Wealth Management Securities Company Limited ("CICC Wealth Management", "CISC" or "CICC WMS") in 2017 and paid, as the cost of the acquisition, the consideration of RMB16,700,695,000 in the form of share issuance. The difference between the consideration and the fair value of the identifiable net assets attributable to the Company amounted to RMB1,582,678,646 and was recognised as goodwill related to the cash-generating unit of Wealth Management.

Note 2: In 2021, CICC Capital Management Co., Ltd. ("CICC Capital"), a subsidiary of CICC, made a capital injection in cash of RMB220,129,947 into Beijing Science & Technology Innovation Investment Management Co., Ltd. ("Science & Technology Innovation") and acquired 51% equity interests of Science & Technology Innovation. The difference between the cash injection and the fair value of the identifiable net assets attributable to CICC Capital amounted to RMB39,984,637 and was recognised as goodwill.

### (b) Impairment test

As at 30 June 2022, no indications of impairment came to attention of the management.



# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 22. INTANGIBLE ASSETS

|                                     | Securities<br>trading<br>seat rights | Others<br>(Note) | Total         |
|-------------------------------------|--------------------------------------|------------------|---------------|
| <b>Cost</b>                         |                                      |                  |               |
| As at 31 December 2021              | 163,100,827                          | 874,188,395      | 1,037,289,222 |
| Additions                           | –                                    | 279,884,048      | 279,884,048   |
| Disposals                           | –                                    | (641,441)        | (641,441)     |
| Effect of changes in exchange rates | 12,020                               | 156,862          | 168,882       |
| As at 30 June 2022                  | 163,112,847                          | 1,153,587,864    | 1,316,700,711 |
| <b>Accumulated amortisation</b>     |                                      |                  |               |
| As at 31 December 2021              | (118,067,844)                        | (486,478,666)    | (604,546,510) |
| Additions                           | (4,290,000)                          | (112,665,543)    | (116,955,543) |
| Disposals                           | –                                    | 641,441          | 641,441       |
| Effect of changes in exchange rates | –                                    | (75,619)         | (75,619)      |
| As at 30 June 2022                  | (122,357,844)                        | (598,578,387)    | (720,936,231) |
| <b>Carrying amount</b>              |                                      |                  |               |
| As at 30 June 2022                  | 40,755,003                           | 555,009,477      | 595,764,480   |
| As at 31 December 2021              | 45,032,983                           | 387,709,729      | 432,742,712   |

# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 22. INTANGIBLE ASSETS (continued)

|   | Securities<br>trading<br>seat rights | Others<br>(Note) | Total         |
|---|--------------------------------------|------------------|---------------|
| <b>Cost</b>                             |                                      |                  |               |
| As at 31 December 2020                  | 163,112,847                          | 603,671,526      | 766,784,373   |
| Acquired on acquisition of a subsidiary | –                                    | 1,259,638        | 1,259,638     |
| Additions                               | –                                    | 274,823,982      | 274,823,982   |
| Disposals                               | –                                    | (5,536,526)      | (5,536,526)   |
| Effect of changes in exchange rates     | (12,020)                             | (30,225)         | (42,245)      |
| As at 31 December 2021                  | 163,100,827                          | 874,188,395      | 1,037,289,222 |
| <b>Accumulated amortisation</b>         |                                      |                  |               |
| As at 31 December 2020                  | (109,487,844)                        | (346,476,553)    | (455,964,397) |
| Acquired on acquisition of a subsidiary | –                                    | (315,970)        | (315,970)     |
| Additions                               | (8,580,000)                          | (144,934,193)    | (153,514,193) |
| Disposals                               | –                                    | 5,228,358        | 5,228,358     |
| Effect of changes in exchange rates     | –                                    | 19,692           | 19,692        |
| As at 31 December 2021                  | (118,067,844)                        | (486,478,666)    | (604,546,510) |
| <b>Carrying amount</b>                  |                                      |                  |               |
| As at 31 December 2021                  | 45,032,983                           | 387,709,729      | 432,742,712   |
| As at 31 December 2020                  | 53,625,003                           | 257,194,973      | 310,819,976   |

Note: As at 30 June 2022 and 31 December 2021, others mainly included computer software used by the Group.

# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

### *Non-current*

|                   | As at<br>30 June<br>2022 | As at<br>31 December<br>2021 |
|-------------------|--------------------------|------------------------------|
| Equity securities | 9,380,605,805            | 8,778,820,783                |

### *Current*

|                             | As at<br>30 June<br>2022 | As at<br>31 December<br>2021 |
|-----------------------------|--------------------------|------------------------------|
| Equity securities           | 102,140,902,819          | 118,970,508,810              |
| Debt securities (Note)      | 98,405,739,637           | 82,090,098,250               |
| Funds and other investments | 86,759,213,964           | 91,334,787,261               |
| Total                       | 287,305,856,420          | 292,395,394,321              |

Note: As at 30 June 2022, the perpetual bonds included in debt securities amounted to RMB10,545,542,938 (31 December 2021: RMB10,422,322,751).

# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 24. FINANCIAL ASSETS HELD UNDER RESALE AGREEMENTS (“REVERSE REPOS”)

### (a) Analysed by collateral type:

#### Non-current

|                                 | As at<br>30 June<br>2022 | As at<br>31 December<br>2021 |
|---------------------------------|--------------------------|------------------------------|
| Stocks                          | 275,505,150              | 340,465,446                  |
| Accrued interests               | 12,722,954               | 7,538,312                    |
| Less: Impairment loss allowance | –                        | (265,347)                    |
| Total                           | 288,228,104              | 347,738,411                  |

#### Current

|                                 | As at<br>30 June<br>2022 | As at<br>31 December<br>2021 |
|---------------------------------|--------------------------|------------------------------|
| Stocks                          | 6,524,885,049            | 7,843,426,753                |
| Debt securities                 | 31,578,475,724           | 17,543,357,356               |
| Subtotal                        | 38,103,360,773           | 25,386,784,109               |
| Accrued interests               | 180,448,795              | 193,159,541                  |
| Less: Impairment loss allowance | (62,284,807)             | (69,188,002)                 |
| Total                           | 38,221,524,761           | 25,510,755,648               |



# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 24. FINANCIAL ASSETS HELD UNDER RESALE AGREEMENTS (“REVERSE REPOS”) (continued)

### (b) Analysed by market:

#### Non-current

|                         | As at<br>30 June<br>2022 | As at<br>31 December<br>2021 |
|-------------------------|--------------------------|------------------------------|
| Stock exchanges         | –                        | 51,790,819                   |
| Over-the-counter market | 288,228,104              | 295,947,592                  |
| Total                   | 288,228,104              | 347,738,411                  |

#### Current

|                         | As at<br>30 June<br>2022 | As at<br>31 December<br>2021 |
|-------------------------|--------------------------|------------------------------|
| Stock exchanges         | 25,632,032,065           | 19,235,585,288               |
| Inter-bank market       | 11,390,505,933           | 5,625,905,902                |
| Over-the-counter market | 1,198,986,763            | 649,264,458                  |
| Total                   | 38,221,524,761           | 25,510,755,648               |

The Group receives securities as collaterals in connection with reverse REPO business. The Group is allowed to sell or re-pledge the collaterals held in connection with bond outright REPO business in the absence of default of its counterparties. If the securities depreciate in value, the Group may, in certain circumstances, require additional collaterals. The Group has an obligation to return the collaterals to its counterparties at the expiration of the agreements.

As at 30 June 2022, the collaterals received by the Group in connection with reverse REPO business amounted to RMB58,555,099,885 (31 December 2021: RMB48,706,057,222).

# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 24. FINANCIAL ASSETS HELD UNDER RESALE AGREEMENTS (“REVERSE REPOS”) (continued)

### (c) Analysis of the movement in impairment loss allowance:

|                                     | Six months ended<br>30 June 2022 | Year ended<br>31 December 2021 |
|-------------------------------------|----------------------------------|--------------------------------|
| At the beginning of the period/year | 69,453,349                       | 302,616,780                    |
| Provided for the period/year        | 2,511,656                        | 18,560,403                     |
| Reversed for the period/year        | (9,680,198)                      | (251,723,834)                  |
| At the end of the period/year       | 62,284,807                       | 69,453,349                     |

|                           | 12-month ECL | As at 30 June 2022                      |                                     | Total      |
|---------------------------|--------------|---|-------------------------------------|------------|
|                           |              | Lifetime ECL-<br>not credit<br>impaired | Lifetime ECL-<br>credit<br>impaired |            |
| Impairment loss allowance | 34,035,558   | –                                       | 28,249,249                          | 62,284,807 |

|                           | 12-month ECL | As at 31 December 2021                  |                                     | Total      |
|---------------------------|--------------|---|-------------------------------------|------------|
|                           |              | Lifetime ECL-<br>not credit<br>impaired | Lifetime ECL-<br>credit<br>impaired |            |
| Impairment loss allowance | 41,204,100   | –                                       | 28,249,249                          | 69,453,349 |

# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 25. REFUNDABLE DEPOSITS

|   | As at<br>30 June<br>2022 | As at<br>31 December<br>2021 |
|---|--------------------------|------------------------------|
| Self-owned refundable deposits                | 4,599,581,271            | 5,746,718,946                |
| Refundable deposits held on behalf of clients | 7,463,552,038            | 6,884,557,743                |
| Subtotal                                      | 12,063,133,309           | 12,631,276,689               |
| Accrued interests                             | 467,749                  | 636,075                      |
| Total   | 12,063,601,058           | 12,631,912,764               |

Refundable deposits are mainly placed at stock exchanges and clearinghouses, futures and commodity exchanges, China Securities Finance Corporation Limited, Shanghai Clearing House, futures companies and other institutions.

# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 26. DEFERRED TAX ASSETS/(LIABILITIES)

### (a) *Deferred tax assets and liabilities recognised*

The components and the movement during the period/year of the deferred tax assets/(liabilities) recognised in the condensed consolidated statement of financial position are as follows:

|  | As at<br>1 January<br>2022 | (Charged)/<br>credited to<br>profit or loss | Credited/<br>(charged) to<br>equity | Effect of<br>changes in<br>exchange rates | As at 30 June 2022   |                        |                             |
|--|----------------------------|---|-------------------------------------|---|----------------------|------------------------|-----------------------------|
|  |                            |   |                                     |   | Deferred<br>tax, net | Deferred tax<br>assets | Deferred tax<br>liabilities |
| Deferred tax assets/(liabilities) before set-off:  |                            |   |                                     |   |                      |                        |                             |
| Staff cost   | 1,761,498,689              | (390,935,113)                               | -                                   | 1,084,686                                 | 1,371,648,262        | 1,371,648,262          | -                           |
| Deductible tax losses  | 23,774,576                 | 987,234,492                                 | -                                   | (92,521)                                  | 1,010,916,547        | 1,010,916,547          | -                           |
| Depreciation and amortisation  | (64,417,337)               | (5,142,435)                                 | -                                   | (799,676)                                 | (70,359,448)         | 384,431                | (70,743,879)                |
| Changes in fair values of financial instruments at fair value through profit or loss                       | (795,536,477)              | (737,177,748)                               | -                                   | 932,158                                   | (1,531,782,067)      | 82,803,169             | (1,614,585,236)             |
| Changes in fair values of financial assets at fair value through other comprehensive income                | (46,804,645)               | -   | 57,045,416                          | 1,972,622                                 | 12,213,393           | 59,877,072             | (47,663,679)                |
| Impairment loss allowance  | 121,941,266                | (9,815,447)                                 | (12,082,757)                        | (852,001)                                 | 99,191,061           | 99,191,061             | -                           |
| Fair value adjustment arising from acquisition of subsidiaries   | (163,989,062)              | 1,288,091                                   | -                                   | -   | (162,700,971)        | -                      | (162,700,971)               |
| Others   | 360,517,148                | 93,210,615                                  | -                                   | (36,455)                                  | 453,691,308          | 457,939,852            | (4,248,544)                 |
| Subtotal   | 1,196,984,158              | (61,337,545)                                | 44,962,659                          | 2,208,813                                 | 1,182,818,085        | 3,082,760,394          | (1,899,942,309)             |
| Set off  |                            |   |                                     |   |                      | (1,354,117,822)        | 1,354,117,822               |
| Deferred tax assets/(liabilities) recognised in the condensed consolidated statement of financial position |                            |   |                                     |   |                      | 1,728,642,572          | (545,824,487)               |



# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 26. DEFERRED TAX ASSETS/(LIABILITIES) (continued)

### (a) Deferred tax assets and liabilities recognised (continued)

|   | As at<br>1 January<br>2021 | Credited/<br>(charged) to<br>profit or loss | Charged to<br>equity | Addition from<br>acquisition<br>of a subsidiary | Effect of<br>changes in<br>exchange rates | As at 31 December 2021 |                        |                             |
|---|----------------------------|---|----------------------|---|---|------------------------|------------------------|-----------------------------|
|   |                            |   |                      |   |   | Deferred<br>tax, net   | Deferred tax<br>assets | Deferred tax<br>liabilities |
| Deferred tax assets/(liabilities) before<br>set-off:  |                            |   |                      |   |   |                        |                        |                             |
| Staff cost  | 1,286,938,753              | 469,560,114                                 | –                    | 5,259,609                                       | (259,787)                                 | 1,761,498,689          | 1,761,498,689          | –                           |
| Deductible tax losses   | 65,048,404                 | (55,693,352)                                | –                    | 15,516,134                                      | (1,096,610)                               | 23,774,576             | 23,774,576             | –                           |
| Depreciation and amortisation   | (29,798,976)               | (34,582,015)                                | –                    | –   | (36,346)                                  | (64,417,337)           | 1,966,994              | (66,384,331)                |
| Changes in fair values of financial<br>instruments at fair value through<br>profit or loss                          | (282,134,833)              | (512,782,147)                               | –                    | (608,438)                                       | (11,059)                                  | (795,536,477)          | 37,931,705             | (833,468,182)               |
| Changes in fair values of financial<br>assets at fair value through other<br>comprehensive income                   | (4,795,623)                | –   | (42,162,889)         | –   | 153,867                                   | (46,804,645)           | 11,904,446             | (58,709,091)                |
| Impairment loss allowance   | 192,516,052                | (69,759,884)                                | (444,878)            | –   | (370,024)                                 | 121,941,266            | 121,941,266            | –                           |
| Fair value adjustment arising from<br>acquisition of subsidiaries   | (167,194,386)              | 3,252,243                                   | –                    | (46,919)  | –   | (163,989,062)          | –                      | (163,989,062)               |
| Others  | 220,367,309                | 140,147,605                                 | –                    | –   | 2,234                                     | 360,517,148            | 364,844,020            | (4,326,872)                 |
| Subtotal  | 1,280,946,700              | (59,857,436)                                | (42,607,767)         | 20,120,386                                      | (1,617,725)                               | 1,196,984,158          | 2,323,861,696          | (1,126,877,538)             |
| Set off   |                            |   |                      |   |   |                        | (695,222,304)          | 695,222,304                 |
| Deferred tax assets/(liabilities)<br>recognised in the condensed<br>consolidated statement of financial<br>position |                            |   |                      |   |   |                        | 1,628,639,392          | (431,655,234)               |

### (b) Deferred tax assets not recognised

As at 30 June 2022, the accumulated deductible temporary differences with no deferred tax asset recognised of the Group amounted to RMB1,897 million (31 December 2021: RMB1,533 million).

Deferred tax assets not recognised in respect of deductible temporary differences are mainly attributable to cumulative tax losses incurred by certain overseas subsidiaries of the Group which were set up to strengthen the Group's cross-border service capabilities.

# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 27. OTHER NON-CURRENT ASSETS

|                                 | As at<br>30 June<br>2022 | As at<br>31 December<br>2021 |
|---------------------------------|--------------------------|------------------------------|
| Rental and other deposits       | 265,793,140              | 242,435,920                  |
| Others                          | 100,756,098              | 87,378,935                   |
| Subtotal                        | 366,549,238              | 329,814,855                  |
| Less: Impairment loss allowance | (251,631)                | (1,300,093)                  |
| Total                           | 366,297,607              | 328,514,762                  |

## 28. ACCOUNTS RECEIVABLE

### (a) Analysed by nature:

|   | As at<br>30 June<br>2022 | As at<br>31 December<br>2021 |
|---|--------------------------|------------------------------|
| Trade receivable (Note)                   | 53,011,601,110           | 43,111,765,949               |
| Asset management fees receivable          | 1,604,431,992            | 1,448,802,510                |
| Underwriting and advisory fees receivable | 1,285,728,440            | 1,178,055,128                |
| Trading seat rental fees receivable       | 280,921,606              | 262,339,248                  |
| Others                                    | 244,901,180              | 319,639,028                  |
| Subtotal                                  | 56,427,584,328           | 46,320,601,863               |
| Less: Impairment loss allowance           | (453,577,214)            | (577,721,275)                |
| Total                                     | 55,974,007,114           | 45,742,880,588               |

Note: Trade receivable mainly consisted of receivables from brokers and clearinghouses for trade settlements and from counterparties in derivative transactions.

# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 28. ACCOUNTS RECEIVABLE (continued)

### (b) Analysed by aging:

|                           | As at 30 June 2022    |                |                           |                |
|---------------------------|-----------------------|----------------|---------------------------|----------------|
|                           | Gross amount          |                | Impairment loss allowance |                |
|                           | Amount                | %              | Amount                    | %              |
| Within 1 year (inclusive) | 55,512,035,402        | 98.38%         | (71,888,516)              | 15.85%         |
| 1 – 2 years (inclusive)   | 387,387,222           | 0.69%          | (53,516,115)              | 11.80%         |
| 2 – 3 years (inclusive)   | 171,790,810           | 0.30%          | (94,615,437)              | 20.86%         |
| More than 3 years         | 356,370,894           | 0.63%          | (233,557,146)             | 51.49%         |
| <b>Total</b>              | <b>56,427,584,328</b> | <b>100.00%</b> | <b>(453,577,214)</b>      | <b>100.00%</b> |

|                           | As at 31 December 2021 |                |                           |                |
|---------------------------|------------------------|----------------|---------------------------|----------------|
|                           | Gross amount           |                | Impairment loss allowance |                |
|                           | Amount                 | %              | Amount                    | %              |
| Within 1 year (inclusive) | 45,024,675,488         | 97.21%         | (218,683,813)             | 37.86%         |
| 1 – 2 years (inclusive)   | 770,316,421            | 1.66%          | (63,912,118)              | 11.06%         |
| 2 – 3 years (inclusive)   | 227,291,657            | 0.49%          | (105,037,551)             | 18.18%         |
| More than 3 years         | 298,318,297            | 0.64%          | (190,087,793)             | 32.90%         |
| <b>Total</b>              | <b>46,320,601,863</b>  | <b>100.00%</b> | <b>(577,721,275)</b>      | <b>100.00%</b> |

# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 28. ACCOUNTS RECEIVABLE (continued)

### (c) Analysis of the movement in impairment loss allowance:

|  | Six months ended<br>30 June 2022 | Year ended<br>31 December 2021 |
|--|----------------------------------|--------------------------------|
| At the beginning of the period/year            | 577,721,275                      | 624,931,217                    |
| Provided for the period/year                   | 81,388,677                       | 253,643,525                    |
| Reversed for the period/year                   | (206,513,831)                    | (299,664,287)                  |
| Write-offs for the period/year                 | -                                | (17)                           |
| Effect of changes in exchange rates and others | 981,093                          | (1,189,163)                    |
| At the end of the period/year                  | 453,577,214                      | 577,721,275                    |

|                           | 12-month ECL | As at 30 June 2022                      |                                     | Total       |
|---------------------------|--------------|---|-------------------------------------|-------------|
|                           |              | Lifetime ECL-<br>not credit<br>impaired | Lifetime ECL-<br>credit<br>impaired |             |
| Impairment loss allowance | 80,266,229   | 59,485,875                              | 313,825,110                         | 453,577,214 |

|                           | 12-month ECL | As at 31 December 2021                  |                                     | Total       |
|---------------------------|--------------|---|-------------------------------------|-------------|
|                           |              | Lifetime ECL-<br>not credit<br>impaired | Lifetime ECL-<br>credit<br>impaired |             |
| Impairment loss allowance | 205,226,414  | 53,744,945                              | 318,749,916                         | 577,721,275 |



# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 29. RECEIVABLE FROM MARGIN CLIENTS

### (a) Analysed by nature:

|                                 | As at<br>30 June<br>2022 | As at<br>31 December<br>2021 |
|---------------------------------|--------------------------|------------------------------|
| Individuals                     | 28,679,100,628           | 33,200,516,997               |
| Institutions                    | 5,426,095,536            | 5,439,116,673                |
| Subtotal                        | 34,105,196,164           | 38,639,633,670               |
| Accrued interests               | 1,189,153,194            | 1,001,389,159                |
| Less: Impairment loss allowance | (146,597,054)            | (161,966,115)                |
| Total                           | 35,147,752,304           | 39,479,056,714               |

### (b) Analysed by fair value of collaterals of margin financing and securities lending business:

|                 | As at<br>30 June<br>2022 | As at<br>31 December<br>2021 |
|-----------------|--------------------------|------------------------------|
| Stocks          | 103,002,144,149          | 124,939,879,833              |
| Funds           | 9,099,587,669            | 11,192,319,708               |
| Cash            | 6,453,932,089            | 7,441,888,372                |
| Debt securities | 331,972,724              | 247,429,455                  |
| Total           | 118,887,636,631          | 143,821,517,368              |

# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 29. RECEIVABLE FROM MARGIN CLIENTS (continued)

### (c) Analysis of the movement in impairment loss allowance:

|  | Six months ended<br>30 June<br>2022 | Year ended<br>31 December<br>2021 |
|--|-------------------------------------|-----------------------------------|
| At the beginning of the period/year            | 161,966,115                         | 136,803,436                       |
| Provided for the period/year                   | 34,446,422                          | 71,125,958                        |
| Reversed for the period/year                   | (50,233,065)                        | (45,629,316)                      |
| Effect of changes in exchange rates and others | 417,582                             | (333,963)                         |
| At the end of the period/year                  | 146,597,054                         | 161,966,115                       |

| As at 30 June 2022        |              |   |                                     |
|---------------------------|--------------|---|-------------------------------------|
|                           | 12-month ECL | Lifetime ECL-<br>not credit<br>impaired | Lifetime ECL-<br>credit<br>impaired |
| Impairment loss allowance | 146,585,824  | 11,230                                  | –                                   |
|                           |              |   | Total                               |
|                           |              |   | 146,597,054                         |

| As at 31 December 2021    |              |   |                                     |
|---------------------------|--------------|---|-------------------------------------|
|                           | 12-month ECL | Lifetime ECL-<br>not credit<br>impaired | Lifetime ECL-<br>credit<br>impaired |
| Impairment loss allowance | 161,966,115  | –                                       | –                                   |
|                           |              |   | Total                               |
|                           |              |   | 161,966,115                         |

# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 30. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

*(a) Analysed by type:*

|                   | As at<br>30 June<br>2022 | As at<br>31 December<br>2021 |
|-------------------|--------------------------|------------------------------|
| At fair value     |                          |                              |
| – Debt securities | 47,955,748,059           | 43,009,969,681               |

*(b) Analysed by listing status:*

|                            | As at<br>30 June<br>2022 | As at<br>31 December<br>2021 |
|----------------------------|--------------------------|------------------------------|
| Listed                     |                          |                              |
| – In Hong Kong, China      | 4,568,256,823            | 3,873,877,762                |
| – Outside Hong Kong, China | 43,387,491,236           | 39,136,091,919               |
| Total                      | 47,955,748,059           | 43,009,969,681               |

# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 30. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

(continued)

### (c) Analysis of the movement in impairment loss allowance:

|  | Six months ended<br>30 June<br>2022 | Year ended<br>31 December<br>2021 |
|--|-------------------------------------|-----------------------------------|
| At the beginning of the period/year            | 18,775,037                          | 18,166,922                        |
| Provided for the period/year                   | 78,351,551                          | 15,387,896                        |
| Reversed for the period/year                   | (8,073,913)                         | (14,618,527)                      |
| Effect of changes in exchange rates and others | 325,884                             | (161,254)                         |
| At the end of the period/year                  | 89,378,559                          | 18,775,037                        |

|                           | As at 30 June 2022 |   |                                     | Total      |
|---------------------------|--------------------|---|-------------------------------------|------------|
|                           | 12-month ECL       | Lifetime ECL-<br>not credit<br>impaired | Lifetime ECL-<br>credit<br>impaired |            |
| Impairment loss allowance | 24,266,071         | 2,533,024                               | 62,579,464                          | 89,378,559 |

|                           | As at 31 December 2021 |   |                                     | Total      |
|---------------------------|------------------------|---|-------------------------------------|------------|
|                           | 12-month ECL           | Lifetime ECL-<br>not credit<br>impaired | Lifetime ECL-<br>credit<br>impaired |            |
| Impairment loss allowance | 18,216,690             | 558,347                                 | –                                   | 18,775,037 |



# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 31. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

|                           | As at 30 June 2022 |                |                  |
|---------------------------|--------------------|----------------|------------------|
|                           | Notional amount    | Fair value     |                  |
|                           |                    | Assets         | Liabilities      |
| Hedging instruments (a)   |                    |                |                  |
| – Interest rate contracts | 4,840,000,000      | 52,575,276     | –                |
| – Currency contracts      | 168,177,509        | 1,590,089      | –                |
| Non-hedging instruments   |                    |                |                  |
| – Interest rate contracts | 253,786,272,238    | 1,072,208,406  | (1,003,669,314)  |
| – Currency contracts      | 203,103,735,050    | 1,365,208,265  | (1,297,467,234)  |
| – Equity contracts        | 334,870,265,963    | 15,618,979,054 | (9,817,138,549)  |
| – Credit contracts        | 9,760,227,400      | 55,035,488     | (27,068,022)     |
| – Other contracts (Note)  | 63,244,701,935     | 895,995,354    | (922,286,788)    |
| Total                     | 869,773,380,095    | 19,061,591,932 | (13,067,629,907) |
| Less: Settlement          |                    | (27,131,364)   | 109,842,396      |
| Net position              |                    | 19,034,460,568 | (12,957,787,511) |

# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 31. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES) (continued)

|                           | As at 31 December 2021 |                |                  |
|---------------------------|------------------------|----------------|------------------|
|                           | Notional amount        | Fair value     |                  |
|                           |                        | Assets         | Liabilities      |
| Hedging instruments (a)   |                        |                |                  |
| – Interest rate contracts | 6,390,000,000          | 93,610,591     | –                |
| – Currency contracts      | 565,774,000            | 16,827,830     | –                |
| Non-hedging instruments   |                        |                |                  |
| – Interest rate contracts | 242,441,578,342        | 1,171,561,161  | (1,111,387,288)  |
| – Currency contracts      | 190,415,232,394        | 1,304,156,273  | (1,346,933,865)  |
| – Equity contracts        | 434,621,453,927        | 11,666,573,674 | (15,423,808,261) |
| – Credit contracts        | 3,335,399,000          | 28,522,231     | (12,751,155)     |
| – Other contracts (Note)  | 47,966,982,401         | 466,303,899    | (350,093,069)    |
| Total                     | 925,736,420,064        | 14,747,555,659 | (18,244,973,638) |
| Less: Settlement          |                        | (183,326,996)  | 110,966,130      |
| Net position              |                        | 14,564,228,663 | (18,134,007,508) |

Note: Other contracts mainly include commodity options and commodity futures.

Under a daily mark-to-market settlement arrangement, any gains or losses of the Group's positions in futures contracts in mainland China are settled on a daily basis. As at 30 June 2022, derivative financial assets of RMB27,131,364 arose from unexpired commodity futures contracts (31 December 2021: derivative financial assets of RMB183,326,996 arose from unexpired commodity and treasury bond futures contracts); derivative financial liabilities of RMB109,842,396 arose from unexpired treasury bond and stock index futures contracts (31 December 2021: derivative financial liabilities of RMB110,966,130 arose from unexpired stock index futures contracts). These gains or losses are presented as settlement in the tables above.

# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 31. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES) (continued)

### (a) Hedging instruments

#### (i) Fair value hedges

Fair value hedges are used by the Group to protect against changes in the fair value of financial liabilities due to movements in market interest rates. Interest rate swaps are used to hedge the interest rate risk of the selected long-term debt securities issued.

The gains of fair value hedges are presented as follows:

|  | Six months ended 30 June |            |
|--|--------------------------|------------|
|  | 2022                     | 2021       |
| Gains arising from fair value hedges, net:   |                          |            |
| Interest rate contracts                      | (1,141,874)              | 2,294,668  |
| Hedged items attributable to the hedged risk | 12,336,707               | 19,866,324 |
| Total  | 11,194,833               | 22,160,992 |

The analysis on notional amount of the items designated as hedging instruments in fair value hedges by tenure is presented as follows:

|  | As at 30 June 2022                   |   |                        |               |
|--|--------------------------------------|---|------------------------|---------------|
|  | Less than<br>6 months<br>(inclusive) | 6 months to<br>12 months<br>(inclusive) | More than<br>12 months | Total         |
| Hedging instruments-interest<br>rate contracts | 2,920,000,000                        | 920,000,000                             | 1,000,000,000          | 4,840,000,000 |

|  | As at 31 December 2021               |   |                        |               |
|--|--------------------------------------|---|------------------------|---------------|
|  | Less than<br>6 months<br>(inclusive) | 6 months to<br>12 months<br>(inclusive) | More than<br>12 months | Total         |
| Hedging instruments-interest<br>rate contracts | 1,550,000,000                        | 2,920,000,000                           | 1,920,000,000          | 6,390,000,000 |

# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 31. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES) (continued)

### (a) Hedging instruments (continued)

#### (i) Fair value hedges (continued)

Details of the Group's hedged risk exposure in fair value hedging strategy are set out below:

|   | As at<br>30 June<br>2022 | As at<br>31 December<br>2021 |
|---|--------------------------|------------------------------|
| Long-term debt securities issued                          |                          |                              |
| Carrying amount of hedged items                           | 4,986,879,839            | 6,559,631,222                |
| Accumulated adjustments to the fair value of hedged items | 82,418,771               | 122,669,430                  |

#### (ii) Hedges of net investments in foreign operations

The Group's consolidated financial position is affected by the gain or loss through currency fluctuations as the Company and its subsidiaries have different functional currencies. The Group hedges such foreign exchange exposure in limited circumstances. The Group hedges exchange exposures using foreign exchange forward contracts for certain net investments in foreign operations. Under the hedging relationships, the Group separates the forward element and the spot element of a forward contract and designates only the change in the value of the spot element of the forward contract as the hedging instrument. There was no hedge ineffectiveness for the six months ended 30 June 2022 (for the six months ended 30 June 2021: Nil).

For the six months ended 30 June 2022, the net gains from the hedging instruments recognised in other comprehensive income amounted to RMB4,198,631 (for the six months ended 30 June 2021: Nil). For the six months ended 30 June 2022, the net gains associated with forward elements of forward contracts recognised in profit or loss were RMB189,396 (for the six months ended 30 June 2021: Nil).

As at 30 June 2022, the notional amount of hedging instruments designated as hedges of net investments in foreign operations by the Group was RMB168,177,509 (31 December 2021: RMB565,774,000), and the tenure is within one year.



# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 32. CASH HELD ON BEHALF OF CLIENTS

The Group maintains segregated deposit accounts with banks and authorised institutions to hold client monies arising from its ordinary course of business. The Group has classified their client monies as cash held on behalf of clients under current assets of the condensed consolidated statement of financial position and recognised the corresponding current liabilities, in particular, accounts payable to brokerage clients and accounts payable to underwriting clients, on the grounds that the Group is liable for any misappropriation of their clients' monies. In mainland China, clients' monies are restricted and governed by relevant third-party deposit regulations issued by the China Securities Regulatory Commission (the "CSRC"). In Hong Kong SAR, clients' monies are restricted and governed by the *Securities and Futures (Client Money) Rules* under the *Securities and Futures Ordinance*.

## 33. CASH AND BANK BALANCES

|                                 | As at<br>30 June<br>2022 | As at<br>31 December<br>2021 |
|---------------------------------|--------------------------|------------------------------|
| Cash on hand                    | 137,826                  | 146,897                      |
| Deposits with banks             | 62,160,273,589           | 59,655,004,412               |
| Deposits with clearinghouses    | 6,650,099,918            | 6,372,900,707                |
| Subtotal                        | 68,810,511,333           | 66,028,052,016               |
| Accrued interests               | 161,776,849              | 115,322,702                  |
| Less: Impairment loss allowance | (274,788)                | (279,829)                    |
| Total                           | 68,972,013,394           | 66,143,094,889               |

## 34. CASH AND CASH EQUIVALENTS

|                                | As at<br>30 June<br>2022 | As at<br>31 December<br>2021 |
|--------------------------------|--------------------------|------------------------------|
| Cash on hand                   | 137,826                  | 146,897                      |
| Deposits with banks            | 62,160,273,589           | 59,655,004,412               |
| Deposits with clearinghouses   | 6,650,099,918            | 6,372,900,707                |
| Subtotal                       | 68,810,511,333           | 66,028,052,016               |
| Less: Restricted bank deposits | (1,022,869,580)          | (835,105,292)                |
| Total                          | 67,787,641,753           | 65,192,946,724               |

The restricted bank deposits mainly include the risk reserve deposits held for asset management business and temporary deposits held on behalf of non-brokerage clients.

# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 35. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

|                   | As at 30 June 2022                        |   | Total                 |
|-------------------|---|---|-----------------------|
|                   | Financial liabilities<br>held for trading | Financial liabilities<br>designated as at<br>fair value through<br>profit or loss |                       |
| Equity securities | 3,544,089,809                             | 34,480,523,978  | 38,024,613,787        |
| Debt securities   | 2,111,692,347                             | 2,298,832,231   | 4,410,524,578         |
| Funds and others  | 108,427,686                               | –   | 108,427,686           |
| <b>Total</b>      | <b>5,764,209,842</b>                      | <b>36,779,356,209</b>   | <b>42,543,566,051</b> |

|                   | As at 31 December 2021                    |   | Total                 |
|-------------------|---|---|-----------------------|
|                   | Financial liabilities<br>held for trading | Financial liabilities<br>designated as at<br>fair value through<br>profit or loss |                       |
| Equity securities | 2,755,876,401                             | 34,162,624,317  | 36,918,500,718        |
| Debt securities   | 823,345,819                               | 526,215,128   | 1,349,560,947         |
| Funds and others  | 658,725,019                               | –   | 658,725,019           |
| <b>Total</b>      | <b>4,237,947,239</b>                      | <b>34,688,839,445</b>   | <b>38,926,786,684</b> |

Note 1: As at 30 June 2022 and 31 December 2021, there were no significant changes in fair values of financial liabilities designated as at fair value through profit or loss as a result of the changes in the credit risk of the Group.

Note 2: The Group's financial liabilities designated at fair value through profit or loss are mainly equity-linked instruments, and their fair values are linked to stocks, indices, etc.

# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 36. ACCOUNTS PAYABLE TO BROKERAGE CLIENTS

|   | As at 30 June<br>2022 | As at 31 December<br>2021 |
|---|-----------------------|---------------------------|
| Client deposits for brokerage trading                       | 95,388,644,791        | 84,806,501,501            |
| Client deposits for margin financing and securities lending | 10,570,491,533        | 8,622,632,712             |
| Subtotal  | 105,959,136,324       | 93,429,134,213            |
| Accrued interests   | 16,026,339            | 16,031,094                |
| Total   | 105,975,162,663       | 93,445,165,307            |

Accounts payable to brokerage clients represent the monies received from and repayable to brokerage clients, which are mainly held at banks and clearinghouses. Accounts payable to brokerage clients are interest-bearing at the prevailing interest rate.

The balance of the accounts payable includes certain margin deposits and cash collaterals received from clients for their margin financing and securities lending activities under ordinary course of business. Only the amounts in excess of the required amount of margin deposits and cash collaterals are repayable on demand.

## 37. PLACEMENTS FROM FINANCIAL INSTITUTIONS

### (a) Analysed by funding source:

|  | As at<br>30 June 2022 | As at<br>31 December 2021 |
|--|-----------------------|---------------------------|
| Placements from banks  | 44,173,770,177        | 50,516,199,330            |
| Placements from China Securities Finance Corporation Limited | 500,000,000           | 500,000,000               |
| Placements from non-bank financial institution               | –                     | 200,000,000               |
| Subtotal   | 44,673,770,177        | 51,216,199,330            |
| Accrued interests  | 238,485,847           | 261,079,348               |
| Total  | 44,912,256,024        | 51,477,278,678            |

### (b) Analysed by residual maturity:

|                               | As at 30 June 2022 |                        | As at 31 December 2021 |                        |
|-------------------------------|--------------------|------------------------|------------------------|------------------------|
|                               | Book value         | Range of interest rate | Book value             | Range of interest rate |
| Within 1 month (inclusive)    | 28,536,369,800     | 1.17% – 3.14%          | 36,379,699,104         | 0.18% – 3.60%          |
| 1 – 3 months (inclusive)      | 6,024,499,684      | 2.00% – 3.09%          | 3,432,566,420          | 0.90% – 3.40%          |
| 3 months – 1 year (inclusive) | 10,351,386,540     | 1.30% – 3.16%          | 11,665,013,154         | 1.05% – 3.20%          |
| Total                         | 44,912,256,024     |                        | 51,477,278,678         |                        |

# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 38. SHORT-TERM DEBT SECURITIES ISSUED

|                            | Notes | As at<br>30 June<br>2022 | As at<br>31 December<br>2021 |
|----------------------------|-------|--------------------------|------------------------------|
| Beneficiary certificates   | (a)   | 11,907,898,953           | 15,121,477,870               |
| Short-term corporate bonds | (b)   | 5,000,000,000            | 5,000,000,000                |
| Structured notes           | (c)   | 1,366,311,202            | 1,762,243,471                |
| Commercial papers          | (d)   | –                        | 1,000,000,000                |
| Subtotal                   |       | 18,274,210,155           | 22,883,721,341               |
| Accrued interests:         |       |                          |                              |
| Beneficiary certificates   | (a)   | 54,509,536               | 51,422,773                   |
| Short-term corporate bonds | (b)   | 112,515,162              | 40,963,789                   |
| Structured notes           | (c)   | 4,707,553                | 11,513,970                   |
| Commercial papers          | (d)   | –                        | 2,235,616                    |
| Total                      |       | 18,445,942,406           | 22,989,857,489               |

### (a) Beneficiary certificates:

| Nominal interest rate | Book value as at<br>1 January 2022 | Issuance       | Interest<br>accrued, net of<br>interest paid | Redemption       | Reclassified to<br>long-term debt<br>securities issued<br>(Note) | Book value as at<br>30 June 2022 |
|-----------------------|------------------------------------|----------------|--|------------------|--|----------------------------------|
| 0.00% – 7.42%         | 15,172,900,643                     | 31,834,054,086 | 3,086,763                                    | (35,047,633,003) | –  | 11,962,408,489                   |

| Nominal interest rate | Book value as at<br>1 January 2021 | Issuance       | Interest<br>accrued, net of<br>interest paid | Redemption       | Reclassified to<br>long-term debt<br>securities issued<br>(Note) | Book value as at<br>31 December 2021 |
|-----------------------|------------------------------------|----------------|--|------------------|--|--------------------------------------|
| 0.00% – 11.02%        | 19,775,706,657                     | 47,872,317,839 | (38,391,344)                                 | (52,234,509,769) | (202,222,740)  | 15,172,900,643                       |

Note: As at 30 June 2022, there was no beneficiary certificate reclassified to long-term debt securities issued as extension rights were exercised by the holders of these beneficiary certificates (31 December 2021: RMB202 million).

The Group has issued beneficiary certificates bearing nominal interest at:

- fixed rates, ranging from 1.65% to 7.90% per annum;
- a fixed rate plus a floating rate; or
- a floating rate.

The floating interest rate is calculated based on stock indices such as Shanghai & Shenzhen 300 Index and China Securities Index 500, individual stocks, prices of commodity products or United States dollar (“USD”) index. The yield rate of such beneficiary certificates is based on market performance of the underlying instruments in the contractual period, and the non-fixed income is bifurcated and accounted under derivative financial instruments.



# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 38. SHORT-TERM DEBT SECURITIES ISSUED (continued)

### (b) Short-term corporate bonds:

| Name           | Interest commencement date | Maturity date | Principal     | Nominal interest rate | Book value as at 1 January 2022 | Issuance | Interest accrued, net of interest paid | Redemption | Amortisation and others | Book value as at 30 June 2022 |
|----------------|----------------------------|---------------|---------------|-----------------------|---------------------------------|----------|--|------------|-------------------------|-------------------------------|
| 21 CISC WMS S1 | 09/08/2021                 | 09/08/2022    | 2,000,000,000 | 2.68%                 | 2,020,042,181                   | -        | 27,608,933                             | -          | -                       | 2,047,651,114                 |
| 21 CISC WMS S2 | 24/09/2021                 | 24/09/2022    | 3,000,000,000 | 2.85%                 | 3,020,921,608                   | -        | 43,942,440                             | -          | -                       | 3,064,864,048                 |
| Total          |                            |               |               |                       | 5,040,963,789                   | -        | 71,551,373                             | -          | -                       | 5,112,515,162                 |

| Name           | Interest commencement date | Maturity date | Principal     | Nominal interest rate | Book value as at 1 January 2021 | Issuance      | Interest accrued, net of interest paid | Redemption | Amortisation and others | Book value as at 31 December 2021 |
|----------------|----------------------------|---------------|---------------|-----------------------|---------------------------------|---------------|--|------------|-------------------------|-----------------------------------|
| 21 CISC WMS S1 | 09/08/2021                 | 09/08/2022    | 2,000,000,000 | 2.68%                 | -                               | 2,000,000,000 | 20,042,181                             | -          | -                       | 2,020,042,181                     |
| 21 CISC WMS S2 | 24/09/2021                 | 24/09/2022    | 3,000,000,000 | 2.85%                 | -                               | 3,000,000,000 | 20,921,608                             | -          | -                       | 3,020,921,608                     |
| Total          |                            |               |               |                       | -                               | 5,000,000,000 | 40,963,789                             | -          | -                       | 5,040,963,789                     |

### (c) Structured notes:

| Name                 | Book value as at 1 January 2022 | Issuance      | Interest accrued, net of interest paid | Redemption      | Exchange rate fluctuations and others | Book value as at 30 June 2022 |
|----------------------|---------------------------------|---------------|--|-----------------|---------------------------------------|-------------------------------|
| Structured notes (i) | 1,773,757,441                   | 1,285,260,477 | (6,806,417)                            | (1,763,832,134) | 82,639,388                            | 1,371,018,755                 |

| Name                 | Book value as at 1 January 2021 | Issuance      | Interest accrued, net of interest paid | Redemption      | Exchange rate fluctuations and others | Book value as at 31 December 2021 |
|----------------------|---------------------------------|---------------|--|-----------------|---------------------------------------|-----------------------------------|
| Structured notes (i) | 5,911,352,270                   | 2,232,650,401 | (15,568,973)                           | (6,268,914,105) | (85,762,152)                          | 1,773,757,441                     |

- (i) The notes were issued bearing nominal interest rates ranging from 0.21% to 3.27% per annum. The notes are for maturities of 14 days to 365 days.

# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 38. SHORT-TERM DEBT SECURITIES ISSUED (continued)

### (d) Commercial papers:

| Name          | Interest<br>commencement<br>date | Maturity date | Principal     | Nominal<br>interest rate | Book value<br>as at 1<br>January 2022 | Issuance | Interest<br>accrued, net of<br>interest paid | Redemption      | Amortisation<br>and others | Book value<br>as at 30<br>June 2022 |
|---------------|----------------------------------|---------------|---------------|--------------------------|---------------------------------------|----------|--|-----------------|----------------------------|-------------------------------------|
| 21 CICC CP001 | 29/11/2021                       | 25/02/2022    | 1,000,000,000 | 2.55%                    | 1,002,235,616                         | -        | (2,235,616)                                  | (1,000,000,000) | -                          | -                                   |

| Name          | Interest<br>commencement<br>date | Maturity date | Principal     | Nominal<br>interest rate | Book value<br>as at 1<br>January 2021 | Issuance      | Interest<br>accrued, net of<br>interest paid | Redemption | Amortisation<br>and others | Book value<br>as at 31<br>December 2021 |
|---------------|----------------------------------|---------------|---------------|--------------------------|---------------------------------------|---------------|--|------------|----------------------------|---|
| 21 CICC CP001 | 29/11/2021                       | 25/02/2022    | 1,000,000,000 | 2.55%                    | -                                     | 1,000,000,000 | 2,235,616                                    | -          | -                          | 1,002,235,616                           |

## 39. FINANCIAL ASSETS SOLD UNDER REPURCHASE AGREEMENTS (“REPOs”)

### (a) Analysed by collateral type:

|                   | As at<br>30 June<br>2022 | As at<br>31 December<br>2021 |
|-------------------|--------------------------|------------------------------|
| Debt securities   | 51,813,613,599           | 13,428,469,513               |
| Others            | 4,455,539,900            | 2,942,551,319                |
| Subtotal          | 56,269,153,499           | 16,371,020,832               |
| Accrued interests | 16,894,164               | 5,050,119                    |
| Total             | 56,286,047,663           | 16,376,070,951               |

# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 39. FINANCIAL ASSETS SOLD UNDER REPURCHASE AGREEMENTS (“REPOs”) (continued)

### (b) Analysed by market:

|                         | As at<br>30 June<br>2022 | As at<br>31 December<br>2021 |
|-------------------------|--------------------------|------------------------------|
| Inter-bank market       | 44,098,644,309           | 9,477,194,594                |
| Stock exchanges         | 3,958,543,656            | 1,960,221,642                |
| Over-the-counter market | 8,228,859,698            | 4,938,654,715                |
| Total                   | 56,286,047,663           | 16,376,070,951               |

As at 30 June 2022, the Group's pledged collateral in connection with its repurchase financing business amounted to RMB57,539,313,282 (31 December 2021: RMB17,706,662,301).

## 40. OTHER CURRENT LIABILITIES

|  | As at<br>30 June<br>2022 | As at<br>31 December<br>2021 |
|--|--------------------------|------------------------------|
| Trade payable  | 135,829,873,954          | 134,781,241,379              |
| Payables to other investors of consolidated structured entities (Note 1) | 2,876,527,375            | 2,843,550,185                |
| Dividends payable (Note 2)   | 1,974,777,060            | 218,147,434                  |
| Accrued expenses   | 1,228,021,438            | 966,024,464                  |
| Sundry tax payable   | 480,356,532              | 617,465,786                  |
| Accounts payable to underwriting clients                                 | 386,055,000              | 7,304,310,900                |
| Others   | 879,966,930              | 1,122,943,842                |
| Total  | 143,655,578,289          | 147,853,683,990              |

Note 1: For each reporting period, the consolidation scope of structured entities varies due to the addition of structured entities to which meet the consolidation criteria or due to the liquidation of the consolidated structured entities or changes in the Group's interests therein.

Note 2: As at 30 June 2022, dividends payable included dividends payable to ordinary shareholders of RMB1,448,177,060 and distribution to holders of perpetual subordinated bonds of RMB526,600,000 (31 December 2021: RMB154,200,000). As at 31 December 2021, dividends payable to non-controlling interests was RMB63,947,434.

# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 41. LONG-TERM DEBT SECURITIES ISSUED

|                      | Notes | As at<br>30 June<br>2022 | As at<br>31 December<br>2021 |
|----------------------|-------|--------------------------|------------------------------|
| Due within one year  |       |                          |                              |
| – Corporate bonds    | (a)   | 37,810,942,980           | 15,533,719,765               |
| – MTNs               | (b)   | 6,707,658,311            | 6,372,054,429                |
| – Subordinated bonds | (c)   | 4,070,553,074            | 9,960,925,191                |
| – Financial bonds    | (d)   | 2,500,000,000            | 2,500,000,000                |
| Subtotal             |       | 51,089,154,365           | 34,366,699,385               |
| Due after one year   |       |                          |                              |
| – Corporate bonds    | (a)   | 64,711,878,749           | 88,004,854,904               |
| – MTNs               | (b)   | 17,395,902,470           | 19,089,128,134               |
| – Subordinated bonds | (c)   | 17,523,503,711           | 16,555,765,429               |
| Subtotal             |       | 99,631,284,930           | 123,649,748,467              |
| Accrued interests:   |       |                          |                              |
| – Corporate bonds    | (a)   | 1,741,335,508            | 1,770,852,575                |
| – MTNs               | (b)   | 150,863,176              | 121,842,249                  |
| – Subordinated bonds | (c)   | 311,652,538              | 568,525,592                  |
| – Financial bonds    | (d)   | 72,908,219               | 30,881,507                   |
| Subtotal             |       | 2,276,759,441            | 2,492,101,923                |
| Total                |       | 152,997,198,736          | 160,508,549,775              |
| Fair value           |       | 154,005,703,572          | 163,078,293,731              |



# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 41. LONG-TERM DEBT SECURITIES ISSUED (continued)

### (a) Corporate bonds:

| Name                | Interest<br>commencement<br>date | Maturity<br>date | Interest<br>payment | Principal     | Nominal<br>interest rate | Book value<br>as at<br>1 January<br>2022 | Issuance | Interest<br>accrued,<br>net of<br>interest paid | Redemption      | Amortisation<br>and others | Book value<br>as at<br>30 June<br>2022 |
|---------------------|----------------------------------|------------------|---------------------|---------------|--------------------------|--|----------|---|-----------------|----------------------------|--|
| 17 CICC 03 (iv)     | 08/05/2017                       | 08/05/2022       | Annually            | 1,000,000,000 | 5.19%                    | 1,030,720,703                            | -        | (12,131,207)                                    | (1,000,000,000) | (18,589,496)               | -                                      |
| 19 CICC 04 (vi)     | 21/11/2019                       | 21/11/2025       | Annually            | 1,500,000,000 | 3.52%                    | 1,505,930,959                            | -        | 26,183,014                                      | -               | -                          | 1,532,113,973                          |
| 20 CICC F1 (vii)    | 26/02/2020                       | 26/02/2025       | Annually            | 4,000,000,000 | 3.20%                    | 4,108,361,644                            | -        | (64,526,027)                                    | -               | -                          | 4,043,835,617                          |
| 20 CICC G1 (viii)   | 03/04/2020                       | 03/04/2026       | Annually            | 1,500,000,000 | 2.89%                    | 1,532,304,658                            | -        | (21,853,151)                                    | -               | -                          | 1,510,451,507                          |
| 20 CICC G2 (ix)     | 03/04/2020                       | 03/04/2027       | Annually            | 1,000,000,000 | 3.25%                    | 1,024,219,178                            | -        | (16,383,562)                                    | -               | -                          | 1,007,835,616                          |
| 20 CICC G3 (x)      | 06/05/2020                       | 06/05/2026       | Annually            | 3,300,000,000 | 2.37%                    | 3,351,211,479                            | -        | (39,426,410)                                    | -               | -                          | 3,311,785,069                          |
| 20 CICC G4 (xi)     | 06/05/2020                       | 06/05/2027       | Annually            | 700,000,000   | 2.88%                    | 713,200,658                              | -        | (10,162,850)                                    | -               | -                          | 703,037,808                            |
| 20 CICC F2 (xii)    | 28/05/2020                       | 28/05/2025       | Annually            | 3,000,000,000 | 2.95%                    | 3,052,615,069                            | -        | (44,613,699)                                    | -               | -                          | 3,008,001,370                          |
| 20 CICC G5 (xiii)   | 22/06/2020                       | 22/06/2026       | Annually            | 1,500,000,000 | 3.10%                    | 1,524,460,274                            | -        | (23,441,096)                                    | -               | -                          | 1,501,019,178                          |
| 20 CICC F3 (xiv)    | 24/07/2020                       | 24/07/2025       | Annually            | 3,000,000,000 | 3.80%                    | 3,049,972,603                            | -        | 56,531,507                                      | -               | -                          | 3,106,504,110                          |
| 20 CICC 07 (xv)     | 10/09/2020                       | 10/09/2025       | Annually            | 5,000,000,000 | 3.78%                    | 5,057,476,712                            | -        | 93,723,288                                      | -               | -                          | 5,151,200,000                          |
| 20 CICC 09 (xvi)    | 23/09/2020                       | 23/09/2025       | Annually            | 5,000,000,000 | 3.80%                    | 5,051,013,699                            | -        | 94,219,178                                      | -               | -                          | 5,145,232,877                          |
| 20 CICC 11 (xvii)   | 19/10/2020                       | 19/10/2023       | Annually            | 2,500,000,000 | 3.50%                    | 2,517,500,000                            | -        | 43,390,411                                      | -               | -                          | 2,560,890,411                          |
| 20 CICC 12 (xviii)  | 19/10/2020                       | 19/10/2025       | Annually            | 2,500,000,000 | 3.74%                    | 2,518,700,000                            | -        | 46,365,753                                      | -               | -                          | 2,565,065,753                          |
| 20 CICC 13 (xix)    | 28/10/2020                       | 28/10/2023       | Annually            | 2,000,000,000 | 3.48%                    | 2,012,203,836                            | -        | 34,513,972                                      | -               | -                          | 2,046,717,808                          |
| 20 CICC 14 (xx)     | 28/10/2020                       | 28/10/2025       | Annually            | 3,000,000,000 | 3.68%                    | 3,019,357,808                            | -        | 54,746,302                                      | -               | -                          | 3,074,104,110                          |
| 20 CICC F4 (xxi)    | 14/12/2020                       | 14/12/2023       | Annually            | 2,500,000,000 | 3.85%                    | 2,504,482,877                            | -        | 47,729,452                                      | -               | -                          | 2,552,212,329                          |
| 20 CICC F5 (xxii)   | 14/12/2020                       | 14/12/2025       | Annually            | 2,500,000,000 | 4.09%                    | 2,504,762,329                            | -        | 50,704,794                                      | -               | -                          | 2,555,467,123                          |
| 21 CICC F1 (xxiii)  | 18/01/2021                       | 18/01/2024       | Annually            | 2,500,000,000 | 3.55%                    | 2,584,373,288                            | -        | (44,739,726)                                    | -               | -                          | 2,539,633,562                          |
| 21 CICC F2 (xxiv)   | 18/01/2021                       | 18/01/2026       | Annually            | 2,500,000,000 | 3.75%                    | 2,589,126,712                            | -        | (47,260,274)                                    | -               | -                          | 2,541,866,438                          |
| 21 CICC F3 (xxv)    | 04/03/2021                       | 04/03/2024       | Annually            | 1,500,000,000 | 3.60%                    | 1,544,679,452                            | -        | (27,221,918)                                    | -               | -                          | 1,517,457,534                          |
| 21 CICC F4 (xxvi)   | 04/03/2021                       | 04/03/2026       | Annually            | 2,000,000,000 | 3.82%                    | 2,063,213,151                            | -        | (38,513,973)                                    | -               | -                          | 2,024,699,178                          |
| 21 CICC G1 (xxvii)  | 16/03/2021                       | 16/03/2026       | Annually            | 2,000,000,000 | 3.58%                    | 2,056,887,671                            | -        | (36,094,246)                                    | -               | -                          | 2,020,793,425                          |
| 21 CICC G2          | 16/03/2021                       | 16/03/2031       | Annually            | 2,000,000,000 | 4.10%                    | 2,065,150,685                            | -        | (41,336,986)                                    | -               | -                          | 2,023,813,699                          |
| 21 CICC G3 (xxviii) | 25/03/2021                       | 25/03/2026       | Annually            | 1,500,000,000 | 3.51%                    | 1,540,533,288                            | -        | (26,541,370)                                    | -               | -                          | 1,513,991,918                          |
| 21 CICC G4          | 25/03/2021                       | 25/03/2031       | Annually            | 2,500,000,000 | 4.07%                    | 2,578,333,562                            | -        | (51,293,151)                                    | -               | -                          | 2,527,040,411                          |
| 21 CICC F5 (xxix)   | 13/04/2021                       | 13/04/2024       | Annually            | 1,000,000,000 | 3.43%                    | 1,024,620,822                            | -        | (17,290,959)                                    | -               | -                          | 1,007,329,863                          |
| 21 CICC F6 (xxx)    | 13/04/2021                       | 13/04/2026       | Annually            | 3,500,000,000 | 3.70%                    | 3,592,601,370                            | -        | (65,282,192)                                    | -               | -                          | 3,527,319,178                          |
| 21 CICC G5 (xxxi)   | 16/08/2021                       | 16/08/2026       | Annually            | 1,000,000,000 | 3.04%                    | 1,011,410,411                            | -        | 15,075,068                                      | -               | -                          | 1,026,485,479                          |
| 21 CICC G6 (xxxii)  | 16/08/2021                       | 16/08/2028       | Annually            | 1,500,000,000 | 3.39%                    | 1,519,086,164                            | -        | 25,216,028                                      | -               | -                          | 1,544,302,192                          |
| 21 CICC G7          | 08/12/2021                       | 08/12/2024       | Annually            | 2,500,000,000 | 2.97%                    | 2,504,678,767                            | -        | 36,819,863                                      | -               | -                          | 2,541,498,630                          |

# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 41. LONG-TERM DEBT SECURITIES ISSUED (continued)

### (a) Corporate bonds: (continued)

| Name                        | Interest<br>commencement<br>date | Maturity<br>date | Interest<br>payment | Principal     | Nominal<br>interest rate | Book value<br>as at<br>1 January<br>2022 | Issuance      | Interest<br>accrued,<br>net of<br>interest paid | Redemption      | Amortisation<br>and others | Book value<br>as at<br>30 June<br>2022 |
|-----------------------------|----------------------------------|------------------|---------------------|---------------|--------------------------|--|---------------|---|-----------------|----------------------------|--|
| 21 CICC G8                  | 08/12/2021                       | 08/12/2031       | Annually            | 1,000,000,000 | 3.68%                    | 1,002,318,904                            | -             | 18,248,767                                      | -               | -                          | 1,020,567,671                          |
| 17 CISC F2                  | 18/07/2017                       | 18/07/2022       | Annually            | 1,000,000,000 | 5.10%                    | 1,023,334,247                            | -             | 25,290,411                                      | -               | -                          | 1,048,624,658                          |
| 19 CISC 01                  | 22/04/2019                       | 22/04/2022       | Annually            | 2,000,000,000 | 4.22%                    | 2,058,692,682                            | -             | (58,733,151)                                    | (2,000,000,000) | 40,469                     | -                                      |
| 19 CICC WMS 01<br>(xxxiv)   | 16/10/2019                       | 16/10/2024       | Annually            | 3,000,000,000 | 3.58%                    | 3,020,468,577                            | -             | 53,258,630                                      | -               | 373,203                    | 3,074,100,410                          |
| 20 CICC WMS G1<br>(xxxv)    | 16/01/2020                       | 16/01/2025       | Annually            | 2,000,000,000 | 3.44%                    | 2,064,489,835                            | -             | (34,685,985)                                    | -               | 234,509                    | 2,030,038,359                          |
| 20 CICC WMS F1<br>(xxxvi)   | 09/04/2020                       | 09/04/2025       | Annually            | 3,000,000,000 | 3.17%                    | 3,067,665,617                            | -             | (47,940,822)                                    | -               | 275,788                    | 3,020,000,583                          |
| 20 CICC WMS F2              | 28/07/2020                       | 28/07/2023       | Annually            | 2,000,000,000 | 3.80%                    | 2,031,676,085                            | -             | 37,687,671                                      | -               | 313,846                    | 2,069,677,602                          |
| 20 CICC WMS G2<br>(xxxvii)  | 21/10/2020                       | 21/10/2025       | Annually            | 2,000,000,000 | 3.77%                    | 2,013,595,069                            | -             | 37,390,137                                      | -               | 156,464                    | 2,051,141,670                          |
| 20 CICC WMS G3              | 21/10/2020                       | 21/10/2025       | Annually            | 1,000,000,000 | 4.20%                    | 1,007,644,244                            | -             | 20,827,397                                      | -               | 77,848                     | 1,028,549,489                          |
| 20 CICC WMS G5<br>(xxxviii) | 24/11/2020                       | 24/11/2025       | Annually            | 1,000,000,000 | 3.98%                    | 1,003,542,799                            | -             | 19,736,438                                      | -               | 71,383                     | 1,023,350,620                          |
| 20 CICC WMS G6<br>(xxxix)   | 15/12/2020                       | 15/12/2025       | Annually            | 1,000,000,000 | 3.85%                    | 1,001,184,587                            | -             | 19,091,781                                      | -               | 71,337                     | 1,020,347,705                          |
| 21 CICC WMS G1 (xi)         | 26/03/2021                       | 26/03/2024       | Annually            | 2,000,000,000 | 3.44%                    | 2,050,763,623                            | -             | (34,682,740)                                    | -               | 475,146                    | 2,016,556,029                          |
| 21 CICC WMS G2 (xii)        | 26/03/2021                       | 26/03/2026       | Annually            | 3,000,000,000 | 3.65%                    | 3,082,964,938                            | -             | (55,200,000)                                    | -               | 146,037                    | 3,027,910,975                          |
| 21 CICC WMS G3 (xiii)       | 22/04/2021                       | 22/04/2026       | Annually            | 3,000,000,000 | 3.55%                    | 3,072,756,153                            | -             | (53,687,671)                                    | -               | 145,880                    | 3,019,214,362                          |
| 21 CICC WMS G4              | 22/04/2021                       | 22/04/2026       | Annually            | 2,000,000,000 | 3.84%                    | 2,050,893,827                            | -             | (38,715,616)                                    | -               | 272,694                    | 2,012,450,905                          |
| 21 CICC WMS G5 (xiiii)      | 09/12/2021                       | 09/12/2026       | Annually            | 3,000,000,000 | 3.06%                    | 3,004,246,228                            | -             | 45,522,740                                      | -               | 144,216                    | 3,049,913,184                          |
| 22 CICC WMS G1              | 08/03/2022                       | 08/03/2025       | Annually            | 1,500,000,000 | 3.07%                    | -  | 1,500,000,000 | 14,480,602                                      | -               | 28,302                     | 1,514,508,904                          |
| 22 CICC WMS G2              | 08/03/2022                       | 08/03/2027       | Annually            | 500,000,000   | 3.49%                    | -  | 500,000,000   | 5,488,511                                       | -               | 9,434                      | 505,497,945                            |
| Total                       |                                  |                  |                     |               |                          | 105,309,427,244                          | 2,000,000,000 | (29,517,067)                                    | (3,000,000,000) | (15,752,940)               | 104,264,157,237                        |

# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 41. LONG-TERM DEBT SECURITIES ISSUED (continued)

### (a) Corporate bonds: (continued)

| Name                | Interest<br>commencement<br>date | Maturity<br>date | Interest<br>payment | Principal     | Nominal<br>interest rate | Book value<br>as at<br>1 January<br>2021 | Issuance      | Interest<br>accrued,<br>net of<br>interest paid | Redemption      | Amortisation<br>and others | Book value<br>as at<br>31 December<br>2021 |
|---------------------|----------------------------------|------------------|---------------------|---------------|--------------------------|--|---------------|---|-----------------|----------------------------|--|
| 16 CICC 01 (i)      | 18/07/2016                       | 18/07/2021       | Annually            | 3,000,000,000 | 3.58%                    | 2,923,108,092                            | -             | (47,108,092)                                    | (2,876,000,000) | -                          | -  |
| 16 CICC 02 (ii)     | 18/07/2016                       | 18/07/2023       | Annually            | 1,000,000,000 | 3.29%                    | 1,015,052,877                            | -             | (15,052,877)                                    | (1,000,000,000) | -                          | -  |
| 16 CICC 04 (iii)    | 27/10/2016                       | 27/10/2023       | Annually            | 900,000,000   | 3.13%                    | 905,093,753                              | -             | (5,093,753)                                     | (900,000,000)   | -                          | -  |
| 17 CICC 03 (iv)     | 08/05/2017                       | 08/05/2022       | Annually            | 1,000,000,000 | 5.19%                    | 1,039,819,840                            | -             | 5,070,214                                       | -               | (14,169,351)               | 1,030,720,703                              |
| 18 CICC 02          | 26/01/2018                       | 26/01/2021       | Annually            | 1,000,000,000 | 5.70%                    | 1,053,487,398                            | -             | (37,421,339)                                    | (1,000,000,000) | (16,066,059)               | -  |
| 18 CICC 04 (v)      | 24/04/2018                       | 24/04/2021       | Annually            | 1,000,000,000 | 4.94%                    | 1,034,778,011                            | -             | (21,214,544)                                    | (1,000,000,000) | (13,563,467)               | -  |
| 18 CICC 06          | 28/06/2018                       | 28/06/2021       | Annually            | 1,000,000,000 | 5.30%                    | 1,026,731,144                            | -             | (18,438,798)                                    | (1,000,000,000) | (8,292,346)                | -  |
| 19 CICC 04 (vi)     | 21/11/2019                       | 21/11/2025       | Annually            | 1,500,000,000 | 3.52%                    | 1,505,930,959                            | -             | -   | -               | -                          | 1,505,930,959                              |
| 20 CICC F1 (vii)    | 26/02/2020                       | 26/02/2025       | Annually            | 4,000,000,000 | 3.20%                    | 4,108,361,644                            | -             | -   | -               | -                          | 4,108,361,644                              |
| 20 CICC G1 (viii)   | 03/04/2020                       | 03/04/2026       | Annually            | 1,500,000,000 | 2.89%                    | 1,532,304,658                            | -             | -   | -               | -                          | 1,532,304,658                              |
| 20 CICC G2 (ix)     | 03/04/2020                       | 03/04/2027       | Annually            | 1,000,000,000 | 3.25%                    | 1,024,219,178                            | -             | -   | -               | -                          | 1,024,219,178                              |
| 20 CICC G3 (x)      | 06/05/2020                       | 06/05/2026       | Annually            | 3,300,000,000 | 2.37%                    | 3,351,211,479                            | -             | -   | -               | -                          | 3,351,211,479                              |
| 20 CICC G4 (xi)     | 06/05/2020                       | 06/05/2027       | Annually            | 700,000,000   | 2.88%                    | 713,200,658                              | -             | -   | -               | -                          | 713,200,658                                |
| 20 CICC F2 (xii)    | 28/05/2020                       | 28/05/2025       | Annually            | 3,000,000,000 | 2.95%                    | 3,052,615,069                            | -             | -   | -               | -                          | 3,052,615,069                              |
| 20 CICC G5 (xiii)   | 22/06/2020                       | 22/06/2026       | Annually            | 1,500,000,000 | 3.10%                    | 1,524,460,274                            | -             | -   | -               | -                          | 1,524,460,274                              |
| 20 CICC F3 (xiv)    | 24/07/2020                       | 24/07/2025       | Annually            | 3,000,000,000 | 3.80%                    | 3,049,972,603                            | -             | -   | -               | -                          | 3,049,972,603                              |
| 20 CICC 07 (xv)     | 10/09/2020                       | 10/09/2025       | Annually            | 5,000,000,000 | 3.78%                    | 5,057,476,712                            | -             | -   | -               | -                          | 5,057,476,712                              |
| 20 CICC 09 (xvi)    | 23/09/2020                       | 23/09/2025       | Annually            | 5,000,000,000 | 3.80%                    | 5,051,013,699                            | -             | -   | -               | -                          | 5,051,013,699                              |
| 20 CICC 11 (xvii)   | 19/10/2020                       | 19/10/2023       | Annually            | 2,500,000,000 | 3.50%                    | 2,517,500,000                            | -             | -   | -               | -                          | 2,517,500,000                              |
| 20 CICC 12 (xviii)  | 19/10/2020                       | 19/10/2025       | Annually            | 2,500,000,000 | 3.74%                    | 2,518,700,000                            | -             | -   | -               | -                          | 2,518,700,000                              |
| 20 CICC 13 (xix)    | 28/10/2020                       | 28/10/2023       | Annually            | 2,000,000,000 | 3.48%                    | 2,012,203,836                            | -             | -   | -               | -                          | 2,012,203,836                              |
| 20 CICC 14 (xx)     | 28/10/2020                       | 28/10/2025       | Annually            | 3,000,000,000 | 3.68%                    | 3,019,357,808                            | -             | -   | -               | -                          | 3,019,357,808                              |
| 20 CICC F4 (xxi)    | 14/12/2020                       | 14/12/2023       | Annually            | 2,500,000,000 | 3.85%                    | 2,504,482,877                            | -             | -   | -               | -                          | 2,504,482,877                              |
| 20 CICC F5 (xxii)   | 14/12/2020                       | 14/12/2025       | Annually            | 2,500,000,000 | 4.09%                    | 2,504,762,329                            | -             | -   | -               | -                          | 2,504,762,329                              |
| 21 CICC F1 (xxiii)  | 18/01/2021                       | 18/01/2024       | Annually            | 2,500,000,000 | 3.55%                    | -  | 2,500,000,000 | 84,373,288                                      | -               | -                          | 2,584,373,288                              |
| 21 CICC F2 (xxiv)   | 18/01/2021                       | 18/01/2026       | Annually            | 2,500,000,000 | 3.75%                    | -  | 2,500,000,000 | 89,126,712                                      | -               | -                          | 2,589,126,712                              |
| 21 CICC F3 (xxv)    | 04/03/2021                       | 04/03/2024       | Annually            | 1,500,000,000 | 3.60%                    | -  | 1,500,000,000 | 44,679,452                                      | -               | -                          | 1,544,679,452                              |
| 21 CICC F4 (xxvi)   | 04/03/2021                       | 04/03/2026       | Annually            | 2,000,000,000 | 3.82%                    | -  | 2,000,000,000 | 63,213,151                                      | -               | -                          | 2,063,213,151                              |
| 21 CICC G1 (xxvii)  | 16/03/2021                       | 16/03/2026       | Annually            | 2,000,000,000 | 3.58%                    | -  | 2,000,000,000 | 56,887,671                                      | -               | -                          | 2,056,887,671                              |
| 21 CICC G2          | 16/03/2021                       | 16/03/2031       | Annually            | 2,000,000,000 | 4.10%                    | -  | 2,000,000,000 | 65,150,685                                      | -               | -                          | 2,065,150,685                              |
| 21 CICC G3 (xxviii) | 25/03/2021                       | 25/03/2026       | Annually            | 1,500,000,000 | 3.51%                    | -  | 1,500,000,000 | 40,533,288                                      | -               | -                          | 1,540,533,288                              |
| 21 CICC G4          | 25/03/2021                       | 25/03/2031       | Annually            | 2,500,000,000 | 4.07%                    | -  | 2,500,000,000 | 78,333,562                                      | -               | -                          | 2,578,333,562                              |

# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 41. LONG-TERM DEBT SECURITIES ISSUED (continued)

### (a) Corporate bonds: (continued)

| Name                   | Interest<br>commencement<br>date | Maturity<br>date | Interest<br>payment | Principal     | Nominal<br>interest rate | Book value<br>as at<br>1 January<br>2021 | Issuance       | Interest<br>accrued,<br>net of<br>interest paid | Redemption      | Amortisation<br>and others | Book value<br>as at<br>31 December<br>2021 |
|------------------------|----------------------------------|------------------|---------------------|---------------|--------------------------|--|----------------|---|-----------------|----------------------------|--|
| 21 CICC F5 (xxix)      | 13/04/2021                       | 13/04/2024       | Annually            | 1,000,000,000 | 3.43%                    | -  | 1,000,000,000  | 24,620,822                                      | -               | -                          | 1,024,620,822                              |
| 21 CICC F6 (xxx)       | 13/04/2021                       | 13/04/2026       | Annually            | 3,500,000,000 | 3.70%                    | -  | 3,500,000,000  | 92,601,370                                      | -               | -                          | 3,592,601,370                              |
| 21 CICC G5 (xxxix)     | 16/08/2021                       | 16/08/2026       | Annually            | 1,000,000,000 | 3.04%                    | -  | 1,000,000,000  | 11,410,411                                      | -               | -                          | 1,011,410,411                              |
| 21 CICC G6 (xxxix)     | 16/08/2021                       | 16/08/2028       | Annually            | 1,500,000,000 | 3.39%                    | -  | 1,500,000,000  | 19,086,164                                      | -               | -                          | 1,519,086,164                              |
| 21 CICC G7             | 08/12/2021                       | 08/12/2024       | Annually            | 2,500,000,000 | 2.97%                    | -  | 2,500,000,000  | 4,678,767                                       | -               | -                          | 2,504,678,767                              |
| 21 CICC G8             | 08/12/2021                       | 08/12/2031       | Annually            | 1,000,000,000 | 3.68%                    | -  | 1,000,000,000  | 2,318,904                                       | -               | -                          | 1,002,318,904                              |
| 17 CISC F2             | 18/07/2017                       | 18/07/2022       | Annually            | 1,000,000,000 | 5.10%                    | 1,023,334,247                            | -              | (2,407)   | -               | 2,407                      | 1,023,334,247                              |
| 18 CISC 01             | 23/03/2018                       | 23/03/2021       | Annually            | 1,000,000,000 | 5.95%                    | 1,046,280,749                            | -              | (46,345,867)                                    | (1,000,000,000) | 65,118                     | -  |
| 18 CISC 03 (xxxix)     | 21/09/2018                       | 21/09/2021       | Annually            | 1,000,000,000 | 4.99%                    | 1,013,896,731                            | -              | (13,994,182)                                    | (1,000,000,000) | 97,451                     | -  |
| 19 CISC 01             | 22/04/2019                       | 22/04/2022       | Annually            | 2,000,000,000 | 4.22%                    | 2,058,563,227                            | -              | (3,981)   | -               | 133,436                    | 2,058,692,682                              |
| 19 CICC WMS 01 (xxxix) | 16/10/2019                       | 16/10/2024       | Annually            | 3,000,000,000 | 3.58%                    | 3,020,477,755                            | -              | (948,462)                                       | -               | 939,284                    | 3,020,468,577                              |
| 20 CICC WMS G1 (xxxix) | 16/01/2020                       | 16/01/2025       | Annually            | 2,000,000,000 | 3.44%                    | 2,065,594,368                            | -              | (1,897,763)                                     | -               | 793,230                    | 2,064,489,835                              |
| 20 CICC WMS F1 (xxxix) | 09/04/2020                       | 09/04/2025       | Annually            | 3,000,000,000 | 3.17%                    | 3,069,566,301                            | -              | (2,834,675)                                     | -               | 933,991                    | 3,067,665,617                              |
| 20 CICC WMS F2         | 28/07/2020                       | 28/07/2023       | Annually            | 2,000,000,000 | 3.80%                    | 2,032,690,411                            | -              | (1,890,377)                                     | -               | 876,051                    | 2,031,676,085                              |
| 20 CICC WMS G2 (xxxix) | 21/10/2020                       | 21/10/2025       | Annually            | 2,000,000,000 | 3.77%                    | 2,014,873,425                            | -              | (1,647,802)                                     | -               | 369,446                    | 2,013,595,069                              |
| 20 CICC WMS G3         | 21/10/2020                       | 21/10/2025       | Annually            | 1,000,000,000 | 4.20%                    | 1,008,284,932                            | -              | (824,057)                                       | -               | 183,369                    | 1,007,644,244                              |
| 20 CICC WMS G5 (xxxix) | 24/11/2020                       | 24/11/2025       | Annually            | 1,000,000,000 | 3.98%                    | 1,004,143,562                            | -              | (756,594)                                       | -               | 155,831                    | 1,003,542,799                              |
| 20 CICC WMS G6 (xxxix) | 15/12/2020                       | 15/12/2025       | Annually            | 1,000,000,000 | 3.85%                    | 1,001,793,151                            | -              | (756,533)                                       | -               | 147,969                    | 1,001,184,587                              |
| 21 CICC WMS G1 (xl)    | 26/03/2021                       | 26/03/2024       | Annually            | 2,000,000,000 | 3.44%                    | -  | 2,000,000,000  | 50,004,311                                      | -               | 759,312                    | 2,050,763,623                              |
| 21 CICC WMS G2 (xli)   | 26/03/2021                       | 26/03/2026       | Annually            | 3,000,000,000 | 3.65%                    | -  | 3,000,000,000  | 82,686,792                                      | -               | 278,146                    | 3,082,964,938                              |
| 21 CICC WMS G3 (xlii)  | 22/04/2021                       | 22/04/2026       | Annually            | 3,000,000,000 | 3.55%                    | -  | 3,000,000,000  | 72,499,121                                      | -               | 257,032                    | 3,072,756,153                              |
| 21 CICC WMS G4         | 22/04/2021                       | 22/04/2026       | Annually            | 2,000,000,000 | 3.84%                    | -  | 2,000,000,000  | 50,482,119                                      | -               | 411,708                    | 2,050,893,827                              |
| 21 CICC WMS G5 (xliii) | 09/12/2021                       | 09/12/2026       | Annually            | 3,000,000,000 | 3.06%                    | -  | 3,000,000,000  | 4,171,450                                       | -               | 74,778                     | 3,004,246,228                              |
| Total                  |                                  |                  |                     |               |                          | 74,405,343,757                           | 40,000,000,000 | 725,696,151                                     | (9,776,000,000) | (45,612,664)               | 105,309,427,244                            |



# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 41. LONG-TERM DEBT SECURITIES ISSUED *(continued)*

### (a) **Corporate bonds:** *(continued)*

- (i) The Company redeemed the bonds on 19 July 2021.
- (ii) The Company has an option to redeem the bonds on 18 July 2021. If the early-redemption option is not exercised, the Company will have an option to increase the nominal interest rate and an obligation to redeem the bonds when requested by the investors. The Company redeemed the bonds on 19 July 2021.
- (iii) The Company has an option to redeem the bonds on 27 October 2021. If the early-redemption option is not exercised, the Company will have an option to increase the nominal interest rate and an obligation to redeem the bonds when requested by the investors. The Company redeemed the bonds on 27 October 2021.
- (iv) The Company redeemed the bonds on 9 May 2022.
- (v) The Company redeemed the bonds on 26 April 2021.
- (vi) The Company has an option to adjust the nominal interest rate on 21 November 2022 and an obligation to redeem the bonds when requested by the investors accordingly.
- (vii) The Company has an option to adjust the nominal interest rate on 26 February 2023 and an obligation to redeem the bonds when requested by the investors accordingly.
- (viii) The Company has an option to adjust the nominal interest rate on 3 April 2023 and an obligation to redeem the bonds when requested by the investors accordingly.
- (ix) The Company has an option to adjust the nominal interest rate on 3 April 2025 and an obligation to redeem the bonds when requested by the investors accordingly.
- (x) The Company has an option to adjust the nominal interest rate on 6 May 2023 and an obligation to redeem the bonds when requested by the investors accordingly.
- (xi) The Company has an option to adjust the nominal interest rate on 6 May 2025 and an obligation to redeem the bonds when requested by the investors accordingly.
- (xii) The Company has an option to adjust the nominal interest rate on 28 May 2023 and an obligation to redeem the bonds when requested by the investors accordingly.
- (xiii) The Company has an option to adjust the nominal interest rate on 22 June 2023 and an obligation to redeem the bonds when requested by the investors accordingly.
- (xiv) The Company has an option to adjust the nominal interest rate on 24 July 2023 and an obligation to redeem the bonds when requested by the investors accordingly.
- (xv) The Company has an option to adjust the nominal interest rate on 10 September 2023 and an obligation to redeem the bonds when requested by the investors accordingly.
- (xvi) The Company has an option to adjust the nominal interest rate on 23 September 2023 and an obligation to redeem the bonds when requested by the investors accordingly.
- (xvii) The Company has an option to adjust the nominal interest rate on 19 October 2022 and an obligation to redeem the bonds when requested by the investors accordingly.
- (xviii) The Company has an option to adjust the nominal interest rate on 19 October 2023 and an obligation to redeem the bonds when requested by the investors accordingly.

# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 41. LONG-TERM DEBT SECURITIES ISSUED *(continued)*

### (a) **Corporate bonds:** *(continued)*

- (xix) The Company has an option to adjust the nominal interest rate on 28 October 2022 and an obligation to redeem the bonds when requested by the investors accordingly.
- (xx) The Company has an option to adjust the nominal interest rate on 28 October 2023 and an obligation to redeem the bonds when requested by the investors accordingly.
- (xxi) The Company has an option to adjust the nominal interest rate on 14 December 2022 and an obligation to redeem the bonds when requested by the investors accordingly.
- (xxii) The Company has an option to adjust the nominal interest rate on 14 December 2023 and an obligation to redeem the bonds when requested by the investors accordingly.
- (xxiii) The Company has an option to adjust the nominal interest rate on 18 January 2023 and an obligation to redeem the bonds when requested by the investors accordingly.
- (xxiv) The Company has an option to adjust the nominal interest rate on 18 January 2024 and an obligation to redeem the bonds when requested by the investors accordingly.
- (xxv) The Company has an option to adjust the nominal interest rate on 4 March 2023 and an obligation to redeem the bonds when requested by the investors accordingly.
- (xxvi) The Company has an option to adjust the nominal interest rate on 4 March 2024 and an obligation to redeem the bonds when requested by the investors accordingly.
- (xxvii) The Company has an option to adjust the nominal interest rate on 16 March 2024 and an obligation to redeem the bonds when requested by the investors accordingly.
- (xxviii) The Company has an option to adjust the nominal interest rate on 25 March 2024 and an obligation to redeem the bonds when requested by the investors accordingly.
- (xxix) The Company has an option to adjust the nominal interest rate on 13 April 2023 and an obligation to redeem the bonds when requested by the investors accordingly.
- (xxx) The Company has an option to adjust the nominal interest rate on 13 April 2024 and an obligation to redeem the bonds when requested by the investors accordingly.
- (xxxi) The Company has an option to adjust the nominal interest rate on 16 August 2024 and an obligation to redeem the bonds when requested by the investors accordingly.
- (xxxii) The Company has an option to adjust the nominal interest rate on 16 August 2026 and an obligation to redeem the bonds when requested by the investors accordingly.
- (xxxiii) CICC Wealth Management redeemed the bonds on 22 September 2021.
- (xxxiv) CICC Wealth Management has an option to adjust the nominal interest rate on 16 October 2022 and an obligation to redeem the bonds when requested by the investors accordingly.
- (xxxv) CICC Wealth Management has an option to adjust the nominal interest rate on 16 January 2023 and an obligation to redeem the bonds when requested by the investors accordingly.

# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 41. LONG-TERM DEBT SECURITIES ISSUED *(continued)*

### (a) **Corporate bonds:** *(continued)*

- (xxxvi) CICC Wealth Management has an option to adjust the nominal interest rate on 9 April 2023 and an obligation to redeem the bonds when requested by the investors accordingly.
- (xxxvii) CICC Wealth Management has an option to adjust the nominal interest rate on 21 October 2023 and an obligation to redeem the bonds when requested by the investors accordingly.
- (xxxviii) CICC Wealth Management has an option to adjust the nominal interest rate on 24 November 2023 and an obligation to redeem the bonds when requested by the investors accordingly.
- (xxxix) CICC Wealth Management has an option to adjust the nominal interest rate on 15 December 2023 and an obligation to redeem the bonds when requested by the investors accordingly.
- (xl) CICC Wealth Management has an option to adjust the nominal interest rate on 26 March 2023 and an obligation to redeem the bonds when requested by the investors accordingly.
- (xli) CICC Wealth Management has an option to adjust the nominal interest rate on 26 March 2024 and an obligation to redeem the bonds when requested by the investors accordingly.
- (xlii) CICC Wealth Management has an option to adjust the nominal interest rate on 22 April 2024 and an obligation to redeem the bonds when requested by the investors accordingly.
- (xlili) CICC Wealth Management has an option to adjust the nominal interest rate on 9 December 2024 and an obligation to redeem the bonds when requested by the investors accordingly.

# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 41. LONG-TERM DEBT SECURITIES ISSUED (continued)

### (b) MTNs:

| Name  | Interest commencement date | Maturity date | Interest payment | Principal        | Nominal interest rate | Book value as at 1 January 2022 | Issuance      | Interest accrued, net of interest paid | Redemption      | Exchange rate fluctuations and others | Book value as at 30 June 2022 |
|-------|----------------------------|---------------|------------------|------------------|-----------------------|---------------------------------|---------------|--|-----------------|---------------------------------------|-------------------------------|
| MTN   | 03/05/2019                 | 03/05/2022    | Quarterly        | USD700 million   | 3M LIBOR plus 1.175%  | 4,469,976,363                   | -             | (9,450,866)                            | (4,597,040,000) | 136,514,503                           | -                             |
| MTN   | 03/05/2019                 | 03/05/2022    | Semi-annually    | USD300 million   | 3.375%                | 1,921,749,977                   | -             | (10,221,044)                           | (1,970,160,000) | 58,631,067                            | -                             |
| MTN   | 18/02/2020                 | 18/02/2023    | Quarterly        | USD1,000 million | 3M LIBOR plus 0.90%   | 6,376,848,366                   | -             | 11,123,365                             | -               | 339,022,122                           | 6,726,993,853                 |
| MTN   | 10/08/2020                 | 10/08/2023    | Semi-annually    | USD500 million   | 1.75%                 | 3,200,440,688                   | -             | 677,418                                | -               | 170,427,608                           | 3,371,545,714                 |
| MTN   | 26/01/2021                 | 26/01/2024    | Semi-annually    | USD1,000 million | 1.625%                | 6,406,973,741                   | -             | 2,633,302                              | -               | 338,277,459                           | 6,747,884,502                 |
| MTN   | 26/01/2021                 | 26/01/2026    | Semi-annually    | USD500 million   | 2.00%                 | 3,207,035,677                   | -             | 1,445,375                              | -               | 168,438,428                           | 3,376,919,480                 |
| MTN   | 21/03/2022                 | 21/03/2025    | Semi-annually    | USD600 million   | 2.875%                | -                               | 3,820,620,000 | 32,813,377                             | -               | 177,647,031                           | 4,031,080,408                 |
| Total |                            |               |                  |                  |                       | 25,583,024,812                  | 3,820,620,000 | 29,020,927                             | (6,567,200,000) | 1,388,958,218                         | 24,254,423,957                |

| Name     | Interest commencement date | Maturity date | Interest payment | Principal        | Nominal interest rate | Book value as at 1 January 2021 | Issuance      | Interest accrued, net of interest paid | Redemption      | Exchange rate fluctuations and others | Book value as at 31 December 2021 |
|----------|----------------------------|---------------|------------------|------------------|-----------------------|---------------------------------|---------------|--|-----------------|---------------------------------------|-----------------------------------|
| MTN(ii)  | 25/04/2018                 | 25/04/2021    | Quarterly        | USD600 million   | 3M LIBOR plus 1.20%   | 3,923,367,904                   | -             | (10,263,951)                           | (3,894,780,000) | (18,323,953)                          | -                                 |
| MTN(iii) | 11/09/2018                 | 11/09/2021    | Quarterly        | USD400 million   | 3M LIBOR plus 1.20%   | 2,609,690,057                   | -             | (2,024,642)                            | (2,579,880,000) | (27,785,415)                          | -                                 |
| MTN      | 03/05/2019                 | 03/05/2022    | Quarterly        | USD700 million   | 3M LIBOR plus 1.175%  | 4,569,141,336                   | -             | (636,040)                              | -               | (98,528,933)                          | 4,469,976,363                     |
| MTN      | 03/05/2019                 | 03/05/2022    | Semi-annually    | USD300 million   | 3.375%                | 1,963,183,847                   | -             | (239,186)                              | -               | (41,194,684)                          | 1,921,749,977                     |
| MTN      | 18/02/2020                 | 18/02/2023    | Quarterly        | USD1,000 million | 3M LIBOR plus 0.90%   | 6,519,649,063                   | -             | (509,910)                              | -               | (142,290,787)                         | 6,376,848,366                     |
| MTN      | 10/08/2020                 | 10/08/2023    | Semi-annually    | USD500 million   | 1.75%                 | 3,269,428,314                   | -             | (201,391)                              | -               | (68,786,235)                          | 3,200,440,688                     |
| MTN      | 26/01/2021                 | 26/01/2024    | Semi-annually    | USD1,000 million | 1.625%                | -                               | 6,484,700,000 | 44,347,244                             | -               | (122,073,503)                         | 6,406,973,741                     |
| MTN      | 26/01/2021                 | 26/01/2026    | Semi-annually    | USD500 million   | 2.00%                 | -                               | 3,242,350,000 | 27,450,931                             | -               | (62,765,254)                          | 3,207,035,677                     |
| Total    |                            |               |                  |                  |                       | 22,854,460,521                  | 9,727,050,000 | 57,923,055                             | (6,474,660,000) | (581,748,764)                         | 25,583,024,812                    |

(i) The maturity date of floating-rate MTN is the interest payment date falling on or nearest to the date listed above.

(ii) The Group redeemed the MTN on 26 April 2021.

(iii) The Group redeemed the MTN on 13 September 2021.



# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 41. LONG-TERM DEBT SECURITIES ISSUED (continued)

### (c) Subordinated bonds:

| Name            | Interest<br>commencement<br>date | Maturity<br>date | Interest<br>payment | Principal     | Nominal<br>interest rate | Book value<br>as at<br>1 January<br>2022 | Issuance      | Interest<br>accrued,<br>net of<br>interest paid | Redemption      | Amortisation<br>and others | Book value<br>as at<br>30 June<br>2022 |
|-----------------|----------------------------------|------------------|---------------------|---------------|--------------------------|--|---------------|---|-----------------|----------------------------|--|
| 17 CICC C1 (ii) | 22/05/2017                       | 22/05/2022       | Annually            | 600,000,000   | 5.39%                    | 618,319,699                              | -             | (6,742,553)                                     | (600,000,000)   | (11,577,146)               | -                                      |
| 17 CICC C2      | 24/07/2017                       | 24/07/2022       | Annually            | 1,500,000,000 | 4.98%                    | 1,528,932,820                            | -             | 39,495,019                                      | -               | 1,449,883                  | 1,569,877,722                          |
| 17 CICC C3      | 16/11/2017                       | 16/11/2022       | Annually            | 1,500,000,000 | 5.50%                    | 1,496,418,005                            | -             | 48,059,275                                      | -               | 2,706,294                  | 1,547,183,574                          |
| 18 CICC C1      | 20/04/2018                       | 20/04/2023       | Annually            | 1,000,000,000 | 5.30%                    | 1,044,136,555                            | -             | (27,604,467)                                    | -               | (10,739,863)               | 1,005,792,225                          |
| 19 CICC C1      | 19/04/2019                       | 19/04/2022       | Annually            | 1,500,000,000 | 4.20%                    | 1,544,358,904                            | -             | (44,358,904)                                    | (1,500,000,000) | -                          | -                                      |
| 19 CICC C3      | 14/10/2019                       | 14/10/2024       | Annually            | 1,500,000,000 | 4.09%                    | 1,513,110,411                            | -             | 30,422,877                                      | -               | -                          | 1,543,533,288                          |
| 19 CICC C4      | 11/11/2019                       | 11/11/2024       | Annually            | 1,500,000,000 | 4.12%                    | 1,508,465,753                            | -             | 30,646,028                                      | -               | -                          | 1,539,111,781                          |
| 19 CICC C5      | 05/12/2019                       | 05/12/2024       | Annually            | 2,000,000,000 | 4.20%                    | 2,005,983,562                            | -             | 41,654,794                                      | -               | -                          | 2,047,638,356                          |
| 20 CICC C1      | 17/02/2020                       | 17/02/2025       | Annually            | 1,500,000,000 | 3.85%                    | 1,550,155,479                            | -             | (29,112,328)                                    | -               | -                          | 1,521,043,151                          |
| 21 CICC C1      | 08/02/2021                       | 08/02/2024       | Annually            | 1,000,000,000 | 3.90%                    | 1,042,432,613                            | -             | (21,047,694)                                    | -               | (2,307,967)                | 1,019,076,952                          |
| 21 CICC C2      | 08/02/2021                       | 08/02/2026       | Annually            | 1,000,000,000 | 4.49%                    | 1,053,681,347                            | -             | (24,067,116)                                    | -               | (3,445,054)                | 1,026,169,177                          |
| 17 CISC 02      | 23/02/2017                       | 23/02/2022       | Annually            | 1,800,000,000 | 5.00%                    | 1,876,820,331                            | -             | (77,020,658)                                    | (1,800,000,000) | 200,327                    | -                                      |
| 19 CISC C1      | 25/04/2019                       | 25/04/2022       | Annually            | 3,000,000,000 | 4.50%                    | 3,092,460,087                            | -             | (92,835,616)                                    | (3,000,000,000) | 375,529                    | -                                      |
| 20 CICC WMS C1  | 17/04/2020                       | 17/04/2025       | Annually            | 2,000,000,000 | 3.80%                    | 2,052,390,656                            | -             | (38,312,329)                                    | -               | 219,619                    | 2,014,297,946                          |
| 21 CICC WMS C1  | 09/03/2021                       | 09/03/2024       | Annually            | 1,000,000,000 | 3.98%                    | 1,031,726,681                            | -             | (20,065,439)                                    | -               | 170,340                    | 1,011,831,582                          |
| 21 CICC WMS C2  | 09/03/2021                       | 09/03/2026       | Annually            | 1,000,000,000 | 4.58%                    | 1,036,508,737                            | -             | (23,090,380)                                    | -               | 98,302                     | 1,013,516,659                          |
| 21 CICC WMS C3  | 09/04/2021                       | 09/04/2024       | Annually            | 2,000,000,000 | 3.94%                    | 2,056,846,818                            | -             | (39,723,836)                                    | -               | 167,946                    | 2,017,290,928                          |
| 21 CICC WMS C4  | 09/04/2021                       | 09/04/2026       | Annually            | 1,000,000,000 | 4.50%                    | 1,032,467,754                            | -             | (22,684,932)                                    | -               | 47,955                     | 1,009,830,777                          |
| 22 CICC WMS C1  | 24/03/2022                       | 24/03/2025       | Annually            | 1,500,000,000 | 3.50%                    | -  | 1,500,000,000 | 14,239,726                                      | -               | -                          | 1,514,239,726                          |
| 22 CICC WMS C2  | 24/03/2022                       | 24/03/2027       | Annually            | 500,000,000   | 3.89%                    | -  | 500,000,000   | 5,275,479                                       | -               | -                          | 505,275,479                            |
| Total           |                                  |                  |                     |               |                          | 27,085,216,212                           | 2,000,000,000 | (256,873,054)                                   | (6,900,000,000) | (22,633,835)               | 21,905,709,323                         |

# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 41. LONG-TERM DEBT SECURITIES ISSUED (continued)

### (c) Subordinated bonds: (continued)

| Name                | Interest<br>commencement<br>date | Maturity<br>date | Interest<br>payment | Principal     | Nominal<br>interest rate                     | Book value<br>as at<br>1 January<br>2021 | Issuance      | Interest<br>accrued,<br>net of<br>interest paid | Redemption      | Amortisation<br>and others | Book value<br>as at<br>31 December<br>2021 |
|---------------------|----------------------------------|------------------|---------------------|---------------|--|--|---------------|---|-----------------|----------------------------|--|
| 16 CICC C2          | 15/12/2016                       | 15/12/2021       | Annually            | 3,400,000,000 | 4.60%  | 3,406,855,890                            | -             | (6,855,890)                                     | (3,400,000,000) | -                          | -  |
|                     |                                  |                  |                     |               | 1st - 5th year,<br>5.00%;<br>6th - 8th year, |  |               |   |                 |                            |  |
| 16 CICC Futures (i) | 16/12/2016                       | 16/12/2024       | Annually            | 100,000,000   | 8.00%  | 100,219,178                              | -             | (219,178)                                       | (100,000,000)   | -                          | -  |
| 17 CICC C1 (ii)     | 22/05/2017                       | 22/05/2022       | Annually            | 600,000,000   | 5.39%  | 624,072,690                              | -             | 1,721,543                                       | -               | (7,474,534)                | 618,319,699                                |
| 17 CICC C2          | 24/07/2017                       | 24/07/2022       | Annually            | 1,500,000,000 | 4.98%  | 1,541,393,843                            | -             | 632,098   | -               | (13,093,121)               | 1,528,932,820                              |
| 17 CICC C3          | 16/11/2017                       | 16/11/2022       | Annually            | 1,500,000,000 | 5.50%  | 1,514,165,601                            | -             | (2,327,379)                                     | -               | (15,420,217)               | 1,496,418,005                              |
| 18 CICC C1          | 20/04/2018                       | 20/04/2023       | Annually            | 1,000,000,000 | 5.30%  | 1,051,682,141                            | -             | (3,478,752)                                     | -               | (4,066,834)                | 1,044,136,555                              |
| 18 CICC C2 (iii)    | 29/08/2018                       | 29/08/2021       | Annually            | 1,500,000,000 | 4.70%  | 1,522,573,405                            | -             | (13,883,743)                                    | (1,500,000,000) | (8,689,662)                | -  |
| 19 CICC C1          | 19/04/2019                       | 19/04/2022       | Annually            | 1,500,000,000 | 4.20%  | 1,544,358,904                            | -             | -   | -               | -                          | 1,544,358,904                              |
| 19 CICC C3          | 14/10/2019                       | 14/10/2024       | Annually            | 1,500,000,000 | 4.09%  | 1,513,110,411                            | -             | -   | -               | -                          | 1,513,110,411                              |
| 19 CICC C4          | 11/11/2019                       | 11/11/2024       | Annually            | 1,500,000,000 | 4.12%  | 1,508,465,753                            | -             | -   | -               | -                          | 1,508,465,753                              |
| 19 CICC C5          | 05/12/2019                       | 05/12/2024       | Annually            | 2,000,000,000 | 4.20%  | 2,005,983,562                            | -             | -   | -               | -                          | 2,005,983,562                              |
| 20 CICC C1          | 17/02/2020                       | 17/02/2025       | Annually            | 1,500,000,000 | 3.85%  | 1,550,155,479                            | -             | -   | -               | -                          | 1,550,155,479                              |
| 21 CICC C1          | 08/02/2021                       | 08/02/2024       | Annually            | 1,000,000,000 | 3.90%  | -  | 1,000,000,000 | 33,609,951                                      | -               | 8,822,662                  | 1,042,432,613                              |
| 21 CICC C2          | 08/02/2021                       | 08/02/2026       | Annually            | 1,000,000,000 | 4.49%  | -  | 1,000,000,000 | 39,005,787                                      | -               | 14,675,560                 | 1,053,681,347                              |
| 17 CISC 02          | 23/02/2017                       | 23/02/2022       | Annually            | 1,800,000,000 | 5.00%  | 1,876,112,521                            | -             | (39,952)  | -               | 747,762                    | 1,876,820,331                              |
| 19 CISC C1          | 25/04/2019                       | 25/04/2022       | Annually            | 3,000,000,000 | 4.50%  | 3,091,333,871                            | -             | (6,367)   | -               | 1,132,583                  | 3,092,460,087                              |
| 20 CICC WMS C1      | 17/04/2020                       | 17/04/2025       | Annually            | 2,000,000,000 | 3.80%  | 2,051,965,880                            | -             | (3,585)   | -               | 428,361                    | 2,052,390,656                              |
| 21 CICC WMS C1      | 09/03/2021                       | 09/03/2024       | Annually            | 1,000,000,000 | 3.98%  | -  | 1,000,000,000 | 31,437,643                                      | -               | 289,038                    | 1,031,726,681                              |
| 21 CICC WMS C2      | 09/03/2021                       | 09/03/2026       | Annually            | 1,000,000,000 | 4.58%  | -  | 1,000,000,000 | 36,336,272                                      | -               | 172,465                    | 1,036,508,737                              |
| 21 CICC WMS C3      | 09/04/2021                       | 09/04/2024       | Annually            | 2,000,000,000 | 3.94%  | -  | 2,000,000,000 | 56,567,267                                      | -               | 279,551                    | 2,056,846,818                              |
| 21 CICC WMS C4      | 09/04/2021                       | 09/04/2026       | Annually            | 1,000,000,000 | 4.50%  | -  | 1,000,000,000 | 32,380,072                                      | -               | 87,682                     | 1,032,467,754                              |
| Total               |                                  |                  |                     |               |  | 24,902,449,129                           | 7,000,000,000 | 204,875,787                                     | (5,000,000,000) | (22,108,704)               | 27,085,216,212                             |

(i) CICC Futures Co., Ltd redeemed the bonds on 16 December 2021.

(ii) The Company redeemed the bonds on 23 May 2022.

(iii) The Company redeemed the bonds on 30 August 2021.

# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 41. LONG-TERM DEBT SECURITIES ISSUED (continued)

### (d) Financial bonds:

| Name              | Interest<br>commencement<br>date | Maturity<br>date | Interest<br>payment | Principal     | Nominal<br>interest rate | Book value<br>as at<br>1 January<br>2022 | Issuance | Interest<br>accrued,<br>net of<br>interest paid | Redemption | Amortisation<br>and others | Book value<br>as at<br>30 June<br>2022 |
|-------------------|----------------------------------|------------------|---------------------|---------------|--------------------------|--|----------|---|------------|----------------------------|--|
| 19 CICC Financial |                                  |                  |                     |               |                          |  |          |   |            |                            |  |
| Bond 01           | 22/08/2019                       | 22/08/2022       | Annually            | 2,500,000,000 | 3.39%                    | 2,530,881,507                            | -        | 42,026,712                                      | -          | -                          | 2,572,908,219                          |

| Name              | Interest<br>commencement<br>date | Maturity<br>date | Interest<br>payment | Principal     | Nominal<br>interest rate | Book value<br>as at<br>1 January<br>2021 | Issuance | Interest<br>accrued,<br>net of<br>interest paid | Redemption | Amortisation<br>and others | Book value<br>as at<br>31 December<br>2021 |
|-------------------|----------------------------------|------------------|---------------------|---------------|--------------------------|--|----------|---|------------|----------------------------|--|
| 19 CICC Financial |                                  |                  |                     |               |                          |  |          |   |            |                            |  |
| Bond 01           | 22/08/2019                       | 22/08/2022       | Annually            | 2,500,000,000 | 3.39%                    | 2,530,881,507                            | -        | -   | -          | -                          | 2,530,881,507                              |

## 42. CONTRACT LIABILITIES

|                             | As at<br>30 June<br>2022 | As at<br>31 December<br>2021 |
|-----------------------------|--------------------------|------------------------------|
| Asset management services   | 271,588,849              | 192,423,929                  |
| Investment banking services | 234,304,700              | 200,707,492                  |
| Others                      | 24,257,670               | 19,819,453                   |
| Total                       | 530,151,219              | 412,950,874                  |

# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 43. CAPITAL, RESERVES AND DIVIDENDS

### (a) Share capital

The Company's number of shares and nominal value are as follows:

|   | As at<br>30 June<br>2022 | As at<br>31 December<br>2021 |
|---|--------------------------|------------------------------|
| Ordinary shares of RMB1 each, issued and fully paid |                          |                              |
| A shares  | 2,923,542,440            | 2,923,542,440                |
| H shares  | 1,903,714,428            | 1,903,714,428                |
| <b>Total</b>  | <b>4,827,256,868</b>     | <b>4,827,256,868</b>         |
| Share capital                                       |                          |                              |
| A shares  | 2,923,542,440            | 2,923,542,440                |
| H shares  | 1,903,714,428            | 1,903,714,428                |
| <b>Total</b>  | <b>4,827,256,868</b>     | <b>4,827,256,868</b>         |

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares in issue confer identical rights in respect of the Company's residual assets.

### (b) Reserves

#### (i) Capital reserve

|                      | As at<br>30 June<br>2022 | As at<br>31 December<br>2021 |
|----------------------|--------------------------|------------------------------|
| Share premium (Note) | 39,458,384,639           | 39,458,384,639               |
| Others               | 73,501,886               | 73,501,886                   |
| <b>Total</b>         | <b>39,531,886,525</b>    | <b>39,531,886,525</b>        |

Note: The premium arising from the Company's share issuance (see Note 43(a)), net of expenses which met the capitalisation criteria, was recorded in share premium.



# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 43. CAPITAL, RESERVES AND DIVIDENDS (continued)

### (b) Reserves (continued)

#### (ii) Surplus reserve

The surplus reserve represents statutory surplus reserve. According to the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China ("MOF") and other relevant requirements, the Company is required to appropriate 10% of its net profit, after offsetting prior year's accumulated losses, to the statutory surplus reserve until the reserve balance reaches 50% of its registered capital. Subject to the approval of the shareholders, the statutory surplus reserve may be used to offset accumulated losses, or converted into capital of the Company provided that the balance of the statutory surplus reserve after such capitalisation is not less than 25% of the registered capital immediately before the capitalisation.

The Company makes the appropriation to surplus reserve at the end of each year.

#### (iii) General reserves

General reserves include general risk reserve and trading risk reserve.

In accordance with the Financial Rules for Financial Enterprises (Order of the MOF No. 42) and the application guidance (Cai Jin [2007] No. 23) issued by the MOF, and the Guideline of Supervision of Annual Report of Securities Companies issued by the CSRC, the Company is required to appropriate an amount equivalent to 10% of the net profit to the general risk reserve.

In addition, the Company as the mutual fund custodian shall accrue general risk reserve at a proportion of no less than 2.5% of custodian fee income. The accrual could be suspended on condition that the ending balance of risk reserve reached 0.25% of the aggregate of net asset values of the mutual funds under custody at the end of last quarter.

In accordance with the Guideline of Supervision of Annual Report of Securities Companies issued by the CSRC, the Company is required to appropriate an amount equivalent to 10% of the net profit to the trading risk reserve.

In accordance with the Guidelines for the Large Collective Asset Management Business of Securities Companies on implementing the Guiding Opinions for Regulating the Asset Management Business of Financial Institutions, securities companies shall be analogically governed by relevant laws and requirements of mutual funds to manage and operate large collective products. Accordingly, the Company and CICC Wealth Management accrued risk reserves for large collective asset management business in accordance with relevant regulations on mutual funds.

General reserves for the Company's subsidiaries are appropriated if relevant requirements are in place.

#### (iv) Investment revaluation reserve

The investment revaluation reserve mainly represents the fair value changes of financial assets at fair value through other comprehensive income ("FVTOCI").

# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 43. CAPITAL, RESERVES AND DIVIDENDS *(continued)*

### *(b) Reserves (continued)*

#### *(v) Foreign currency translation reserve*

The foreign currency translation reserve comprises foreign exchange differences arising from translation of the financial statements of the Group entities from their respective reporting currencies to RMB.

#### *(vi) Other reserve*

Other reserve represents the costs of hedging of the Group's hedges of net investments in foreign operations.

### *(c) Dividends*

Upon the approval of the Annual General Meeting on 23 June 2022, the Company declared the payment of cash dividends for its 2021 profit distribution. The amount of cash dividends was RMB1,448,177,060, tax inclusive (or RMB3.00 for every ten shares, tax inclusive).

## 44. OTHER EQUITY INSTRUMENTS

At initial recognition, the Group classifies perpetual subordinated bonds issued as financial liabilities or equity instruments based on their contractual terms and their economic substance after considering the definition of financial liabilities and equity instruments.

Perpetual subordinated bonds issued that should be classified as equity instruments are recognised in equity at the actual amount received. Any distribution of dividends or interests during the instruments' duration is treated as profit distribution. When the perpetual subordinated bonds are redeemed pursuant to the contractual terms, the redemption price is charged to equity.

Key contractual terms related to the above perpetual subordinated bonds are as follows:

- The bonds bear interest at a fixed rate;
- The nominal interest rate of the first five interest-bearing years is determined by book building and will remain unchanged. The nominal interest rate resets every five years since the sixth interest-bearing year;
- The Company has an option to defer interest payment, except in the event of mandatory interest payments, so that at each interest payment date, the issuer may choose to defer to the next interest payment date the payment for the interest for the current period as well as all the accreted interests as a result of exercising the interest payment deferral option. There is no limitation on number of times that the Company exercises the deferral option. Exercising the interest payment deferral option shall not be deemed as the issuer's failure to pay the interest in full as agreed. Mandatory interest payment events are limited to dividend distributions to ordinary shareholders and reductions of registered capital.

The Company does not have any contractual obligation to deliver cash or other financial assets to redeem the above issued perpetual subordinated bonds. The redemption of the perpetual subordinated bonds is solely at the discretion of the Company.

# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 44. OTHER EQUITY INSTRUMENTS *(continued)*

- (a) The Company issued 20 CICC Y1 with an aggregate principal amount of RMB5.0 billion and the interest commencement date is 28 August 2020.
- (b) The Company issued 21 CICC Y1 with an aggregate principal amount of RMB1.5 billion and the interest commencement date is 29 January 2021 and issued 21 CICC Y2 with an aggregate principal amount of RMB2.0 billion and the interest commencement date is 26 April 2021.
- (c) The Company issued 22 CICC Y1 with an aggregate principal amount of RMB3.9 billion and the interest commencement date is 13 January 2022.

## 45. COMMITMENT

### (a) *Capital commitments*

As at 30 June 2022 and 31 December 2021, the capital commitments contracted but not provided for in the condensed consolidated financial statements were as follows:

|                                  | As at<br>30 June<br>2022 | As at<br>31 December<br>2021 |
|----------------------------------|--------------------------|------------------------------|
| Contracted, but not provided for | 7,599,693,158            | 3,927,668,725                |

### (b) *Underwriting commitments*

According to the relevant tendering documents, the underwriting commitments taken but not provided for at 30 June 2022 was RMB4,575,412,849 for the Group (31 December 2021: RMB285,714,286).

# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 46. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

### (a) The controlling shareholder of the Company – Central Huijin Investment Ltd. (“Huijin”)

As at 30 June 2022, Huijin owned 40.17% of the equity interest of the Company (31 December 2021: 40.17 %) directly and indirectly.

Huijin does not carry out any other commercial business activities, nor does it interfere with the daily operations of the state-owned key financial enterprises it controls. The Group’s daily business transactions with Huijin and Huijin’s affiliates are conducted on normal commercial terms.

### (i) Related party transactions with Huijin and Huijin’s affiliates

|  | Six months ended 30 June |             |
|--|--------------------------|-------------|
|  | 2022                     | 2021        |
| Brokerage commission income                              | 7,860,176                | 25,934,732  |
| Underwriting and sponsoring fees                         | 13,064,776               | 5,061,673   |
| Asset management fees                                    | 5,141,790                | –           |
| Investment advisory fees                                 | –                        | 566,038     |
| Interest income  | 607,005,200              | 494,329,186 |
| Net (losses)/gains from financial instruments            |                          |             |
| at fair value through profit or loss                     | (298,389,611)            | 75,461,591  |
| Net (losses)/gains from derivative financial instruments | (65,837,838)             | 135,163,901 |
| Other income/(losses), net                               | 42,187,460               | (1,763,833) |
| Brokerage commission expenses                            | 32,806,264               | 28,710,198  |
| Underwriting and sponsoring expenses                     | 557,250                  | –           |
| Asset management expenses                                | 15,512,239               | 16,009,508  |
| Interest expenses  | 237,832,715              | 196,003,629 |
| Other operating expenses and costs                       | 3,288,454                | 3,408,005   |
| Provision for impairment losses under ECL model          | 56,000                   | –           |



# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 46. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (continued)

### (a) The controlling shareholder of the Company – Central Huijin Investment Ltd. (“Huijin”) (continued)

#### (ii) The balances of transactions with Huijin and Huijin’s affiliates

|   | As at<br>30 June<br>2022 | As at<br>31 December<br>2021 |
|---|--------------------------|------------------------------|
| Right-of-use assets   | 2,126,810                | –                            |
| Accounts receivable   | 626,166,969              | 103,906,491                  |
| Financial assets at fair value through other comprehensive income | 5,897,672,884            | 4,721,292,896                |
| Financial assets at fair value through profit or loss             | 8,093,770,415            | 8,909,393,809                |
| Reverse REPOs   | 200,083,836              | –                            |
| Refundable deposits   | 40,967,715               | 31,593,102                   |
| Derivative financial assets                                       | 282,326,721              | 808,971,579                  |
| Cash and bank balances (Note)                                     | 68,682,540,734           | 60,132,857,289               |
| Other non-current assets  | –                        | 3,526,859                    |
| Financial liabilities at fair value through profit or loss        | 9,740,630                | 40,332,880                   |
| Derivative financial liabilities                                  | 326,585,257              | 336,215,231                  |
| Accounts payable to brokerage clients                             | 14,933,156               | 6,895,535                    |
| Placements from financial institutions                            | 10,984,766,972           | 14,550,235,866               |
| REPOs   | 13,543,385,148           | 3,160,809,973                |
| Short-term debt securities issued                                 | –                        | 19,701,000                   |
| Long-term debt securities issued                                  | 1,594,708,274            | 2,157,387,672                |
| Lease Liabilities   | 2,165,424                | –                            |
| Other current liabilities   | 591,255,862              | 818,859,662                  |

Note: Balances of deposits at Huijin’s affiliates include self-owned cash and bank balances and cash held on behalf of clients.

# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 46. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (continued)

### (b) Related party transactions with key management personnel

The key management personnel are those who have the authority and responsibility to plan, direct and control directly or indirectly, the activities of the Group, including members of the Board of Directors and the supervisory board, and other senior executives. Remuneration for key management personnel of the Group is as follows:

|   | Six months ended 30 June |            |
|---|--------------------------|------------|
|   | 2022                     | 2021       |
| Salaries, allowances and benefits in kind | 16,176,999               | 13,520,986 |
| Discretionary bonuses (Note)              | –                        | –          |
| Retirement scheme contributions           | 918,029                  | 715,806    |
| Total                                     | 17,095,028               | 14,236,792 |

Note: The discretionary bonuses of the Group's key management personnel for the six months ended 30 June 2022 have not yet been finalised.

### (c) Related party transactions with other shareholders holding 5% or more shares of the Company

#### (i) Related party transactions with other shareholders holding 5% or more shares of the Company

|                             | Six months ended 30 June |      |
|-----------------------------|--------------------------|------|
|                             | 2022                     | 2021 |
| Brokerage commission income | 1,129,523                | –    |
| Interest expenses           | –                        | 211  |

#### (ii) The balances of transactions with other shareholders holding 5% or more shares of the Company

|                                       | As at<br>30 June<br>2022 | As at<br>31 December<br>2021 |
|---------------------------------------|--------------------------|------------------------------|
|                                       |                          |                              |
| Accounts payable to brokerage clients | 99,600,282               | 47                           |
| Other current liabilities             | 28,032                   | 3,996                        |

# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 46. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (continued)

### (d) Related party transactions with the Group's associates and joint ventures

#### (i) Related party transactions with associates and joint ventures and their affiliates

|                             | Six months ended 30 June |           |
|-----------------------------|--------------------------|-----------|
|                             | 2022                     | 2021      |
| Brokerage commission income | 6,476,108                | 4,201,943 |
| Asset management fees       | –                        | 3,835,014 |
| Investment advisory fees    | 7,756,132                | 5,489,867 |
| Interest income             | 2,170,016                | 2,181,209 |
| Interest expenses           | 1,950                    | 1,447     |

#### (ii) The balances of transactions with associates and joint ventures and their affiliates

|                                       | As at<br>30 June<br>2022 | As at<br>31 December<br>2021 |
|---------------------------------------|--------------------------|------------------------------|
|                                       |                          |                              |
| Accounts receivable                   | 6,728,579                | 19,576,095                   |
| Other non-current assets              | 133,662,975              | 184,365,488                  |
| Accounts payable to brokerage clients | 44,863,877               | 448,379                      |
| Contract liabilities                  | 4,009,434                | –                            |
| Other current liabilities             | –                        | 12,480,000                   |

# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 47. FAIR VALUE INFORMATION

The Group adopts the following methods and assumptions when evaluating fair values:

- (i) Financial assets including cash and bank balances, cash held on behalf of clients and reverse REPOs and financial liabilities including short-term placements from financial institutions and REPOs, are mainly instruments with floating interest rates or for short-term financing. Accordingly, the carrying amounts approximate their fair values.
- (ii) Financial instruments at fair value through profit or loss or through other comprehensive income and derivatives are stated at fair value. For financial instruments traded in active markets, the Group uses market prices as the best estimate for their fair values. For financial instruments without any market price, the Group determines their fair values using discounted cash flows or other valuation techniques.
- (iii) The fair values of short-term and long-term debt securities issued are determined with reference to the available market prices or quotes from brokers or agents. If there is no quoted market price in an active market, the Group estimates the fair values using discounted cash flows or other valuation techniques with reference to the yields of financial instruments with similar characteristics such as similar credit risk and maturity. The fair values of long-term debt securities issued are disclosed in Note 41. The carrying amounts of short-term debt securities issued approximate their fair values.
- (iv) Accounts receivable and accounts payable to brokerage clients are mainly due within one year. Accordingly, the carrying amounts approximate their fair values.

### (a) *Financial assets and liabilities measured at fair value*

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

- Level I: Fair value measured using only Level I inputs (i.e. unadjusted quoted prices in active markets for identical assets or liabilities) at the measurement date.
- Level II: Fair value measured using Level II inputs (i.e. observable inputs which are unqualified as Level I inputs), and no significant unobservable inputs. Unobservable inputs are the inputs for which market data are not available.
- Level III: Fair value measured using significant unobservable inputs.

If there is a reliable market quote for a financial instrument, the fair value of the financial instrument is measured based on quoted market price. If a reliable quoted market price is not available, the fair value of the financial instrument is estimated using valuation techniques. For the fair value of financial instruments categorised within Level II, the valuation techniques applied include discounted cash flow analysis and option pricing models. The significant observable inputs to the valuation techniques used for Level II include future cash flows estimated based on contractual terms, risk-free and benchmark interest rates, credit spreads and foreign exchange rates. For the fair value of financial instruments categorised within Level III, the valuation techniques and significant unobservable inputs are disclosed in Note 47(a)(ii).



# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 47. FAIR VALUE INFORMATION (continued)

### (a) Financial assets and liabilities measured at fair value (continued)

The following table presents the analysis of financial instruments measured at fair value at the end of the reporting periods on the basis of the fair value hierarchy:

|  | As at 30 June 2022     |                         |                       |                         |
|--|------------------------|-------------------------|-----------------------|-------------------------|
|  | Level I                | Level II                | Level III             | Total                   |
| <b>Assets</b>  |                        |                         |                       |                         |
| Financial assets at fair value through profit or loss                    |                        |                         |                       |                         |
| – Equity securities  | 98,280,526,926         | 368,575,723             | 12,872,405,975        | 111,521,508,624         |
| – Debt securities  | 3,116,527,644          | 94,985,640,684          | 303,571,309           | 98,405,739,637          |
| – Funds and other investments  | 13,820,185,906         | 72,431,896,279          | 507,131,779           | 86,759,213,964          |
| Derivative financial assets  | 304,820,143            | 18,729,640,425          | –                     | 19,034,460,568          |
| Financial assets at fair value through other comprehensive income        |                        |                         |                       |                         |
| – Debt securities  | –                      | 47,955,748,059          | –                     | 47,955,748,059          |
| <b>Total</b>   | <b>115,522,060,619</b> | <b>234,471,501,170</b>  | <b>13,683,109,063</b> | <b>363,676,670,852</b>  |
| <b>Liabilities</b>   |                        |                         |                       |                         |
| Financial liabilities at fair value through profit or loss               |                        |                         |                       |                         |
| Financial liabilities held for trading                                   |                        |                         |                       |                         |
| – Equity securities  | (3,526,119,667)        | (17,970,142)            | –                     | (3,544,089,809)         |
| – Debt securities  | –                      | (2,111,692,347)         | –                     | (2,111,692,347)         |
| – Funds and others   | (108,427,686)          | –                       | –                     | (108,427,686)           |
| Financial liabilities designated as at fair value through profit or loss |                        |                         |                       |                         |
| – Equity securities  | –                      | (34,480,523,978)        | –                     | (34,480,523,978)        |
| – Debt securities  | –                      | (2,298,832,231)         | –                     | (2,298,832,231)         |
| Derivative financial liabilities   | (394,811,945)          | (12,562,975,566)        | –                     | (12,957,787,511)        |
| <b>Total</b>   | <b>(4,029,359,298)</b> | <b>(51,471,994,264)</b> | <b>–</b>              | <b>(55,501,353,562)</b> |

# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 47. FAIR VALUE INFORMATION (continued)

### (a) Financial assets and liabilities measured at fair value (continued)

|  | As at 31 December 2021 |                  |                |                  |
|--|------------------------|------------------|----------------|------------------|
|  | Level I                | Level II         | Level III      | Total            |
| Assets   |                        |                  |                |                  |
| Financial assets at fair value through profit or loss                    |                        |                  |                |                  |
| – Equity securities  | 112,422,691,042        | 672,818,230      | 14,653,820,321 | 127,749,329,593  |
| – Debt securities  | 1,150,817,250          | 80,606,354,975   | 332,926,025    | 82,090,098,250   |
| – Funds and other investments  | 13,326,241,884         | 76,623,979,003   | 1,384,566,374  | 91,334,787,261   |
| Derivative financial assets  | 268,377,960            | 14,295,850,703   | –              | 14,564,228,663   |
| Financial assets at fair value through other comprehensive income        |                        |                  |                |                  |
| – Debt securities  | –                      | 43,009,969,681   | –              | 43,009,969,681   |
| Total  | 127,168,128,136        | 215,208,972,592  | 16,371,312,720 | 358,748,413,448  |
| Liabilities  |                        |                  |                |                  |
| Financial liabilities at fair value through profit or loss               |                        |                  |                |                  |
| Financial liabilities held for trading                                   |                        |                  |                |                  |
| – Equity securities  | (2,755,627,220)        | (249,181)        | –              | (2,755,876,401)  |
| – Debt securities  | –                      | (823,345,819)    | –              | (823,345,819)    |
| – Funds and others   | (658,725,019)          | –                | –              | (658,725,019)    |
| Financial liabilities designated as at fair value through profit or loss |                        |                  |                |                  |
| – Equity securities  | –                      | (34,162,624,317) | –              | (34,162,624,317) |
| – Debt securities  | –                      | (526,215,128)    | –              | (526,215,128)    |
| Derivative financial liabilities   | (224,649,958)          | (17,909,357,550) | –              | (18,134,007,508) |
| Total  | (3,639,002,197)        | (53,421,791,995) | –              | (57,060,794,192) |

# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 47. FAIR VALUE INFORMATION *(continued)*

### (a) *Financial assets and liabilities measured at fair value (continued)*

#### (i) **Transfer between levels**

As of 30 June 2022, the Group's investments in suspended stocks of RMB59 million (31 December 2021: RMB1 million) were transferred from Level I to Level II, as the quoted prices of these stocks were no longer regularly available.

As of 30 June 2022, the Group's investments in equity securities of RMB0.09 million (31 December 2021: RMB107 million) were transferred from Level I or II to Level III, as the fair values of these investments were determined with the use of valuation techniques instead of quoted prices, due to events such as delisting, etc.

As of 30 June 2022, the Group had no investments in debt securities transferred from Level II to Level III, as the fair values of these investments were determined with the use of valuation techniques instead of quoted prices, due to events such as potential credit risk in existence, etc. (31 December 2021: RMB30 million).

As of 30 June 2022, the Group had no investments in fund and other securities transferred from Level II to Level III, as the fair values of these investments were determined with the use of valuation techniques instead of quoted prices, due to events such as potential credit risk in existence, etc. (31 December 2021: RMB181 million).

As of 30 June 2022, the Group's investments at fair value through profit or loss ("FVTPL") of RMB499 million (31 December 2021: RMB647 million) were transferred from Level III to Level I or II, as the fair values of these investments were determined with the use of quoted prices instead of valuation techniques, due to events such as expiration of lock-up period in equity and fund, etc.

Apart from the transfers above, for the six months ended 30 June 2022 and the year ended 31 December 2021, there was no other significant transfer among Level I, Level II and Level III for the Group's financial assets and liabilities measured at fair value. In accordance with its accounting policies, the Group recognises transfers among the levels as at the end of the reporting period in which such transfers occur.

There is no significant change for the Group's applied fair value valuation techniques for the six months ended 30 June 2022 and the year ended 31 December 2021.

# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 47. FAIR VALUE INFORMATION (continued)

### (a) Financial assets and liabilities measured at fair value (continued)

#### (ii) Information about Level III fair value measurements

The following table presents reconciliation from the beginning balances to the ending balances of financial assets measured at Level III:

|  | Financial assets at<br>fair value through<br>profit or loss |
|--|---|
| As at 1 January 2022   | 16,371,312,720  |
| Losses for the period  | (390,563,185)   |
| Purchases  | 3,134,673,754   |
| Disposals and settlement   | (4,933,173,408)   |
| Transfer into Level III  | 88,672  |
| Transfer out of Level III  | (499,229,490)   |
| As at 30 June 2022   | 13,683,109,063  |
| Net losses for the period included in profit or loss for<br>assets held at the end of the reporting period | (209,728,885)   |
|  | Financial assets at<br>fair value through<br>profit or loss |
| As at 1 January 2021   | 18,333,501,301  |
| Gains for the year   | 1,487,733,359   |
| Purchases  | 8,064,703,195   |
| Disposals and settlement   | (11,185,602,711)  |
| Transfer into Level III  | 318,388,093   |
| Transfer out of Level III  | (647,410,517)   |
| As at 31 December 2021   | 16,371,312,720  |
| Net gains for the year included in profit or loss for<br>assets held at the end of the reporting year      | 1,799,435,471   |



# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 47. FAIR VALUE INFORMATION (continued)

### (a) Financial assets and liabilities measured at fair value (continued)

#### (ii) Information about Level III fair value measurements (continued)

For financial instruments measured at Level III, fair values are determined based on the reports on capital account for these instruments obtained by management or determined by using valuation techniques such as discounted cash flow model, market comparable company analysis and recent financing price method. Key determinant to categorise fair value as Level III is the significance of the unobservable inputs to the overall fair value measurement. The following table presents the valuation techniques and inputs used in the valuation of the major financial instruments measured at Level III. As of 30 June 2022 and 31 December 2021, the fair value of the financial instruments measured at Level III is not significantly sensitive to a reasonable change in these unobservable inputs.

| Financial instruments | Fair value hierarchy | Valuation technique(s) and key input(s) | Significant unobservable input(s)                   | Relationship of unobservable input(s) to fair value |
|-----------------------|----------------------|---|---|---|
| Debt securities       | Level III            | Discounted cash flow models             | Estimated future cash flows, discount rate (Note 1) | The higher the discount, the lower the fair value   |
| Equity securities     | Level III            | Option pricing models                   | Historical volatility (Note 2)                      | The higher the volatility, the lower the fair value |
| Equity securities     | Level III            | Market comparable companies             | Discount for lack of marketability (Note 3)         | The higher the discount, the lower the fair value   |

Note 1: Discount rate, ranging from 2.95% to 5.41% (31 December 2021: 2.48% to 5.42%).

Note 2: Historical volatility, ranging from 5.71% to 125.67% (31 December 2021: 17.85% to 88.40%).

Note 3: Discount for lack of marketability, ranging from 20.00% to 60.00% (31 December 2021: 20.00% to 60.00%).

### (b) Fair value of financial assets and liabilities carried at other than fair value

The fair values of long-term debt securities issued have been determined in accordance with generally accepted pricing models based on discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of the Group. The fair values of long-term debt securities issued are classified as Level II and disclosed in Note 41.

Except for the above, the directors of the Company consider that the carrying amounts of financial assets and financial liabilities carried at amortised cost in the Group's condensed consolidated statement of financial position approximate their fair values.

# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 48. FINANCIAL RISK MANAGEMENT

The Group's risk management aims to effectively allocate risk-based capital, limit risks to a controllable level, maximise the corporate value and constantly solidify the foundation for a steady and sustainable development of the Group. The Group monitors and controls different types of risk exposures, such as credit risk, liquidity risk and market risk which incurred from Group's holdings on various financial instruments.

### (a) Credit risk

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

The exposure to credit risk of the Group arises mainly from: (1) credit risk from default or bankruptcy of debtors, including the loss due to default of intermediary institutions (such as brokers or custodian banks), in which case the risk exposure is the total value of outstanding debts; (2) counterparty risk in terms of failure to fulfill obligations under contracts or deterioration in creditworthiness of counterparties in the over-the-counter ("OTC") derivative transactions (such as forward, swap or option transactions), in which case the risk exposure depends on current exposure and potential future exposure of the derivatives; (3) credit risk caused by the deterioration in creditworthiness or default losses of securities issuers.

At the end of the reporting period, the Group's maximum credit risk exposure is the net carrying amount of financial assets without taking account of any collateral or other credit enhancements.

### Measurement of ECL

The Group recognises an impairment loss allowance for financial assets measured at amortised cost (including receivable from margin clients, reverse REPOs, etc.) and debt securities measured at FVTOCI via ECL model. The measurement of the ECL is based on the Probability of Default ("PD"), Loss Given Default ("LGD") and Exposure at Default ("EAD").

A default is that a client, a financier or issuer of investment products fails to fulfil the contract. PD is an estimate of the likelihood of default over a given time horizon. The Group estimates the PD based on its internal rating model, integrating factors such as external rating information, macroeconomic environment and changes in quantitative and qualitative indicators of the counterparties or bonds issuers. LGD is an estimate of the loss bore by the Group on the exposure at default. In the determination of LGD, the Group estimates the recoverable cash flow from disposing underlying assets and collaterals by taking their liquidity and relevant historical market data into full consideration, and estimates LGD based on the difference between the recoverable and the contracted cash flows. EAD is the amount that shall be repaid to the Group when a default occurs. When measuring the ECL, the Group classifies the assets into different risk stages based on whether the credit risk of each asset has increased significantly since the initial recognition. Accordingly, the Group measures the loss allowance on either a 12-month or the lifetime basis for the investments at different risk stages.

# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 48. FINANCIAL RISK MANAGEMENT *(continued)*

### (a) **Credit risk** *(continued)*

#### **Provision method of ECL**

The Group recognises impairment allowance based on ECL for businesses such as debt securities investment and margin financing. For the financial instruments for which the ECL measurement is used, the Group classifies these financial instruments into different risk stages based on whether the credit risk of each instrument has increased significantly since the initial recognition. The financial instruments with low credit risk on the balance sheet date or of which the credit risk has not increased significantly since the initial recognition will be classified into “Stage 1”; the financial instruments of which the credit risk has increased significantly since the initial recognition will be classified into “Stage 2”; and the financial instruments that have been credit-impaired will be transferred into “Stage 3”. The Group measures ECL based on the parameters such as PD, LGD, EAD and forward looking information, and regularly tests and updates ECL models and assumptions.

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

The Group considers a financial instrument experiencing SICR when one or more of the following quantitative and qualitative criteria have been met: (1) for debt securities investment business: the latest external or internal ratings of the bond issuer or the debt securities per se decline substantially compared with their ratings on the initial recognition, or there are adverse changes in business, financial or external conditions of the bond issuer and these adverse changes are expected to cause a significant decrease in the bond issuer’s ability to meet its obligations; (2) for margin financing business: the performance guarantee ratio is lower than or equal to the predetermined liquidation line but above 100%, or when contractual payments are less than or equal to 30 days past due.

#### **The criteria of credit-impaired assets**

The Group considers that a financial instrument has been credit-impaired when (1) for debt securities investment business: the circumstances in which a bond issuer can be regarded as in default include failure to perform the payment obligations as agreed, having other bond defaults or having significant financial difficulties; (2) for margin financing business: the performance guarantee ratio is lower than or equal to 100%, or when contractual payments are more than 30 days past due.

#### **Forward-looking information**

The Group measures ECL using forward looking information without undue costs or efforts. In order to adjust the default rates to incorporate forward-looking information, the Group, using forecasted year-on-year growth rates on GDP (cumulatively accounted) and broad measure of money supply (M2) as the basis, establishes relationship between the two macroeconomic indicators and default rates with the use of statistical models and sets different scenario weightings. The Group determined the forecasted values of the two macroeconomic indicators to be 4.13% and 10.16% as at 30 June 2022 based on publicly available forecasts of third parties. The tuning parameter was determined with the use of weighted average of the values under optimistic, neutral and pessimistic hypothetical scenarios in combination with qualitative analysis method.

# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 48. FINANCIAL RISK MANAGEMENT (continued)

### (a) Credit risk (continued)

#### Debt securities (including debt securities measured at FVTPL and at FVTOCI)

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

The carrying amount of the Group's debt securities is presented as follows:

|   | As at<br>30 June<br>2022 | As at<br>31 December<br>2021 |
|---|--------------------------|------------------------------|
| Financial assets at fair value through profit or loss             | 98,405,739,637           | 82,090,098,250               |
| Financial assets at fair value through other comprehensive income | 47,955,748,059           | 43,009,969,681               |
| <b>Total</b>  | <b>146,361,487,696</b>   | <b>125,100,067,931</b>       |

(i) The exposure to credit risk for debt securities at FVTPL and FVTOCI by the location of issuer is presented as follows:

|                        | As at<br>30 June<br>2022 | As at<br>31 December<br>2021 |
|------------------------|--------------------------|------------------------------|
| Mainland China         | 144,664,265,705          | 124,997,230,937              |
| Outside mainland China | 1,697,221,991            | 102,836,994                  |
| <b>Total</b>           | <b>146,361,487,696</b>   | <b>125,100,067,931</b>       |



# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 48. FINANCIAL RISK MANAGEMENT (continued)

### (a) Credit risk (continued)

#### Debt securities (including debt securities measured at FVTPL and at FVTOCI) (continued)

(ii) The following table presents an analysis of credit quality of the debt securities at FVTPL and FVTOCI.

| As at 30 June 2022   |                |                |                        |                    |                | As at 31 December 2021 |                |                        |                |       |
|--|----------------|----------------|------------------------|--------------------|----------------|------------------------|----------------|------------------------|----------------|-------|
| Credit rating  | FVTPL          | FVTOCI         |                        |                    | Total          | FVTPL                  | FVTOCI         |                        |                | Total |
|  |                | 12-month       | Lifetime ECL-          | Lifetime ECL-      |                |                        | 12-month       | Lifetime ECL-          |                |       |
|  |                | ECL            | not credit<br>impaired | credit<br>impaired |                |                        | ECL            | not credit<br>impaired |                |       |
| Outside mainland China<br>(by international rating agencies) |                |                |                        |                    |                |                        |                |                        |                |       |
| - AAA  | 197,439,239    | -              | -                      | -                  | -              | 12,640                 | -              | -                      | -              | -     |
| - From AA- to AA+  | 287,208,109    | -              | -                      | -                  | -              | 19,036,790             | -              | -                      | -              | -     |
| - From A- to A+  | 2,355,604,916  | 4,020,999,424  | -                      | -                  | 4,020,999,424  | 1,000,030,827          | 3,365,289,987  | -                      | 3,365,289,987  | -     |
| - BBB- to BBB+   | 1,309,764,655  | 2,084,057,047  | -                      | -                  | 2,084,057,047  | 928,226,673            | 1,930,855,974  | -                      | 1,930,855,974  | -     |
| - Below BBB-   | 361,562,404    | 31,130,475     | 72,311,577             | 15,092,130         | 118,534,182    | 756,779,413            | 210,557,746    | 11,200,033             | 221,757,779    | -     |
| - NR   | 3,524,654,449  | 52,615,752     | -                      | -                  | 52,615,752     | 7,083,813,495          | 99,266,975     | -                      | 99,266,975     | -     |
| Subtotal   |                |                |                        |                    |                |                        |                |                        |                |       |
|  | 8,036,233,792  | 6,188,802,698  | 72,311,577             | 15,092,130         | 6,276,206,405  | 9,787,899,838          | 5,605,970,682  | 11,200,033             | 5,617,170,715  |       |
| Mainland China<br>(by domestic rating agencies)              |                |                |                        |                    |                |                        |                |                        |                |       |
| - AAA  | 58,790,955,680 | 19,155,394,975 | -                      | -                  | 19,155,394,975 | 41,383,207,132         | 26,236,935,997 | -                      | 26,236,935,997 | -     |
| - From AA- to AA+  | 6,490,956,685  | 2,676,468,119  | -                      | -                  | 2,676,468,119  | 5,164,263,554          | 1,449,602,872  | -                      | 1,449,602,872  | -     |
| - From A- to A+  | 1,144,283,709  | -              | -                      | -                  | -              | 1,125,912,041          | -              | -                      | -              | -     |
| - Below A-   | 761,169,865    | -              | -                      | -                  | -              | 942,942,839            | -              | -                      | -              | -     |
| Subtotal   |                |                |                        |                    |                |                        |                |                        |                |       |
|  | 67,187,365,939 | 21,831,863,094 | -                      | -                  | 21,831,863,094 | 48,616,325,566         | 27,686,538,869 | -                      | 27,686,538,869 | -     |
| Non-rated I (Note 1)   |                |                |                        |                    |                |                        |                |                        |                |       |
|  | 10,659,607,709 | 19,847,678,560 | -                      | -                  | 19,847,678,560 | 8,454,699,987          | 9,685,899,037  | -                      | 9,685,899,037  | -     |
| Non-rated II (Note 2)  |                |                |                        |                    |                |                        |                |                        |                |       |
|  | 12,522,532,197 | -              | -                      | -                  | -              | 15,231,172,859         | 20,361,060     | -                      | 20,361,060     | -     |
| Total  |                |                |                        |                    |                |                        |                |                        |                |       |
|  | 98,405,739,637 | 47,868,344,352 | 72,311,577             | 15,092,130         | 47,955,748,059 | 82,090,098,250         | 42,998,769,648 | 11,200,033             | 43,009,969,681 | -     |
| Impairment loss allowance                                    |                |                |                        |                    |                |                        |                |                        |                |       |
|  |                | (24,266,071)   | (2,533,024)            | (62,579,464)       | (89,378,559)   |                        | (18,216,690)   | (558,347)              | (18,775,037)   | -     |

Note 1: These non-rated financial assets mainly include government bonds and policy financial bonds.

Note 2: These non-rated financial assets are mainly other debt securities and trading securities with no ratings provided by independent rating agencies.

# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 48. FINANCIAL RISK MANAGEMENT *(continued)*

### (a) **Credit risk** *(continued)*

#### **Other non-derivative financial investments (other than debt securities)**

The Group has adopted the following measures to manage credit risk in capital businesses including margin financing and securities lending business and stock-based lending business: vetting counterparties, determining credit ratings and setting lending limits; managing collaterals (via haircut rates, liquidity and concentration) and closely monitoring margin ratios and/or collateral ratios; establishing and implementing margin call and mandatory liquidation policy.

The exposure to credit risk for financial assets other than debt securities at the reporting date by geographic region was as follows:

|                        | As at<br>30 June<br>2022 | As at<br>31 December<br>2021 |
|------------------------|--------------------------|------------------------------|
| Mainland China         | 229,200,996,447          | 205,458,656,185              |
| Outside mainland China | 77,017,870,355           | 76,293,494,356               |
| Total                  | 306,218,866,802          | 281,752,150,541              |

#### **Derivatives**

Regarding the counterparty credit risk of the OTC derivatives business, the Group has established a counterparty credit rating system. Through a combination of qualitative and quantitative methods, it comprehensively evaluates counterparty qualifications and determines credit ratings accordingly. On the basis of credit ratings, the Group sets a corresponding limit of credit risk exposure for each counterparty, and manages counterparty credit risk by signing OTC derivatives trading master agreements and performance guarantee agreements, and by requiring performance guarantees. The Group calculates the minimum amount required as collateral and credit risk exposure for an OTC derivative counterparty by establishing dynamic scenarios combined with stress test, and measures and monitors the minimum collateral value and credit risk exposure through the system on a daily basis. In view of this, the Group maintains the credit risk exposure of derivatives transactions within an acceptable range.

### (b) **Liquidity risk**

Liquidity risk refers to the risks arising from the Group's inability to obtain sufficient funds at reasonable costs in a timely manner to meet its debt obligations, fulfill other payment obligations, and satisfy the funding needs in conducting ordinary business operations.

The Group implements vertical and centralised management on liquidity risks of all domestic and overseas branches and subsidiaries. The Group has adopted the following measures to manage liquidity risk: closely monitoring balance sheets of the Group and of its branches and subsidiaries, and managing liquidity gaps between assets and liabilities; setting liquidity risk limits based on the Group's overall situation and regulatory requirement; conducting cash flow forecast and liquidity risk stress test on a regular and irregular basis to analyse and assess the Group's liquidity risk level; maintaining adequate high-quality liquid assets and establishing contingency plan for potential liquidity crisis situation.

# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 48. FINANCIAL RISK MANAGEMENT (continued)

### (b) Liquidity risk (continued)

At the end of the reporting period, the contractual undiscounted cash flows (including the principal and interests) of the Group's non-derivative financial liabilities are analysed according to the maturity dates. The derivative financial liabilities stated at the fair values and presented at the expected maturity dates or possible termination dates are as follows:

|   | As at 30 June 2022                 |                              |                            |                      |                 |
|---|------------------------------------|------------------------------|----------------------------|----------------------|-----------------|
|   | Overdue/<br>repayable<br>on demand | Within 1 year<br>(inclusive) | 1 – 5 years<br>(inclusive) | More than<br>5 years | Total           |
| Financial liabilities   |                                    |                              |                            |                      |                 |
| Financial liabilities at fair value through<br>profit or loss | –                                  | 35,637,368,629               | 6,907,868,825              | –                    | 42,545,237,454  |
| Derivative financial liabilities                              | –                                  | 11,690,947,666               | 1,259,031,332              | 7,808,513            | 12,957,787,511  |
| Accounts payable to brokerage clients                         | 105,975,162,663                    | –                            | –                          | –                    | 105,975,162,663 |
| Placements from financial institutions                        | –                                  | 45,109,772,900               | –                          | –                    | 45,109,772,900  |
| Short-term debt securities issued                             | –                                  | 16,236,778,446               | 2,284,518,449              | –                    | 18,521,296,895  |
| REPOs   | –                                  | 56,291,844,390               | –                          | –                    | 56,291,844,390  |
| Long-term debt securities issued                              | –                                  | 19,253,506,588               | 140,893,977,647            | 8,020,700,000        | 168,168,184,235 |
| Lease liabilities   | –                                  | 865,113,948                  | 1,263,343,920              | 83,228,891           | 2,211,686,759   |
| Others  | 113,314,149,096                    | 30,064,408,061               | 14,337,913                 | 8,751                | 143,392,903,821 |
| Total   | 219,289,311,759                    | 215,149,740,628              | 152,623,078,086            | 8,111,746,155        | 595,173,876,628 |

# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 48. FINANCIAL RISK MANAGEMENT (continued)

### (b) Liquidity risk (continued)

|   | As at 31 December 2021             |                              |                            |                      |                 |
|---|------------------------------------|------------------------------|----------------------------|----------------------|-----------------|
|   | Overdue/<br>repayable<br>on demand | Within 1 year<br>(inclusive) | 1 – 5 years<br>(inclusive) | More than<br>5 years | Total           |
| Financial liabilities   |                                    |                              |                            |                      |                 |
| Financial liabilities at fair value through<br>profit or loss | –                                  | 38,925,007,061               | 2,252,774                  | –                    | 38,927,259,835  |
| Derivative financial liabilities                              | –                                  | 16,982,247,611               | 1,143,550,424              | 8,209,473            | 18,134,007,508  |
| Accounts payable to brokerage clients                         | 93,445,165,307                     | –                            | –                          | –                    | 93,445,165,307  |
| Placements from financial institutions                        | –                                  | 51,678,428,196               | –                          | –                    | 51,678,428,196  |
| Short-term debt securities issued                             | –                                  | 21,653,617,895               | 1,507,907,732              | –                    | 23,161,525,627  |
| REPOs   | –                                  | 16,379,116,195               | –                          | –                    | 16,379,116,195  |
| Long-term debt securities issued                              | –                                  | 28,091,584,553               | 139,400,410,022            | 9,957,110,000        | 177,449,104,575 |
| Lease liabilities   | –                                  | 768,435,057                  | 1,235,827,786              | 76,094,482           | 2,080,357,325   |
| Others  | 90,791,707,443                     | 56,806,142,292               | 14,780,088                 | –                    | 147,612,629,823 |
| Total   | 184,236,872,750                    | 231,284,578,860              | 143,304,728,826            | 10,041,413,955       | 568,867,594,391 |

### (c) Market risk

Market risk is the risk of loss of the Group's income and value of financial instruments arising from unfavourable market conditions such as adverse changes in interest rates, stock prices and exchange rates. The objectives of market risk management are to monitor the market risk and control it within the acceptable range and to maximise the risk-adjusted return. The Group conducts stress test on a regular basis and calculates risk control indicators and operating indicators under different scenarios. The Group monitors the market risk for investment portfolios and non-trading portfolios separately.

#### (i) Market risk of investment portfolios

Investment portfolio includes financial assets at FVTPL and at FVTOCI, derivative financial assets, financial liabilities at FVTPL, derivative financial liabilities. The risk exposures are measured and monitored against limits on principal, stop loss limit, etc., and are maintained within the established limits. The Group adopts various kinds of methods (such as Value-at-Risk ("VaR") analysis, sensitivity limit analysis, investment concentration limit analysis, scenario analysis and stress test) to manage market risk. The VaR analysis is a major tool used by the Group to measure and monitor market risk of the investment portfolios.

VaR is a technique with the use of which the Group estimates the potential losses that could incur on its risk position under the unfavourable market condition over a specified time horizon and at a given level of confidence. The independent risk management personnel of the Group computes VaR using historical simulation method and implements relevant controls over the market risk accordingly. The historical simulation method is used to estimate future profit or loss based on observed historical market risk factors movements and sensitivity of the current investment portfolio to those risk factors.

# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 48. FINANCIAL RISK MANAGEMENT (continued)

### (c) Market risk (continued)

#### (i) Market risk of investment portfolios (continued)

Based on three-year historically observed market risk factors movements, the Group has adopted the historical simulation method at the 95% confidence level to compute its daily VaR. The 95% daily VaR indicates that the expected one-day loss of the Group's portfolio will not exceed this VaR at 95% chance, if the portfolio were held constant for one day. Although VaR is an important tool for measuring market risk, the assumptions on which the model is based do have some limitations, including the following:

- When there is severe market illiquidity for a prolonged period, the realisable value of the Group's investment portfolio in a trade day may vary from the estimate due to the one-day time horizon of VaR;
- The 95% confidence level does not reflect losses that may occur beyond this level. Under the model currently in use, the unrealised loss in portfolio value would have been exceeded with a frequency of 5%;
- VaR is calculated on an end-of-day basis and does not take into account intraday trading; and
- Historical changes in market risk factors may not be accurate predictors of future market conditions, especially in terms of fully incorporating the risk of extreme market events.

The following tables set forth the Group computed VaRs by risk categories as of the dates and for the periods:

|                        | As at 30     | Six months ended 30 June 2022 |             |             |
|------------------------|--------------|-------------------------------|-------------|-------------|
|                        | June 2022    | Average                       | Highest     | Lowest      |
| Equity prices          | 152,927,988  | 141,832,133                   | 187,269,394 | 110,919,146 |
| Interest rates         | 68,394,077   | 68,305,425                    | 82,950,114  | 50,930,928  |
| Currency rates         | 35,767,487   | 33,548,446                    | 39,118,838  | 21,479,605  |
| Commodity prices       | 746,075      | 1,358,863                     | 2,673,152   | 641,587     |
| Diversification effect | (88,222,893) | (89,244,751)                  |             |             |
| Total portfolio        | 169,612,734  | 155,800,116                   | 186,055,582 | 135,246,983 |

|                        | As at 31      | Year ended 31 December 2021 |             |             |
|------------------------|---------------|-----------------------------|-------------|-------------|
|                        | December 2021 | Average                     | Highest     | Lowest      |
| Equity prices          | 185,696,707   | 180,086,116                 | 215,684,592 | 132,532,882 |
| Interest rates         | 51,739,456    | 54,591,702                  | 79,273,858  | 35,761,912  |
| Currency rates         | 39,091,828    | 33,845,476                  | 44,258,664  | 18,989,510  |
| Commodity prices       | 953,532       | 559,318                     | 1,548,226   | 116,233     |
| Diversification effect | (97,190,940)  | (83,694,087)                |             |             |
| Total portfolio        | 180,290,583   | 185,388,525                 | 220,752,094 | 151,260,280 |



# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 48. FINANCIAL RISK MANAGEMENT (continued)

### (c) Market risk (continued)

#### (ii) Market risk of non-trading portfolios

##### (1) Interest rate risk

The non-trading portfolios of the Group are subject to the risk of interest rate fluctuations. Except for the financial assets and liabilities managed through VaR, the Group's major interest-earning assets in its non-trading portfolios include deposits with banks and with clearinghouses, receivable from margin clients and reverse REPOs; and its interest-bearing liabilities mainly include short-term debt securities issued, placements from financial institutions, REPOs and long-term debt securities issued.

The Group adopts sensitivity analysis to measure the interest rate risk of non-trading portfolios. Assuming all other variables remain constant, interest rate sensitivity analysis is as follows:

|                                     | Sensitivity of net profit |               |
|-------------------------------------|---------------------------|---------------|
|                                     | Six months ended 30 June  |               |
|                                     | 2022                      | 2021          |
| Changes in basis points (bps)       |                           |               |
| Increase by 50 bps                  | (368,387,903)             | (322,305,191) |
| Decrease by 50 bps or decrease to 0 | 378,325,489               | 369,903,976   |
|                                     |                           |               |
|                                     | Sensitivity of equity     |               |
|                                     | As at                     | As at         |
|                                     | 30 June                   | 31 December   |
|                                     | 2022                      | 2021          |
| Changes in bps                      |                           |               |
| Increase by 50 bps                  | (368,387,903)             | (294,941,100) |
| Decrease by 50 bps or decrease to 0 | 378,325,489               | 371,242,196   |

# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 48. FINANCIAL RISK MANAGEMENT (continued)

### (c) Market risk (continued)

#### (ii) Market risk of non-trading portfolios (continued)

##### (1) Interest rate risk (continued)

The sensitivity analysis is based on the static rate risk profile of the Group's assets and liabilities. The sensitivity analysis measures the impact of changes of interest rates in terms of how annualised net profit or loss and equity would have been affected by repricing of the Group's assets and liabilities over the next 12 months. The sensitivity analysis is based on the following assumptions that:

- The 50-bp changes of interest rates at the end of the reporting periods apply to all of the Group's non-trading financial instruments in the next 12 months;
- The shift in the yield curve is parallel with the changes of interest rate;
- There are no changes in the assets and liabilities portfolios;
- Other variables (including exchange rates) remain unchanged; and
- Risk management measures undertaken by the Group are not considered.

As the actual situation in relation with interest rate changes can differ from the above assumptions, the impact of the interest rate changes on the Group's net profit and equity may vary from the estimated results of the sensitivity analysis.

##### (2) Currency risk

Currency risk is the risk arising from fluctuations of foreign exchange rates. The table below presents the exchange rate sensitivity analysis of the Group's major currency risk exposures, which calculates the impact of reasonably possible changes in the foreign exchange rate on equity where all other variables are held constant. This analysis does not take into account any foreign exchange correlations or changes in fair values of financial instruments denominated in foreign currencies, nor does it take into account any measures (for instance use of currency derivatives) that the Group may take to address the adverse impact of foreign exchange exposure on equity.

| Currency                 | Changes in<br>exchange rates | Sensitivity of equity |                           |
|--------------------------|------------------------------|-----------------------|---------------------------|
|                          |                              | As at<br>30 June 2022 | As at<br>31 December 2021 |
| USD                      | 1%                           | (231,953,679)         | (257,894,315)             |
| Hong Kong dollar ("HKD") | 1%                           | (7,666,057)           | 82,566,111                |
| Others                   | 1%                           | 2,846,055             | 14,302,180                |

While the table above indicates the impact on equity of 1% appreciation of USD, HKD and other foreign currencies, there will be an opposite effect with the same amount if the currencies depreciate by the same percentage.

# Notes to the Condensed Consolidated Financial Statements (Continued)

(Expressed in RMB, unless otherwise stated)

## 49. CONTINGENCIES

The Group is exposed to the risk of economic benefit outflows due to litigations, arbitrations or regulatory investigations in the course of operations. The Group, after having assessed in accordance with the IAS, believes that the probability for the occurrence of such risk is relatively low. The Group had no outstanding contingent matters which had a material impact on its consolidated financial position as at 30 June 2022.

## 50. SUBSEQUENT EVENTS

### (a) *Corporate bonds*

On 18 July 2022, the Group issued the second tranche of public corporate bonds, with type I named as 22 CICC WMS G3 and type II named as 22 CICC WMS G4. The total principal amount of 22 CICC WMS G3 is RMB2.0 billion with duration of 3 years and the interest rate is 2.83% per annum. The total principal amount of 22 CICC WMS G4 is RMB1.0 billion with duration of 5 years and the interest rate is 3.20% per annum. On 11 August 2022, the Group issued the first tranche of public short-term corporate bonds named as 22 CICC WMS S1. The total principal amount of 22 CICC WMS S1 is RMB2.0 billion with duration of 1 year and the interest rate is 2.04% per annum. On 29 August 2022, the Group issued the third tranche of public corporate bonds, with type I named as 22 CICC WMS G5 and type II named as 22 CICC WMS G6. The total principal amount of 22 CICC WMS G5 is RMB1.5 billion with duration of 3 years and the interest rate is 2.69% per annum. The total principal amount of 22 CICC WMS G6 is RMB1.5 billion with duration of 5 years and the interest rate is 3.06% per annum.

The Group redeemed 17 CISC F2 with an aggregate principal amount of RMB1.0 billion on 18 July 2022 and 21 CISC WMS S1 with an aggregate principal amount of RMB2.0 billion on 9 August 2022.

### (b) *Subordinated bonds*

The Group redeemed 17 CICC C2 with an aggregate principal amount of RMB1.5 billion on 25 July 2022.

### (c) *Financial bonds*

The Group redeemed 19 CICC Financial Bond 01 with an aggregate principal amount of RMB2.5 billion on 22 August 2022.

### (d) *Profit distribution*

The Company's Annual General Meeting approved the 2021 profit distribution plan of RMB 1,448,177,060 on 23 June 2022. The distribution of cash dividends was made in August 2022.

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## COMPANY'S MAIN BUSINESS QUALIFICATIONS

- (1) In 1995, obtained license for operating foreign exchange business, the State Administration of Foreign Exchange (replaced by license of securities business in foreign currency in 2015)
- (2) In 1996, qualification of member of the Shanghai Stock Exchange, the Shanghai Stock Exchange
- (3) In 1997, qualification of member of the Shenzhen Stock Exchange, the Shenzhen Stock Exchange
- (4) In 1999, qualification for underwriting business, proprietary trading and brokerage business for domestic and overseas government bonds, corporate bonds and enterprise bonds, the CSRC
- (5) In 1999, obtained approval to enter the national interbank market, the PBOC
- (6) In 2000, qualification of member of National Debt Association of China, the National Debt Association of China
- (7) In 2001, qualification for RMB ordinary equities brokerage business, the CSRC
- (8) In 2002, qualification for securities investment advisory business, the CSRC
- (9) In 2002, qualification for entrusted investment management business, the CSRC
- (10) In 2004, obtained approval to become one of the first batch of sponsor institutions, the CSRC
- (11) In 2004, qualification for internet securities entrustment business, the CSRC
- (12) In 2004, qualification of sales agent for open-ended securities investment funds, the CSRC
- (13) In 2004, securities firm engaging in innovative activities, the SAC
- (14) In 2004, qualification of NSSF investment manager, the National Council for Social Security Fund
- (15) In 2005, obtained approval to set up collective asset management plans for CICC's short-term bonds, the CSRC
- (16) In 2005, qualification for underwriting business of commercial papers, the PBOC
- (17) In 2005, qualification for bond forward transactions business in the national interbank bond market, the PBOC
- (18) In 2005, qualification of bilateral market maker for block transactions of bonds, the Shanghai Stock Exchange

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- (19) In 2005, qualification for warrant trading business, the Shanghai Stock Exchange
- (20) In 2005, qualification of corporate annuity fund manager, the Ministry of Human Resources and Social Security of the People's Republic of China
- (21) In 2005, qualification for foreign exchange asset management business, the SAC
- (22) In 2006, qualification of first-class dealer for SSE 180 Trading Open-ended Index Securities Investment Fund (i.e. ETF), the Shanghai Stock Exchange
- (23) In 2006, qualification of NSSF offshore investment manager, the National Council for Social Security Fund
- (24) In 2006, qualification of Participant of China Securities Depository and Clearing Corporation, the China Securities Depository and Clearing Co., Ltd
- (25) In 2007, obtained approval for the proposal of third party custodian for settlement funds of client transactions, the Beijing Office of the CSRC
- (26) In 2007, qualification of dealer on Integrated Electronic Platform of Fixed-income Securities of the Shanghai Stock Exchange, the Shanghai Stock Exchange
- (27) In 2007, engaged in offshore securities investment management business as a QDII, the CSRC
- (28) In 2007, qualification for the business of SSE Fund Connect (上證基金通), the Shanghai Stock Exchange
- (29) In 2007, obtained approval to commence direct investment business (through the promotion and establishment of a wholly-owned direct investment company), the CSRC
- (30) In 2007, qualification to engage in interbank market interest rate swap business, the CSRC
- (31) In 2008, qualification of Class A Clearing Participant of China Securities Depository and Clearing Corporation, the China Securities Depository and Clearing Co., Ltd
- (32) In 2008, qualification for lead underwriting business of short-term commercial paper, the PBOC
- (33) In 2008, obtained approval to set up collective asset management plan for gains from CICC's enhanced bonds, the CSRC
- (34) In 2009, qualification of member of the Tianjin Climate Exchange, the Tianjin Climate Exchange
- (35) In 2010, qualification to commence RMB ordinary equities proprietary trading, the CSRC
- (36) In 2010, qualification to provide introducing brokerage business to futures companies, the CSRC
- (37) In 2010, qualification of market maker in the national interbank bond market, the PBOC



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- (38) In 2010, qualification to commence offshore securities investment specific asset management business, the CSRC
- (39) In 2010, qualification of ordinary clearing member of the Interbank Market Clearing House Co., Ltd., the Interbank Market Clearing House Co., Ltd.
- (40) In 2010, qualification for margin financing and securities lending business, the CSRC
- (41) In 2011, qualification for business of Nominated Advisers & Brokers on the Third Board (Agency Share Transfer System), the SAC
- (42) In 2011, obtained approval to increase agency sale institutions for collective asset management plan for gains from CICC's enhanced bonds and collective asset management plans for CICC's selective funds, the Beijing Office of the CSRC
- (43) In 2011, qualification of member of book-entry government bond underwriting syndicates from 2012-2014, the Ministry of Finance, the PBOC and the CSRC
- (44) In 2011, obtained approval to launch and set up investment funds for strategic emerging industries, the National Development and Reform Commission of China
- (45) In 2012, qualification to commence placing business for SME bonds, the SAC
- (46) In 2012, qualification for bond pledged quotation and repo transaction, the CSRC
- (47) In 2012, qualification of insurance funds investment manager, the China Insurance Regulatory Commission
- (48) In 2012, authorization for trading in securities under repurchase agreements, the Shanghai Stock Exchange
- (49) In 2012, qualification to provide refinancing for margin financing and securities lending business, the China Securities Finance Corporation Limited (CSF)
- (50) In 2012, expanded the financing investment of bond pledged quotation and repo transaction, the Shanghai Stock Exchange
- (51) In 2012, qualification to establish a professional subsidiary for commencing real estate direct investment fund business, the CSRC
- (52) In 2013, qualification for over-the-counter trading business, the SAC
- (53) In 2013, authorization for stock pledged repo transaction, the Shanghai Stock Exchange and the Shenzhen Stock Exchange
- (54) In 2013, qualification for equities swap transaction business, the SAC
- (55) In 2013, qualification for agency business of financial products, the Beijing Office of the CSRC

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- (56) In 2013, qualification for sponsor, brokerage business on the National Equities Exchange and Quotations (NEEQ), NEEQ
- (57) In 2013, qualification for witnessing account opening business, the China Securities Depository and Clearing Corporation Limited (CSDC)
- (58) In 2013, qualification for split conversion and merger conversion business of funds, the CSDC
- (59) In 2013, qualification of advisory service for military industry and confidential business (renewed in 2017), the State Administration for Science, Technology and Industry for National Defense
- (60) In 2013, authorization for trading in securities under repurchase agreement, the Shenzhen Stock Exchange
- (61) In 2014, qualification for mutual funds business (through the promotion and establishment of a wholly-owned fund company), the CSRC
- (62) In 2014, business for special institutional customers of insurance institutions, the China Insurance Regulatory Commission
- (63) In 2014, qualification for internet account opening business, the CSDC
- (64) In 2014, qualification for market making business on the National Equities Exchange and Quotations (NEEQ), NEEQ
- (65) In 2014, qualification for Southbound Trading (Shanghai-Hong Kong Stock Connect), the Shanghai Stock Exchange
- (66) In 2014, qualification for over-the-counter issuance of beneficiary certificates business, the China Securities Internet System Co., Ltd.
- (67) In 2015, qualifications for stock options brokerage business and proprietary trading business, the Shanghai Stock Exchange and the Shenzhen Stock Exchange
- (68) In 2015, qualification of internet finance business, the CSRC
- (69) In 2015, qualification of integrated custodian business for private funds, the China Securities Investor Protection Fund Corporation Limited
- (70) In 2015, qualification of security agency business for long-distance pledge and registration, the CSDC
- (71) In 2015, qualifications for spot precious metals agency business and spot gold proprietary trading business and member of the Shanghai Gold Exchange, the CSRC and the Shanghai Gold Exchange
- (72) In 2015, qualification of custodian business for securities investment funds, the CSRC
- (73) In 2016, qualification of standard bond futures centralized settlement business with Shanghai Clearing House, the Interbank Market Clearing House Co., Ltd.
- (74) In 2016, qualification for Southbound Trading (Shenzhen-Hong Kong Stock Connect), the Shenzhen Stock Exchange

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- (75) In 2017, qualification for the northbound trading quotation bureau under bond connect granted by the National Interbank Funding Center, the China Foreign Exchange Trade System
- (76) In 2017, replaced the original permit to operate securities business with the permit to operate securities and futures business, the CSRC
- (77) In 2018, qualification for conducting pilot cross-border businesses, the CSRC
- (78) In 2018, qualification of first-class dealer for OTC options, the CSRC
- (79) In 2019, qualification of core dealer for Credit Protection Contract, the Shanghai Stock Exchange
- (80) In 2019, pilot qualification of financing business through exercising incentive share options of listed companies, the Shenzhen Stock Exchange
- (81) In 2019, qualification of private fund services (including qualifications for quota registration business service and valuation and accounting business service), the Asset Management Association
- (82) In 2019, qualification of core dealer for Credit Protection Contract, the Shenzhen Stock Exchange
- (83) In 2019, qualification for main market maker business of listed funds, the Shanghai Stock Exchange
- (84) In 2019, qualification of member of China Banking Association, the China Banking Association
- (85) In 2019, qualification for conducting margin financing business on the science and technology innovation board, the CSF
- (86) In 2019, qualification for conducting market making business of commodity options, the CSRC
- (87) In 2019, authorization for trading in stock options business, the Shenzhen Stock Exchange
- (88) In 2019, qualification of the Credit Protection Certificate Creation Agency granted by the Shanghai Stock Exchange, the Shanghai Stock Exchange
- (89) In 2020, commenced interest rate option business on a pilot basis, the China Foreign Exchange Trade System
- (90) In 2020, pilot qualification of fund investment advisory business, the CSRC
- (91) In 2020, qualification of market maker for hot rolled coils futures, the Shanghai Futures Exchange
- (92) In 2020, filing of foreign exchange business on behalf of customers (to conduct the settlement and sale of foreign exchange for customers (including themselves) engaged in cross-border investment and financing transactions in compliance with laws and regulations; RMB structured products (QUANTO); foreign exchange trading business on behalf of customers), the State Administration of Foreign Exchange



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- (93) In 2020, qualification to independently carry out the lead underwriting business for the debt financing instruments of non-financial enterprises, the National Association of Financial Market Institutional Investors
- (94) In 2020, qualification to conduct foreign exchange settlement and sales business, the State Administration of Foreign Exchange
- (95) In 2020, qualification of member of inter-bank foreign exchange market, the China Foreign Exchange Trade System
- (96) In 2020, qualification of the Credit Protection Certificate Creation Agency granted by the Shenzhen Stock Exchange, the Shenzhen Stock Exchange
- (97) In 2021, qualification for conducting market making business of commodity futures, the CSRC
- (98) In 2021, qualification for the stock options market making business, the CSRC
- (99) In 2021, qualification of member of the Beijing Stock Exchange, the Beijing Stock Exchange
- (100) In 2021, qualification for conducting southbound trading (“Southbound Trading”) business under the bond market connect between the Mainland and Hong Kong, the PBOC
- (101) In 2021, qualification for conducting market making business of government bond futures, the CSRC
- (102) In 2021, qualification for non-bank financial institutions to carry out the pilot business of the settlement and sale of foreign exchange on behalf of customers, the State Administration of Foreign Exchange
- (103) In 2022, qualification of general market maker for the Shenzhen Stock Exchange CSI 300 ETF options, the Shenzhen Stock Exchange
- (104) In 2022, qualification of general market maker for the Shanghai Stock Exchange SSE 50 ETF options and CSI 300 ETF options, the Shanghai Stock Exchange