
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

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

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

(Stock Code: 6030)

- (1) 2022 WORK REPORT OF THE BOARD;**
(2) 2022 WORK REPORT OF THE SUPERVISORY COMMITTEE;
(3) 2022 ANNUAL REPORT;
(4) 2022 PROFIT DISTRIBUTION PLAN;
(5) RESOLUTION ON THE CHANGE OF AUDITORS;
(6) RESOLUTION ON THE ESTIMATED INVESTMENT AMOUNT FOR THE PROPRIETARY BUSINESS OF THE COMPANY FOR 2023;
(7) 2023 FINANCING GUARANTEE PLAN OF THE COMPANY;
(8) RESOLUTION ON THE DISTRIBUTED TOTAL REMUNERATION OF THE DIRECTORS AND THE SUPERVISORS OF THE COMPANY FOR 2022;
(9) RESOLUTION ON ESTIMATION OF RELATED PARTY/CONTINUING CONNECTED TRANSACTIONS CONTEMPLATED IN THE ORDINARY COURSE OF BUSINESS OF THE COMPANY IN 2023;
AND
NOTICE OF THE ANNUAL GENERAL MEETING

The notice of the Annual General Meeting of the Company to be held at Beijing Room, 3/F, Kempinski Hotel, Beijing Yansha Center, No. 50 Liangmaqiao Road, Chaoyang District, Beijing, the PRC at 9:30 a.m. on Wednesday, 28 June 2023 is set out on pages 7 to 9 of this circular.

If you wish to attend the Annual General Meeting by proxy, you are requested to complete the proxy form in accordance with the instructions printed thereon and return it as soon as possible. H Shareholders are required to return the proxy form to the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited; while A Shareholders are required to return the proxy form to the Board's office, but in any event the proxy forms shall be returned in person or by mail not less than 24 hours before the time appointed for the Annual General Meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting at the Annual General Meeting or any adjournment thereof in person if you so wish.

7 June 2023

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DEFINITIONS

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

“A Share(s)”	the domestic share(s) in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which is/are listed on the Shanghai Stock Exchange (stock code: 600030);
“A Shareholder(s)”	holder(s) of A Shares;
“Annual General Meeting”	the 2022 Annual General Meeting of the Company to be held at Beijing Room, 3/F, Kempinski Hotel, Beijing Yansha Center, No. 50 Liangmaqiao Road, Chaoyang District, Beijing, the PRC at 9:30 a.m. on Wednesday, 28 June 2023;
“Articles of Association”	the Articles of Association of the Company;
“Board”	the board of directors of the Company;
“China AMC”	China Asset Management Company Limited;
“CITIC Corporation Limited”	CITIC Corporation Limited (中國中信有限公司) (formerly known as CITIC Limited (中國中信股份有限公司) and renamed in 2014, and currently being a wholly-owned subsidiary of CITIC Limited);
“CITIC Group”	CITIC Group Corporation (中國中信集團有限公司);
“CITIC Limited”	CITIC Limited (中國中信股份有限公司) (formerly known as CITIC Pacific Limited (中信泰富有限公司) and renamed in 2014, and currently holding 100% shares of CITIC Corporation Limited);
“CITIC Securities Finance MTN”	CITIC Securities Finance MTN Co., Ltd.;
“CITIC Securities International” or “CSI”	CITIC Securities International Company Limited (中信証券國際有限公司);
“CITIC Securities South China” or “Guangzhou Securities”	CITIC Securities South China Company Limited (中信証券華南股份有限公司), formerly known as “Guangzhou Securities Company Limited (廣州證券股份有限公司)”;
“Company”	CITIC Securities Company Limited (中信証券股份有限公司), a joint stock company incorporated in the PRC with limited liability, whose H Shares and A Shares are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange respectively;
“Company Law”	the Company Law of the People’s Republic of China (as amended from time to time);
“connected transaction(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules currently in effect and as amended from time to time;

DEFINITIONS

“CSRC”	China Securities Regulatory Commission;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“Guangzhou Yuexiu Capital”	Guangzhou Yuexiu Capital Holdings Co., Ltd. (廣州越秀資本控股集團有限公司) (formerly known as “Guangzhou Yuexiu Financial Holdings Co., Ltd.” (廣州越秀金融控股集團有限公司));
“H Share(s)”	the overseas listed foreign share(s) in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange (stock code: 6030);
“H Shareholder(s)”	holder(s) of H Shares;
“HK dollars”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time);
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Independent Non-executive Director(s)” or “Independent Director(s)”	the independent non-executive director(s) of the Company;
“Latest Practicable Date”	31 May 2023, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining the relevant information contained in this circular;
“PRC”	the People’s Republic of China which, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“related party transaction(s)”	has the meaning ascribed to it under the SSE Listing Rules currently in effect and as amended from time to time;
“Reporting Period”	for the year ended 31 December 2022;
“RMB”	Renminbi, the lawful currency of the PRC;
“Sailing Capital”	Sailing Capital Management Co., Ltd. (賽領資本管理有限公司);
“Securities Law”	the Securities Law of the People’s Republic of China (as amended from time to time);

DEFINITIONS

“Share(s)”	the ordinary share(s) of the Company with a nominal value of RMB1.00 each, including A Share(s) and H Share(s);
“Shareholder(s)”	the registered holder(s) of the Shares of the Company;
“SSE Listing Rules”	the Rules Governing the Listing of Stocks on Shanghai Stock Exchange (as amended from time to time);
“Supervisor(s)”	the supervisor(s) of the Company;
“Supervisory Committee”	the supervisory committee of the Company;
“Yuexiu Capital”	Guangzhou Yuexiu Capital Holdings Group Co., Ltd. (廣州越秀資本控股集團股份有限公司) (formerly known as “Guangzhou Yuexiu Financial Holdings Group Co., Ltd.” (廣州越秀金融控股集團股份有限公司))
“Yuexiu Financial International”	Yuexiu Financial International Holdings Limited (越秀金融國際控股有限公司);
“Yuexiu Industrial Investment”	Guangzhou Yuexiu Industrial Investment Co., Ltd. (廣州越秀產業投資有限公司) (formerly known as “Guangzhou Yuexiu Financial Holdings Capital Management Co., Ltd.” (廣州越秀金控資本管理有限公司));
“Yuexiu Industrial Investment Fund”	Guangzhou Yuexiu Industrial Investment Fund Management Co., Ltd. (廣州越秀產業投資基金管理股份有限公司); and
“%”	per cent.



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

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

Directors:

Mr. ZHANG Youjun (*Executive Director, Chairman*)
Mr. YANG Minghui (*Executive Director*)

Mr. ZHANG LIN (*Non-executive Director*)
Ms. FU Linfang (*Non-executive Director*)
Mr. ZHAO Xianxin (*Non-executive Director*)
Mr. WANG Shuhui (*Non-executive Director*)

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

Registered Office:

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

Principal place of business in Hong Kong:

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

7 June 2023

To the H Shareholders:

- (1) 2022 WORK REPORT OF THE BOARD;**
(2) 2022 WORK REPORT OF THE SUPERVISORY COMMITTEE;
(3) 2022 ANNUAL REPORT;
(4) 2022 PROFIT DISTRIBUTION PLAN;
(5) RESOLUTION ON THE CHANGE OF AUDITORS;
(6) RESOLUTION ON THE ESTIMATED INVESTMENT AMOUNT FOR THE PROPRIETARY BUSINESS OF THE COMPANY FOR 2023;
(7) 2023 FINANCING GUARANTEE PLAN OF THE COMPANY;
(8) RESOLUTION ON THE DISTRIBUTED TOTAL REMUNERATION OF THE DIRECTORS AND THE SUPERVISORS OF THE COMPANY FOR 2022;
(9) RESOLUTION ON ESTIMATION OF RELATED PARTY/CONTINUING CONNECTED TRANSACTIONS CONTEMPLATED IN THE ORDINARY COURSE OF BUSINESS OF THE COMPANY IN 2023;
AND
NOTICE OF THE ANNUAL GENERAL MEETING

1. INTRODUCTION

On behalf of the Board, I would like to invite you to participate in the Annual General Meeting to be held at Beijing Room, 3/F, Kempinski Hotel, Beijing Yansha Center, No. 50 Liangmaqiao Road, Chaoyang District, Beijing, the PRC at 9:30 a.m. on Wednesday, 28 June 2023.

LETTER FROM THE BOARD

The purpose of this circular is to give you notice of the Annual General Meeting and to provide you with detailed information in relation to the relevant resolutions to be put forward at the Annual General Meeting to enable you to make an informed decision on whether to vote for or against the resolutions to be put forward at the Annual General Meeting.

2. BUSINESSES TO BE CONSIDERED AT THE ANNUAL GENERAL MEETING

Details of the businesses to be considered at the Annual General Meeting are set out in the notice of the Annual General Meeting, which is set out on pages 7 to 9 of this circular.

Resolutions to be put forward at the Annual General Meeting include the resolutions to be approved by way of ordinary resolution: (1) the 2022 Work Report of the Board; (2) the 2022 Work Report of the Supervisory Committee; (3) the 2022 Annual Report; (4) the 2022 Profit Distribution Plan; (5) the resolution on the change of auditors; (6) the resolution on the estimated investment amount for the proprietary business of the Company for 2023; (7) the 2023 Financing Guarantee Plan of the Company; (8) the resolution on the distributed total remuneration of the Directors and the Supervisors of the Company for 2022; and (9) the resolution on estimation of related party/continuing connected transactions contemplated in the ordinary course of business of the Company in 2023.

Detailed information of the above resolutions is set out in **Appendix I** to this circular.

Pursuant to the requirements of the Rules of General Meeting of Listed Companies of the CSRC, Independent Directors shall present a duty performance report at an annual general meeting. Such report will be put forward at the annual general meeting for listening, but no Shareholders' approval is required. The 2022 Duty Performance Report of the Independent Non-executive Directors is set out in **Appendix II** to this circular.

3. ANNUAL GENERAL MEETING

The proxy form for the Annual General Meeting is also enclosed herewith. If you wish to attend the Annual General Meeting by proxy, you are requested to complete the proxy form in accordance with the instructions printed thereon and return it as soon as possible. H Shareholders are required to return the proxy form to the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited; while A Shareholders are required to return the proxy form to the Board's office, but in any event the proxy form shall be returned in person or by mail not less than 24 hours before the time appointed for the Annual General Meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting at the Annual General Meeting or any adjournment thereof in person if you so wish.

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

LETTER FROM THE BOARD

4. VOTES BY WAY OF POLL

Pursuant to the requirements of the Hong Kong Listing Rules, all votes of shareholders at an annual general meeting must be taken by poll. As such, the resolutions set out in the notice of the Annual General Meeting shall be voted by way of poll. Relevant poll results will be published on the HKEXnews website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and on the website of the Company at www.citics.com upon the conclusion of the Annual General Meeting.

According to the regulatory requirements of places of listing of the Shares of the Company, the ordinary resolutions 9.01 to 9.03 to be put forward at the Annual General Meeting shall be voted by the Shareholders who do not have any interest in such resolutions. As such, the related parties/associates of CITIC Group and its subsidiaries shall abstain from voting on the ordinary resolution 9.01; E-capital Transfer Co., Ltd., CITIC Private Equity Funds Management Co., Ltd., Yuexiu Industrial Investment, Yuexiu Industrial Investment Fund, Sailing Capital, Yunnan Gold & Mineral Group Co., Ltd., Shenzhen Qianhai Infrastructure Investment Fund Management Co., Ltd., CITIC POLY (Tianjin) Private Equity Fund Management Co., Ltd. and their related parties/associates (if hold Shares of the Company) shall abstain from voting on the ordinary resolution 9.02; Yuexiu Capital, Guangzhou Yuexiu Capital, Yuexiu Financial International and their related parties/associates shall abstain from voting on the ordinary resolution 9.03 (Please refer to Appendix I to this circular for details).

5. RECOMMENDATION

The Directors (including the Independent Non-executive Directors) consider that all the resolutions set out in the notice of the Annual General Meeting are in the interest of the Company and its Shareholders as a whole and accordingly recommend you to vote in favor of the relevant resolutions mentioned above.

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

NOTICE OF THE ANNUAL GENERAL MEETING



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

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

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2022 annual general meeting (the “**Annual General Meeting**”) of CITIC Securities Company Limited (the “**Company**”) will be held at Beijing Room, 3/F, Kempinski Hotel, Beijing Yansha Center, No. 50 Liangmaqiao Road, Chaoyang District, Beijing, the PRC at 9:30 a.m. on Wednesday, 28 June 2023 for the purposes of considering and, if thought fit, approving the following resolutions. Unless the context otherwise specified, capitalized terms used in this notice shall have the same meaning as those defined in the circular of the Company dated 7 June 2023 (the “**Circular**”).

ORDINARY RESOLUTIONS

1. To consider and approve the 2022 Work Report of the Board.
2. To consider and approve the 2022 Work Report of the Supervisory Committee.
3. To consider and approve the 2022 Annual Report.
4. To consider and approve the 2022 Profit Distribution Plan.
5. To consider and approve the resolution on the change of auditors.
6. To consider and approve the resolution on the estimated investment amount for the proprietary business of the Company for 2023.
7. To consider and approve the 2023 Financing Guarantee Plan of the Company.
8. To consider and approve the resolution on the distributed total remuneration of the Directors and the Supervisors of the Company for 2022.
9. To consider and approve the resolution on estimation of related party/continuing connected transactions contemplated in the ordinary course of business of the Company in 2023.
 - 9.01 Contemplated related party/connected transactions between the Company and its subsidiaries and the CITIC Group and its subsidiaries and associates
 - 9.02 Contemplated related party transactions between the Company and its subsidiaries and companies in which the Directors, Supervisors and senior management of the Company hold positions as directors or senior management (excluding the subsidiaries of the Company)

NOTICE OF THE ANNUAL GENERAL MEETING

9.03 Contemplated related party transactions between the Company and its subsidiaries and companies holding more than 5% of the Shares in the Company and their parties acting in concert

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

Beijing, the PRC
7 June 2023

Notes:

1. Details of the aforesaid resolutions are set out in **Appendix I** to the Circular of the Company dated 7 June 2023.
2. Pursuant to the requirements of the Rules of General Meeting of Listed Companies of the CSRC, Independent Directors shall present a duty performance report at an annual general meeting. Such report will be put forward at the annual general meeting for listening, but no Shareholders' approval is required. The 2022 Duty Performance Report of the Independent Non-executive Directors is set out in **Appendix II** to the Circular.
3. Pursuant to the requirements of the Hong Kong Listing Rules, all votes of shareholders at an annual general meeting must be taken by poll. As such, the resolutions set out in the notice of the Annual General Meeting shall be voted by way of poll. Relevant poll results will be published on the HKEXnews website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and on the website of the Company at www.citics.com upon the conclusion of the Annual General Meeting.

According to the regulatory requirements of places of listing of the Shares of the Company, the above ordinary resolutions 9.01 to 9.03 shall be voted by the Shareholders who do not have any interest in such resolutions. As such, the related parties/associates of CITIC Group and its subsidiaries shall abstain from voting on the above ordinary resolution 9.01; E-capital Transfer Co., Ltd., CITIC Private Equity Funds Management Co., Ltd., Yuexiu Industrial Investment, Yuexiu Industrial Investment Fund, Sailing Capital, Yunnan Gold & Mineral Group Co., Ltd., Shenzhen Qianhai Infrastructure Investment Fund Management Co., Ltd., CITIC POLY (Tianjin) Private Equity Fund Management Co., Ltd. and their related parties/associates (if hold Shares of the Company) shall abstain from voting on the above ordinary resolution 9.02; Yuexiu Capital, Guangzhou Yuexiu Capital, Yuexiu Financial International and their related parties/associates shall abstain from voting on the above ordinary resolution 9.03.

4. Any Shareholder entitled to attend and vote at the Annual General Meeting convened by the above notice is entitled to appoint one or more proxies to attend and vote on his/her behalf at the meeting. A proxy need not be a Shareholder of the Company.
5. To be valid, the instrument appointing a proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority, must be completed and returned to the Board's office (for A Shareholders) or the Company's H Share registrar, Computershare Hong Kong Investor Services Limited (for H Shareholders) not less than 24 hours before the time appointed for convening the Annual General Meeting or any adjournment thereof. The address of the Board's office is at CITIC Securities Tower, No. 48 Liangmaqiao Road, Chaoyang District, Beijing, the PRC, Postal Code: 100026 (Tel: (8610) 6083 6030, Fax: (8610) 6083 6031). The address of the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, is at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (Tel: (852) 2862 8555). Completion and return of the proxy form will not preclude Shareholders from attending and voting at the Annual General Meeting or any adjournment thereof in person if he/she so wishes.

NOTICE OF THE ANNUAL GENERAL MEETING

6. In order to determine H Shareholders' entitlement to attend the Annual General Meeting, **the H Share register of members of the Company will be closed from Friday, 23 June 2023 to Wednesday, 28 June 2023 (both days inclusive), during which period no share transfer will be registered.** In order for H Shareholders to be qualified for attending the Annual General Meeting, all share certificates together with the share transfer documents must be lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, **at or before 4:30 p.m. on Wednesday, 21 June 2023.**

The H Shareholders whose names appear on the H Share register of members of the Company on **Wednesday, 28 June 2023** are entitled to attend and vote at the Annual General Meeting.

7. The Board recommended the payment of a final dividend for the year ended 31 December 2022 in cash, as per RMB4.90 (tax inclusive) for every ten Shares to those A Shareholders and H Shareholders whose names appear on the Company's register of members on the record date for distribution of the 2022 final dividend. Based on the number of total issued Shares of the Company as at 31 December 2022, i.e. 14,820,546,829 Shares, the 2022 final dividend proposed to be distributed totals RMB7,262,067,946.21 (tax inclusive). In the event of change in total share capital of the Company after the date of the above-mentioned Board meeting but before the record date for payment of the final dividend, the total distribution amount will be kept unchanged and the rate will be adjusted accordingly. After the 2022 Profit Distribution Plan of the Company is approved at the Annual General Meeting, the Company expects to distribute its cash dividends to eligible Shareholders before 28 August 2023 pursuant to this distribution plan.

The 2022 final dividend will be paid to those H Shareholders whose names appear on the Company's register of members at the close of business on **Monday, 10 July 2023** (the record date for A Shareholders will be published separately). To determine the identity of the H Shareholders entitled to receive the final dividend, **the H Share register of members of the Company will be closed from Wednesday, 5 July 2023 to Monday, 10 July 2023 (both days inclusive), during which period no share transfer will be registered.** In order to be entitled to receive the 2022 final dividend, all H Share certificates together with the share transfer documents must be lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, **at or before 4:30 p.m. on Tuesday, 4 July 2023.**

8. In case of joint Shareholders, if more than one of them are present at the meeting, either in person or by proxy, the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of other joint Shareholders. For this purpose, seniority shall be determined by the order in which the names of the joint Shareholders stand in the register of members of the Company in respect of the relevant Shares.
9. The Annual General Meeting is expected to last for no longer than half a day. Shareholders or their proxies attending the Annual General Meeting shall be responsible for their own travelling and accommodation expenses. Shareholders or their proxies shall produce their identity documents when attending the Annual General Meeting.
10. The ordinary resolutions shall be passed by the votes of at least half of Shareholders (including their proxies) present and entitled to vote at the Annual General Meeting.

ORDINARY RESOLUTIONS:**1. The 2022 Work Report of the Board**

Pursuant to the requirements of the Company Law and the Articles of Association, it is the duty and authority of the general meeting of the Company to consider and approve the work reports of the Board and the Supervisory Committee. According to the requirements of the Rules of General Meeting of Listed Companies of the CSRC, the Board and the Supervisory Committee shall report their work during the past year to the Shareholders at the Annual General Meeting.

The 2022 Work Report of the Board of CITIC Securities Company Limited was considered and approved by the Board on 30 March 2023. Details of the above work report of the Board are set out in Annex A of this circular.

2. The 2022 Work Report of the Supervisory Committee

The Supervisory Committee has prepared the 2022 Work Report of the Supervisory Committee of CITIC Securities Company Limited according to the relevant regulatory requirements and the requirements of the Articles of Association, which was considered and approved by the Supervisory Committee on 30 March 2023.

Details of the above work report of the Supervisory Committee are set out in Annex B of this circular.

3. The 2022 Annual Report

Pursuant to the relevant provisions of the CSRC, the Board hereby submits the 2022 Annual Report to the Annual General Meeting for its consideration and approval. For details about the report, please refer to the 2022 Annual Report published on 25 April 2023 on the HKEXnews website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk by the Company.

4. The 2022 Profit Distribution Plan

Pursuant to the audited results for the year 2022, the requirements of the relevant laws and regulations and the Articles of Association, and in consideration of comprehensive factors such as the future development of the Company and the interests of the Shareholders, the profit distribution plan of the Company for the year 2022 is as follows:

- I. The Company proposes to adopt cash dividend payment method for its 2022 profit distribution (i.e. 100% cash dividend) and distribute a dividend of RMB4.90 (tax inclusive) for every ten Shares to the A Shareholders and H Shareholders whose names appear on the register of members of the Company on the record date for the distribution of the 2022 cash dividend. Based on the total number of issued Shares of the Company as at the end of 2022, i.e. 14,820,546,829 Shares, the cash dividend proposed to be distributed totals RMB7,262,067,946.21 (tax inclusive), representing 34.88% of the net profit attributable to Shareholders of ordinary Shares of the Company as shown in the 2022 consolidated financial statements. In the event of change in total number of issued Shares of the Company after the date of the 4th Meeting of the Eighth Session of the Board of the Company as at 30 March 2023 but before the record date for payment of the cash dividend, the total distribution amount shall remain unchanged while the distribution rate per Share will be adjusted accordingly. The outstanding balance of the retained profit available for distribution for 2022 will be carried forward to the next year.

- II. Cash dividend is denominated and declared in RMB and payable in RMB to the A Shareholders and in HK dollars to the H Shareholders. The actual amounts to be paid in HK dollars will be calculated based on the average benchmark exchange rate for RMB to HK dollars as announced by the People's Bank of China for the five business days before the date of the Annual General Meeting of the Company.

The 2022 final dividend will be paid to those H Shareholders whose names appear on the Company's register of members at the close of business on Monday, 10 July 2023 (the record date for distribution of 2022 final dividend for A Shareholders will be published separately). To determine the identity of the H Shareholders entitled to receive the final dividend, the H Share register of members of the Company will be closed from Wednesday, 5 July 2023 to Monday, 10 July 2023 (both days inclusive), during which period no share transfer will be registered. In order to be entitled to receive the 2022 final dividend, all H share certificates together with the share transfer documents must be lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, at or before 4:30 p.m. on Tuesday, 4 July 2023.

The above profit distribution plan for the year 2022 was considered and approved by the Board and Supervisory Committee on 30 March 2023, and is hereby proposed to the Annual General Meeting for its consideration and approval. Upon the approval by the Annual General Meeting, the payment of the 2022 cash dividend will be made by the Company before 28 August 2023 according to the above distribution plan.

5. The Resolution on the Change of Auditors

According to the Notice on Administrative Measures for Selection and Appointment of Accounting Firms by State-owned Financial Enterprises (Cai Jin [2020] No. 6) (《國有金融企業選聘會計師事務所管理辦法的通知》(財金[2020]6號), hereinafter referred to as the "Administrative Measures") issued by the Ministry of Finance, the term of consecutive engagement of the same accounting firm by a financial enterprise shall not exceed eight years and a company is required to change the accounting firm upon the expiry of the service term.

Since 2015, the Company has appointed PricewaterhouseCoopers Zhong Tian LLP (hereinafter referred to as "PwC Zhong Tian") and PricewaterhouseCoopers (hereinafter referred to as "PwC Hong Kong") to provide audit services for the Company for eight consecutive years. During this period, they have performed their duties in accordance with the professional standards of independence, objectivity and impartiality and successfully completed relevant audit and review. The Company would like to express its sincere gratitude to them for their provision of quality services.

According to the regulatory requirements of domestic and foreign listing markets, since 2023, the Company is required to appoint other accounting firms to audit or review the Company's annual financial report and special reports in accordance with the PRC Accounting Standards for Enterprises and the International Financial Reporting Standards, audit the internal control of the Company, conduct ESG report verification and consultation, and revalue the assets of Guangzhou Securities in accordance with the enterprise internal control guidelines and relevant self-regulatory guidelines, respectively.

The Company selected and appointed the 2023 external audit institution through public bidding based on the consolidated scope of the Company's financial statements as at 31 December 2022. KPMG Huazhen LLP (hereinafter referred to as "KPMG Huazhen"), Ernst & Young Hua Ming LLP, BDO China Shu Lun Pan Certified Public Accountants LLP and ShineWing Certified Public Accountants LLP participated in the bidding. On 6 April 2023, the bidding agency organized the on-site bid opening and appraisal. The participating accounting firms submitted their bidding documents and made a statement on the site, and the bid evaluation committee conducted the on-site appraisal in compliance with the principles of fairness,

equity and merits, and scored the bidding accounting firms according to the scoring standards stipulated in the Administrative Measures. As a result, KPMG Huazhen was given the highest score after comprehensive evaluation in the aspects of work plan, staffing, quotation, relevant work experience, professional ethics record and quality control level, qualification of accounting firm and business response degree.

I. BASIC INFORMATION ON THE ACCOUNTING FIRMS PROPOSED TO BE APPOINTED

(I) KPMG Huazhen

1. Basic information

Established on 18 August 1992 in Beijing, KPMG Huazhen Accounting Firm was converted into a special general partnership upon approval from the Ministry of Finance on 5 July 2012 and renamed as KPMG Huazhen LLP. It obtained the industrial and commercial business license on 10 July 2012 and officially started operation since 1 August 2012.

KPMG Huazhen is headquartered in Beijing with the registered address of 8/F, Office Tower E2, Oriental Plaza, 1 East Chang An Avenue, Dongcheng District, Beijing. The chief partner of KPMG Huazhen is Jacky ZOU (鄒俊), Chinese, qualified as a Chinese certified public accountant. As at 31 December 2022, KPMG Huazhen had 225 partners and 1,088 certified public accountants, including over 260 CPAs that have been signed audit reports in the securities services business.

With the practising certificate of accounting firm approved by the Ministry of Finance and the approval from the Ministry of Finance and the CSRC, KPMG Huazhen is permitted to engage in the audit business of H-share enterprises. KPMG Huazhen is an accounting firm with qualifications related to securities and futures businesses formerly approved by the Ministry of Finance and the CSRC. It has completed filing to the Ministry of Finance and the CSRC for engagement in the securities service business in accordance with relevant regulations. KPMG Huazhen has been engaged in the securities service business for years with rich experience in the securities service business.

The total audited revenue from business of KPMG Huazhen for 2021 exceeded RMB4 billion, of which the revenue from audit business exceeded RMB3.8 billion (including the revenue from domestic statutory securities business of over RMB800 million, the revenue from other securities business of over RMB1.1 billion and the total revenue from securities business of over RMB1.9 billion).

KPMG Huazhen audited annual reports for 72 listed companies in 2021 and received a total fee of RMB455 million for auditing financial statements of listed companies. Such listed companies were mainly engaged in industries including manufacturing, finance, production and supply of electricity, heat, gas and water, wholesale and retail, transportation, warehousing and post, mining, real estate, leasing and business services, scientific research and technology services, water conservancy, environmental and common facilities management, information transmission, software and information technology services, health and social work, construction, and culture, sports and entertainment. KPMG Huazhen provided audit services for 16 listed companies in the financial industry in 2021.

2. Investor protection capability

The cumulative compensation limit of occupational insurance purchased and the occupational risk fund accrued by KPMG Huazhen exceeded RMB200 million in total, which is in line with relevant requirements of laws and regulations. In the past three years, KPMG Huazhen had not been subject to any civil liability due to civil litigation related to its practice.

3. Integrity record

In the past three years, KPMG Huazhen and its employees had not been subject to any criminal punishment, administrative punishment, or any administrative supervision measures from the CSRC and its agencies, or any self-discipline supervision measures or disciplinary sanctions of self-discipline institutions such as stock exchanges and industry associations due to its/their practice.

(II) KPMG (hereinafter referred to as KPMG Hong Kong)

KPMG Hong Kong is a partnership firm established under the laws of Hong Kong, and is wholly owned by its partners. Since 1945, KPMG Hong Kong has been providing audit, tax, advisory and other professional services in Hong Kong, and it provides audit services to a wide range of Hong Kong listed companies, which include banking, insurance, securities and other financial institutions. Since its inception, KPMG Hong Kong has been one of the member firms of the KPMG global organisation of independent member firms affiliated with KPMG International.

Since 2019, KPMG Hong Kong has been registered as a PIE auditor under the Accounting and Financial Reporting Council Ordinance of Hong Kong. In addition, KPMG Hong Kong has obtained a provisional license to conduct audit business in Mainland China upon approval from the Ministry of Finance of the People's Republic of China, and has been registered with the US PCAOB and the Japanese Financial Services Agency as an accounting firm to conduct relevant audit business.

The registered address of KPMG Hong Kong is 8th Floor, Prince's Building, 10 Chater Road, Central, Hong Kong. In December 2022, KPMG Hong Kong had a total of over 2,000 employees. KPMG Hong Kong maintains occupational insurance annually in accordance with relevant laws and regulations.

Relevant regulatory authorities in Hong Kong conduct independent inspections of KPMG Hong Kong annually. No matters that would have a significant impact on the audit business were found in the practice quality inspection over the past three years.

Based on the statutory requirements for signing audit reports across various regions, the annual reports, interim review reports and reports on annual continuing connected transactions which are from subsidiaries or branches of the Company established in Hong Kong, or which are submitted to The Stock Exchange of Hong Kong Limited are signed by KPMG Hong Kong. KPMG Huazhen and KPMG Hong Kong are both member firms under the KPMG China system.

II. INFORMATION ABOUT THE ENGAGEMENT

(I) Basic information

The basic information of engagement partners, signatory CPAs and engagement quality control reviewers of KPMG Huazhen and KPMG Hong Kong who are responsible for the audit engagement for the Company's 2023 financial statement is as follows:

Ms. Abby WANG, the proposed engagement partner and signatory CPA of this engagement, was accredited as Chinese Certified Public Accountant in 1998. Ms. Abby WANG started to engage in the auditing of listed companies in 1996 and has been practicing at KPMG Huazhen since 2004. Over the past three years, Ms. Abby WANG has signed or reviewed 11 audit reports of listed companies.

Mr. CHENG Hailiang, the proposed signatory CPA of this engagement, was accredited as Chinese Certified Public Accountant in 2002. Mr. CHENG Hailiang has been practicing at KPMG Huazhen since 2004 and started to engage in the auditing of listed companies in 2007. Over the past three years, Mr. CHENG Hailiang has signed or reviewed 7 audit reports of listed companies.

Mr. LEUNG Tat Ming, the proposed quality control reviewer of this engagement, is a member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. Mr. LEUNG Tat Ming was accredited as Hong Kong Certified Public Accountant and Chartered Certified Accountant in 1998, and started to engage in the auditing of listed companies at KPMG Hong Kong in 1994. Over the past three years, Mr. LEUNG Tat Ming has signed or reviewed more than 10 audit reports of listed companies.

The proposed signatory CPA for the international standards-based audit report of this engagement is Mr. Thomas CHAN, a member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. Mr. Thomas CHAN was accredited as Chartered Certified Accountant in 1996 and as Hong Kong Certified Public Accountant in 1997. He has been practicing at KPMG Hong Kong since 1993, and started to engage in the auditing of listed companies in 1995. Over the past three years, Mr. Thomas CHAN has signed or reviewed more than 10 audit reports of listed companies.

(II) Integrity record

In the past three years, none of the engagement partners, signatory CPAs and engagement quality control reviewers have been subject to any criminal punishment, administrative punishment, or any administrative supervision measures from the CSRC and its agencies, or any self-discipline supervision measures or disciplinary sanctions of self-discipline institutions such as stock exchanges and industry associations due to its/their practice.

(III) Independence

KPMG Huazhen, KPMG Hong Kong, and the engagement partner, signatory CPAs and engagement quality control reviewer have maintained their independence as required by the code of professional ethics.

Based on the results of the bidding evaluation and the preliminary review by the Board of the Company, the following matters are hereby proposed to be considered at the general meeting of the Company:

1. To appoint KPMG Huazhen LLP as the domestic accounting firm of the Company for 2023, and KPMG as the international accounting firm of the Company for 2023, to respectively provide relevant annual audit, interim review, internal control audit, and other relevant audit services in compliance with PRC Accounting Standards for Enterprises and the International Financial Reporting Standards.
2. In 2023, the total fees for the above-mentioned services provided by KPMG Huazhen LLP and KPMG shall not exceed RMB19.88 million (tax inclusive), of which the total fees for the parent company's audit, review and other services shall not exceed RMB4 million, the specific amount of which shall be subject to that agreed in the audit service agreement. If additional fees are incurred due to a change in the scope and contents of audit or review, it will be proposed to the general meeting to authorise the Board to determine the amount in accordance with the actual scope and contents of the audit or review.

The above resolution was considered and approved by the Board on 12 May 2023, and is hereby proposed to the Annual General Meeting for its consideration and approval.

6. The Resolution on the Estimated Investment Amount for the Proprietary Business of the Company for 2023

The Rules on Strengthening the Supervision and Administration of Listed Securities Companies of the CSRC provides that if the significant external investment by a listed securities company, including the proprietary trading of securities, exceeds certain amount, and it is required to be promptly disclosed and submitted to the shareholders' general meeting for approval, the total amount of proprietary investment for a listed securities company can be considered and disclosed at the general meeting each year.

Proprietary investment is an essential part of the principal business of the Company. Therefore, the Company proposed to authorise the management to conduct proprietary investment on relevant matters through the approval for the limit of the proprietary investment at the Annual General Meeting, so as to make decisions within a short time according to the market condition to grasp market opportunities.

For this purpose, the following matters were proposed for consideration at the Annual General Meeting:

Subject to the compliance with the relevant requirements of proprietary management and risk control of the CSRC, to authorise the management of the Company to determine and adjust the total amount of the proprietary investment of the Company within the following limit according to the market condition:

The limit for the proprietary investment business of the Company for the year 2023 shall not exceed the limit prescribed in the administrative regulations and regulatory documents of the CSRC, of which, the aggregate investment amount for the proprietary equity securities and its derivatives shall be within 100% of the audited net capital of the previous year, and the aggregate investment amount for the proprietary non-equity securities and its derivatives shall be within 500% of the audited net capital of the previous year. The proprietary investment of the Company is calculated in accordance with the relevant formula set out in the Provisions on the Calculation Basis for Risk Control Indicators of Securities Companies issued by the CSRC.

The above limit excludes the limit for long-term equity investment of the Company, which will still be determined and executed according to the relevant decision-making process. The above limit excludes the passive position held by the Company for its margin financing and securities lending business and underwriting business.

The above resolution was considered and approved by the Board on 30 March 2023, and is hereby proposed to the Annual General Meeting for its consideration and approval.

7. The 2023 Financing Guarantee Plan of the Company

In order to adapt to the business development of the Company and meet the financing guarantee demands of the Company and its subsidiaries within the scope of the consolidated statements (hereinafter referred to as the “Subsidiary(ies)”), the Company formulated the 2023 Financing Guarantee Plan after taking into consideration the guarantee situation in 2022.

I. The summary of the guarantee situation

The Company proposed to provide a financing guarantee with a total amount of no more than US\$28.611 billion equivalent and RMB0.2 billion, the guaranteed amount of which included the existing guarantees, extension or renewal of the existing guarantees and new guarantees from the date of consideration and approval by the 2022 Annual General Meeting until the conclusion of the 2023 annual general meeting of the Company. Among which, it is expected that the Company provides a guarantee to the Subsidiaries with a total amount of no more than US\$6 billion equivalent and that the total amount of the guarantee between the Subsidiaries of the Company is not more than US\$22.611 billion equivalent and RMB0.2 billion. The above guarantees are primarily used to carry out the following three types of business:

1. Bond Issuance Guarantee. It is expected that the total amount of the guarantee is not more than US\$9 billion equivalent, among other things, the Company and CSI (a wholly-owned offshore subsidiary of the Company) respectively provides a guarantee to CITIC Securities Finance MTN (a subsidiary of the Company) and CSI MTN Limited to carry out the medium-term notes program with a total amount of US\$6 billion equivalent, and the Company provides a guarantee to CITIC Securities Finance MTN (a subsidiary of the Company) with an amount of US\$3 billion equivalent for the purpose of issuing Euro-commercial papers.
2. Bank Borrowing and Syndicated Loan. It is expected that the amount of the guarantee is not more than US\$4.611 billion equivalent and RMB0.2 billion, among which, US\$4.611 billion equivalent is used to the guarantee provided by CSI to CLSA Finance Limited (a subsidiary of CSI), for the purpose of conducting offshore bank borrowing, syndicated loan and other treasurer’s fund operating business and RMB0.2 billion is used to the guarantee provided by CITIC Global Warehousing and Logistics Co., Ltd. (中證寰球倉儲物流有限公司) (an indirect wholly-owned subsidiary of the Company) to its parent company, CITIC Global Trade Company Limited (中信寰球商貿有限公司), for the purpose of acquiring the banking facility.
3. Financing business of structured notes carried out by business departments is expected to be not more than US\$15 billion, which is used to the guarantee provided by CSI to CSI Financial Products Limited (a subsidiary of CSI), for the purpose of conducting structured notes business of fixed income and equity derivatives.

Details are set out as follows:

Guarantor	Guaranteed party	Shareholding percentage of the guarantor (%)	Latest gearing ratio of the guaranteed party (%)	Balance of guarantee as of 31 December 2022 (US\$100 million)	Expected guarantee amount (US\$100 million)	The percentage of the guarantee amount accounts for the latest net assets of the listed company (%)	Projected valid period of the guarantees	Whether related guarantees are provided	Whether counter-guarantees are provided
I. Guarantee provided by the Company to a Subsidiary									
The Company	CITIC Securities Finance MTN	100	101.31	20.45	60	16.51	Long-term	Nil	Nil
II. Guarantees between Subsidiaries									
CSI	CSI Financial Products Limited	100	100	62.75	150	41.27	Long-term	Nil	Nil
CSI	CSI MTN Limited	100	100	4.76	30	8.25	Long-term	Nil	Nil
CSI	CLSA Finance Limited	100	98	26.39	46.11	12.69	Long-term	Nil	Nil
CITIC Global Warehousing and Logistics Co., Ltd.	CITIC Global Trade Company Limited	100	76.72	0	RMB0.2 billion	0.08	Long-term	Nil	Nil

Note: All of the aforementioned guaranteed parties have a gearing ratio of over 70%.

The allocation of the above guarantee amounts is based on the forecast of the current business situation. The Board requests the general meeting to authorize the Operation Management to adjust and utilize the above guarantee amounts within the valid period of the authorization in accordance with the requirements of relevant rules and possible changes.

II. Profile of the guaranteed party

1. CITIC Securities Finance MTN

Date of incorporation:	10 September 2014
Registered address:	Ritter House, Wickhams Cay II, Road Town, Tortola, VG1110 British Virgin Islands.
Registered capital:	US\$1
Principal business:	Issuer of Euro-commercial papers program and medium-term notes program
The financial data of the guaranteed party for the last year is as follows:	As of 31 December 2022 (non-final financial audit data)
	<i>Unit: US\$ million</i>
	Total assets 1,987.17
	Total liabilities 2,037.29
	Net assets -50.12
	Operating revenue -343.43
	Net profit -4.85
Relationship with the Company:	The guaranteed party is an indirect wholly-owned subsidiary of the Company

2. *CSI Financial Products Limited*

Date of incorporation:	22 January 2014
Registered address:	P.O. Box 3340, Road Town, Tortola, British Virgin Islands
Registered capital:	US\$1
Principal business:	Issuer of structured notes
The financial data of the guaranteed party for the last year is as follows:	As of 31 December 2022 (non-final financial audit data)
	<i>Unit: US\$ million</i>
	Total assets 7,110.94
	Total liabilities 7,111.25
	Net assets -0.31
	Operating revenue -0.04
	Net profit -0.06
Relationship with the Company:	The guaranteed party is an indirect wholly-owned subsidiary of the Company

3. *CSI MTN Limited*

Date of incorporation:	30 December 2021
Registered address:	Kingston Chambers, P.O. Box 173, Road Town, Tortola, British Virgin Islands
Registered capital:	US\$1
Principal business:	Issuer of medium-term notes program
The financial data of the guaranteed party for the last year is as follows:	As of 31 December 2022 (non-final financial audit data)
	<i>Unit: US\$ million</i>
	Total assets 475.09
	Total liabilities 475.34
	Net assets -0.25
	Operating revenue 8.38
	Net profit -0.25
Relationship with the Company:	The guaranteed party is an indirect wholly-owned subsidiary of the Company

4. *CLSA Finance Limited*

Date of incorporation:	20 March 2002
Registered address:	18/F One Pacific Place, 88 Queensway, Hong Kong
Registered capital:	HK\$75,800,980
Principal business:	Treasury business entity of CLSA Limited
The financial data of the guaranteed party for the last year is as follows:	As of 31 December 2022 (non-final financial audit data) <i>Unit: US\$ million</i>
	Total assets 4,445.21
	Total liabilities 4,342.57
	Net assets 102.63
	Operating revenue 102.88
	Net profit 15.97
Relationship with the Company:	The guaranteed party is an indirect wholly-owned subsidiary of the Company

5. *CITIC Global Trade Company Limited*

Unified social credibility code:	91310000093591355G
Date of incorporation:	31 March 2014
Registered address:	Room A-726, No. 188 Yesheng Road, Lin-gang Special Area, China (Shanghai) Pilot Free Trade Zone
Legal representative:	LIU Yong
Registered capital:	RMB1 billion
Principal business:	Import and export of goods and technology, transit trade, trade between enterprises in the area and trade agency, etc.
The financial data of the guaranteed party for the last year is as follows:	As of 31 December 2022 (audited data) <i>Unit: RMB100 million</i>
	Total assets 24.03
	Total liabilities 18.44
	Net assets 5.59
	Operating revenue 73.85
	Net profit -0.14
Relationship with the Company:	The guaranteed party is an indirect wholly-owned subsidiary of the Company

III. Main content of the guarantee agreement

The above approved guarantee amount is only the maximum guarantee amount that the Company can anticipate, which shall be considered and approved by the Board and submitted to the 2022 Annual General Meeting for consideration. Within the guarantee amount approved at the general meeting, the Company shall not hold a separate Board meeting or general meeting to consider specific guarantees (except for the circumstances where there is a new guaranteed party). Prior to the signing of the relevant agreement, the Operation Management of the Company is authorized to adjust and utilize the above-mentioned total guarantee amounts based on actual business situation of each guarantee object, and to adjust the guarantee method and sign the guarantee documents according to actual business needs, and the signing date shall be subject to the agreement actually signed.

IV. Necessity and reasonableness of the guarantee

The expected main consideration for the guarantee is that independent special purpose vehicles (SPVs) are usually served as operating entities to differentiate and segregate business categories in overseas markets, and as SPVs generally do not have their own credit ratings, guarantees from their superior companies are necessary to enhance their credit and enable them to conduct relevant businesses smoothly in the market. In addition, CITIC Global Trade Company Limited intends to apply for credit lines from banks to meet its business development needs and relieve capital pressure. In order to fulfill the bank's credit requirements, it is necessary to enhance credit in the form of guarantee from a third-party company.

Each of the guaranteed parties has a good credit standing and there is no significant contingency affecting their solvency. The primary purpose of the Company and its wholly-owned subsidiaries for guarantee offering is to satisfy the production and operation needs of the Company's wholly-owned subsidiaries, which is conducive to their sound operation and long-term development. The Company judges that they have the ability to repay debts and the guarantee risk is generally under control.

V. Cumulative guarantee amount

As of 31 December 2022, the total guarantee amount provided by the Company and its wholly-owned subsidiaries was RMB80,280 million (the exchange rate of RMB against USD is subject to the RMB central parity spot in the interbank foreign exchange market on 30 December 2022), accounting for 31.72% of the Company's audited net assets for the latest period. The total guarantee amount provided by the Company to its holding subsidiaries was RMB14,243 million, accounting for 5.63% of the Company's audited net assets for the latest period. The Company and its holding subsidiaries have no overdue guarantees.

The above matters are hereby submitted to the annual general meeting for consideration and approval.

8. The Resolution on the Distributed Total Remuneration of the Directors and the Supervisors of the Company for 2022

Pursuant to the resolution of the 2021 First Extraordinary General Meeting of the Company, the Company shall pay an annual allowance of RMB300,000 (tax inclusive) to the Independent Non-executive Directors and RMB200,000 (tax inclusive) to external supervisors from August 2021, and shall no longer pay allowance to the Non-executive Directors. For allowance provided to the Independent Non-executive Directors and external supervisors for attending on-site meetings of the Board and the Supervisory Committee, the standard rate is RMB5,000 per person per meeting.

According to the Rules of Procedure for the Remuneration and Appraisal Committee of the Board and the Remuneration Management System of the Company, the remunerations of Mr. ZHANG Youjun (Chairman of the Board), Mr. YANG Minghui (Executive Director), Mr. ZHANG Changyi (Chairman of the Supervisory Committee), Ms. NIU Xuekun and Mr. YANG Liqiang (employee representative Supervisors), and Mr. LI Ning (former employee representative Supervisor) consist of basic annual salary, annual performance-related salary, special incentives and insurance benefits.

The actual total remuneration paid by the Company to its Directors and Supervisors for 2022 is as follows and is submitted to the general meeting of the Company for consideration:

Name	Position	Total distributed remuneration during the term of office for 2022 (in RMB ten thousand, before tax)
ZHANG Youjun	Executive Director, Chairman of the Board	561.36
YANG Minghui	Executive Director, President	469.35
ZHANG Lin	Non-executive Director	—
FU Linfang	Non-executive Director	—
ZHAO Xianxin	Non-executive Director	—
WANG Shuhui	Non-executive Director	—
LI Qing	Independent Non-executive Director	30.00
SHI Qingchun	Independent Non-executive Director	22.50
ZHANG Jianhua	Independent Non-executive Director	—
SONG Kangle	Former Non-executive Director	—
LIU Ke	Former Independent Non-executive Director	2.50
ZHOU Zhonghui	Former Independent Non-executive Director	30.00

Name	Position	Total distributed remuneration during the term of office for 2022 (in RMB ten thousand, before tax)
ZHANG Changyi	Supervisor, Chairman of the Supervisory Committee	465.41
GUO Zhao	Supervisor	20.00
RAO Geping	Supervisor	20.50
NIU Xuekun	Employee representative Supervisor	236.86
YANG Liqiang	Employee representative Supervisor	—
LI Ning	Former employee representative Supervisor	492.53

Note 1: The annual performance-related salary of Mr. ZHANG Youjun and Mr. YANG Minghui is the bonus for 2021 which was actually paid in 2022. Their annual performance-related salary for 2022 is still in the process of verification and confirmation by superior authorities, and will be paid in 2023 or subsequent years after verification and confirmation. The actual remuneration paid to Mr. YANG Minghui, which was attributable to 2021 and prior years and deferred to 2022, amounted to RMB5.2 million (including RMB2.5 million received from the Company, and RMB2.7 million received from China AMC, a controlling subsidiary of the Company).

Note 2: The annual performance-related salary of Mr. ZHANG Changyi is the bonus for 2021 which was actually paid in 2022. His annual performance-related salary for 2022 is still in the process of verification and confirmation by superior authorities, and will be paid in 2023 or subsequent years after verification and confirmation. The remuneration paid to Mr. ZHANG Changyi, which was attributable to 2021 and prior years and deferred to 2022, amounted to RMB800,000.

Note 3: Mr. ZHANG Jianhua has been officially appointed as an Independent Non-executive Director of the Company and Mr. YANG Liqiang has been officially appointed as an employee representative Supervisor of the Company from 30 December 2022, and their remunerations will be considered from 2023.

The above-mentioned matters are submitted to the general meeting of the Company for consideration.

9. The Resolution on Estimation of Related Party/Continuing Connected Transactions Contemplated in the Ordinary Course of Business of the Company in 2023

Upon approval at the 46th Meeting of the Sixth Session of the Board of the Company and the 2019 second extraordinary general meeting, the Company renewed the Securities and Financial Products Transactions and Services Framework Agreement and Miscellaneous Services Framework Agreement with CITIC Group on 31 December 2019 and agreed on the caps for the transactions for the years 2020–2022 under these agreements. Upon approval at the 26th Meeting of the Seventh Session of the Board of the Company, the Company renewed the Property Leasing Framework Agreement with CITIC Group on 9 August 2021 and agreed on the caps for the transactions for the period from 23 September to 31 December 2021 and for the year of 2022 under the agreement.

Upon approval at the 45th Meeting of the Seventh Session of the Board of the Company and the 2022 second extraordinary general meeting, the Company again renewed the Securities and Financial Products Transactions and Services Framework Agreement, Miscellaneous Services Framework Agreement and Property Leasing Framework Agreement with CITIC Group on 30 December 2022, agreeing on the caps for the transactions for the years 2023–2025, respectively. The three framework agreements have a validity term of three years, commencing from 1 January 2023 and ending on 31 December 2025.

The related party/continuing connected transactions conducted in the ordinary course of business of the Company in 2022 complied with the contents and transaction caps for the year 2022 provided in the aforesaid framework agreements, and other related party/connected transactions have been examined and approved by the shareholders' general meeting and the Related Party Transactions Control Committee of the Board. The Independent Non-executive Directors of the Company have verified the related party/continuing connected transactions conducted in the ordinary course of business of the Company in 2022 and are of the view that:

1. relevant related party/connected transactions are day-to-day businesses of the Company and its subsidiaries (hereinafter collectively referred to as the Group);
2. relevant related party/connected transactions were conducted on normal commercial terms, or if there is no comparable transaction to determine whether the terms of the transaction are on normal commercial terms, on terms no less favorable to the Group than those available from or to (as the case may be) independent third parties;
3. relevant related party/connected transactions were conducted according to the terms set out in relevant agreement, which were fair and reasonable and in the interests of the Shareholders as a whole.

Details of estimation of related party/continuing connected transactions contemplated in the ordinary course of business of the Company in 2023 by reference to the related party/connected transactions carried out by the Company in recent years and taking into account the business development needs of the Company are set out as follows:

I. Basic information relating to estimation of related party/continuing connected transactions contemplated in the ordinary course of business in 2023

(I) Contemplated related party/connected transactions between the Group and CITIC Group, its subsidiaries and associates

Class of related party/connected transactions	Contents of transactions	Annual cap for 2023 and relevant description for transactions
Related party/ continuing connected transactions in the ordinary course of business	Including: securities and financial products transactions and services, properties leasing and miscellaneous services	The transactions will be executed pursuant to the Securities and Financial Products Transactions and Services Framework Agreement, the Miscellaneous Services Framework Agreement and the Property Leasing Framework Agreement renewed on 30 December 2022 between the Company and CITIC Group, and the amount of these transactions will be controlled within the annual caps for 2023 agreed in such agreements.
Related party/ continuing connected transactions in the ordinary course of business (exempt from setting up an annual cap by the Hong Kong Stock Exchange)	Maximum daily balance of deposits of proprietary funds and customers' funds	The Company has been granted by the Hong Kong Stock Exchange a waiver from setting the cap for maximum daily balance of deposits of proprietary funds and customers' funds for 2023-2025 (in terms of related party/connected transactions).
Others	Trademark licensing matters	Pursuant to the requirements of CITIC Group, the Company and its subsidiaries are required to obtain the approval of CITIC Group and to enter into a trademark licensing contract with CITIC Group for using the trademarks of “中信” or “CITIC”. It is anticipated that CITIC Group will not charge any trademark license fees from the Company and its relevant subsidiaries within the valid period of the contract.

(II) *Contemplated related party/connected transactions between the Group and other related/connected parties*

1. Save for CITIC Group, its subsidiaries and associates, the related/connected parties of the Company also include:

- (1) Companies in which the Directors, Supervisors and senior management of the Company hold positions as directors or senior management (excluding the subsidiaries of the Company) and which are not connected persons of the Company under the Hong Kong Listing Rules, including:

E-Capital Transfer Co., Ltd., CITIC Private Equity Funds Management Co., Ltd., Yuexiu Industrial Investment, Yuexiu Industrial Investment Fund, Sailing Capital, Yunnan Gold & Mineral Group Co., Ltd. (雲南黃金礦業集團股份有限公司), Shenzhen Qianhai Infrastructure Investment Fund Management Co., Ltd. (深圳前海基礎設施投資基金管理有限公司) and CITIC POLY (Tianjin) Private Equity Fund Management Co., Ltd. (信保(天津)股權投資基金管理有限公司).

- (2) Companies holding over 5% equity interest in the Company and their parties acting in concert (which are not connected persons of the Company under the Hong Kong Listing Rules), including:

Yuexiu Capital and its wholly-owned subsidiary, Guangzhou Yuexiu Capital and Yuexiu Financial International.

2. The Company has made the following estimates for the transactions in 2023 based on the transactions with the above-mentioned companies in the previous years, and proposed the following to the Shareholders' general meeting for its consideration:

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

Related party	Class of related party transactions	Contents and amount of related party transactions
E-Capital Transfer Co., Ltd.	Income	The amount of service fees to be charged by the Group from it in 2023 is expected to be no more than RMB5 million

Related party	Class of related party transactions	Contents and amount of related party transactions
	Expense	The amount of service fees to be paid by the Group to it in 2023 is expected to be no more than RMB15 million
	Securities and financial products transactions	Calculated based on the actual amount
CITIC Private Equity Funds Management Co., Ltd.	Income	The amount of service fees to be charged by the Group from it in 2023 is expected to be no more than RMB10 million
	Expense	The amount of service fees to be paid by the Group to it in 2023 is expected to be no more than RMB10 million
	Securities and financial products transactions	Calculated based on the actual amount
Yuexiu Industrial Investment	Income	The amount of service fees to be charged by the Group from it in 2023 is expected to be no more than RMB10 million
	Expense	The amount of service fees to be paid by the Group to it in 2023 is expected to be no more than RMB10 million
	Securities and financial products transactions	Calculated based on the actual amount
Yuexiu Industrial Investment Fund	Income	The amount of service fees to be charged by the Group from it in 2023 is expected to be no more than RMB10 million
	Expense	The amount of service fees to be paid by the Group to it in 2023 is expected to be no more than RMB10 million

Related party	Class of related party transactions	Contents and amount of related party transactions
	Securities and financial products transactions	Calculated based on the actual amount
Sailing Capital	Income	The amount of service fees to be charged by the Group from it in 2023 is expected to be no more than RMB5 million
	Expense	The amount of service fees to be paid by the Group to it in 2023 is expected to be no more than RMB5 million
	Securities and financial products transactions	Calculated based on the actual amount
Yunnan Gold & Mineral Group Co., Ltd.	Income	The amount of service fees to be charged by the Group from it in 2023 is expected to be no more than RMB5 million
	Expense	The amount of service fees to be paid by the Group to it in 2023 is expected to be no more than RMB5 million
	Securities and financial products transactions	Calculated based on the actual amount
Shenzhen Qianhai Infrastructure Investment Fund Management Co., Ltd.	Income	The amount of service fees to be charged by the Group from it in 2023 is expected to be no more than RMB5 million
	Expense	The amount of service fees to be paid by the Group to it in 2023 is expected to be no more than RMB5 million
	Securities and financial products transactions	Calculated based on the actual amount

Related party	Class of related party transactions	Contents and amount of related party transactions
CITIC POLY (Tianjin) Private Equity Fund Management Co., Ltd.	Income	The amount of service fees to be charged by the Group from it in 2023 is expected to be no more than RMB5 million
	Expense	The amount of service fees to be paid by the Group to it in 2023 is expected to be no more than RMB5 million
	Securities and financial products transactions	Calculated based on the actual amount

Note 1: The upper limit shall be inclusive where a reference is made to the above “no more than”, same below.

Note 2: As the market condition of the securities market is unpredictable, it is difficult to estimate the transaction amounts. It is proposed to the Shareholders’ general meeting of the Company to approve that the aforesaid “securities and financial products transactions” are calculated based on the actual amount, same below.

- (2) Related party transactions between the Group and the companies holding over 5% equity interest in the Company and their parties acting in concert.

Related party	Class of related party transactions	Contents and amount of related party transactions
Yuexiu Capital	Income	The amount of service fees to be charged by the Group from it in 2023 is expected to be no more than RMB15 million
	Expense	The amount of service fees to be paid by the Group to it in 2023 is expected to be no more than RMB10 million
	Securities and financial products transactions	Calculated based on the actual amount

Related party	Class of related party transactions	Contents and amount of related party transactions
Guangzhou Yuexiu Capital	Income	The amount of service fees to be charged by the Group from it in 2023 is expected to be no more than RMB15 million
	Expense	The amount of service fees to be paid by the Group to it in 2023 is expected to be no more than RMB10 million
	Securities and financial products transactions	Calculated based on the actual amount
Yuexiu Financial International	Income	The amount of service fees to be charged by the Group from it in 2023 is expected to be no more than RMB5 million
	Expense	The amount of service fees to be paid by the Group to it in 2023 is expected to be no more than RMB5 million
	Securities and financial products transactions	Calculated based on the actual amount

II. Introduction of related/connected parties and the related/connected relationship

(I) Introduction of CITIC Group and its related/connected parties

As of 31 December 2022, CITIC Limited and CITIC Corporation Limited under CITIC Group in aggregate held 18.45% of Shares of the Company.

CITIC Group was founded in 1979, the current legal representative of which is Mr. ZHU Hexin. Its registered capital is RMB205,311,476,359.03. CITIC Group is a state-owned large comprehensive multinational corporate group and its businesses include five segments such as comprehensive finance, advanced intelligent manufacturing, advanced materials, new consumption and new-type urbanization.

The largest Shareholder of the Company is CITIC Corporation Limited. CITIC Limited, the controlling shareholder of CITIC Corporation Limited, is a subsidiary of CITIC Group.

CITIC Group, CITIC Limited and CITIC Corporation Limited are related/connected parties as defined under (1) of Paragraph 2 of Section 6.3.3 of the SSE Listing Rules and Paragraph (I) of Rule 14A.07 and Paragraph (I) of Rule 14A.13 of the Hong Kong Listing Rules.

Among the other subsidiaries of CITIC Group, the following companies have relatively great volume of business transactions with the Company:

China CITIC Bank Corporation Limited is a joint-stock company established in 2006, the current legal representative of which is Mr. ZHU Hexin. Its registered capital is RMB48,934,796,573, and its principal businesses include the provision of corporate banking, international business, financial market business, institutional business, investment banking, transaction banking, custody business and other integrated financial solutions for corporate and institutional customers, as well as the provision of retail banking, credit cards, consumer finance, wealth management, private banking, overseas finance, e-banking and other diversified financial products and services for individual customers.

China CITIC Bank International Limited is a comprehensive commercial bank operating in Hong Kong for more than 100 years, the current chairman of which is Mr. GUO Danghui. Its shareholders' equity is approximately HK\$41,451 million (according to its 2022 annual report), and its principal business is providing financial services spanning wealth management, personal banking, wholesale banking as well as global markets and treasury solutions.

CITIC Prudential Life Insurance Co., Ltd. was founded in 2000, the current legal representative of which is Mr. Nicolaos Andreas Nicandrou. Its registered capital is RMB2,360,000,000, and its principal businesses include operations relating to life insurance, health insurance, accidental injury insurance and reinsurance of the above businesses.

CITIC Trust Co., Ltd. was founded in 1988, the current legal representative of which is Mr. LU Wei. Its registered capital is RMB11,276,000,000 and it is a national non-banking financial institution that primarily engages in trust business.

CITIC Finance Company Limited was founded in 2012, the current legal representative of which is Mr. ZHANG Yunting. Its registered capital is RMB4,751,347,525.47, and its principal businesses include providing financial and financing consulting, credit authentication and related consultancy and agency services for member entities, etc.

CITIC Construction Co., Ltd. was founded in 2002, the current legal representative of which is Mr. CHEN Xiaojia. Its registered capital is RMB6,637,000,000, and its principal business is providing comprehensive construction and engineering services.

(II) Introduction of other related parties

1. Companies in which the Directors, Supervisors and senior management of the Company hold positions as directors or senior management (excluding the subsidiaries of the Company)

Pursuant to (3) of Paragraph 2 of Section 6.3.3 of the SSE Listing Rules, the companies (excluding the Company and its subsidiaries) in which the Directors, Supervisors and senior management of the Company hold positions as directors (excluding independent directors who are also the independent Directors of the Company) or senior management are related parties of the Company, a list of which is set out in the relevant content in “I. (II) Contemplated related party/connected transactions between the Group and other related/connected parties” of this proposal. Except for the related relationship due to the Directors, Supervisors and senior management holding positions as directors or senior management in the above related parties, the Company has no other related relationship with them.

2. After the Company acquired the 100% equity interest in Guangzhou Securities (as previously named) from Yuexiu Capital and its wholly-owned subsidiary in 2020, Guangzhou Yuexiu Capital, by issuance of Shares, Yuexiu Capital and Guangzhou Yuexiu Capital in aggregate hold more than 5% Shares of the Company. As a party acting in concert with Yuexiu Capital and Guangzhou Yuexiu Capital, Yuexiu Financial International has been a Shareholder of the Company since 26 November 2021, holding more than 5% Shares of the Company together with Yuexiu Capital and Guangzhou Yuexiu Capital. Pursuant to (4) of Paragraph 2 of Section 6.3.3 of the SSE Listing Rules, Yuexiu Capital, Guangzhou Yuexiu Capital and Yuexiu Financial International are related parties of the Company. As of 31 December 2022, Yuexiu Capital, Guangzhou Yuexiu Capital and Yuexiu Financial International in aggregate held 8.1354% Shares of the Company.

The above related parties are legally subsisting and in normal operation and good financial condition, as well as have the capacity to perform contracts.

III. The purpose of the transactions and effect on the Company

1. The transactions of the Company with the relevant related parties/connected persons will facilitate the conduct of business of the Company;
2. The relevant related party/connected transactions are fair, the prices of which are determined by reference to the market prices, and do not impair the interests of the Company and the Shareholders as a whole;
3. The relevant related party/connected transactions do not affect the independence of the Company, and the principal business of the Company is not in reliance on the related parties/connected persons as a result of the above related party/connected transactions.

IV. The review and approval procedures

1. The Independent Non-executive Directors of the Company voted on the Proposal on Estimation of Related Party/Continuing Connected Transactions Contemplated in the Ordinary Course of Business of the Company in 2023 and provided independent opinions;
2. The Related Party Transactions Control Committee under the Board conducted a preliminary review on and approved unanimously the Proposal on Estimation of Related Party/Continuing Connected Transactions Contemplated in the Ordinary Course of Business of the Company in 2023;
3. On 30 March 2023, the 4th Meeting of the Eighth Session of the Board of the Company considered the proposal. Because Mr. ZHANG Youjun (executive Director and Chairman of the Company) serves as the assistant to the general manager of CITIC Group, CITIC Limited and CITIC Corporation Limited, and a former director of Sailing Capital; Mr. ZHANG Lin (non-executive Director of the Company) serves as a non-executive director of CITIC Group, CITIC Limited and CITIC Corporation Limited; Ms. FU Linfang (non-executive Director of the Company) serves as the deputy general manager of the Strategic Development Department of CITIC Group, a director of CITICS Industrial Investment Group Corp., Ltd. and a director of CITIC Finance Company Limited; Mr. ZHAO Xianxin (non-executive Director of the Company) serves as the deputy general manager of the Risk Compliance Department of CITIC Group; and Mr. WANG Shuhui (non-executive Director of the Company) serves as the chairman of each of Yuexiu Capital, Guangzhou Yuexiu Capital, Yuexiu Industrial Investment and Yuexiu Industrial Investment Fund, they are considered as related Directors, and are required to abstain from voting on the abovementioned proposal. The Resolution on Estimation of Related Party/Continuing Connected Transactions Contemplated in the Ordinary Course of Business of the Company in 2023 was formed after being approved by the Board;
4. The proposal which has been considered and approved by the Board is still subject to the approval at the 2022 Annual General Meeting of the Company. The related/connected Shareholders who are interested in such related party/connected transactions will abstain from voting on the related/connected matters in the resolution at the Annual General Meeting, respectively.

V. The signing of the related party/connected transactions agreements

It is proposed to the Shareholders' general meeting that the operation management of the Company be authorized to sign or renew the relevant agreements according to the business development needs, so long as such transactions are within the estimated scope of the related party/continuing connected transactions contemplated in the ordinary course of business in 2023.

The above matters are proposed to the Shareholders' general meeting of the Company for consideration, and the relevant related/connected Shareholders shall abstain from voting item by item at the Shareholders' general meeting.

Dear Shareholders,

2022 marks the 27th anniversary of the establishment of the Company. The Company has been committed to implementing its work policy of “striving for expansion and innovation, comprehensively strengthening and improving performance to solidly create a new layout of high-quality development of the Company” outlined at the beginning of this year. In line with this work policy, the Company aligned itself with the national strategy, served the real economy, and made steady progress in various operation and management works. The Company maintained top market ranking in various businesses, with regulatory classification and evaluation maintaining AA rating. Furthermore, the Company completed an A+H Share Rights Issue, raising proceeds of RMB27.3 billion, and published the new corporate culture system. It has also been rated AA in the assessment of cultural construction practice in the industry, and has completed the change of a new section of the Board. Additionally, the establishment of an asset management subsidiary has been approved.

I. Overall Operation Management in 2022

In 2022, the Company recorded an operating revenue of RMB65.109 billion, representing a year-on-year decrease of 14.92%; a net profit attributable to owners of the parent of RMB21.317 billion, representing a year-on-year decrease of 7.72%; return on equity of 8.67%, representing a year-on-year decrease of 3.40 percentage points. At the end of 2022, the total assets of the Company amounted to RMB1.31 trillion, representing a year-on-year increase of 2.32%; and the net asset amounted to RMB260 billion, representing a year-on-year increase of 20.84%. The main operating measures and results of the Company are as follows:

Empowering high-quality development with new corporate culture system. The Company unveiled a new corporate culture system that extensively draws upon the spiritual wealth of its employees and comprehensively gathers their knowledge. The system put forward the development mission of “assisting in enhancing capital market functions and serving the high-quality development of the economy”, and the core values of “integrity, innovation, excellence, and sharing”. Additionally, the Company distilled ten “Our Consensus” and established thought and behaviour standards for all employees of CITIC Securities.

Integrating ESG philosophy into business development. The Company constantly improved the standardization, scientificity and effectiveness of corporate governance. The “Strategic Planning Committee of the Board” was renamed the “Strategic Planning and ESG Committee of the Board”; the Responsible Investment Statement of CITIC Securities Company Limited was issued for systematical promotion and practice of the concept of responsible investment at the company level. The Company actively propelled and participated in the innovation of sustainable finance, accomplished equity financing at home and abroad for multiple green environmental protection enterprises, underwrote a total of RMB273.7 billion in 129 green bonds. The Company’s MSCI ESG rating was upgraded to BBB.

Maintaining its leading market position. The Company has achieved numerous first-place rankings within the industry, including for its A share lead underwriting size, number of underwritten bonds, bond underwriting size and size of material assets restructuring transactions in A-share market. Additionally, the Company has surpassed other Chinese-funded securities companies in the European market for its GDR underwriting size and ranked first in the industry for the scale of public funds in the non-money market. The public fund investment advisory business had nearly 140 thousand signed-up clients on a cumulative basis, with accumulated contracted assets exceeding RMB10,000 million. In addition, the Company boasted over 13 million clients in respect of wealth management business, and its total assets of clients under custody reached RMB10 trillion. The Company maintained the top position in the industry in terms of brokerage business revenue, sales of interest rate products and market share of privately-offered asset management business.

Focusing on continuous innovation. The Company was qualified for conducting market-making of listed securities, set up a digital RMB payment and settlement system, and became the first securities company to operate business under the insurance by-business agency model of “licensed legal person, network operation”. The Company actively served the three pillars of pension, and became the first batch of sales institutions in the industry to officially launch the personal pension investment fund business, and was awarded A grade at the fundamental single assessment in the annual assessment of the Council for Social Security Fund and A grade in the assessment of the six portfolios managed by the Company. The Company’s offshore platform was granted securities trading and public fund licences by the Hong Kong Securities and Futures Commission, became a member of each of the German, Swiss and UK stock exchanges. The Company completed the filing of the GDR cross-border conversion institution on the Shanghai and Shenzhen Stock Exchanges, became the investment bank with the most participation in the GDR projects, and was the first batch to participate in the new international carbon market trading launched by the Hong Kong Stock Exchange.

II. Major Work of the Board for 2022

In 2022, the Board of the Company convened 17 meetings in total, at which 71 proposals were considered and approved; it convened 3 general meetings, with 14 resolutions in total proposed at general meetings.

The specialized committees under the Board convened 33 meetings in total and the reviewed opinions were reported to the Board in time.

The Board of the Company focused on the following work in 2022:

(I) Addition of directors and general election

On 13 April 2022, upon election at the 2022 First Extraordinary General Meeting, Mr. SONG Kangle, Ms. FU Linfang and Mr. ZHAO Xianxin were formally appointed as the non-executive Directors of the Company, and Mr. SHI Qingchun was formally appointed as an Independent Non-executive Director of the Company, for a term until the expiry of the Seventh Session of the Board.

On 30 December 2022, the members of the Eighth Session of the Board were elected at the 2022 Second Extraordinary General Meeting, and the Chairman was elected at the First Meeting of the Eighth Session of the Board held on the same day, as detailed below:

Members of the Board	Positions
ZHANG Youjun	Executive Director and Chairman
YANG Minghui	Executive Director
ZHANG Lin	Non-executive Director
FU Linfang	Non-executive Director
ZHAO Xianxin	Non-executive Director
WANG Shuhui	Non-executive Director

Members of the Board	Positions
LI Qing	Independent Non-executive Director
SHI Qingchun	Independent Non-executive Director
ZHANG Jianhua	Independent Non-executive Director

The term of office of the above-mentioned Directors shall commence from 30 December 2022 to the expiry of the Eighth Session of the Board.

(II) Renaming of specialized committees under the Board and election of members

On 24 January 2022, upon approval at the 34th Meeting of the Seventh Session of the Board, the “Strategic Planning Committee of the Board” of the Company was renamed the “Strategic Planning and ESG Committee of the Board” and the terms of reference of the Committee were revised. The revised Terms of Reference of the Strategic Planning and ESG Committee of the Board of the Company came into effect on 24 January 2022.

On 22 February 2022, it was agreed at the 36th Meeting of the Seventh Session of the Board that Mr. SHI Qingchun would serve as a member of the Nomination Committee, the Audit Committee, the Remuneration and Appraisal Committee and the Related Party Transactions Control Committee under the Board for a term commencing from 13 April 2022 to the expiry of the Seventh Session of the Board upon his formal appointment as an Independent Non-executive Director of the Company.

On 28 April 2022, a by-election was held for the members of the specialized committees under the Seventh Session of the Board at the 39th Meeting of the Seventh Session of the Board, specifically, Mr. SONG Kangle was formally appointed as a member of the Nomination Committee, Ms. FU Linfang was formally appointed as a member of the Strategic Planning and ESG Committee and Mr. ZHAO Xianxin was formally appointed as a member of the Risk Management Committee, for a term until the expiry of the Seventh Session of the Board.

On 30 December 2022, the members of the committees under the Board were elected at the First Meeting of the Eighth Session of the Board, and each committee held a meeting on the same day to elect their chairmen, as detailed below:

Specialized committees under the Board	Members
Strategic Planning and ESG Committee	ZHANG Youjun (Chairman), YANG Minghui, FU Linfang, WANG Shuhui
Audit Committee	SHI Qingchun (Chairman), LI Qing, ZHANG Jianhua
Remuneration and Appraisal Committee	ZHANG Jianhua (Chairman), LI Qing, SHI Qingchun
Nomination Committee	LI Qing (Chairman), ZHANG Youjun, ZHANG Lin, SHI Qingchun

Specialized committees under the Board	Members
Risk Management Committee	YANG Minghui (Chairman), ZHAO Xianxin, WANG Shuhui, ZHANG Jianhua
Related Party Transactions Control Committee	SHI Qingchun (Chairman), LI Qing, ZHANG Jianhua

The term of office of the above-mentioned members shall commence from 30 December 2022 to the expiry of the Eighth Session of the Board.

(III) Change and appointment of the senior management

According to the feedback given by the CSRC in the audit of the Company's share allotment regarding senior management's part-time employment with shareholder units, to further strengthen the independence of the listed company, the 2022 First Extraordinary General Meeting considered and approved the proposal regarding amendments to the Articles of Association of the Company on 13 April 2022; specifically, Article 219 "The Chairman of the Board of Directors and the President shall be standing members of the Executive Committee" shall be amended as "The President shall be a standing member of the Executive Committee". Accordingly, Mr. ZHANG Youjun will no longer be a member of the Executive Committee of the Company with effect from 30 November 2022.

On 30 November 2022, Mr. SHI Benliang and Mr. ZHANG Hao were formally appointed as members of the Executive Committee of the Company and Mr. FANG Xing was formally appointed as the Chief Information Officer of the Company for a term until the expiry of the Seventh Session of the Board of Directors at the 47th Meeting of the Seventh Session of the Board of Directors.

On 30 December 2022, the senior management appointed at the First Meeting of the Eighth Session of the Board are as follows:

1. Mr. YANG Minghui as the general manager of the Company;
2. Mr. YANG Minghui, Mr. SHI Benliang, Mr. MA Yao, Mr. XUE Jirui, Mr. YANG Bing, Mr. LI Chunbo, Mr. ZOU Yingguang, Mr. LI Yongjin and Mr. ZHANG Hao as members of the Executive Committee of the Company;

On 9 March 2023, the 2023 First Extraordinary General Meeting approved the amendment to the Articles of Association of the Company to establish the Management Committee as the highest operational and management organ of the Company, consisting of the President, executive members, the Chief Financial Officer, the Chief Compliance Officer, the Chief Risk Officer, the Chief Information Officer, the Secretary to the Board of Directors, the Treasurer, among others. Mr. YANG Minghui, Mr. SHI Benliang, Mr. MA Yao, Mr. XUE Jirui, Mr. YANG Bing, Mr. LI Chunbo, Mr. ZOU Yingguang, Mr. LI Yongjin and Mr. ZHANG Hao were reappointed as executive members of the Company.

3. Mr. SHI Benliang as the Chief Financial Officer of the Company;
4. Mr. LI Jiong as the Treasurer of the Company;
5. Mr. WANG Junfeng as the Board Secretary of the Company;

6. Mr. FANG Xing as the Chief Information Officer of the Company;
7. Mr. ZHANG Guoming as the Chief Compliance Officer and the Chief Risk Officer of the Company;
8. Other senior management

Mr. YE Xinjiang, Mr. SUN Yi and Mr. GAO Yuxiang as senior management of the Company.

The term of office of the above senior management shall commence on 30 December 2022 and expire at the end of the Eighth Session of the Board.

On 24 February 2023, at the 3rd Meeting of the Eighth Session of the Board of the Company, Mr. ZHANG Hao was appointed as the Chief Risk Officer of the Company for a term until the expiration of the Eighth Session of the Board. The appointment is subject to completion of qualification filing with the Shenzhen Securities Regulatory Bureau. Mr. ZHANG Guoming will no longer concurrently serve as the Chief Risk Officer of the Company.

(IV) Amendment to the Company's Policies

On 13 April 2022, the 2022 First Extraordinary General Meeting approved the amendment to the Articles of Association and annexes of the Company, for the first time incorporating the construction of corporate culture into the Articles of Association of the Company. The 38th Meeting of the Seventh Session of the Board was held on the same day, approving an increase in the registered capital of the Company and corresponding amendment to the Articles of Association of the Company. The amended Articles of Association of the Company came into effect on the same day.

On 9 March 2023, the 2023 First Extraordinary General Meeting approved the amendment to the Articles of Association and annexes of the Company by adjusting the Company's highest operational and management organ and business scope, among other changes. The amended Articles of Association of the Company came into effect on the same day.

In addition, the 35th, 41st, 44th, 46th and 48th Meetings of the Seventh Session of the Board respectively amended the Comprehensive Risk Management Systems, the Rules of Procedure of the Executive Committee, the Administrative Measures on Related Party Transactions, the Management System for Investor Relations, the Management System for Information Disclosure and the Working Rules for Independent Directors of the Company. The 6th Meeting of the Strategic Planning and ESG Committee of the Seventh Session of the Board in 2022 considered and approved the Company's environmental, social and governance related policies. The 1st Meeting of the Remuneration and Appraisal Committee of the Eighth Session of the Board in 2022 considered and approved the amendment and formulation of the Company's remuneration management measures and other related policies. All of the above-mentioned policies have taken effect upon approval at the respective meetings.

(V) Establishment of an Asset Management Subsidiary***Adjustment of the hierarchy of the General Administration Department***

On 9 August 2021, the Proposal on the Establishment of an Asset Management Subsidiary and the Corresponding Change to the Business Scope of the Company was considered and approved at the 2021 First Extraordinary General Meeting of the Company. The establishment of the asset management subsidiary of the Company was approved by the CSRC on 30 December 2022. CITIC Securities Asset Management Co., Ltd. has completed the industrial and commercial registration procedures and obtained its business license on 1 March 2023.

(VI) Equity Management***Transfer of 34.55% equity interest in Xinjiang Equity Exchange***

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

Capital increase in CITIC Futures

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

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

On 13 May 2022, the 40th Meeting of the Seventh Session of the Board considered and approved the Proposal on Re-authorization of the Adjustment to the Registered Capital of CITIC Securities Investment, authorizing the management of the Company to complete at its sole discretion the formalities in relation to the capital increase and reduction on the premise that various risk control indicators of the Company are in compliance with the regulatory requirements. The above capital increase and reduction may be carried out multiple times as required by the business. CITIC Securities Investment received a capital increase amount of RMB3 billion on 24 May 2022, with paid-up capital of RMB17 billion, and the formalities for filing of the industrial and commercial registration of changes were completed on 22 December 2022.

Acquisition of 0.1% equity interest in CITIC Securities South China

On 29 August 2022, the 44th Meeting of the Seventh Session of the Board considered and approved the Proposal on the Acquisition of 0.1% Equity Interest in CITIC Securities South China, agreeing that the Company would purchase 0.1% equity interest in CITIC Securities South China from CITIC Securities Investment at a transaction consideration of 0.1% equity value (RMB6,663,992.06) corresponding to the audited net asset value of CITIC Securities South China on 31 December 2021. The equity transfer agreement was signed by the Company and CITIC Securities Investment on 13 October 2022. Upon completion of the acquisition, the organizational form of CITIC Securities South China will be changed from a joint stock limited company to a limited liability company.

(VII) External Investments and Related Party/Connected Transactions

On 28 June 2022, the 42nd Meeting of the Seventh Session of the Board considered and approved the Resolution on Waiving the Right of First Refusal regarding the 10% Equity Interest in China Asset Management Company Limited and agreed to waive the right of first refusal regarding the 10% equity interest in China AMC held by Tianjin Haipeng, subject to the transfer price being not less than US\$0.49 billion, which is valid for one year from the date of approval by the Board.

On 8 July 2022, the 43rd Meeting of the Seventh Session of the Board considered and approved the Proposal on Additional Subscription of Fund Shares by a Subsidiary, agreeing that GoldStone Investment could make an additional capital contribution of RMB1.1 billion to GoldStone New Materials Fund for Manufacturing Transformation and Upgrading (Limited Partnership) (hereinafter referred to as New Materials Fund) with its self-owned funds, bringing the total capital contribution to RMB2.1 billion. As of the end of the Reporting Period, GoldStone Investment had already made an additional paid-in capital contribution of RMB239 million to New Materials Fund, bringing the total paid-in capital contribution to RMB1.239 billion.

On 30 September 2022, the 45th Meeting of the Seventh Session of the Board considered and approved the Proposal on the External Investment through Subsidiaries, agreeing that CITIC Securities Investment could invest in Suzhou Xincheng Equity Investment Partnership (Limited Partnership) in cash, with a capital contribution of RMB141 million. After the approval of the Board on that day, CITIC Securities Investment completed the signing of the fund partnership agreement with the related/connected party investor, CITIC Prudential, and other non-related/connected party investors.

(VIII) Standardizing the Publicly-offered Collective Investment Schemes of the Company

In accordance with the Resolution on Standardizing the Publicly-offered Collective Investment Schemes of the Company as considered and approved unanimously by the 35th Meeting of the Sixth Session of the Board, the matters relating to rectification and standardization of the publicly-offered collective investment schemes of the Company have been completed, and all the 19 publicly-offered collective investment schemes of the Company have been operated normally following the model of public funds.

(IX) Equity Financing

On 29 June 2021, the Plan of Public Issuance of Securities by Way of the Rights Issue was considered and approved at the 2020 Annual General Meeting, the 2021 First A Shareholders Class Meeting and the 2021 First H Shareholders Class Meeting. The Rights Issue was completed in March 2022 upon approval by the CSRC.

(X) Debt Financing

During the Reporting Period, the Company publicly issued 3 tranches of corporate bonds with an aggregate issuance amount of RMB6 billion, and a tranche of perpetual subordinated bonds with an issuance amount of RMB3 billion to replenish working capital of the Company or repay corporate bonds; the Company issued 2,862 tranches of beneficiary certificates with an aggregate issuance amount of RMB81.739 billion to replenish working capital of the Company. In accordance with the relevant requirements of the Administrative Measures for the Issuance and Transactions of Corporate Bonds, the Company established special accounts for the proceeds from issuance of each tranche of corporate bonds, subordinated bonds and perpetual subordinated bonds for the collection, storage and transfer of proceeds, and the collection and management of the payment of interest and redemption of principal. As of the end of the Reporting Period, proceeds of each tranche of bonds were completely used, which was in line with the usage, using plan and other agreements in the prospectuses.

(XI) Material Guarantees

In accordance with the relevant regulations of the No. 8 Regulatory Guideline of the Listed Companies — Regulatory Requirements on Capital Movement, External Guarantees of Listed Companies (《上市公司監管指引第8號 — 上市公司資金往來、對外擔保的監管要求》) [Notice No. 26] issued by the CSRC, and based on their acknowledgement and investigations of the relevant situations of the Company and the information provided by the Company, the Independent Non-executive Directors of the Company issued the following statements and independent opinions regarding the aggregate and current guarantees of the Company during the Reporting Period:

According to the resolution approved at the Shareholders' general meeting, and upon deliberation by the duly authorized working group, the Company provided an unconditional and irrevocable guarantee on a joint and several basis for repayment obligations under each batch of notes to be issued pursuant to an overseas medium-term notes program set up by CITIC Securities Finance MTN, an indirect wholly-owned subsidiary of the Company. The guarantee amount was US\$3 billion and the scope of the guarantee includes the principal, interest and other contingent account payables of overseas notes. As at the end of the Reporting Period, the aggregate balance of existing notes under the above-mentioned medium-term notes program was US\$1.555 billion, specifically: in 2019, CITIC Securities Finance MTN made a drawdown under the medium-term notes program to issue five-year notes with an issue size of US\$200 million; in 2020, CITIC Securities Finance MTN made a drawdown under the medium-term notes program with an issue size of US\$1 billion, including three-year notes of US\$500 million and five-year notes of US\$500 million; in 2022, CITIC Securities Finance MTN made a drawdown under the medium-term notes program with an issue size of US\$355 million.

According to the resolution approved at the Shareholders' general meeting and upon deliberation by the Company's management, the Company provided an unconditional and irrevocable guarantee for the Euro-commercial papers project set up by CITIC Securities Finance MTN with a guarantee period from 4 May 2018 to 4 May 2023 and an amount of US\$3,000 million. The scope of the guarantee includes the principal, interest and other contingent account payables of overseas notes. During the Reporting Period, CITIC Securities Finance MTN issued 13 tranches of Euro-commercial papers in aggregate with a total issue size of US\$640 million. As at the end of the Reporting Period, the balance of existing notes was US\$490 million.

During the Reporting Period, among all the subsidiaries of the Company, CSI and its subsidiaries had provided guarantees for the benefits of their relevant subsidiaries in connection with their business operations, which mainly included loan guarantees and guarantees for medium-term notes. The amount of the above-mentioned guarantee was approximately RMB66,019 million as at 31 December 2022.

The above-mentioned debt guarantees directly or indirectly provided to guaranteed parties with a gearing ratio of more than 70% amounted to RMB79.6 billion, all of which were guarantees provided by the Company and its overseas subsidiaries to their respective subsidiaries to meet the needs of business operations.

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

(XII) Management of Related Party/Connected Transactions

The Board of the Company has established the Related Party Transactions Control Committee to supervise and implement administrative system of related party/connected transactions of the Company, and to carry out review on material related party/connected transactions. In addition, the Independent Directors issued their endorsement opinions on the related party/connected transactions before the submission of the transactions to the Board for consideration, so as to ensure that the related party/connected transactions were conducted on normal commercial terms and in the interests of the Shareholders as a whole.

The Board of the Company has conducted related party/connected transactions in strict compliance with the listing rules of the place where the Shares of the Company are listed, as well as the Management System for Information Disclosure and the Administrative Measures on Related Party Transactions of the Company. Related party/connected transactions of the Company are conducted under the principles of equity, openness and fairness and the agreements on related party/connected transactions are entered into under the principles of equality, free will, equal value exchange and compensation.

Non-related/connected Directors and the Related Party Transactions Control Committee of the Board of the Company considered the estimation of annual related party transactions contemplated in the ordinary course of business of the Company and its semi-annual implementation, renewal of framework agreements, waiver of the right of first refusal and joint external investment with related parties, respectively.

(XIII) Maintenance of Investor Relations

The Company attaches great importance to the protection of the legitimate rights and interests of Shareholders and investors, especially those of minority Shareholders and investors. Through the shareholder hotline, e-mail, SSE “e-interaction” and other online platforms, the Company listens to investors’ opinions and suggestions in an all-round way through such forms as Shareholders’ general meeting, investor briefing, road show, analyst meeting, reception of visitors and symposium, and responds to investors’ demands in a timely manner.

In 2022, the Company held three results conferences in the form of “live streaming video + online roadshow + telephone communication”, and attracted about 160,000 investors and media to participate in the conferences, and the Company was once again awarded the “Best Practice of 2021 Annual Results Announcement of Public Companies” by China Association for Public Companies. The investor relations team of the Company timely exchanged views with investors and analysts on market focus, rights issue of the Company as well as updates in regulatory policies. The Company also ensured the investor hotline access rate, continuously optimized the function of the mailbox and the Company’s website, timely updated the contents on SSE “e-interaction” platform, and replied to investors’ questions to keep investors informed of the development of the Company in a more convenient, rapid, prompt and comprehensive manner.

(XIV) Internal Control Evaluation

In accordance with the requirements of the corporate internal control standard system, it is the responsibility of the Board of the Company to establish, improve and effectively implement internal control, assess its effectiveness and truthfully disclose the assessment report on internal control. The Supervisory Committee oversees the establishment and implementation of internal control by the Board. The Operation Management is responsible for organizing and steering the day-to-day operation of corporate internal control.

The goal of the Company’s internal control is to provide reasonable assurance for the legal compliance of the operation and management, safety of the assets, truthfulness and completeness of the financial reports and relevant information, improve operational efficiency and effectiveness so as to facilitate the realization of development strategies. Due to its inherent limitations, internal control can only provide reasonable assurance for the achievement of the above objectives. Moreover, as changes in circumstances may render the internal control to be inappropriate, or reduce the degree of compliance with policies and procedures of the internal control, predicting the effectiveness of future internal control based on the assessment results of internal control may involve certain risks.

The Audit Committee of the Board assists the Board in independently reviewing the Company’s financial condition and the implementation and effects of the internal control system, and reviewing and supervising the results of the Company’s internal audit work. There were no significant internal control issues found during the relevant review. The Board was of the view that the existing risk management and internal control systems were effective and sufficient in 2022 and as of the disclosure date of this report.

(XV) Due performance of Information Disclosure Obligation

During the Reporting Period, the Company managed to disclose information in a manner that is true, accurate and complete in strict compliance with the laws, regulations, the Articles of Association of the Company and the Management Measures on Information Disclosure, so as to ensure the timely and fair information disclosure.

In 2022, the Management Measures on Information Disclosure, the Registration System for Person Informed of Inside Information, and other relevant policies of the Company were effectively implemented. The Company further regulated information disclosure and improved the management and quality of information disclosure of the Company. At the same time, the Management Measures on Information Disclosure and other internal systems of the Company clearly specify the reporting, delivery, reviewing and disclosing procedures for material events of the Company. All these systems were effectively implemented.

(XVI) Convening of General Meetings and Fully Implementing the Resolutions of the Meetings

The Board of the Company duly performed its responsibility as the convener of the general meetings in accordance with the requirements of laws, regulations and the Articles of Association of the Company. In 2022, the Company convened 3 general meetings, at which 14 resolutions were submitted to the general meetings.

The Board of the Company strictly implemented all resolutions approved at the general meetings and successfully completed the relevant work including 2021 profit distribution, re-appointment of accounting firms, election of new session, amendments to the Articles of Association of the Company, and renewal of related party/connected transactions.

(XVII) Actively Performing Social Responsibilities

The Company takes the responsibility of responding to national strategies, serving the real-economy and creating greater value for society to actively fulfil its corporate social responsibilities in terms of robust operation, sustainable finance, employee development, environment-friendliness and giving back to society. In 2022, the Company continuously implemented the new development concept, propelled the development of sustainable finance, actively addressed climate change, helped employees develop and grow, steadily promoted business development, and paid attention to people's well-being, so as to create value for customers, shareholders, employees, society and other stakeholders.

The Company has established and continuously improved the social responsibility organizational structure. We integrated the concept of social responsibility into our daily operation and management, and continuously promoted the integration of social responsibility with business development to ensure proper fulfilment of social responsibilities. The Company's social responsibility management strategy was made by the Board, and coordinated and implemented by the management, with all departments and subsidiaries cooperating with each other to jointly carry out and promote social responsibility initiatives.

In 2022, the Company achieved a MSCI ESG rating of BBB and a CDP Climate Change Questionnaire rating of B, with its Moody's ESG rating upgraded to CIS-2 neutral.

III. Performance of Duties by Directors

In 2022, the Directors of the Company faithfully and diligently performed their duties and obligations in accordance with laws, regulations and the Articles of Association of the Company. The Directors of the Company attended meetings of the Board and meetings of relevant specialized committees in accordance with relevant requirements, at which every proposal was duly considered, and opinions and advice were explicitly put forward. They read all sorts of documents and reports provided by the Company carefully during the period between each Board meeting, which enabled them to understand the operating and management condition of the Company in time.

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

During the Reporting Period, the attendance of the Directors of the Company at the Board meetings during their terms of office is as follows:

Name of Director	Position	Required attendance during the year	Attendance in person	Attendance by means of telecommunications	Attendance by proxy	Absence	Mode of attendance at on-site meeting
ZHANG Youjun	Executive Director and Chairman of the Board	17	17	8	—	—	On-site
YANG Minghui	Executive Director	17	17	8	—	—	On-site/Conference call
ZHANG Lin	Non-executive Director	1	1	—	—	—	Conference call
FU Linfang	Non-executive Director	11	11	5	—	—	On-site/Conference call
ZHAO Xianxin	Non-executive Director	11	11	5	—	—	On-site/Conference call
WANG Shuhui	Non-executive Director	17	17	8	—	—	Conference call
LI Qing	Independent Non-executive Director	17	17	8	—	—	Conference call
SHI Qingchun	Independent Non-executive Director	11	11	5	—	—	Conference call
ZHANG Jianhua	Independent Non-executive Director	1	1	—	—	—	Conference call

Name of Director	Position	Required attendance during the year	Attendance in person	Attendance by means of telecommunications	Attendance by proxy	Absence	Mode of attendance at on-site meeting
SONG Kangle	Former Non-executive Director	9	9	4	—	—	On-site/Conference call
LIU Ke	Former Independent Non-executive Director	1	1	1	—	—	—
ZHOU Zhonghui	Former Independent Non-executive Director	16	16	8	—	—	Conference call
Board meetings held during the year					17		
Among which, number of meetings held on-site					8		
number of meetings held via telecommunications					8		
number of meetings held on-site and by telecommunications					1		

IV. Performance of Duties by the Operation Management

In 2022, the Operation Management of the Company performed its duties properly, with various operation and management work steadily promoted and positive results achieved, and the Company's business results and market rankings of main businesses continued to be in top tier of the industry. The refined management of assets and liabilities was further strengthened, which contributed to more precise and effective resource allocation. It further improved the global risk and compliance management system, and effectively controlled various types of risks and compliance incidents. With the secure, reliable and efficient operation of the information system, transaction service capabilities were enhanced on an ongoing basis. It heightened the cultivation of talents and optimized the incentive and restraint mechanism of the Company; further promoted party building and construction of corporate culture, and effectively fulfilled its social responsibilities.

In 2022, the Remuneration and Appraisal Committee of the Board of the Company conducted an assessment on the operation of the Company and the annual performance of senior management and determined the total performance-based annual remuneration of the senior management of the Company. Based on the assessment results and a set of refined and classified standards, the Chairman of the Company determined the performance-based annual remuneration of each member of the senior management. The Company will continue to improve its internal management. For the assessment on the performance of the senior management, in addition to the evaluation of financial performances and completion of annual key tasks in their respective business scope in charge, the Company will also focus on the professional ethics and risk awareness of legal compliance.

V. Key Work of the Company's Operation Management in 2023

In 2023, the Company's key work plans include: taking practical action to promote the modernization of the capital market and continuously injecting new momentum to drive high-quality economic development based on the Company's development mission and vision; adhering to international development, accelerating the improvement of market layout for global customers, and enhancing cross-border, cross-business and cross-market capabilities of comprehensive financial services; further optimizing the business model and management mechanism, focusing on elevating investment and transaction capabilities, propelling business and product innovation, and strengthening the Company's anti-cycle core capabilities; resolutely building a firm boundary consciousness, incorporating the concept of "integrity" into the whole process of building a world-class investment bank, and doing a solid job of comprehensive risk compliance management; continuously ameliorating the layout of human resources, perfecting the talent selection, appointment and incentive mechanisms, and reinforcing talent cultivation to meet the business needs of a world-class investment bank; increasing investment in information technology, pushing forward the construction of a global integrated information system platform, continuously raising the capacity, performance, security and reliability of the Company's information system to beef up its digital operation capabilities.

The above is the 2022 Work Report of the Board of the Company, which is proposed to the general meeting of the Company for consideration.

Dear Shareholders,

Pursuant to the relevant requirements of laws, regulations and the Articles of Association of the Company, the 2022 Work Report of the Supervisory Committee of the Company is hereby reported as follows:

In 2022, the Supervisory Committee of the Company strictly complied with the provisions of the Company Law and the Articles of Association of the Company, lawfully and diligently performed its duties, observed the procedures, attended all on-site meetings of the Board and general meetings, made reports to the general meetings and submitted its work report and relevant proposals. Based on the principle of being accountable to all Shareholders, the Supervisory Committee effectively supervised the legality and compliance of the Company's finance and the performance of duties by the Board and the Operation Management of the Company.

I. Meetings of the Supervisory Committee and Attendance of Supervisors during the Reporting Period

In 2022, the Supervisory Committee of the Company convened 8 meetings in total, the details of which are as follows:

Sessions	Date of Meeting	Resolutions of Meeting
The 13th Meeting of the Seventh Session of the Supervisory Committee	8 February 2022	The meeting considered and approved: Proposal on the Use of Temporarily Unutilized Proceeds from A Share Rights Issue for Cash Management
The 14th Meeting of the Seventh Session of the Supervisory Committee	28 March 2022	The meeting considered and approved: 2021 Annual Report Proposal on 2021 Profit Distribution Plan 2021 Work Report of the Supervisory Committee Proposal on the Total Remuneration of the Supervisory Committee for 2021 2021 Social Responsibility Report Proposal on Provision for Other Assets Impairment Loss of the Company for 2021 Proposal on the Replacement of the Pre-invested Internal Funds with the Proceeds from the Rights Issue of the Company and considered: 2021 Audit Work Report 2021 Assessment Report on the Internal Control 2021 Compliance Report 2021 Integrity Practice Management Report 2021 Comprehensive Risk Management Report

Sessions	Date of Meeting	Resolutions of Meeting
The 15th Meeting of the Seventh Session of the Supervisory Committee	28 April 2022	The meeting considered and approved: 2022 First Quarterly Report
The 16th Meeting of the Seventh Session of the Supervisory Committee	29 August 2022	The meeting considered and approved: 2022 Interim Report 2022 Interim Special Report on the Depository and Actual Use of the Proceeds and considered: 2022 Interim Compliance Report 2022 Interim Comprehensive Risk Management Report 2022 Interim Risk Appetite Management Report
The 17th Meeting of the Seventh Session of the Supervisory Committee	28 October 2022	The meeting considered and approved: 2022 Third Quarterly Report
The 18th Meeting of the Seventh Session of the Supervisory Committee	30 November 2022	The meeting considered and approved: Proposal on the Election of the Non-Employee Representative Supervisors of the Eighth Session of the Supervisory Committee of the Company
The 19th Meeting of the Seventh Session of the Supervisory Committee	27 December 2022	The meeting considered and approved: Proposal on Amendments to the Rules of Procedure for the Supervisory Committee of the Company Proposal on Changes to the Special Account for Proceeds from the A-Share Rights Issue
The 1st Meeting of the Eighth Session of the Supervisory Committee	30 December 2022	The meeting considered and approved: Proposal on the Election of the Chairman of the Supervisory Committee of the Company

During the Reporting Period, the attendances of Supervisors at the meetings of the Supervisory Committee and general meetings during their terms of office are as follows:

Name of the Supervisor	Position	Attendances at the meetings of the Supervisory Committee					Attendances at general meetings
		Required attendance at meetings of the Supervisory Committee during the year	Actual attendance	Attendance by tele-communication	Attendance by proxy	Absence	Attendance at general meetings
ZHANG Changyi	Supervisor, Chairman of the Supervisory Committee	8	8	1	—	—	3
GUO Zhao	Supervisor	8	8	1	—	—	3
RAO Geping	Supervisor	8	8	1	—	—	3
YANG Liqiang	Employee Representative Supervisor	1	1	—	—	—	—
NIU Xuekun	Employee Representative Supervisor	8	8	1	—	—	3
LI Ning	Former Employee Representative Supervisor	7	7	1	—	—	3
Meetings of the Supervisory Committee held during the year					8		
Among which, number of on-site meetings					7		
number of meetings held via telecommunications					1		

II. Participating in the Audit Project of the Company and Conducting On-site Inspections

To ensure the Supervisors of the Company to perform their supervision duties, the Supervisory Committee of the Company continued to strengthen supervision and inspection of the Company's day-to-day operations. In March, August and September 2022, the Supervisors of the Company participated in the on-site activities on performance of duties, listened to the research reports of the business departments of the Company with regard to the macroeconomy and capital market, the report of the PwC on the 2022 Interim Work Review and other reports, respectively, and engaged in the on-site opinion exchange sessions on audit held by the business departments of the Company.

III. Independent Opinions of the Supervisory Committee

During the Reporting Period, the Supervisors of the Company attended all on-site meetings of the Board and Shareholders' general meetings. They supervised and inspected the operation in compliance with laws, major decisions, major business activities and the financial position of the Company. On the basis of the above, the following independent opinions were given:

1. The Company managed to operate in strict compliance with the Company Law, the Securities Law, the Articles of Association of the Company and the relevant rules and regulations of the PRC, and the decision-making procedure of the Company was legitimate. The Company was able to continuously improve its internal control system, and none of the Directors and Senior Management of the Company was involved in any violation of laws or disciplines or other acts that may harm the interests of the Company when performing their duties. The Supervisory Committee of the Company had no disagreement in relation to any supervisory matters during the Reporting Period.
2. The financial position of the Company was sound. The financial report for 2022 had been audited by PwC. The auditors had issued their unqualified audit reports, which gave a true and fair view of the financial position and the business performance of the Company.
3. During the Reporting Period, the Company completed the A+H Share Rights Issue, and the net proceeds from the rights issue of the Company to existing A Shareholders amounted to approximately RMB22.318 billion, and the net proceeds from H Shareholders amounted to approximately HK\$5.976 billion, equivalent to approximately RMB4.839 billion. The Company deposited, used and managed the proceeds in accordance with the Administrative Measures on the Use of Proceeds by CITIC Securities Company Limited, the Tripartite Supervision Agreement for the Deposits of Raised Funds in Designated Accounts and the relevant laws and regulations. As of the end of the Reporting Period, the proceeds equivalent to approximately RMB18.149 billion was used for the development of flow-based business; the proceeds equivalent to RMB4 billion was used for the increase in investments to the subsidiaries; the proceeds equivalent to approximately RMB2.513 billion was used for the strengthening of the construction of the information system; and the proceeds equivalent to RMB1 billion was used for the replenishment of other working capital; the unutilised amount was RMB1.495 billion, which were used in line with commitments in the prospectus and the Company's announcements. Besides, during the Reporting Period, the Company issued 3 tranches of public corporate bonds with an issuance size of RMB6 billion in total and one tranche of public perpetual subordinated bonds with an issuance size of RMB3 billion, which were used to replenish the working capital of the Company or repay corporate bonds; the Company issued 2,862 tranches of beneficiary certificates with an issuance size of RMB81.739 billion in total, which were used to replenish the working capital of the Company. The Company established special proceeds accounts for various tranches of corporate bonds, subordinated bonds and perpetual subordinated bonds in accordance with the Administrative Measures for the Issuance and Transactions of Corporate Bonds, to receive, deposit and transfer proceeds and to organize and manage the payment of interest and redemption of principal. As of the end of the Reporting Period, proceeds of each tranche of bonds were completely used, which was in line with the usage, using plan and other agreements in the prospectuses.
4. Acquisitions or disposals of assets were made by the Company at reasonable prices. No insider dealings were found, nor were there any circumstances which may jeopardize the interests of part of the Shareholders or cause any loss to the Company's assets.

5. The relevant related party/connected transactions of the Company were fair, in compliance with laws and not prejudicial to the interests of the Company.
6. The Board Secretary is designated by the Company to be specifically responsible for information disclosure as well as receiving incoming calls, visits and enquiries and other activities from investors. The Company has designated China Securities Journal, Shanghai Securities News and Securities Times as the newspapers for information disclosure of the Company, and the website of the Shanghai Stock Exchange at <http://www.sse.com.cn> and the HKEXnews website of the Hong Kong Exchanges and Clearing Limited at <http://www.hkexnews.hk> as the websites for information disclosure of the Company. The Company had been in strict compliance with the provisions and requirements of the relevant laws and regulations and the Management Measures on Information Disclosure to truly, accurately, timely and completely disclose relevant information and ensure that all Shareholders were given equal opportunities to be informed of the relevant information.

During the Reporting Period, the Management Measures on Information Disclosure, the Registration System for Person Informed of Inside Information and other relevant systems of the Company were effectively implemented, the Company's information disclosure was further regulated, the Company's information disclosure management level and quality of information disclosure were enhanced, the principle of fairness of information disclosure was maintained, and the legal rights of investors were protected. Meanwhile, the Management Measures on Information Disclosure and the Company's internal system provided clear requirements on the reporting, delivery, review and disclosure procedures for significant matters of the Company and it was implemented well.

7. The written review opinions of the Supervisory Committee of the Company on the annual report of the Company were as follows:

The preparation and approval procedures of the annual report of the Company were in compliance with all the requirements under the relevant laws and regulations, the Articles of Association of the Company and the internal management systems of the Company;

Contents and format of the annual report were in compliance with the relevant requirements of the regulatory authorities, and information disclosed therein can completely and truly reflect the operational and financial conditions and other matters of the Company for the year;

None of the persons involved in the preparation and review of the annual report had committed any action in breach of confidentiality requirements.

8. The Supervisory Committee of the Company reviewed the 2022 Profit Distribution Plan of the Company and considered that the 2022 Profit Distribution Plan formulated by the Board of the Company was in compliance with the requirements of the relevant laws, regulations and the regulatory documents of the Company and strictly performed the cash dividend decision-making procedure. The 2022 Profit Distribution Plan of the Company had given full consideration to the Company's internal and external factors, the Company's current status, development plan, future capital requirements and the overall and long-term interest of the Shareholders. Consent has been given to submit this plan to the Shareholders' general meeting of the Company for consideration.

9. The Supervisory Committee of the Company reviewed the 2022 Report on the Assets After the Write-off of Bad Debts, the 2022 Audit Work Report, the 2022 Assessment Report on the Internal Control, the 2022 Compliance Report, the 2022 Integrity Practice Management Report and the 2022 Comprehensive Risk Management Report of the Company, and it had no disagreement with the contents therein.

The above is the 2022 Work Report of the Supervisory Committee of the Company, which is to be proposed to the Shareholders' general meeting of the Company for consideration.

Dear Shareholders,

Pursuant to the relevant requirements imposed on listed companies by the regulatory authorities, the 2022 duty performance report was issued and signed by each of the Independent Non-executive Directors of the Company. The duty performance of the Independent Non-executive Directors for 2022 is reported as follows:

I. Basic Information of the Independent Non-executive Directors

As of the end of the Reporting Period, the Eighth Session of the Board of the Company comprised nine Directors, among whom, three were Independent Non-executive Directors, including: Mr. LI Qing, Mr. SHI Qingchun and Mr. ZHANG Jianhua.

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

Mr. SHI Qingchun serves as an Independent Non-executive Director of the Company. Mr. SHI was appointed as an Independent Non-executive Director of the Company on 13 April 2022. Mr. SHI joined the School of Management of Lanzhou University in April 2012 and has served as an associate professor of the School of Management of Lanzhou University from May 2016. Mr. SHI graduated from Lanzhou University of Finance and Economics in 2002, majoring in Accounting, obtained a master degree in Management from Lanzhou University in 2006, majoring in Business Management, and a doctoral degree in Management from Xi'an Jiaotong University in 2011, majoring in Business Administration (Accounting).

Mr. ZHANG Jianhua serves as an Independent Non-executive Director of the Company. Mr. ZHANG was appointed as an Independent Non-executive Director of the Company on 30 December 2022. Mr. ZHANG, an expert who enjoys the government special allowance of the State Council, currently serves as the researcher, adjunct professor and doctoral supervisor of the Tsinghua University PBC School of Finance and the director of Research Center for Financial Development and Regtech of the Institute for Fintech Research, Tsinghua University, as well as the editor-in-chief of the Tsinghua Financial Review. From 1989 to 2015, Mr. ZHANG successively served as the senior staff member and principal staff member of the Trust Company Management Division of the Financial Management Department, principal staff member, deputy director and director of the Financial Lease Company Supervision Division, director of the Supervision Division III of the Non-bank Financial Institutions Supervision Department, director of the Fiscal and Taxation Research Division of the Research Bureau, deputy director-general of the Financial Stability Bureau, director-general of the Research Bureau, secretary to the Communist Party Committee and president of the Hangzhou Central Sub-branch of the People's Bank of China and concurrently director-general of the State Administration of Foreign Exchange Zhejiang Branch; he served as the deputy

secretary to the Communist Party Committee, director and president of Beijing Rural Commercial Bank Co., Ltd. from 2015 to 2016, and served as deputy secretary to the Communist Party Committee, director and president of Hua Xia Bank Co., Limited from January 2017 to February 2022. Mr. ZHANG obtained a bachelor degree in engineering from the Department of Management Information Systems of Tsinghua University in 1987, graduated from the monetary banking of Graduate School of the Financial Research Institute of the Head Office of the People's Bank of China in 1989, and graduated from the technical economy and management of Tsinghua University and obtained a doctoral degree in management in 2003.

II. Performance of Duties by the Independent Non-executive Directors during the Year

During the Reporting Period, in accordance with the requirements of the CSRC and the provisions of the Working Rules for Independent Directors of the Company, all Independent Non-executive Directors duly performed all their duties during the preparation of the annual report, and gave specific explanations or delivered independent opinions on the related party/connected transactions and external guarantees of the Company.

The Independent Non-executive Directors of the Company actively participated in the general meetings and meetings of the Board and the relevant specialized committees under the Board. Among the members of the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee, the Risk Management Committee and the Related Party Transactions Control Committee of the Board, the Company has appointed the requisite number of Independent Non-executive Directors as required by their respective rules. Among, each of the chairman of the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee and the Related Party Transactions Control Committee is assumed by an Independent Non-executive Director. All the chairmen of the committees are able to convene the meetings according to the relevant rules of procedure.

As at the end of the Reporting Period, positions of the Independent Non-executive Directors of the Eighth Session of the Board of the Company in the specialized committees under the Board were as follows:

Independent Non-executive Director	Positions in the specialized committees under the Board
LI Qing	Chairman of the Nomination Committee, members of the Remuneration and Appraisal Committee, the Audit Committee and the Related Party Transactions Control Committee
SHI Qingchun	Chairman of the Audit Committee and the Related Party Transactions Control Committee, members of the Nomination Committee and the Remuneration and Appraisal Committee
ZHANG Jianhua	Chairman of the Remuneration and Appraisal Committee, members of the Risk Management Committee, the Audit Committee and the Related Party Transactions Control Committee

During the Reporting Period, the Company convened 3 general meetings, 17 meetings of the Board and 33 meetings of the specialized committees under the Board. All Independent Non-executive Directors actively participated in the meetings and gave their independent opinions. Attendances of the meetings were as follows:

Name of meeting	LI Qing	SHI Qingchun	ZHANG Jianhua	LIU Ke	ZHOU Zhonghui
General meeting	3/3	2/2	—	—	3/3
Meeting of the Board	17/17	11/11	1/1	1/1	16/16
Meeting of the Strategic Planning and ESG Committee	—	—	—	—	—
Meeting of the Audit Committee	8/8	6/6	1/1	—	7/7
Meeting of the Remuneration and Appraisal Committee	3/3	1/1	1/1	—	2/2
Meeting of the Nomination Committee	4/4	2/2	—	—	1/1
Meeting of the Risk Management Committee	3/3	—	1/1	—	3/3
Meeting of the Related Party Transactions Control Committee	6/6	5/5	1/1	—	5/5

Note: The actual attendance/required attendance shown in the above table represents the number of meetings attended by each of Independent Non-executive Directors in their terms of office during the Reporting Period. Among them, Mr. LIU Ke ceased to serve as an Independent Non-executive Director of the Company with effect from 18 January 2022 due to expiry of the term of office. Mr. ZHOU Zhonghui ceased to serve as an Independent Non-executive Director of the Company with effect from 30 December 2022 due to expiry of the term of office.

During the Reporting Period, the Company provided the requisite working conditions for the Independent Non-executive Directors to exercise their rights and regularly prepared Weekly Information so that the Independent Non-executive Directors were able to fully understand the operation, management, business development and compliant operation of the Company in a timely manner. The Company also duly organized the meetings and made arrangement for the dispatch of documents without any restriction or impediment posed to the Independent Non-executive Directors in the process of understanding the operation of the Company.

III. Independent Non-executive Directors' Major Consideration in Duty Performance

(I) Related Party/Connected Transactions

On 25 March, 6 May, 14 June, 26 August and 29 September 2022, respectively, the Independent Non-executive Directors of the Company, all being members of the Related Party Transactions Control Committee, considered/preliminarily considered the Proposal on the Estimation of Related Party/Continuing Connected Transactions to be Contemplated in the Ordinary Course of Business of the Company in 2022, the Special Audit Report on the Major Related Party Transactions of the Company, the Proposal on Waiving the Pre-emptive Right for 10% Equity Interests in China Asset Management Company Limited, the Proposal on Considering the Implementation of Related Party/Continuing Connected Transactions in the Ordinary Course of Business of the Company in the First Half of 2022, the Proposal on the Amendment to the Administrative Measures of Related Party Transactions of the Company, the Proposal on Renewal of the Framework Agreement on Related Party/Continuing Connected Transactions in the Ordinary Course of Business with CITIC Group Corporation and the Proposal on External Investment through Subsidiaries.

On 18 March, 28 March, 20 April, 14 June, 28 June, 29 September and 30 September 2022, the Independent Non-executive Directors of the Company voted on and gave their prior approval opinions and independent opinions about the related party/continuing connected transactions to be contemplated in the ordinary course of business for the year and estimation thereof, external investment through subsidiaries, renewal of framework agreement, joint investments with related/connected parties, waiver on the pre-emptive right and other related party/connected transactions, respectively.

(II) Use of Proceeds

In 2022, the Company completed its A+H Share Rights Issue. The net proceeds raised from the Rights Issue to existing A Shareholders were approximately RMB22.318 billion, and the net proceeds raised from the Rights Issue to H Shareholders were approximately HK\$5.976 billion (equivalent to approximately RMB4.839 billion). The Company deposited, used and managed the proceeds in accordance with the Administrative Measures on the Use of Proceeds by CITIC Securities Company Limited (《中信証券股份有限公司募集資金使用管理辦法》), the Tripartite Supervision Agreement for the Deposit of Raised Fund in Designated Account (《募集資金專戶存儲三方監管協議》), and the requirements of the relevant laws and regulations. As of the end of the Reporting Period, approximately RMB18.149 billion of the proceeds were used for the development of flow-based business, RMB4 billion were used for increasing investments to the subsidiaries of the Company, approximately RMB2.513 billion were used for strengthening the construction of the information system, RMB1 billion were used for replenishing other working capital, and the unused amount was RMB1.495 billion, in line with the undertakings in relation to the prospectuses and the Company's announcements.

During the Reporting Period, the Company used the temporarily idle proceeds raised from the Rights Issue for cash management, and replaced pre-invested self-financing capital with the proceeds raised from the Rights Issue. The special accounts for the proceeds raised from the A Share Rights Issue were changed, and Independent Non-executive Directors issued independent opinions on this matter as well as the 2022 Interim Special Report on the Depository and Actual Use of the Proceeds.

In 2022, the Company issued three tranches of public corporate bonds with a total issuance size of RMB6 billion, and one tranche of public perpetual subordinated bonds with an issuance size of RMB3 billion, proceeds of which were used to replenish the working capital of the Company or repay corporate bonds. Additionally, the Company issued 2,862 tranches of beneficiary certificates with an issuance size of RMB81.739 billion in total, proceeds of which were used to replenish the working capital of the Company. The Company established special proceeds accounts for various tranches of corporate bonds, subordinated bonds and perpetual subordinated bonds in accordance with the Administrative Measures for the Issuance and Trading of Corporate Bonds, to receive, deposit and transfer proceeds and to organize and manage the payment of interest and redemption of principal. As at the end of the Reporting Period, proceeds of each tranche of bonds were completely used, which was in line with the usage, using plan and other agreements in the prospectuses.

(III) Remuneration of Directors and Senior Management

On 28 March 2022, the Independent Non-executive Directors considered and reviewed the total remuneration of the Directors and senior management of the Company for 2021 according to the Articles of Association of the Company, the Rules of Procedure of the Remuneration and Appraisal Committee of the Board and the Remuneration Management System of the Company, and issued the following independent opinions: the total remuneration of the Directors and senior management of the Company for 2021 is in compliance with the requirements of the relevant laws and regulations, the Articles of Association of the Company, the Rules of Procedure of the Remuneration and Appraisal Committee of the Board and the Remuneration Management System of the Company, and there is no disagreement on the total remuneration of Directors and senior management for 2021. On the same day, the Independent Non-executive Directors of the Company, as members of the Remuneration and Appraisal Committee of the Board of the Company, conducted a preliminary review on the Proposal on the Total Remuneration of the Directors of the Company for 2021, the Proposal on the Total Remuneration of Senior Management of the Company for 2021 and the Proposal on Annual Assessment on the Chief Compliance Officer of the Company, and considered and approved the Resolution on Considering the 2021 Duty Performance Report of the Remuneration and Appraisal Committee of the Board of the Company, the Resolution on Reviewing the Achievement of Performance in 2021 and the Implementation Plan of Annual Performance-based Remuneration for Senior Management of the Company and the Resolution on Considering the Pre-distribution Plan of Senior Management Loyalty Award of the Company in 2021.

(IV) Appointment of Accounting Firms

On 6 May 2022, the Independent Non-executive Directors of the Company, as members of the Audit Committee of the Board, considered and approved the Proposal on the Re-appointment of Accounting Firms. On 13 May 2022, the Independent Non-executive Directors issued independent opinions regarding the re-appointment of accounting firms, believing that PwC Zhong Tian and PwC Hong Kong have the corresponding professional qualifications and competence and could independently, objectively and impartially evaluate the Company's financial condition and operating results while providing audit services for the Company, reflecting their good occupation ethics and professional expertise. Moreover, they possess investor protection capability, good integrity and independence. The relevant selection and appointment decision-making procedures of the Company were performed in compliance with the relevant laws, regulations, normative documents and the Articles of Association of the Company, without prejudice to the interests of the Company and its Shareholders. Therefore, the Independent Non-executive Directors approved the Company to re-appoint PwC Zhong Tian and PwC Hong Kong as the external auditors of the Company for 2022. On 28 June 2022, the Resolution on the Re-appointment of Accounting Firms was considered and approved at the 2021 annual general meeting of the Company.

(V) Cash Dividend

On 28 March 2022, in accordance with relevant requirements of the Articles of Association and Working Rules for Independent Directors of the Company, the Independent Non-executive Directors of the Company issued independent opinions on the 2021 Profit Distribution Plan of the Company: the proposal on the 2021 Profit Distribution Plan, which was made after comprehensive consideration of the internal and external factors by the Board of the Company, was in compliance with the relevant laws and regulations, normative documents and the actual condition of the Company, which was beneficial for the long-term development of the Company as well as the long-term interests of the Shareholders as a whole. It was agreed to submit such proposal to the Board and the general meeting of the Company for consideration.

(VI) Performance of the Undertakings of the Company and the Shareholders

The Independent Non-executive Directors duly performed their duties to safeguard the overall interests of the Company, especially focusing on the protection of the legitimate interest of minority Shareholders from damage and actively focused on the performance of the undertakings of the Company and the Shareholders.

1. Undertaking in respect of the share reform

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

Since CITIC Group has transferred all the Shares held by it to CITIC Corporation Limited, the above undertaking is taken up by CITIC Corporation Limited. The undertaking is valid for a long term. It is currently in good implementation and will continually be duly performed and observed.

2. Undertaking related to IPO

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

The undertaking is valid for a long term and is succeeded by CITIC Corporation Limited. It is currently in good implementation and will continually be duly performed and observed.

3. *Undertaking related to the issuance of shares to acquire Guangzhou Securities*

During the Company's issuance of shares to acquire Guangzhou Securities in 2019, Yuexiu Capital and Guangzhou Yuexiu Capital, the Shareholders of the Company, undertook that "the consideration Shares subscribed by Yuexiu Capital and Guangzhou Yuexiu Capital in this transaction shall not be transferred within 48 months from the issuance completion date, unless a longer lock-up period is required by the CSRC or other regulatory authorities. Upon completion of this transaction, the above-mentioned agreement shall also apply to the additional Shares of the Company to be issued to Yuexiu Capital and Guangzhou Yuexiu Capital in the event of distribution of dividends, bonus issue, rights issue and conversion of capital reserve into share capital of the Company, etc." The undertaking is currently in good implementation and will continually be duly performed and observed.

In addition, the largest Shareholder of the Company, CITIC Corporation Limited, Yuexiu Capital and Guangzhou Yuexiu Capital, and the Company have also made undertakings to maintain the Company's independence, resolve related party transactions, resolve inter-industry competition and not to encroach on the Company's interests. Such undertakings are valid for a long term. They are currently in good implementation and will continually be duly performed and observed.

4. *Undertaking related to refinancing*

In 2021, in respect of the public issuance of securities by way of the rights issue of the Company, CITIC Corporation Limited, the largest Shareholder of the Company, undertook that "CITIC Corporation Limited will fully subscribe in cash for all the available offered Rights Shares to be determined in accordance with the plan for the rights issue, based on the number of Shares held by it at the close of market on the record date of the rights issue, at the price and ratio to be determined through consultation between the Company and the sponsor(s) (or underwriter(s)). The source of funds used by CITIC Corporation Limited to subscribe for the Rights Shares is in compliance with laws and regulations, and the funds are self-owned or self-raised by CITIC Corporation Limited. The subscription for the offered Rights Shares under the rights issue by CITIC Corporation Limited will not constitute entrusted investment or shareholding entrustment. CITIC Corporation Limited undertakes that if the plan for the rights issue is adjusted in accordance with the rules and requirements of the CSRC, it will subscribe for all the offered Shares in cash at the ratio as finally approved by the CSRC. CITIC Corporation Limited will fulfill the above undertaking after the rights issue is considered and approved at the general meeting of the Company and approved by the CSRC."

The undertaking is valid during the period of the Company's rights issue and has been fulfilled currently.

5. *Undertakings in the report on changes in equity*

In 2022, CITIC Corporation Limited and CITIC Limited gratuitously transferred Shares of the Company to CITIC Financial Holdings. Upon the completion of the gratuitous transfer, CITIC Financial Holdings will become the largest Shareholder of the Company. CITIC Financial Holdings has committed to maintaining the independence of the Company's business, assets, personnel, finance and institutions, as well as to resolving inter-industry competition and related party transactions. These commitments will remain valid for a long term, commencing from the acquisition of the Company's equity by CITIC Financial Holdings.

(VII) **Implementation of Information Disclosure**

In 2022, the Company had been in strict compliance with the requirements of information disclosure of domestic and foreign laws and regulations and ensured the timeliness, accuracy, truthfulness and completeness of the disclosure of various significant information to keep investors informed of the major events of the Company in a timely manner and secure investors' interests to the largest extent.

As appointed by the Company, the Board Secretary is responsible for information disclosure, specifically responsible for incoming calls, visits and enquiries from investors. The Company has designated China Securities Journal, Shanghai Securities News and Securities Times as the newspapers for information disclosure of the Company, and the website of the Shanghai Stock Exchange at <http://www.sse.com.cn> and the HKEXnews website of Hong Kong Exchanges and Clearing Limited at <http://www.hkexnews.hk> as the websites for information disclosure of the Company. The Company had been in strict compliance with the provisions and requirements of the relevant laws and regulations and the Management Measures on Information Disclosure to truly, accurately, timely and completely disclose relevant information and ensure that all Shareholders were given equal opportunities to be informed of the relevant information.

During the Reporting Period, the Management Measures on Information Disclosure, the Registration System for Person Informed of Inside Information and other relevant systems of the Company were effectively implemented, the Company's information disclosure was further regulated, the Company's information disclosure management level and quality of information disclosure were enhanced, the principle of fairness of information disclosure was maintained, and the legal rights of investors were protected. Meanwhile, the Management Measures on Information Disclosure and the Company's internal system provided clear requirements on the reporting, delivery, review and disclosure procedures for significant matters of the Company, and the operation of such systems was satisfactory.

(VIII) Execution of Internal Control

In 2022, the Independent Non-executive Directors continued to strengthen the focus on the internal control of the Company and duly supervised the implementation of the internal control system, so as to ensure the internal control and risk management to be an integral part of decision-making process of the Company. On 25 March 2022, the Independent Non-executive Directors, as members of the Audit Committee of the Board of the Company, conducted a preliminary review on the 2021 Assessment Report on the Internal Control of the Company and Audit Report on the Internal Control of the Company. On 28 March 2022, the Independent Non-executive Directors of the Company expressed independent opinions on the 2021 Assessment Report on the Internal Control of the Company: the content in the Report is consistent with the actual condition of the Company. During the Reporting Period, the Company had set up a complete and reasonable internal control system in strict compliance with relevant laws and regulations and regulatory requirements, and had it effectively implemented in practical work, which achieved effective control and management. The 2021 Assessment Report on the Internal Control of the Company gave a true and objective view of the construction and operation of the Company's internal control system. We agreed with the 2021 Assessment Report on the Internal Control.

(IX) Other Performance of Duties

On 22 February, 28 March, 29 November and 30 December 2022, the Independent Non-executive Directors of the Company issued special explanations and independent opinions on relevant matters in respect of the guarantee situation, provision for impairment losses and candidates for Directors and senior management, respectively.

(X) Other Matters that Need to be Improved in the Opinion of the Independent Non-executive Directors

During the Reporting Period, no Independent Non-executive Directors raised any objections to any resolution of the Board or of any specialized committee of the Company. They delivered constructive opinions on the information disclosure, risk management and other aspects relevant with the amendments to the key inputs of expected credit loss measurement and the provision for other assets impairment loss in 2021.

IV. Overall Evaluation and Recommendation

All Independent Non-executive Directors complied with relevant requirements of the laws, regulations and the Articles of Association of the Company, and had sufficient time and energy to perform their duties during their terms of office. When making an independent judgment, the Independent Non-executive Directors were not affected by the substantial Shareholders of the Company or any other entity or individual having an interest in the Company, thus protecting the interests of the Company and all minority Shareholders.

The above is the 2022 Duty Performance Report of the Independent Non-executive Directors of the Company, which is proposed to the Shareholders' general meeting of the Company for its review.