

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

2023 INTERIM RESULTS ANNOUNCEMENT

The board of directors of CITIC Securities Company Limited is pleased to announce the unaudited interim results of the Company and its subsidiaries for the six months ended 30 June 2023. This announcement, containing the full text of the 2023 interim report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in relation to information accompanying preliminary announcement of the interim results. The 2023 interim results announcement of the Company is available for viewing on the HKEXnews website of Hong Kong Exchanges and Clearing Limited at <http://www.hkexnews.hk> and on the website of the Company at <http://www.citics.com>.

IMPORTANT NOTICE

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

This interim results announcement was considered and approved at the 10th Meeting of the Eighth Session of the Board of the Company. All Directors of the Company attended the meeting. No Director raised any objection to this interim results announcement.

The 2023 interim financial statements of the Company were unaudited. KPMG Huazhen LLP and KPMG issued a review conclusion in accordance with Chinese and International Standards on Review Engagements, respectively.

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

There was no profit distribution plan or plan of conversion of the capital reserve into the share capital of the Company for the first half of 2023.

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

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

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

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

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

CONTENTS

DEFINITIONS	4
MATERIAL RISK FACTORS	7
I. COMPANY INFORMATION AND MAJOR FINANCIAL INDICATORS	8
II. MANAGEMENT DISCUSSION AND ANALYSIS	13
III. CORPORATE GOVERNANCE	37
IV. ENVIRONMENTAL AND SOCIAL RESPONSIBILITY	39
V. SIGNIFICANT EVENTS	41
VI. CHANGES IN ORDINARY SHARES AND INFORMATION ON SHAREHOLDERS	64
VII. DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES	68
VIII. UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	69
IX. DOCUMENTS AVAILABLE FOR INSPECTION	136
APPENDIX: INDEX OF INFORMATION DISCLOSURE	137

DEFINITIONS

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

Definition of Common Terms

“A Share(s)”	the domestic Share(s) in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange (stock code: 600030)
“A Shareholder(s)”	holder(s) of A Shares
“BSE”	Beijing Stock Exchange
“China AMC”	China Asset Management Co., Ltd. (華夏基金管理有限公司)
“China Economic Information Service”	China Economic Information Service Co., Ltd. (中國經濟信息社有限公司)
“CITIC Corporation Limited”	CITIC Corporation Limited (中國中信有限公司)
“CITIC Financial Holdings”	China CITIC Financial Holdings Co., Ltd. (中國中信金融控股有限公司)
“CITIC Futures”	CITIC Futures Company Limited (中信期貨有限公司)
“CITIC GoldStone Fund”	CITIC GoldStone Fund Management Company Limited (中信金石基金管理有限公司)
“CITIC Group”	CITIC Group Corporation (中國中信集團有限公司)
“CITIC Investment Holdings”	CITIC Investment Holdings Ltd. (中信投資控股有限公司)
“CITIC Limited”	CITIC Limited (中國中信股份有限公司)
“CITIC Press”	CITIC Press Corporation (中信出版集團股份有限公司)
“CITIC Securities Finance MTN”	CITIC Securities Finance MTN Co., Ltd.
“CITIC Securities Investment”	CITIC Securities Investment Limited (中信證券投資有限公司)
“CITIC Securities (Shandong)”	CITIC Securities (Shandong) Co., Ltd. (中信證券(山東)有限責任公司)
“CITIC Securities South China” or “Guangzhou Securities”	CITIC Securities South China Company Limited (中信證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)”)
“CLSA B.V.”	CLSA B.V., a private limited company incorporated under the laws of the Netherlands and became a wholly-owned subsidiary of CSI on 31 July 2013
“Company” or “CITIC Securities”	CITIC Securities Company Limited
“Company Law”	the Company Law of the People’s Republic of China
“connected transaction(s)”	has the same meaning ascribed to it under the Hong Kong Listing Rules currently in effect and as amended from time to time

“CSDC”	China Securities Depository and Clearing Corporation Limited
“CSI”	CITIC Securities International Co., Ltd. (中信證券國際有限公司)
“CSRC”	China Securities Regulatory Commission
“E-Capital Transfer”	E-Capital Transfer Co., Ltd. (證通股份有限公司)
“GDR”	Global Depository Receipt
“GoldStone Investment”	GoldStone Investment Co., Ltd. (金石投資有限公司)
“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 Stock Exchange of Hong Kong Limited (stock code: 6030)
“H Shareholder(s)”	holder(s) of H Shares
“HKEX”	Hong Kong Exchanges and Clearing Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Kington Securities”	Kington Securities Limited Liability Company (金通證券有限責任公司)
“Ministry of Finance”	the Ministry of Finance of the People’s Republic of China
“NSSF”	National Social Security Fund of the PRC
“PRC” or “China”	the People’s Republic of China
“Qianhai Infrastructure Investment”	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)
“related party transaction(s)”	has the same meaning ascribed to it under the SSE Listing Rules currently in effect and as amended from time to time
“Reporting Period”	from 1 January 2023 to 30 June 2023
“Securities Law”	the Securities Law of the People’s Republic of China
“Shanghai Clearing House”	Interbank Market Clearing House Co., Ltd.
“Shanghai United Assets and Equity Exchange”	Shanghai United Assets and Equity Exchange Co., Ltd.
“Share(s)”	A Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of the domestic Share(s) or the overseas-listed foreign Share(s) in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are listed on the SSE and the Hong Kong Stock Exchange, respectively
“Shenzhen Securities Regulatory Bureau”	the Shenzhen Securities Regulatory Bureau of the CSRC

“SSE”	Shanghai Stock Exchange
“SSE Listing Rules”	Rules Governing the Listing of Stocks on Shanghai Stock Exchange
“SZSE”	Shenzhen Stock Exchange
“Tianjin Haipeng”	Tianjin Haipeng Technology Consulting Co., Ltd. (天津海鵬科技諮詢有限公司)
“Tibet Securities Regulatory Bureau”	the Tibet Securities Regulatory Bureau of the CSRC
“Wind Info”	Wind Information Co., Ltd.
“Xinchen Fund”	Suzhou Xinchen Equity Investment Partnership (Limited Partnership) (蘇州信宸股權投資合夥企業(有限合夥))
“Yuexiu Capital”	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 Fund”	Guangzhou Yuexiu Industrial Investment Fund Management Co., Ltd. (廣州越秀產業投資基金管理股份有限公司)

MATERIAL RISK FACTORS

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

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

To cope with the above risks, the Group has established an overall risk management system to take preventive measures through its organizational structure, management system, management mechanism, information technology, and other aspects, and continuously optimizes its business process and risk control measures to ensure that the Company's risks are measurable, controllable and acceptable.

I. COMPANY INFORMATION AND MAJOR FINANCIAL INDICATORS

1.1 Company Information

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

Registered Capital and Net Capital

In RMB Yuan

	As at the end of the Reporting Period (30 June 2023)	As at the end of last year (31 December 2022)
Registered Capital	14,820,546,829.00	14,820,546,829.00
Net Capital	135,475,665,683.17	135,851,886,858.17

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

Business Qualifications for Individual Business of the Company

The business scope of the Company includes: securities brokerage (for areas other than Shandong Province, Henan Province, Tiantai and Cangnan Counties of Zhejiang Province); securities investment consulting; financial advisory services in relation to securities trading and investment activities; securities underwriting and sponsorship; securities proprietary business; securities asset management (entrusted domestic investment management of National Social Security Fund, securities investment management for basic pension insurance fund, investment management of the enterprise annuity fund and investment management of the occupational pension fund); margin financing and securities lending; securities investment fund sales agency; provision of intermediate referral services to futures companies; agency sale of financial products; stock options market making business; market-making trading for listed securities. (For the projects requiring approval according to laws, the operating activities can only be carried out upon approval from relevant authorities, and specific operating projects are subject to approval documents or licenses issued by relevant authorities)

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

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

1.2 Contact Person and Methods

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

1.3 Basic Information

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

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

1.4 Information Disclosure and Availability Places

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

1.5 Shares of the Company

Class of shares	Stock exchange of listing	Stock short name	Stock code	Stock short name before change
A Share(s)	SSE	CITIC Securities	600030	N/A
H Share(s)	Hong Kong Stock Exchange	CITIC Securities	6030	N/A

1.6 Other Information of the Company

Changes in registration status:

On 6 April 2023, the Company completed the filing of changes in Directors, Supervisors and licensed business items and amendments to the Articles of Association of the Company at the Shenzhen Administration for Market Regulation.

Changes of substantial Shareholders:

CITIC Corporation Limited, the former largest Shareholder of the Company, and CITIC Limited, its party acting in concert, gratuitously transferred a total of 2,733,961,712 Shares to CITIC Financial Holdings. On 30 June 2023, the Company received the approval from CSRC regarding the change of the substantial shareholder of the Company. The registration of the gratuitous transfer of A Shares and H Shares involved in the above share transfer of the Company was completed on 26 July 2023 and 24 August 2023, respectively. After the completion of the gratuitous transfer, CITIC Financial Holdings held 2,299,650,108 A Shares and 434,311,604 H Shares, totaling 2,733,961,712 Shares, accounting for 18.45% of the total issued Shares, and is the Company's largest Shareholder.

As of the date of this results announcement, CITIC Financial Holdings is a wholly-owned subsidiary of CITIC Corporation Limited, which in turn is a wholly-owned subsidiary of CITIC Limited.

1.7 Financial Summary

1.7.1 Key Accounting Data and Financial Indicators

In RMB million

Items	30 June 2023	31 December 2022	Variance in comparison with the end of last year (%)
Total assets	1,425,939	1,308,603	8.97
Total liabilities	1,163,082	1,050,231	10.75
Equity attributable to owners of the parent	257,860	253,118	1.87
Issued share capital	14,821	14,821	—
Gearing ratio (%) ^{Note}	76.49	74.52	Increased by 1.97 percentage points

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

Items	Six months ended 30 June 2023	Six months ended 30 June 2022	Variance in comparison with the corresponding period of last year (%)
Total revenue and other income	42,753	45,870	-6.80
Operating profit	14,733	15,630	-5.74
Profit before income tax	15,098	15,401	-1.97
Net profit attributable to owners of the parent	11,306	11,196	0.98
Net cash inflow/(outflow) from operating activities	-8,218	69,130	N/A
Basic earnings per share (RMB yuan/share)	0.75	0.76	-1.32
Diluted earnings per share (RMB yuan/share)	0.75	0.76	-1.32
Return on weighted average equity (%)	4.27	4.64	Decreased by 0.37 percentage point

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

Items	30 June 2023	31 December 2022
Net capital (RMB million)	135,476	135,852
Net assets (RMB million)	213,135	211,825
Total risk capital reserves (RMB million)	70,140	66,776
Risk coverage ratio (%)	193.15	203.44
Capital leverage ratio (%)	16.31	17.74
Liquidity coverage ratio (%)	134.61	130.53
Net stable funding ratio (%)	126.85	129.46
Net capital/net assets (%)	63.56	64.13
Net capital/liabilities (%)	20.95	23.86
Net assets/liabilities (%)	32.96	37.21
Value of proprietary equity securities and derivatives held/net capital (%)	31.12	35.99
Value of proprietary non-equity securities and derivatives held/net capital (%)	300.95	269.86

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

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

II. MANAGEMENT DISCUSSION AND ANALYSIS

2.1 Operation Discussion and Analysis

The investment banking business of the Group consists of equity financing, debt financing and financial advisory services, providing integrated investment banking services to domestic and overseas enterprises and other customers. The wealth management business mainly provides securities and futures brokerage, distribution of financial products, investment consulting and other integrated services to domestic and overseas customers. Institutional stock brokerage business serves domestic and overseas professional institutional investors clients, providing various professional value-added services for their investments and trading in the Chinese stock market and other overseas stock markets in Asia-Pacific, the U.S. and other areas, such as research marketing, transaction execution, equity financing and trading projects recommendation. The financial market business is primarily comprised of trading and market-making of equity products, fixed income products and derivatives, foreign exchange business, margin financing and securities lending business, alternative investment and commodities business. Asset management businesses include collective asset management (“CAM”), separately managed account (“SMA”) and specialized asset management (“SAM”), fund management and other investment accounts management. The investment business mainly comprises alternative investment and private equity investment. The Group also provides services such as custody and research.

2.1.1 Investment Banking

1. *Equity financing*

Market conditions

In the first half of 2023, A-share (issuance for cash and acquisition of asset) amounted to RMB662,687 million, representing a year-on-year decrease of 10.18%; A-share (issuance for cash) amounted to RMB596,340 million, representing a year-on-year decrease of 15.70%. Calculated based on the underwriting share of lead underwriters, the market share of the top ten securities companies in A-share equity underwriting (issuance for cash) amounted to 75.41%. The offering size of Hong Kong IPO amounted to US\$2,246 million, representing a year-on-year decrease of 16.41%; the offering size of Hong Kong refinancing market amounted to US\$9,216 million, representing a year-on-year increase of 54.97%. Calculated on the basis of the total offering size of projects distributed evenly among all bookrunner roles, the market share of top ten investment banks in Hong Kong equity financing market totaled 77.14%.

In the first half of 2023, although the number of A-share IPO enterprises increased, the offering size of A-share IPO decreased. A total of 173 enterprises completed the IPO process, representing a year-on-year increase of 1.17%. The offering size amounted to RMB209,738 million, representing a year-on-year decrease of 32.76%. Refinancing market rose. The refinancing (for cash and acquisition of asset) amounted to RMB452,950 million, representing a year-on-year increase of 6.37%, of which the total issuance size of private placement (for cash) projects amounted to RMB285,496 million, representing a year-on-year increase of 75.60%; and the total issuance size of convertible bonds amounted to RMB72,851 million, representing a year-on-year decrease of 54.05%.

Actions and achievements

In the first half of 2023, in respect of domestic equity financing, the Company completed a total of 66 A-share lead underwriting projects with an aggregate lead underwriting size of RMB158,842 million (for cash and asset transactions), which represented a year-on-year decrease of 3.71%, accounting for a market share of 23.97% and ranking first in the market. Upon the formal implementation of the registration-based system for stock issuance, the Company completed 22 IPO projects, with a lead underwriting size of RMB33,094 million, accounting for a market share of 15.78% and ranking first in the market; 44 refinancing projects with an aggregate lead underwriting size of RMB125,749 million, accounting for a market share of 27.76% and ranking first in the market. Among the refinancing projects, 27 were private placement (for cash) projects with a lead underwriting size of RMB84,372 million, accounting for a market share of 29.55% and ranking first in the market.

Items	Six months ended 30 June 2023		Six months ended 30 June 2022	
	Lead Underwriting Amount (RMB million)	Number of Issuances	Lead Underwriting Amount (RMB million)	Number of Issuances
IPOs	33,094	22	87,528	27
Refinancing issuances	125,749	44	77,485	41
Total	158,842	66	165,013	68

Source: Wind Info and the Company's internal statistics

Note 1: When compiling the above table, the date of completion of an IPO, a public equity issuance, an issuance of convertible bonds/exchangeable bonds, a private placement, a rights issue and an issuance of preference shares is the listing date; and the discrepancies between the sum of items and the total are due to rounding adjustments

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

In the first half of 2023, in respect of overseas equity financing, the Company completed a total of 20 overseas equity projects with an underwriting size of US\$1,113 million in aggregate calculated on the basis of the total offering size of projects distributed evenly among all bookrunner roles. Among them, six were IPO projects in the Hong Kong market with an underwriting size of US\$68.41 million, four were refinancing projects with an underwriting size of US\$364 million, ranking second among the Chinese securities companies in respect of equity financing business in the Hong Kong market, and four were GDR projects in the European market with an underwriting size of US\$247 million, ranking third among the Chinese securities companies. The Company completed six equity financing projects in the Southeast Asian market and other overseas markets, with an underwriting size of US\$434 million.

Outlook for the second half of 2023

The Company will continue to capitalize on the opportunities presented by the capital market reform and development, play a role in serving the real economy, continue to expand customer market development, boost equity project reserve, and increase market share. To achieve these goals, the Company will step up efforts in industry research and client market analysis, enhance forward-looking predictions of emerging sectors, take positive steps to promote business and product innovation, and continuously improve its business quality. Furthermore, the Company will continue to strengthen its presence in equity financing in Hong Kong, GDR, and equity financing in the Southeast Asia and other overseas markets, thereby expanding its international customer base and continuously enhancing its competitiveness in the global market. The Company will provide clients with high-quality domestic and overseas investment banking services by leveraging its integrated service and platform strength.

2. Debt financing

Market conditions

In the first half of 2023, in the context of overall loose liquidity and weak economic recovery in the domestic market, the yield rate of the bond market presented a downward volatility trend, and the issuance size of bonds in the market increased as compared with the same period in 2022. The aggregate issuance size of bonds amounted to RMB34.58 trillion, representing a year-on-year increase of 9.73%. In terms of interest rate securities, the issuance size of treasury bonds amounted to RMB4.49 trillion, representing a year-on-year increase of approximately 30.59%, and the issuance size of local government bonds amounted to RMB4.37 trillion, representing a year-on-year decrease of 16.80%. In terms of credit bonds, the aggregate issuance size amounted to RMB9.36 trillion, representing a year-on-year increase of 2.85%. The performance of the components of the market structure varied, in that the supply of corporate bonds increased, while the financing by asset-backed securitization declined. In the overseas market, as the Federal Reserve of the United States raised interest rates and further tightened the monetary policy, the yield rate of U.S. bond fluctuated at a high level, and the issuance size of offshore bonds issued by Chinese enterprises declined. In the first half of 2023, the aggregate issuance size of offshore bonds issued by Chinese enterprises amounted to US\$33,163 million, representing a year-on-year decrease of 45.53%.

Actions and achievements

The Company maintained its leadership in the debt financing business and underwrote a total of 1,923 bonds in the first half of 2023, ranking first among securities companies. The total underwriting amount was RMB853,211 million, representing a year-on-year increase of 1.81%, which accounted for 6.34% of the total underwriting amount across the market and was ranked first in the market; accounting for 13.83% of the total underwriting amount, the Company ranked first among securities companies.

Items	Six months ended 30 June 2023		Six months ended 30 June 2022	
	Lead Underwriting Amount (RMB million)	Number of Issuances	Lead Underwriting Amount (RMB million)	Number of Issuances
Enterprise bonds	16,325	18	12,331	19
Corporate bonds	194,472	435	169,735	361
Financial bonds	177,778	129	170,750	116
Medium-term notes	53,143	94	44,256	74
Short-term commercial papers	14,823	37	8,109	22
Private placement notes	6,147	18	6,149	18
Asset-backed securities	90,112	350	110,535	366
Convertible bonds/exchangeable bonds	9,955	12	33,350	14
Local government bonds	290,456	830	282,846	1,028
Total	853,211	1,923	838,061	2,018

Source: Wind Info and the Company's internal statistics

In respect of offshore bonds issued by Chinese enterprises, the Company completed a total of 53 bond issuances with a total underwriting amount of US\$1,141 million, accounting for a market share of 3.44% and ranking second among the Chinese securities companies. In addition, the Company also provided customers with structured and leveraged financing, risk solutions, cross-border liquidity management and other diversified services.

Outlook for the second half of 2023

The Company will continue to strengthen its domestic and overseas customer services, providing them with debt financing solution packages. The Company will actively implement national strategies, increase investment in green bonds, carbon-neutral bonds, rural revitalization bonds, and science and technology innovation bonds, and drive innovation in bond business and products. The Company will continuously promote the publicly-offered infrastructure REITs business, revitalize the stock assets and expand the effective investment of enterprises. The Company will strengthen efforts to source debt financing business opportunities from regional customers to support regional economic construction and coordinated development. In addition, the Company will seize the opportunity of opening up the bond market and continue to promote the cross-border bond businesses such as Panda Bonds; it will also vigorously expand the customer markets of the offshore bonds issued by Chinese enterprises, and improve its underwriting capacity and market share of overseas bond business.

3. *Financial advisory services*

Market conditions

According to Dealogic, in the first half of 2023, the size of the announced merger and acquisition transactions around the globe reached US\$1.37 trillion and the number of transactions amounted to 18,500. On a sector basis, the electronics and computer sector was the most active with the size of merger and acquisition transactions announced amounting to US\$223.869 billion, which accounted for 16.38% of the size of merger and acquisition transactions announced; the medical and healthcare sector followed the electronics and computer sector, with the size of merger and acquisition transactions announced amounting to US\$207.860 billion, which accounted for 15.21% of the size of merger and acquisition transactions announced. The number of announced merger and acquisition transactions involving Chinese enterprises in the market was 1,477 with a transaction size of US\$152.540 billion, of which, 201 were cross-border transactions with a transaction size of US\$32.985 billion.

Actions and achievements

In the first half of 2023, the Company completed many transactions dealing with material assets restructuring of the China-based companies listed on the A-share market; the transaction size amounted to RMB68,125 million, ranking first in the market. The Company completed a number of influential merger and acquisition and restructuring transactions in the market, including the material asset restructuring of Yangtze Power. The size of global merger and acquisition transactions involving Chinese enterprises completed by the Company amounted to US\$28,919 million, ranking first in the market. The Company continued to strengthen its global merger and acquisition business expansion, for instance, assisting Rongsheng Petrochemical in reaching strategic cooperation with Saudi Aramco, a new overseas investor, and assisting the acquisition of a listed company engaging in cement manufacturer in Oman by Huaxin Cement, thereby serving the overseas merger and acquisition of excellent Chinese enterprises.

Outlook for the second half of 2023

The Company will keep improving comprehensive merger and acquisition service capabilities and enhance capabilities of initiating merger and acquisition transactions to constantly increase its market share. The Company will proactively serve the real economy, focus on delivering merger and acquisition and restructuring services for key industries, foster the development of a modern industrial system, facilitate industrial agglomeration, structural adjustment, and transformation and upgrading, and assist enterprises in achieving high-quality development. Continuously leveraging its global network resources, the Company will strengthen the development of businesses including cross-border merger and acquisition, merger and acquisition and privatization of overseas-listed companies, and merger and acquisition service capabilities in the international market, so as to continually increase its competitiveness in global merger and acquisition business.

4. The business of New OTC Market

Market conditions

In the first half of 2023, another 160 enterprises were listed on the New OTC Market, representing a surge of 102.53% year-on-year. Among them, 45 were national-level specialized and special new enterprises. The private issuance size of enterprises listed on the New OTC Market reached RMB10,694 million. Among them, 50 enterprises recorded a financing size of RMB50 million or more, accounting for 13.93% of the above listed enterprises with private issuance.

Actions and achievements

The Company continued to operate the business of New OTC Market on the basis of expanding the customer coverage, and increased the coverage of innovative SMEs by seizing the historical opportunity resulting from the deepened reform of the multi-level capital market. In the first half of 2023, the Company, as the chief agency broker of the New OTC Market, submitted applications for listing of seven companies, of which six companies have been successfully listed and one company whose submission had been accepted has entered the enquiry stage. The Company continuously supervised a total of 26 listed companies, of which 13 companies have entered the innovation layer.

Outlook for the second half of 2023

The Company will further enhance its business layout in the domains of new technologies, new industries, and new business models. It will delve deeper into key industries to identify high-quality clients with a focus on specialization, refinement, distinctiveness, and originality. Meanwhile, it will also persist in bolstering the professional services capability to deliver the New OTC Market businesses, and endeavor to provide superior investment banking services to innovative SMEs.

2.1.2 Wealth management

Market conditions

In the first half of 2023, the SSE Composite Index increased by 3.65%, the SME Composite Index increased by 2.25%, and the ChiNext Composite Index increased by 5.68%. The average daily trading volume of equity funds in the domestic securities market was RMB1,056.8 billion, which was basically flat year-on-year. The Hong Kong Hang Seng Index decreased by 4.37%, the Hang Seng China Enterprises Index decreased by 4.18%, and the Hang Seng TECH Index decreased by 5.27% in the first half of the year. The average daily trading volume in the Hong Kong securities market was HK\$115.5 billion, representing a year-on-year decrease of 16.49%.

Actions and achievements

In the first half of 2023, the Company focused on refined customer operation in respect of domestic wealth management, optimized the organizational structure, and strengthened the empowerment and leading functions of institutions. The Company built a team of experts from diverse backgrounds, innovated the wealth management service model, and provided comprehensive financial solutions covering the entire life cycle of “People-Family-Enterprise-Society” for customers. As at the end of the Reporting Period, the Company had over 13.5 million clients on a cumulative basis, and its total assets of clients under custody remained at a RMB10 trillion level, representing an increase of 7% as compared to 2022. Among them, over 160 thousand were wealth management clients with assets over RMB2 million, and the total assets reached RMB1.8 trillion. The Company, together with CITIC Securities (Shandong) and CITIC Securities South China, provided agency services for stock and fund transactions of a total of RMB18.2 trillion, representing a positive growth as compared with that of the same period in 2022.

The Company accelerated its global layout of overseas wealth management business, officially launched a wealth management platform in Singapore, which has expanded the scope and content of international services, thereby better providing global asset allocation and transaction services for domestic and foreign clients. The Company strengthened its services to high-net-worth clients and accelerated the further transformation of wealth management business through the service model of “Account Manager + Investment Consultant”. In the first half of 2023, the sales revenue from wealth management products increased by 178% year-on-year, as a result of the increase in overseas high-net-worth clients.

Outlook for the second half of 2023

The Company will continue to rely on the huge development potential of the wealth management market, adhere to the development direction and path of wealth management, focus on accelerating the building up of buyer service capabilities and establish a multi-level wealth allocation system, so as to better meet the wealth management needs of residents and promote common prosperity, and will finely serve the wealth management needs of key institutional client base which includes listed companies, SOEs and government platforms, financial peers, and professional investment institutions to better fulfill the function of the capital market and help the high-quality development of the real economy. Moreover, the Company will upgrade the wealth management platform, use modern tools, and innovate the model of developing wealth management business, so as to optimize the customer service experience and discover the needs of customers, accompany them during the service journey and lead them with the professional value.

2.1.3 Institutional stock brokerage business

Market conditions (refer to the section titled “Wealth management”)

Actions and achievements

The domestic institutional stock brokerage business of the Company mainly covers services for domestic and foreign professional institutional investors such as public funds, insurance companies, private funds, wealth management subsidiaries of banks, QFIs, WFOEs, etc. The Company continued to maintain its overall leading position in the domestic institutional brokerage business. In particular, the number of QFI clients increased to 279, ranking first in the market; the key private fund account opening rate amounted to 62.21%. The Company explored the linkage between the primary and secondary markets and deepened multi-dimensional cooperation with equity investment institutions, financial peers and other wealth management institutions in the market.

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

Outlook for the second half of 2023

Relying on domestic and overseas business advantages and customer resources, the Company will continuously promote the integration and expansion of the stock brokerage business for global institutions. The domestic institutional stock brokerage business will continue to deepen the operation of existing client base, optimize the business synergy within the Group, build a full-product integrated sales team, and improve the service quality for the traditional client base, including public, private and foreign institution clients. See from the angle of the worldwide, the Company will coordinate various business products and resources of the Company, step up efforts in the development of new fields and new business models, and provide our clients with support on comprehensive equity investment transactions.

2.1.4 Financial markets

Market conditions

In the first half of 2023, the CSI 300 Index decreased by 0.75% and the CSI 500 Index increased by 2.29%. Large-cap and growth-style stocks underperformed, while low-valuation and high-dividend stocks remained stable, with a significant growth in the artificial intelligence stocks. The communication, media and computer sectors led the way of growth in the overall market, and the sectors in which large central enterprises and state-owned enterprises with low valuations concentrated, such as construction, petroleum and petrochemicals, also showed a moderate upward trend in general, while the real estate-related industry chain sectors declined mostly. Most of the major overseas markets rose, with the S&P 500 index, Nasdaq index, the European STOXX 50 Index and the Nikkei 225 Index increasing by 15.91%, 31.73%, 15.96% and 27.19%, respectively, while the Hang Seng Index and the Hang Seng TECH Index decreasing by 4.37% and 5.27%, respectively. China's bond market increased rapidly in the first half of 2023 with solid returns, with the China Bond Composite Index rising by 2.64%, which is a strong rebound from its low point in the fourth quarter of 2022. Interest rates for key medium- and long-term maturities of treasury bonds fluctuated and declined to historical low point, while interbank liquidity remained accommodative overall.

Actions and achievements

Over-the-counter derivatives business is continuously deepening its product innovation, improving its business layout and expanding its application scenarios, and generally maintained a balanced structure, outstanding trading capabilities and stable income. Counter products are also being developed to further enrich the coverage of underlying assets and product structure. In addition, the market-making business is consistently ranking among the top in the market, making the Company one of the first to launch market-making trading of stocks on the STAR Market. Moreover, overseas equity derivatives business provides clients with one-stop investment trading services in global markets across time zones, making the Company one of the first batch of "HKD-RMB Dual Counter Model" market makers on the Hong Kong Stock Exchange.

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

In terms of equity proprietary trading business, the Company insisted on focusing on the fundamentals of listed companies, while fully playing the positive role of a top-down macro strategy research in portfolio style and industry allocation, and further focusing on reducing portfolio volatility and enhancing the ability to resist the impact of external macro factors. The Company continued to expand its non-directional investment layout, strengthen the advantages of business synergy, and improve the ability to resist risks.

The financing business adhered to the business objective of serving the real economy with financial services, updated the system and contracts according to the requirements of the comprehensive registration system, improved the ability and efficiency of serving customers, and maintained a leading share. The securities lending business successfully completed the reform of the trading mechanism under the comprehensive registration system, and the application scenarios of strategies continued to vary. The growth rate of stock pledge business is leading in the market, and the quality of assets is further improved. The scale of overseas margin business developed steadily, and the product service tools and areas for business development have gradually expanded.

The alternative investment business used new technologies like artificial intelligence to accelerate research and development of strategies, adjust strategy configuration, enrich strategy categories, and effectively diversify risks, so as to obtain better excess returns.

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

Outlook for the second half of 2023

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

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

The equity proprietary trading business will optimize its investment research system, strengthen the integration of macro, meso and micro research, improve business stability, explore more diversified investment models, and enhance its capital utilization capability.

In line with the development trend of capital market innovation, the financing and securities lending business will optimize the layout of domestic and overseas securities financial business, promote the innovation of products and business scenarios, improve the customer service and the marketing model, strengthen investor education and compliance risk management, and continue to provide domestic and foreign investors with comprehensive financial services of all categories, links and processes.

The alternative investment business will focus on strengthening research and development of strategies, increase investment research efforts from the aspects of data, factors, models, portfolio optimization, etc., continuously promote the application of artificial intelligence technology, and gradually achieve full coverage of the strategies for various domestic and overseas markets and various transactions.

In terms of customer market, the commodities business will comply with the Company’s regional synergy strategy, strengthen the coverage of regional market sinking and subdivided industries, and optimize customer structure; in terms of product provision, we will continue to enrich the application scenarios of commodity derivatives, increase the supply of anti-inflation products and strategies, and provide high-quality risk hedging and investment allocation tools for customers around the world.

2.1.5 Asset management

Market conditions

In the first half of 2023, investors’ risk appetites have significantly decreased and the short-term trend of funds also became more evident due to the impact of market volatility in 2022. The asset management industry is experiencing structural adjustment and upgrading at various aspects such as funds end, strategy end and product end. In the future, at the new stage of high-quality development in the asset management industry, asset management institutions should focus on achieving long-term investment income for investors, continuing to consolidate its capacity of investment research and the team building, constantly improving the analysis of customer demand and service system, extensively using financial technologies to improve business efficiency and actively exploring the shape of innovative products, so as to realize the steady appreciation of residents’ wealth and improve investors’ sense of contentment.

1. Asset Management Business of the Company

Actions and achievements

In the first half of 2023, the size of pension businesses in the asset management businesses of the Company remained stable, and the long-term performance of social insurance and basic pension were excellent; the institutional businesses actively coordinated the Company's internal resources, deeply expanded the key region, continued to enrich product spectrum and gave full play to the account customization capacities and investment research and trading capacities to provide customers with comprehensive solutions; the retail businesses continued to improve channel layout and the construction of marketing systems, and Hong Kong asset management platform successfully issued two public funds.

As of the end of the Reporting Period, the AUM of the Company amounted to RMB1,501,145 million, of which, the size of CAM, SMA and SAM amounted to RMB374,172 million, RMB882,164 million and RMB244,809 million, respectively.

Type	AUM (RMB million)		Income from Management Fee (RMB million)	
	As at the end of June 2023	As at the end of 2022	Six months ended June 2023	Six months ended June 2022
CAM	374,172	503,307	542.35	795.34
SMA	882,164	914,485	563.78	829.20
SAM	244,809	275,271	15.83	29.11
Total	1,501,145	1,693,063	1,121.96	1,653.65

Source: The Company's internal statistics

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

The market share of the privately offered asset management business (excluding pension businesses, publicly-offered collective investment schemes and asset-backed securitization products) of the Company was approximately 14.74%, ranking first in the industry.

Outlook for the second half of 2023

In respect of asset management business, the Company will maintain stable performance of pension business, optimize investment details, and do a good job in customer service. The institutional business promotes the diversified development of client base and the continuous improvement of product spectrum. For retail business, we will continue to deepen channel construction and improve the quality of products and operational services. The Company will continue to promote the construction of specialization, systemization and refinement, improve investment research capacity, improve its ability to capture excess return, build absolute return product lines, and actively promote the implementation of special strategies of brokers. The Company will prioritize compliance and risk management and comprehensively upgrade its business system and promote digital construction. The Company will facilitate the commencement of business of asset management subsidiaries. The Hong Kong platform will continue to enhance its solution capabilities and expand the scale of foreign asset management.

2. *China AMC*

Actions and achievements

Under the background of the stagnant issuance market of the public funds in the first half of 2023, China AMC still saw excellent medium- and long-term results in its equity funds. It maintained industry leadership in the scale and absolute increment of ETFs, and the number of product issuances remained the first in the industry, continuously established a leading brand in personal pensions and led the development of the publicly-offered REITs industry. Achievements have been made in the digital transformation, and the application of leading technologies has efficiently empowered business development, thus further expanding the overall asset management scale. As of the end of the Reporting Period, the total AUM of China AMC reached RMB1,801,665 million, of which, the AUM of public funds reached RMB1,252,633 million and the AUM of institutional and international business reached RMB549,033 million.

Outlook for the second half of 2023

China AMC will continue to improve its product layout, continuously enhance its core investment research capacity and customer service capabilities, consolidate its traditional business advantages, and lead the development of innovative business; it will actively expand the domestic and overseas business to promote the steady growth in institutional business scale; it will also accelerate the construction of its digital integration, do a good job in the training of key business talent teams, thereby maintaining its comprehensive competitiveness in the industry.

2.1.6 Custody

Market conditions

In the first half of 2023, three indexes of the A-share market showed a mixed momentum, the registration-based system for stock issuance was fully implemented, and the number of new shares listed increased. STAR 50 ETF options were duly traded, enriching risk management tools in the capital market. The issuance market of public funds witnessed a depression, the number and scale of new funds experienced a decrease compared to the same period in 2022, and the bond funds played a major role in the issuance market. There was a significant change in private fund industry, with a decline in the numbers of the registered managers and newly issued private securities funds under the effect of the new regulation, and regulators continued to implement the policies supporting the superior funds while limiting the inferior ones to standardize the high-quality development of the industry.

Actions and achievements

Leveraging on the forefront of serving ETF fund products, the Company strengthened the deep cooperation with the public fund customers in key products, and optimized the service model of important customers in the private equity industry as well as increased investment of the Company's resources to satisfy the differentiated requirements of key regional customers. In the first half of the year, with a focus on improving operational service efficiency, a number of innovation measures in business operation went into effect, including providing T+0 valuation service for private securities products, a general cooperation model of custody and brokerage putting into use by hundreds of securities and futures brokers, and strengthening customer service for investors by launching the ARGOS fund investment research configuration platform.

As of the end of the Reporting Period, the Company's asset custody and fund operation outsourcing business continued to grow, and the Company had been providing asset custody services for 14,967 existing products and providing fund operation outsourcing services for 16,013 existing products.

Outlook for the second half of 2023

Considering the expected continuous implementation of favorable policies due to the fact that the macroeconomy is under pressure, it is anticipated that the liquidity of the capital market will improve in the second half of the year. The Company will fully leverage on the opportunities arising in the period of regulated development for the private fund industry, enhance operation and service capabilities, expand coverage of the customer market, and continue to increase the market share of custody business.

2.1.7 Equity investment

Market conditions

The Market Research Report of the Equity Investment in China in the First Half of 2023 issued by Zero2IPO shows that the number of new funds in China's equity investment market in the first half of 2023 was 3,289, representing a year-on-year decrease of 0.3%; total additional funds amounted to RMB734,145 million, representing a year-on-year decrease of 23.5%. In terms of investment, the number of investments was 3,638 in the first half of 2023, representing a year-on-year decrease of 37.5%. The total investment amount was RMB292,965 million, representing a year-on-year decrease of 42.0%. Technology and innovation remain the hotspot of investment. Semiconductor and electronic equipment, biomedicine and information technology accounted for 62.4% in terms of the number of investments and 46.2% in terms of the amount of investments in the first half of 2023. In terms of exits, IPO remained the main exit method. The number of IPO exits in the first half of 2023 was 1,326, representing a year-on-year decrease of 32.6%.

1. *CITIC Securities Investment*

Actions and achievements

CITIC Securities Investment focused on enterprises with strong growth potential and leading product technology advantages, increased investment in specialized and special new enterprises and high-quality leading enterprises, empowered invested enterprises through synergies, and steadily deployed its investment resources in fields such as new energy, new materials, information technology, advanced intelligent manufacturing, and healthcare.

Outlook for the second half of 2023

CITIC Securities Investment will continue to be guided by the national strategic needs, strive to serve the real economy and technological innovation, carry out a systematic layout around strategic emerging industries, and deeply explore high-quality enterprises in fields such as new industrialization, transformation and upgrading of the manufacturing industry, independent innovation and cutting-edge technology.

2. *GoldStone Investment*

Actions and achievements

As a platform for the Company to raise and manage private equity investment funds, GoldStone Investment continued to give play to its own advantages in respect of fundraising, and completed the filing of new funds of RMB3 billion in the first half of 2023. GoldStone Investment, as a fund manager, supported the development of enterprises in line with the layout of national strategic emerging industries and with core competitiveness by way of equity investment, and continued to pay attention to and invest in enterprises in many fields such as new materials, new energy, new generation of information technology, high-end manufacturing, and healthcare.

From the establishment of the first quasi-REITs fund in China in 2014 to the end of the Reporting Period, CITIC GoldStone Fund, a wholly-owned subsidiary of GoldStone Investment, has cumulatively established property private funds of approximately RMB30.982 billion, at the top of the list of the property funds in terms of the cumulative management scale in China.

Outlook for the second half of 2023

GoldStone Investment adopts the method of “top-down, research first” to explore investment targets, and will continue to focus on enterprises with forward-looking technology and high-tech barriers in national strategic emerging industries, and continuously empower enterprises in post-investment management to enhance the industrial value. In addition, GoldStone Investment will also continue to expand its overseas investment and seize economic development opportunities in overseas regions as a beneficial supplement to its domestic investment.

2.1.8 Research

In the first half of 2023, the Company offered professional, forward-thinking and comprehensive research services to global investors, while supporting its various businesses and providing customer service across various lines of business. In the first half of 2023, the Company published a total of 5,215 reports, the viewpoints presented on which were widely reported by the state-level media and professional media. Among them, 1,149 were international reports provided to markets in Europe, the United States, the Asia-Pacific region, etc., representing a twofold increase as compared to the same period in 2022, and the Company has thus established a globally-oriented but locally-informed CITIC research brand in the international arena. There is a rich product portfolio for the research business, including reports, official accounts, mini programs, portal websites and TouYanMoFang, an investment research platform, and a variety of investment research services are furnished such as roadshows, research, company communications, conference forums and teleconferences. The Company has comprehensive research capabilities backed by 12 quantitative and industry-specific research teams, which analyse over 2,000 listed companies, and has also established research and business cooperation with top-performing companies in various fields. The Company held over 50 offline forum activities, and successfully held large-scale activities such as the Spring Strategy Meeting themed on “Market Relay Race”, Interim Strategy Meeting themed on “Time to Brave the Winds and Waves”, and the equity investment forum themed on “New Ecology of Venture Capital Investment”, which have increased the Company’s social reputation and market influence.

In the second half of 2023, the Company’s research business will continue to focus on serving professional investors and enhancing the influence of the Company’s research and the Company’s reputation and value with professional research as well as diversified research products and activities.

2.2 Financial Statements Analysis

2.2.1 Profitability Analysis of the Company for the Reporting Period

In the first half of 2023, the total revenue and other income realized by the Group was RMB42,753 million, representing a year-on-year decrease of 6.80%, of which the revenue realized by the brokerage business decreased by 2.35% year-on-year to RMB11,273 million; the revenue realized by the asset management business decreased by 10.59% year-on-year to RMB5,470 million; the revenue realized by the securities trading business increased by 2.92% year-on-year to RMB17,832 million; the revenue realized by the investment banking business increased by 14.54% year-on-year to RMB4,127 million; and the revenue realized by other businesses decreased by 44.35% year-on-year to RMB4,051 million. In the first half of 2023, operating expenses of the Group amounted to RMB28,020 million, representing a year-on-year decrease of 7.34%.

In the first half of 2023, the Group’s net profit attributable to owners of the parent increased by 0.98% year-on-year to RMB11,306 million; basic earnings per Share decreased by 1.32% year-on-year to RMB0.75; and return on weighted average equity decreased by 0.37 percentage point year-on-year to 4.27%.

2.2.2 Asset Structure and Asset Quality

As of 30 June 2023, the Group’s equity attributable to owners of the parent amounted to RMB257,860 million, representing an increase of RMB4,742 million or 1.87% as compared to the end of 2022.

As of 30 June 2023, the total assets of the Group amounted to RMB1,425,939 million, representing an increase of RMB117,336 million or 8.97% as compared to the end of the previous year; excluding customer brokerage deposits and funds payable to securities issuers, the total assets of the Group amounted to RMB1,117,835 million, representing an increase of RMB103,888 million or 10.25% as compared to the end of the previous year. As of 30 June 2023, the total liabilities of the Group amounted to RMB1,163,082 million, representing an increase of RMB112,851 million or 10.75% as compared to the end of the previous year; excluding customer brokerage deposits and funds payable to securities issuers, the total liabilities of the Group amounted to RMB854,978 million, representing an increase of RMB99,403 million or 13.16% as compared to the end of the previous year.

The structure of assets and liabilities was stable. As of 30 June 2023, the total assets of the Group excluding customer brokerage deposits and funds payable to securities issuers amounted to RMB1,117,835 million, among which investment assets mainly included investments in associates/joint ventures and financial assets, accounting for 63.28% of the total assets; margin accounts and reverse repurchase agreements, accounting for 12.92% of the total assets; cash and bank balances, accounting for 11.53% of the total assets; and fixed assets, construction in progress, land-use rights and intangible assets, investment properties, right-of-use assets, in aggregate, accounting for 1.31% of the total assets.

As of 30 June 2023, excluding customer brokerage deposits and funds payable to securities issuers, the Group's total liabilities amounted to RMB854,978 million, among which repurchase agreements amounted to RMB257,934 million, accounting for 30.17% of the total liabilities; debt instruments issued and long-term loans were RMB92,713 million, accounting for 10.84% of the total liabilities; short-term loans, due to banks and other financial institutions, short-term financing instruments payable and non-current liabilities due within one year amounted to RMB104,860 million, accounting for 12.27% of the total liabilities; financial liabilities at fair value through profit or loss and derivative financial liabilities amounted to RMB131,113 million, accounting for 15.34% of the total liabilities; and other liabilities amounted to RMB268,358 million in aggregate, accounting for 31.38% of the total liabilities.

The gearing ratio increased slightly. As of 30 June 2023, excluding customer brokerage deposits and funds payable to securities issuers, the gearing ratio of the Group was 76.49%, representing a year-on-year increase of 1.97 percentage points.

2.2.3 Cash Flow Status

Excluding customer brokerage deposits, the Group's net increase in cash and cash equivalents was RMB15,624 million in the first half of 2023, as compared to RMB86,260 million for the same period in 2022, which was mainly due to a decrease in the net cash flow from operating activities.

From a structural perspective, in the first half of 2023, the Group's net cash outflow from operating activities was RMB8,218 million, as compared to a net inflow of RMB69,130 million for the same period in 2022, which was mainly attributable to the year-on-year increase in the cash outflow from operating activities relating to financial assets at fair value through profit or loss and margin accounts.

Net cash outflow from investing activities in the first half of 2023 was RMB54 million, as compared to a net inflow of RMB17,195 million for the same period in 2022, which was mainly attributable to the year-on-year decrease in the cash inflow from investing activities from financial assets at fair value through other comprehensive income.

Net cash inflow from financing activities in the first half of 2023 was RMB23,896 million, as compared to a net outflow of RMB65 million for the same period in 2022, which was mainly attributable to the year-on-year increase in the cash inflow from financing activities relating to the cash inflows from issuing bonds by the Company during the Reporting Period.

2.2.4 Fair Value Measurement

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

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

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

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

Name	Shareholding of the Company	Date of Establishment	Registered Capital	Place of Business	Registered Address	Legal Representative	Contact Number
CITIC Securities (Shandong)	100%	1988.6.2	RMB2,493.8 million	5/F, East Wing, Tower 1, Longxiang Plaza, No. 28 Dong Hai West Road, Shinan District, Qingdao	Unit 2001, Tower 1, No. 222 Shenzhen Road, Laoshan District, Qingdao	XIAO Haifeng	0532-82736868
CSI	100%	1998.4.9	Paid-up capital of HK\$6,516.05 million	26/F, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong	26/F, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong	LI Chunbo	00852-26008888
GoldStone Investment	100%	2007.10.11	RMB3,000 million	Room 1601, 16/F, Building 1, No. 6 Xinyuan South Road, Chaoyang District, Beijing	Room 1601, 16/F, Building 1, No. 6 Xinyuan South Road, Chaoyang District, Beijing	CHANG Junsheng	010-60837800
CITIC Securities Investment	100%	2012.4.1	RMB17,000 million	17/F, CITIC Securities Tower, No. 48 Liangmaqiao Road, Chaoyang District, Beijing	Unit 2001, Tower 1, International Finance Plaza, No. 222 Shenzhen Road, Laoshan District, Qingdao	FANG Hao	010-60833811
CITIC Futures	100%	1993.3.30	RMB7,600 million	Units 1301–1305, 13/F and 14/F, North Tower, Excellence Times Plaza II, No. 8 Zhong Xin San Road, Futian District, Shenzhen, Guangdong Province	Units 1301–1305, 13/F and 14/F, North Tower, Excellence Times Plaza II, No. 8 Zhong Xin San Road, Futian District, Shenzhen, Guangdong Province	ZHANG Hao	0755-83217780
CITIC Securities South China	100%	1988.3.26	RMB5,091.14 million	Room 901 (Position: Self-edited 01) and Room 1001 (Position: Self-edited 01), No. 395 Linjiang Avenue, Tianhe District, Guangzhou	Room 901 (Position: Self-edited 01) and Room 1001 (Position: Self-edited 01), No. 395 Linjiang Avenue, Tianhe District, Guangzhou	CHEN Keke	020-88836999
China AMC	62.20%	1998.4.9	RMB238 million	Building 7, No. 1 Yuetan South Street, Xicheng District, Beijing	No. A3, Anqing Street, Shunyi District, Beijing	YANG Minghui	010-88066688

Particulars of the principal controlling subsidiaries of the Company are as follows (all figures are unaudited):

1. **CITIC Securities (Shandong)** is a wholly-owned subsidiary of the Company with a registered capital of RMB2,493.80 million. As at the end of the Reporting Period, the total assets and net assets of CITIC Securities (Shandong) amounted to RMB33,315.65 million and RMB8,353.65 million, respectively; the operating revenue, gross profit and net profit realized in the first half of 2023 amounted to RMB950.18 million, RMB337.11 million and RMB248.91 million, respectively; and it had 65 securities branches, 2,719 staff and 81 dispatched staff.

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

2. **CSI** is a wholly-owned subsidiary of the Company with paid-up capital of HK\$6,516.05 million. As at the end of the Reporting Period, under HKFRS, the total assets and net assets of CSI amounted to \$35,163.12 million and \$1,613.10 million, respectively; the operating revenue, gross profit and net profit realized in the first half of 2023 amounted to \$798.85 million, \$159.58 million and \$138.63 million, respectively; and it had 6 branches in Hong Kong, 1,950 staff and 90 brokers.

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

3. **GoldStone Investment** is a wholly-owned subsidiary of the Company with a registered capital of RMB3,000 million. As at the end of the Reporting Period, the total assets and net assets of GoldStone Investment amounted to RMB18,399.20 million and RMB10,454.96 million, respectively; the operating revenue, gross profit and net profit realized in the first half of 2023 amounted to RMB649.54 million, RMB496.50 million and RMB335.79 million, respectively. GoldStone Investment had 116 staff (including 5 dispatched staff).

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

4. **CITIC Securities Investment** is a wholly-owned subsidiary of the Company with a registered capital of RMB17,000 million. As at the end of the Reporting Period, the total assets and net assets of CITIC Securities Investment amounted to RMB28,889.00 million and RMB24,005.22 million, respectively; the operating revenue, gross profit and net profit realized in the first half of 2023 amounted to RMB1,199.10 million, RMB1,063.74 million and RMB816.07 million, respectively. CITIC Securities Investment had 37 staff.

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

5. **CITIC Futures** is a wholly-owned subsidiary of the Company with a registered capital of RMB7,600 million. As at the end of the Reporting Period, the total assets and net assets of CITIC Futures amounted to RMB190,520.32 million and RMB12,577.18 million, respectively; the operating revenue, gross profit and net profit realized in the first half of 2023 amounted to RMB2,936.88 million, RMB542.34 million and RMB413.42 million, respectively. CITIC Futures had 50 branches and 2,198 staff.

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

6. **CITIC Securities South China** is a wholly-owned subsidiary of the Company with a registered capital of RMB5,091.14 million. As at the end of the Reporting Period, the total assets and net assets of CITIC Securities South China amounted to RMB15,736.40 million and RMB7,051.33 million, respectively; the operating revenue, gross profit and net profit realized in the first half of 2023 amounted to RMB432.35 million, RMB256.05 million and RMB199.82 million, respectively. CITIC Securities South China had 32 securities branches and 944 staff (including 54 dispatched staff).

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

7. **China AMC** is held as to 62.20% by the Company and has a registered capital of RMB238 million. As at the end of the Reporting Period, the total assets and net assets of China AMC amounted to RMB17,188.49 million and RMB12,231.61 million, respectively; the operating revenue, gross profit and net profit realized in the first half of 2023 amounted to RMB3,710.88 million, RMB1,419.19 million and RMB1,074.59 million, respectively. China AMC had 1,559 staff.

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

2.2.6 Securities branch offices of the Company

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

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

No.	Branch Office	Responsible Officer	Place of Business	Contact Method
17	Anhui Branch Office	YANG Dacui	Rooms 2501–2504, 25/F, A1 Building, Phase I, and Southeast Corner of 1/F, Podium Building, Zhong'an Chuanggu Technology Park, No. 900 West Wangjiang Road, High-tech Zone, Hefei, China (Anhui) Pilot Free Trade Zone	0551-65662889
18	Shanxi Branch Office	REN Gaopeng	Shop 1, Northeast Corner of Hongsheng Times Financial Plaza, No. 1 Jifu Road, Jinyuan District, Taiyuan, Shanxi Province	0351-6191968
19	Yunnan Branch Office	ZHANG Rui	Units 2601–2603 and 2612, 26/F, Kunming Henglong Plaza Office Building, No. 23 East Dongfeng Road, Panlong District, Kunming, Yunnan Province	0871-68583323
20	Hunan Branch Office	LUO Hua	2/F and 8/F (Rooms 801, 802, 811, 812 and 813), New Century Building, No. 198 Second Section of Furong Middle Road, Chengnanlu Subdistrict, Tianxin District, Changsha, Hunan Province	0731-85175379
21	Hebei Branch Office	QIU Zhenying	Rooms 3501–3504, 35/F, Tower B, Letai Center, No. 39 Zhongshan East Road, Chang'an District, Shijiazhuang, Hebei Province	0311-66188908
22	Chongqing Branch Office	LI Xiaoying	5-1 (underground) and 12-1-2, No. 5 West Avenue, Jiangbeicheng Neighborhood, Jiangbei District, Chongqing	023-67518668
23	Hainan Branch Office	ZHU Yumei	1–2/F, Block B, East Area of Sheng Da Jing Du, No. 65 Guoxing Avenue, Meilan District, Haikou, Hainan Province	0898-65361268
24	Guangxi Branch Office	LIU Yuyang	Room 1805, 18/F, Block C, China Resources Building, No. 136-5 Minzu Avenue, Qingxiu District, Nanning	0771-2539031
25	Gansu Branch Office	XU Ying	4/F, Lanzhou SOHO Tower, No. 9 Minzhu West Road, Chengguan District, Lanzhou, Gansu Province	0931-8631255
26	Ningxia Branch Office	WU Ligang	Room 301, Complex Commercial Building, No. 16 (formerly No. B4) Yuehai Xintiandi, East Side of Yinjiagu and South Side of Zhenshui Road, Jinfeng District, Yinchuan, Ningxia	0951-5102568
27	Jilin Branch Office	LIU Mingxu	C101 on 1–2/F, C301, C302, C303 and C304A on 3/F, Tower C, Pearl Plaza, No. 8988 Renmin Avenue, Nangan District, Changchun, Jilin Province	0431-81970899
28	Heilongjiang Branch Office	ZHAO Yong	No. 1150 Jinjiang Road, Daoli District, Harbin	0451-51176699
29	Jiaxing Branch Office	WU Jinglan	Room D110 on 1/F, 3/F and 4/F, Rooms D111, D113 on 3/F and 4/F, Commercial Office Building, Fortune Plaza, Economic and Technological Development Zone, Jiaxing, Zhejiang Province	0573-82069341
30	Jinhua Branch Office	LI Qiang	1–4/F, Haiyang Building, No. 331 Zhongshan Road, Wucheng District, Jinhua, Zhejiang Province	0579-82337102
31	Shaoxing Branch Office	TONG Weijia	Rooms 102, 205, 206, 207 and 208, No. 177 Jiefang Avenue, Lingzhi Subdistrict, Yuecheng District, Shaoxing, Zhejiang Province	0575-88096598
32	Taizhou Branch Office	LIN Binxian	Rooms 2001 and 103, Development and Investment Mansion, No. 188 Fuzhong Road, Taizhou, Zhejiang Province	0576-88896598
33	Xinjiang Branch Office	JIA Haohao	Rooms 7006, 7007, 7010, 7011, 7012, 7013, 7015, 7016 and 7017 on 7/F, Block A, Yingke Plaza, No. 217 Gaoxin Street, Hi-tech Zone (Xinshi District), Urumqi, Xinjiang	0991-5870063
34	Suzhou Branch Office	WANG Xiaomeng	8/F, No. 308 Suya Road, Suzhou Industrial Park	0512-67615858
35	Foshan Branch Office	CHEN Hengfu	Rooms 2801, 2802, 2803, 2804, 2805 and 2814, Block 1, one of No. 02, Ground Floor, No. 57 Jihua 5th Road, Chancheng District, Foshan City	0757-83283939
36	Dongguan Branch Office	CAO Hong	Rooms 1705, 1706, 1707 and 1708, 17/F, and part of the Ground Floor, Yujing Plaza, Gangbei Dongcheng Road, Dongcheng Subdistrict, Dongguan	0769-88778300
37	Shenzhen Qianhai Branch Office	XIONG Linsha	Rooms 502 and 503, Hedge Fund Center, Qianhai Shenzhen-Hong Kong Fund Town, No. 128 Guiwan Fifth Road, Qianhai Shenzhen-Hong Kong Cooperation Zone, Shenzhen	0755-26029556
38	Xiamen Branch Office	LI Nan	Units 04, 05 and 06, 16/F, Tower A, China Resources Building, No. 93 Hubin East Road, Siming District, Xiamen	0592-6808633
39	Qinghai Branch Office	CHEN Cunzhe	Room 1141, Unit 1, Building 2, No. 27 Lenghu Road, Chengxi District, Xining, Qinghai Province	0971-8251122

No.	Branch Office	Responsible Officer	Place of Business	Contact Method
40	Dalian Branch Office	CHEN Sheng	Room 1-1-4, Building 13, No. 6, B2 Block, Xinghai Plaza, Shahekou District, Dalian, Liaoning Province	0411-84992086
41	Wuxi Branch Office	YAN Jun	Units 2906-2910, 29/F, Block 2, Wuxi Hang Lung Plaza Office Building, No. 139 Renmin Middle Road, Liangxi District, Wuxi	0510-81800565
42	Zhuhai Branch Office	CHEN Zhensheng	Room 301A, No. 91 Jingshan Road, Xiangzhou District, Zhuhai	0756-3288918
43	Zhongshan Branch Office	GAO Yong	4/F-2 Dixing Building, No. 82 Zhongshan Fourth Road, East District, Zhongshan	0760-88261265
44	Changzhou Branch Office	YIN Zhonghua	Rooms 101 and 2101, No. 5 Yanzheng Middle Road, Hutang Town, Wujin District, Changzhou	0519-86565238
45	Zhenjiang Branch Office	GAO Qun	No. 39 Zhengdong Road, Jingkou District, Zhenjiang	0511-81983987

2.2.7 Explanation of change in scope of statement consolidation

During the Reporting Period, the number of structured entities included in the consolidation scope of the Company's financial statements was changed to 8. The number of first-level units included in the consolidation scope of the Company's financial statements was changed to 24.

2.2.8 Access to and Ability of Financing

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

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

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

Please refer to Note 36 Short-term loans, Note 37 Short-term financing instruments payable, Note 40 Debt instruments issued, Note 41 Long-term loans, Note 43 Issued share capital and Note 44 Other equity instruments to the financial statements in this results announcement for the information on the debt financing instruments and liquidity of the Company in the first half of 2023.

2.3 Core Competitiveness Analysis

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

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

The Company concluded and formed the basic principles of "Seven Commitments" followed by it in its operation and management: we adhere to the commitment to the Party's leadership that provides sound political protection for corporate development; the commitment to the business objective of following the national strategy and serving the real economy; the commitment to the client-oriented business approach which allows us to achieve mutual development with clients; the commitment to operating philosophy of compliance operations and stringent risk management; the commitment to innovation and entrepreneurship with a persistent ambition; the commitment to the talent nurture strategy which is under people-focused and market-oriented management; and the commitment to upholding and promotion of the excellent corporate culture and tradition of the Company.

2. Powerful shareholder background and sound corporate governance structure

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

3. Prospective strategic layout and comprehensive financial services capabilities

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

4. Solid capital strength and industry-leading operating results

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

5. Profound customer resources and extensive network layout

The Company has kept developing as driven by the philosophy of being client-centric and growing together with clients. Based on serving the real economy, the Company has accumulated a large number of trustworthy strategic customers by carrying out in-depth cooperation around customers' comprehensive financial needs; it implemented the requirements of the innovation-driven development strategy, helped to grow bigger and stronger through the capital market and served a large number of new economy and innovative enterprise customers; it practiced inclusive finance, assisted in common prosperity and allowed a wide range of investors to share the benefits from China's economic development. At present, the Company has more than 13.50 million retail clients and approximately 100,000 corporate and institutional clients engaging in key fields of national economy, achieving in-depth coverage of major central SOEs, private enterprises, important local SOEs and influential listed companies. The Company has set up more than 400 branches and 12 regional branches of investment banking in the territory, which are widely distributed in various provinces and cities, and continues to enhance its regional client service capability.

6. Competitive cross-border integrated customer service network

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

7. Sound market-based mechanism and excellent talents

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

8. Excellent corporate culture system

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

2.4 Possible Risks Exposure

Currently, the world economy has witnessed intensified risks and challenges. In response to high inflation, European countries and the United States continued to tighten fiscal and monetary policy, causing a tighter global liquidity environment and high financial market volatility, and the exposure of risks related to small and medium-sized banks and commercial properties in European countries and the United States, and exposing major economies such as the United States to the increased risk of recession. The domestic economy and society have fully resumed normal operation, and the triple pressures from shrinking demand, supply shock and weakening expectations have been alleviated. However, the endogenous power of economic operation is not strong enough, the demand remains insufficient and debt risk in some fields need to be further mitigated. With changes in the internal and external environments, the growth of credit derivatives, commodities, foreign exchange, and other new businesses comes with noteworthy market risks. Financing business and fixed income product investment are exposed to changes in credit risk. Therefore, the Company should, in its steady operation, ensure that the risks are detectable and controllable amid business expansion.

2.5 Risk Management

2.5.1 Overview

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

The Company has established an overall risk management system and three lines of defense in risk management led by the Chief Risk Officer, in the charge of the Risk Management Department and involving its departments/business lines, branches, subsidiaries and all its staff, and is committed to continuously optimizing such system and mechanism. In the first half of 2023, the Company further improved risk appetite management, optimized the system of risk appetite indicators and continued to promote the management mechanism that risk appetite guided business development; the Company continued to strengthen country risk management, improved the evaluation process and rating method of country risk and improved the ability of country risk identification and monitoring; the Company carried out extensive risk investigation in subsidiaries and closely kept track of the risk profile of subsidiaries, and provided targeted risk management guidance and support; the Company continued to manage risks actively. In addition to conducting risk investigations on risk-taking assets on a regular basis, the Company conducted special investigations for sudden market risk events at the first time, found out the risk base, and took appropriate countermeasures to further improve our risk prevention and response capabilities.

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

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

2.5.2 Structure of risk management

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

Level 1: The Board

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

Level 2: Operation Management

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

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

Level 3: Division/Business Lines

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

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

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

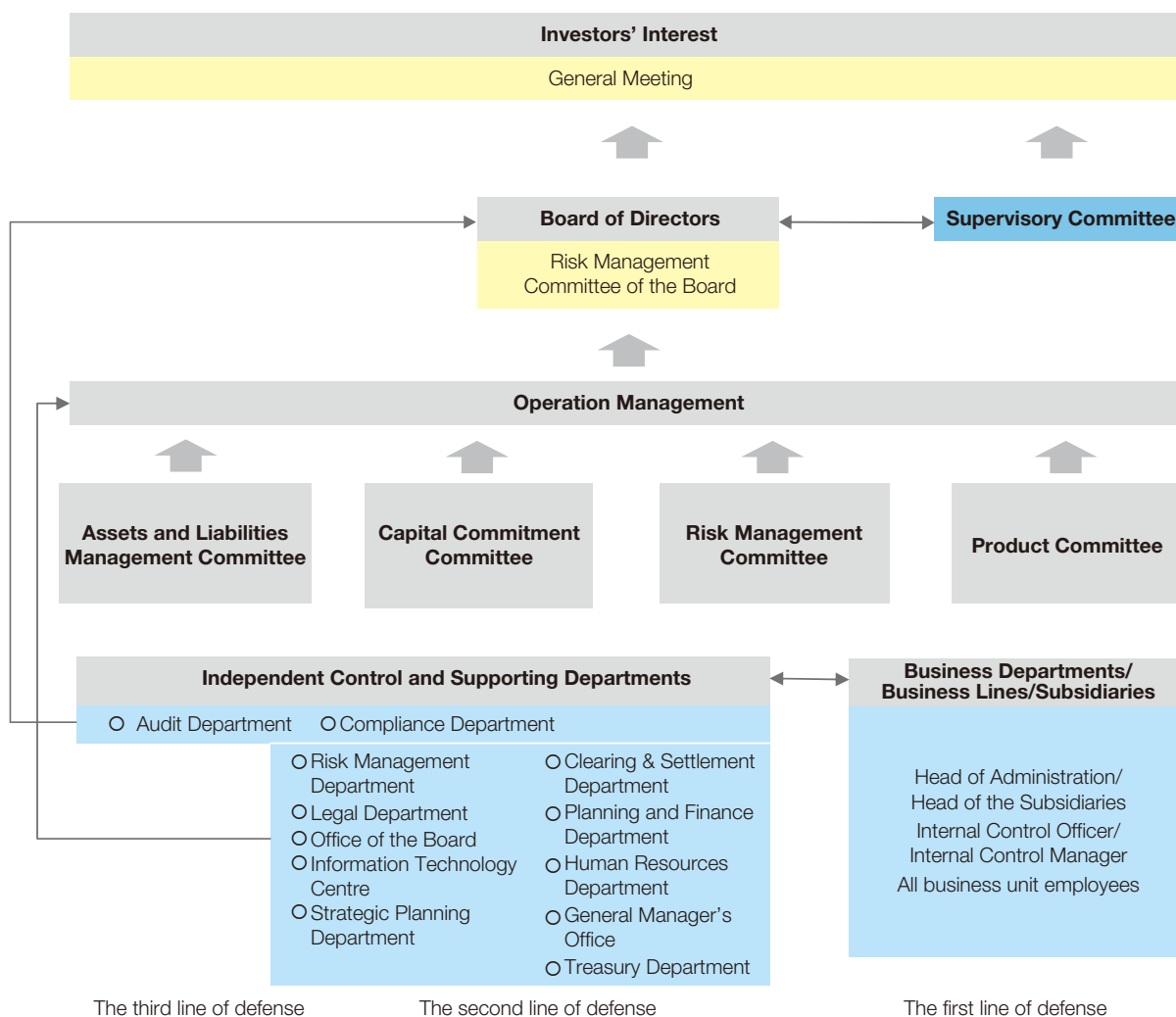


Chart: Structure of Risk Management

2.5.3 Market risks

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

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

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

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

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

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

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

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

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

2.5.4 Credit risk

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

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

In RMB ten thousand

Investment Rating	30 June 2023	31 December 2022
China's Sovereign Credit Rating	6,949,775	4,865,309
AAA	11,987,106	11,709,623
AA	1,282,046	1,240,453
A	53,713	11,058
A-1	21,099	23,286
Others	3,372,108	3,375,050
Total exposure	<u>23,665,847</u>	<u>21,224,779</u>

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

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

In RMB ten thousand

Investment Rating	30 June 2023	31 December 2022
A	51,353	58,373
B	3,024,414	2,635,727
C	1,052,607	976,314
D	7,020	13,967
NR	1,534,786	1,341,685
Total exposure	5,670,180	5,026,066

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

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

As at the end of the Reporting Period, the Group maintained an average margin ratio of 299% for the Group's margin financing and securities lending clients with outstanding liabilities; the Group's stock repo trading clients had no liabilities; the size of the stock-pledged repo business which uses the Group's proprietary fund amounted to RMB30,822 million, with an average margin ratio of 247%; and the size of the stock-pledged repo business operated through asset management products managed by the Group amounted to RMB11,198 million.

2.5.5 Liquidity risk

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

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

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

2.5.6 Operational risk

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

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

III. CORPORATE GOVERNANCE

3.1 Information on the General Meetings

The 2023 First Extraordinary General Meeting of the Company was held at Beijing Ruicheng Four Seasons Hotel. Two special resolutions were considered and approved at the meeting, namely, Resolution in Relation to the Amendments to the Articles of Association of the Company and Resolution in Relation to the Amendments to Rules of Procedure for the General Meeting of Shareholders, Rules of Procedure for the Board of Directors and Rules of Procedure for the Supervisory Committee of the Company. The 2022 Annual General Meeting of the Company was held at Beijing Kempinski Hotel. Nine ordinary resolutions were considered and approved at the meeting, namely, 2022 Work Report of the Board, 2022 Work Report of the Supervisory Committee, 2022 Annual Report, 2022 Profit Distribution Plan, Resolution on the Change of Auditors, Resolution on the Estimated Investment Amount for the Proprietary Business of the Company for 2023, 2023 Financing Guarantee Plan of the Company, Resolution on the Distributed Total Remuneration of the Directors and the Supervisors of the Company for 2022 and Resolution on Estimation of Related Party/Continuing Connected Transactions Contemplated in the Ordinary Course of Business of the Company in 2023. These general meetings, taken by poll through a combination of on-site voting and online voting, were chaired by Mr. ZHANG Youjun, chairman of the Company, and the Directors, Supervisors and certain members of the Senior Management of the Company attended the meeting.

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

3.2 Share Incentive Scheme of the Company

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

3.3 Interim Dividend

The Company will not distribute any interim dividends for 2023.

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

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

3.5 Audit Committee Review

The Audit Committee of the Board has reviewed the unaudited interim financial statements and the interim report of the Company for the six months ended 30 June 2023, and did not raise any objection to the accounting policies and practices adopted by the Company.

3.6 Other Issues Related to Corporate Governance

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

According to the domestic regulatory requirements, the 23rd Meeting of the Third Session of the Board of the Company considered and approved the Measures for the Management of the Holdings in the Shares of CITIC Securities Company Limited by Directors, Supervisors and Senior Management and Relevant Changes (hereinafter referred to as the “**Management Measures**”) on 13 March 2008, which was reviewed and revised at the 7th Meeting of the Eighth Session of the Board on 30 May 2023, to regulate the behavior of holding and dealing in the Shares of the Company by Directors, Supervisors and Senior Management. The Management Measures are stricter than the compulsory provisions in the Model Code set out in Appendix 10 to the Hong Kong Listing Rules. Having made specific enquiries, all Directors and Supervisors of the Company had confirmed that they had strictly complied with the relevant provisions of the Management Measures and the Model Code during the Reporting Period.

The Resolution in Relation to the Amendments to the Articles of Association of the Company and the Resolution in Relation to the Amendments to Rules of Procedure for the General Meeting of Shareholders, Rules of Procedure for the Board of Directors and Rules of Procedure for the Supervisory Committee of the Company were preliminarily reviewed at the 2nd Meeting of the Eighth Session of the Board of the Company, and were considered and approved at the 2023 First Extraordinary General Meeting, pursuant to which, it was agreed that the Company would make amendments to certain articles in the Articles of Association, Rules of Procedure for the General Meeting of Shareholders, Rules of Procedure for the Board of Directors and Rules of Procedure for the Supervisory Committee of the Company, in accordance with Rules Governing the Listing of Stocks on Shanghai Stock Exchange, Guidelines for Articles of Association of Listed Companies and Measures for the Supervision and Administration of Directors, Supervisors, Senior Management Members and Practitioners of Securities Fund Operating Institutions after taking into consideration the condition of the Company, which took effect on 9 March 2023.

IV. ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

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

1. ESG concepts and risk management

The Company attached great importance to the leading role of financial institutions in promoting sustainable economic growth and national economic transformation, integrated ESG concepts into various businesses, and continuously boosted the practice of responsible investment to jointly realize the economic, social and environmental benefits. The Company actively promoted the concept of green operation, with an aim to minimize the impact of its operation on the environment. The Company strengthened the adaptability to climate change and promoted the ecological civilization with practical actions to realize the harmonious coexistence of human and nature.

The Company gradually incorporated ESG factors into comprehensive risk management system. Based on the comprehensive risk management structure and through assessment, measurement, monitoring, response, and reporting, etc., the Company continuously strengthened the beforehand prevention, and in-process and post-event control and management of ESG-related risks throughout the Company and in various business lines to further improve the effectiveness of the Company's non-financial risk control and promote the Company's long-term sustainable development. As pointed out in the Environmental and Social Risk Management Framework of CITIC Securities, the Company should fully consider ESG factors when carrying out investment and financing businesses and incorporate ESG factors in such links as due diligence, risk approval, and follow-up management, and continue to optimize and improve such factors. The Company has incorporated ESG factors into the risk management process of each business and conducted ESG-related due diligence for financing business, equity investment business and investment banking business. The Company actively supported related companies that demonstrate strict adherence to ESG responsibilities, while also rejecting companies with significant ESG risks in principle. During daily project review and public opinion risk monitoring, the Company placed a greater emphasis on credit risk assessments for enterprises involved in energy-intensive industries, and prioritized its support for industries that are encouraged by national policies. Moreover, ESG due diligence trainings are offered to relevant business personnel and risk management personnel to improve their awareness of ESG risks and ability to manage and control those risks.

2. Support sustainable financing

The Company practices the concept of green development, continues to promote sustainable financing development, and guides and encourages the investment of more social capital in green industries or green projects. Through flexibly utilizing multiple equity financing instruments (such as IPO and refinancing), and actively underwriting and issuing green bonds, the Company actively provides abundant green financial solutions for enterprises, and utilizes capital allocation to guide the transformation of industrial and energy structures towards green and low-carbon alternatives, so as to effectively broaden the green financing channels and reduce green financing costs.

In respect of equity financing and merger and acquisition and restructuring, in the first half of 2023, the scale of the green equity financing that the Company assisted in obtaining was over RMB49.8 billion, and the underwriting size was over RMB32.6 billion. It assisted a number of new energy, environmental protection and other enterprises in completing their equity financing and merger and acquisition and restructuring. The Company assisted China Yangtze Power Co., Ltd. in the completion of the material assets restructuring of RMB80.5 billion, and raised supporting funds of RMB16.1 billion; assisted Guangdong No. 2 Hydropower Engineering Company, Ltd. in the completion of acquiring assets by issuance of share of RMB10.5 billion, and raised supporting funds of RMB1.9 billion; assisted Zhejiang Provincial New Energy Investment Group Co., Ltd. in the completion of issuing share to specific objects, and raised total funds of RMB3.0 billion.

In respect of debt financing, according to the data from Wind Info, in the first half of 2023, the Company has acted as the lead underwriter for 61 green bonds (including carbon-neutral bonds and blue bonds), with the fundraising of RMB225.9 billion and an underwriting amount of RMB38.3 billion, including 13 carbon-neutral bonds with an underwriting amount of RMB2.1 billion, ranking first in the industry in terms of both the number and amount of green bond underwritten as lead underwriter. The Company assisted Jiangsu Fangyang Group in the issuance of the first green corporate bonds in Lianyungang City, with an issuance size of RMB0.7 billion, and assisted Jiangnan Rural Commercial Bank in the successful issuance of the first green financial bonds in Changzhou City, with an issuance size of RMB0.5 billion.

3. Responsible investment

In the process of investment, the Company incorporates ESG factors into such processes as the initial screening of investment targets, analysis of investment research team, investment decision, and post-investment management. The Company incorporates the concept of responsible investment into its investment decision-making system by developing corresponding responsible investment strategies for the investment in different asset categories and different business departments, including positive screening, negative prudence, impact investment, ESG integration and active shareholders, so as to improve its ability to guard against risks and seize opportunities to create long-term returns. The Company insists on responsible investment and green investment, and endeavors to implement responsible investment in its business. We follow a responsible investment strategy in making investment decisions, focusing on assets with ESG attributes, including debt assets used in the development of green finance, rural revitalization, and environmental construction; fund products that prioritize ESG factors as the main criteria for selecting stocks; and listed companies that have obtained high ESG ratings from professional organizations.

4. Green operation

The Company actively responded to the national “carbon peaking and carbon neutrality” strategy and advocated low-carbon and environmentally-friendly operations and work styles. While exploring the potential for energy saving and emission reduction through the lens of daily office operations, the Company adopted energy-saving and emission-reduction environmental protection measures, and utilized clean energy in order to minimize the impact of its own operations on the environment. The Company has further promoted energy saving and consumption reduction by strengthening control over lighting and air-conditioning in a number of office premises and reducing on-site meetings, so as to reduce carbon emissions generated by business travel and enhance energy utilization efficiency. Water-saving measures included overall monitoring of water consumption in the office building, regular inspections of pipelines and equipment, and recycling of all wastewater into the underground reclaimed water tank for reuse, such as kitchen wastewater, and wastewater from the drinking machine. The Company disposes of all kinds of solid wastes in strict accordance with national laws and regulations, and carries out waste separation and recycling in various ways to raise employees’ awareness of environmental protection.

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

The carbon emissions of the Company mainly come from the consumption of electricity, gasoline, diesel and other related energy in its daily operation. The Company has prioritized energy saving and consumption reduction as a crucial initiative. To achieve this, several measures have been implemented, including replacing LED light tubes in a number of office premises, dynamically adjusting air-conditioning usage plan based on the energy consumption of office buildings and managing energy consumption through different time slots, and reducing the number of on-site meetings by convening online meetings instead to manage and minimize the carbon emissions resulting from business travel, while also improving energy efficiency. The Company is gradually replacing traditional electricity consumption through the procurement of clean energy to reduce carbon emissions. To build low-carbon data centers, various energy-saving measures have been implemented within server rooms to reduce energy consumption. The Company promoted multiple initiatives to reduce paper usage, such as transitioning to electronic operations, conducting online meetings and training sessions, and minimizing the use of disposable products.

V. SIGNIFICANT EVENTS

5.1 Performance of Undertakings

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

Background of undertaking	Type of undertaking	Undertaking party	Contents of undertaking	Term of validity of the undertaking	Any term for performance	Whether timely and strictly performed	Description of specific reasons if not performed timely	Description of plans for next steps if not performed timely
Undertaking in respect of the share reform	Shares subject to trading moratorium	CITIC Group. Since CITIC Group has transferred all the Shares held by it to CITIC Corporation Limited, the above undertaking is taken up by CITIC Corporation Limited.	Not to transfer its Shares within 12 months from the date of listing of the Shares of the Company or upon expiry of the non-transfer undertaking, whenever it transfers through the stock exchange any Shares of the Company amounting to 1% of total issued Shares of the Company, it shall announce within two working days of such transfer; in addition, any such transfers shall not exceed 5% of the total issued Shares of the Company within the 12-month period and not exceed 10% within the 24-month period.	The undertaking shall remain in force for a long term commencing from the Company's implementation of the share reform in 2005.	No	Yes	N/A	N/A
Undertakings in the report on changes in equity	Others	CITIC Financial Holdings	<ol style="list-style-type: none"> Maintaining the business independence of the Company CITIC Financial Holdings will not unlawfully interfere with the normal operating activities of the Company. CITIC Financial Holdings will minimize the related party transactions between CITIC Financial Holdings and other enterprises controlled by CITIC Financial Holdings and the Company; in case of an inevitable related party transaction, an agreement shall be signed in accordance with the law and necessary procedures shall be performed in accordance with relevant laws and regulations. Maintaining the asset independence of the Company CITIC Financial Holdings will not misappropriate, in violation of regulations, the assets, funds and other resources of the Company or its controlled enterprises through CITIC Financial Holdings itself or its controlled affiliates. Maintaining the personnel independence of the Company CITIC Financial Holdings will continue to maintain the independence of the Company's senior management and financial staff. CITIC Financial Holdings will ensure and maintain the integrity of the Company's labor, personnel, salary and social security management system. 	The undertakings were made in June 2022 and shall remain in force for a long term commencing from the date of CITIC Financial Holdings' acquisition of the equity interest of the Company.	No	Yes	N/A	N/A

Background of undertaking	Type of undertaking	Undertaking party	Contents of undertaking	Term of validity of the undertaking	Any term for performance	Whether timely and strictly performed	Description of specific reasons if not performed timely	Description of plans for next steps if not performed timely
			<p>4. Maintaining the financial independence of the Company CITIC Financial Holdings will warrant the independence of the financial accounting department of the Company and its establishment of an independent accounting system and financial management system, and will set up an independent financial department to be responsible for the specific operations of relevant businesses. The Company maintains segregated bank accounts, and does not share the bank accounts with CITIC Financial Holdings and other enterprises controlled by CITIC Financial Holdings. The financial staff of the Company do not hold part-time positions in CITIC Financial Holdings and other enterprises controlled by CITIC Financial Holdings. The Company pays taxes independently in accordance with the law. The Company will make independent financial decisions, and CITIC Financial Holdings will not interfere with the capital use of the Company in violation of laws and regulations.</p>					
			<p>5. Maintaining the institutional independence of the Company CITIC Financial Holdings will ensure that the Company will operate independently from the institutions of CITIC Financial Holdings and other enterprises controlled by CITIC Financial Holdings. CITIC Financial Holdings warrants that the Company can maintain a sound corporate governance structure as a joint stock company. The general meeting, the Board, the Supervisory Committee and functional departments of the Company all exercise their functions and powers independently in accordance with laws, regulations and the Articles of Association of the Company, and there is no institutional confusion with the functional departments of other enterprises controlled by CITIC Financial Holdings. CITIC Financial Holdings shall be liable for compensation for any loss caused to the listed company as a result of its failure to perform the above-mentioned undertakings.</p>					

Background of undertaking	Type of undertaking	Undertaking party	Contents of undertaking	Term of validity of the undertaking	Any term for performance	Whether timely and strictly performed	Description of specific reasons if not performed timely	Description of plans for next steps if not performed timely
	Resolving horizontal competition	CITIC Financial Holdings	<ol style="list-style-type: none"> 1. CITIC Financial Holdings and the enterprises controlled by CITIC Financial Holdings will not, in any manner, directly or indirectly engage in any business or operating activity that is in substantial competition with the principal business engaged in by the listed company and its subsidiaries. 2. CITIC Financial Holdings will not use its position as the largest Shareholder of the listed company to seek illegitimate interests or to jeopardize the interests of the listed company and its minority Shareholders. The above-mentioned undertakings shall remain in force during the period in which CITIC Financial Holdings is the largest Shareholder of the listed company. CITIC Financial Holdings shall be liable for compensation for any loss caused to the listed company as a result of its failure to perform the above-mentioned undertakings. 	The undertakings were made in June 2022 and shall remain in force for a long term commencing from the date of CITIC Financial Holdings' acquisition of the equity interest of the Company.	No	Yes	N/A	N/A

Background of undertaking	Type of undertaking	Undertaking party	Contents of undertaking	Term of validity of the undertaking	Any term for performance	Whether timely and strictly performed	Description of specific reasons if not performed timely	Description of plans for next steps if not performed timely
	Resolving related party transactions	CITIC Financial Holdings	<ol style="list-style-type: none"> CITIC Financial Holdings and its controlled enterprises will continue to regulate related party transactions with the Company and its subsidiaries in accordance with relevant laws and regulations and the Administrative Measures on Related Party Transactions of the Company. In the event of necessary and inevitable related party transactions, CITIC Financial Holdings and its controlled enterprises will enter into agreements with the Company and its subsidiaries in accordance with the principles of fairness, impartiality and openness and the law, and perform legal procedures to ensure the fairness of the prices of related party transactions. CITIC Financial Holdings warrants that it will exercise relevant Shareholders' rights and assume corresponding obligations in accordance with relevant laws and regulations and the Articles of Association of the Company and other requirements in relation to internal control system. It will not use its position as a Shareholder to seek illegitimate interests, or illegally transfer funds and profits of the Company and its subsidiaries through related party transactions, or maliciously jeopardize the legitimate rights and interests of other Shareholders of the Company by means of related party transactions. CITIC Financial Holdings shall be liable for compensation for any loss caused to the listed company as a result of its failure to perform the above-mentioned undertakings. 	The undertakings were made in June 2022 and shall remain in force for a long term commencing from the date of CITIC Financial Holdings' acquisition of the equity interest of the Company.	No	Yes	N/A	N/A
Undertaking in respect of IPO	Resolving horizontal competition	CITIC Group. Since CITIC Group has transferred all the Shares held by it to CITIC Corporation Limited, the above undertaking is taken up by CITIC Corporation Limited.	Undertaking that there did not exist and it will not establish any new companies engaging in securities business. In respect of those businesses which are the same or similar as the securities company engaged by banking and trust investment businesses, our Company can make adequate disclosure of such business; undertaking that it will not misuse its Shareholder position to act in the detriment of interests of the Company and other Shareholders.	Long-term undertaking commencing from the initial public offering of A Shares of the Company in December 2002.	No	Yes	N/A	N/A

Background of undertaking	Type of undertaking	Undertaking party	Contents of undertaking	Term of validity of the undertaking	Any term for performance	Whether timely and strictly performed	Description of specific reasons if not performed timely	Description of plans for next steps if not performed timely
Undertaking in relation to asset restructuring	Others	CITIC Corporation Limited	<ol style="list-style-type: none"> Maintaining the business independence of the Company CITIC Corporation Limited will not unlawfully interfere with the normal operating activities of the Company. CITIC Corporation Limited will minimize the related party transactions between CITIC Corporation Limited and other enterprises controlled by CITIC Corporation Limited and the Company; in case of an inevitable related party transaction, an agreement shall be signed in accordance with the law and necessary procedures shall be performed in accordance with relevant laws and regulations. Maintaining the asset independence of the Company CITIC Corporation Limited will not misappropriate, in violation of regulations, the assets, funds or other resources of the Company or its controlled enterprises through CITIC Corporation Limited itself or its controlled affiliates. Maintaining the personnel independence of the Company CITIC Corporation Limited warrants that the President, the Chief Financial Officer, the Board Secretary and other members of the Senior Management of the Company will not hold other positions other than directors and supervisors in or receive remuneration from CITIC Corporation Limited and/or other enterprises controlled by CITIC Corporation Limited. CITIC Corporation Limited will ensure and maintain the integrity of the Company's labor, personnel, salary and social security management system. 	Long-term undertaking commencing from the Company's acquisition of assets by issuance of Shares in 2019.	No	Yes	N/A	N/A

Background of undertaking	Type of undertaking	Undertaking party	Contents of undertaking	Term of validity of the undertaking	Any term for performance	Whether timely and strictly performed	Description of specific reasons if not performed timely	Description of plans for next steps if not performed timely
			<p>4. Maintaining the financial independence of the Company CITIC Corporation Limited will warrant the independence of the financial accounting department of the Company and its establishment of an independent accounting system and financial management system, and will set up an independent financial department to be responsible for the specific operations of relevant businesses. The Company maintains segregated bank accounts, and does not share the bank accounts with CITIC Corporation Limited and other enterprises controlled by CITIC Corporation Limited. The financial staff of the Company do not hold part-time positions in CITIC Corporation Limited and other enterprises controlled by CITIC Corporation Limited. The Company pays taxes independently in accordance with the law. The Company will make independent financial decisions, and CITIC Corporation Limited will not interfere with the capital use of the Company in violation of laws and regulations.</p> <p>5. Maintaining the institutional independence of the Company CITIC Corporation Limited will ensure that the Company will operate independently from the institutions of CITIC Corporation Limited and other enterprises controlled by CITIC Corporation Limited. CITIC Corporation Limited warrants that the Company can maintain a sound corporate governance structure as a joint stock company. The general meeting, the Board, the Supervisory Committee and functional departments of the Company all exercise their functions and powers independently in accordance with laws, regulations and the Articles of Association of the Company, and there is no institutional confusion with the functional departments of other enterprises controlled by CITIC Corporation Limited.</p>					

Background of undertaking	Type of undertaking	Undertaking party	Contents of undertaking	Term of validity of the undertaking	Any term for performance	Whether timely and strictly performed	Description of specific reasons if not performed timely	Description of plans for next steps if not performed timely
	Others	Yuexiu Capital, Guangzhou Yuexiu Capital	<p>1. Maintaining the business independence of the Company Yuexiu Capital and Guangzhou Yuexiu Capital will not unlawfully interfere with the normal operating activities of the Company. Yuexiu Capital and Guangzhou Yuexiu Capital will minimize the related party transactions between Yuexiu Capital, Guangzhou Yuexiu Capital and other enterprises controlled by them and the Company; in case of an inevitable related party transaction, an agreement shall be signed in accordance with laws and necessary procedures shall be performed in accordance with relevant laws and regulations.</p> <p>2. Maintaining the asset independence of the Company Yuexiu Capital and Guangzhou Yuexiu Capital will not misappropriate, in violation of regulations, the assets, funds or other resources of the Company or its controlled enterprises through Yuexiu Capital and Guangzhou Yuexiu Capital themselves or their controlled affiliates; nor will the Company or its controlled enterprises be required to provide guarantees for Yuexiu Capital, Guangzhou Yuexiu Capital and other enterprises controlled by them.</p> <p>3. Maintaining the personnel independence of the Company Yuexiu Capital and Guangzhou Yuexiu Capital warrant that the President, the Vice President, the Chief Financial Officer, the Board Secretary and other members of the Senior Management of the Company will not hold other positions other than directors and supervisors in or receive remuneration from Yuexiu Capital, Guangzhou Yuexiu Capital and/or other affiliates controlled by them. Yuexiu Capital and Guangzhou Yuexiu Capital will ensure and maintain the integrity of the Company's labor, personnel, salary and social security management system.</p>	Long-term undertaking commencing from the Company's acquisition of assets by issuance of Shares in 2019.	No	Yes	N/A	N/A

Background of undertaking	Type of undertaking	Undertaking party	Contents of undertaking	Term of validity of the undertaking	Any term for performance	Whether timely and strictly performed	Description of specific reasons if not performed timely	Description of plans for next steps if not performed timely
			<p>4. Maintaining the financial independence of the Company Yuexiu Capital and Guangzhou Yuexiu Capital warrant that they will not interfere with the independence of the financial accounting department of the Company and its establishment of an independent accounting system and financial management system, and will set up an independent financial department to be responsible for the specific operations of relevant businesses. The Company maintains segregated bank accounts, and does not share the bank accounts with Yuexiu Capital, Guangzhou Yuexiu Capital and other affiliates controlled by them. The financial staff of the Company do not hold part-time positions in Yuexiu Capital, Guangzhou Yuexiu Capital and other enterprises controlled by them. The Company pays taxes independently in accordance with laws. The Company will make independent financial decisions, and Yuexiu Capital and Guangzhou Yuexiu Capital will not interfere with the capital use of the Company in violation of laws and regulations.</p>					
			<p>5. Maintaining the institutional independence of the Company Yuexiu Capital and Guangzhou Yuexiu Capital will ensure that the Company will operate independently from the institutions of Yuexiu Capital, Guangzhou Yuexiu Capital and other enterprises controlled by them. Yuexiu Capital and Guangzhou Yuexiu Capital will supervise and support the Company to maintain a sound corporate governance structure as a joint stock company. The general meeting, the Board, the Supervisory Committee and functional departments of the Company all exercise their functions and powers independently in accordance with laws, regulations and the Articles of Association of the Company, and there is no subordinate relationship with the functional departments of other affiliates controlled by Yuexiu Capital and Guangzhou Yuexiu Capital.</p>					

Background of undertaking	Type of undertaking	Undertaking party	Contents of undertaking	Term of validity of the undertaking	Any term for performance	Whether timely and strictly performed	Description of specific reasons if not performed timely	Description of plans for next steps if not performed timely
	Resolving related party transactions	CITIC Corporation Limited	<ol style="list-style-type: none"> 1. CITIC Corporation Limited and its controlled enterprises will continue to regulate related party transactions with the Company and its subsidiaries in accordance with relevant laws and regulations and the Administrative Measures on Related Party Transactions of the Company. In the event of necessary and inevitable related party transactions, CITIC Corporation Limited and its controlled enterprises will enter into agreements with the Company and its subsidiaries in accordance with the principles of fairness, impartiality and openness and laws, and perform legal procedures to ensure the fairness of the prices of related party transactions. 2. CITIC Corporation Limited warrants that it will exercise relevant Shareholders' rights and assume corresponding obligations in accordance with relevant laws and regulations and the Articles of Association of the Company and other requirements in relation to internal control system. It will not use its position as a Shareholder to seek illegitimate interests, or illegally transfer funds and profits of the Company and its subsidiaries through related party transactions, or maliciously jeopardize the legitimate rights and interests of other Shareholders of the Company by means of related party transactions. 	Long-term undertaking commencing from the Company's acquisition of assets by issuance of Shares in 2019.	No	Yes	N/A	N/A

Background of undertaking	Type of undertaking	Undertaking party	Contents of undertaking	Term of validity of the undertaking	Any term for performance	Whether timely and strictly performed	Description of specific reasons if not performed timely	Description of plans for next steps if not performed timely
	Resolving related party transactions	Yuexiu Capital, Guangzhou Yuexiu Capital	<ol style="list-style-type: none"> Upon the completion of this transaction, Yuexiu Capital, Guangzhou Yuexiu Capital and their controlled enterprises will minimize the related party transactions with the Company and its subsidiaries as much as possible. In the event of necessary and inevitable related party transactions, Yuexiu Capital, Guangzhou Yuexiu Capital and their controlled enterprises will enter into agreements with the Company and its subsidiaries in accordance with the principles of fairness, impartiality and openness and the law, and perform legal procedures to ensure the fairness of the prices of related party transactions. Yuexiu Capital and Guangzhou Yuexiu Capital warrant that they will exercise relevant Shareholders' rights and assume corresponding obligations in accordance with relevant laws and regulations and the Articles of Association of the Company and other requirements in relation to internal control system. They will not use their positions as Shareholders to seek illegitimate interests, or illegally transfer funds and profits of the Company and its subsidiaries through related party transactions, or maliciously jeopardize the legitimate rights and interests of other Shareholders of the Company by means of related party transactions. 	Long-term undertaking commencing from the Company's acquisition of assets by issuance of Shares in 2019.	No	Yes	N/A	N/A

Background of undertaking	Type of undertaking	Undertaking party	Contents of undertaking	Term of validity of the undertaking	Any term for performance	Whether timely and strictly performed	Description of specific reasons if not performed timely	Description of plans for next steps if not performed timely
	Shares subject to trading moratorium	Yuexiu Capital, Guangzhou Yuexiu Capital	<p>1. The consideration Shares subscribed by Yuexiu Capital and Guangzhou Yuexiu Capital in this transaction shall not be transferred within 48 months from the issuance completion date (Note: "issuance completion date of the consideration Shares" refers to the date on which the consideration Shares were registered under the name of Yuexiu Capital/Guangzhou Yuexiu Capital, same as below), unless a longer lock-up period is required by CSRC or other regulatory authorities.</p> <p>2. Upon the completion of this transaction, the above-mentioned agreements shall also apply to the additional Shares of the Company to be issued to Yuexiu Capital and Guangzhou Yuexiu Capital in the event of distribution of dividends, bonus issue, rights issue and conversion of capital reserve into share capital of the Company, etc.</p>	Undertaking commencing from the Company's acquisition of assets by issuance of Shares in 2019 to the expiration of lock-up period.	Yes	Yes	N/A	N/A
	Others	Yuexiu Capital, Guangzhou Yuexiu Capital	In order to protect the legitimate rights and interests of the Company and Guangzhou Securities, Yuexiu Capital and Guangzhou Yuexiu Capital hereby irrevocably warrant that they will not misappropriate the funds of the Company, Guangzhou Securities or their controlled enterprises, or require them to provide guarantees for Yuexiu Capital, Guangzhou Yuexiu Capital and their controlled enterprises, otherwise, the Company shall be timely compensated for any losses incurred thereby.	Long-term undertaking commencing from the Company's acquisition of assets by issuance of Shares in 2019.	No	Yes	N/A	N/A
	Resolving horizontal competition	The Company	Upon the completion of this transaction, Guangzhou Securities will become a wholly-owned subsidiary directly or indirectly held by the Company, and its existing business may have conflicts of interest and compete with the business of the Company and its controlled subsidiaries. The Company undertakes to integrate its assets and businesses within 5 years upon the completion of this transaction, so as to resolve the possible conflicts of interest and competition between the parent company and its subsidiaries in compliance with relevant laws, regulations and regulatory requirements.	Long-term undertaking commencing from the Company's acquisition of assets by issuance of Shares in 2019.	No	Yes	N/A	N/A

Background of undertaking	Type of undertaking	Undertaking party	Contents of undertaking	Term of validity of the undertaking	Any term for performance	Whether timely and strictly performed	Description of specific reasons if not performed timely	Description of plans for next steps if not performed timely
	Others	CITIC Corporation Limited	<ol style="list-style-type: none"> Not to interfere with the operation and management of the Company beyond its authority, or encroach on the interests of the Company; If the violation of the above-mentioned undertakings causes losses to the Company, the warrantor shall be liable for compensation in accordance with the law. 	Long-term undertaking commencing from the Company's acquisition of assets by issuance of Shares in 2019.	No	Yes	N/A	N/A

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

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

5.3 No Illegal Guarantee during the Reporting Period

5.4 Material Litigation and Arbitration

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

Dispute between the Company and Kaiyuan Securities, Xiamen Rural Commercial Asset Management and Xiamen Rural Commercial Financial Holdings on Bond-pledged Repo Transaction

Because Kaiyuan Securities Co., Ltd. (開源證券股份有限公司) (hereinafter referred to as the “**Kaiyuan Securities**”) failed to repay the principal and interest under the bond-pledged repo transaction as scheduled, totalling RMB30,012,328.77 (tentatively calculated as of 31 October 2018), the Company filed a lawsuit with the People's Court of Chaoyang District of Beijing Municipality (hereinafter referred to as the “**Chaoyang Court**”) against Kaiyuan Securities, Xiamen Rural Commercial (Shanghai) Asset Management Co., Ltd. (廈農商(上海)資產管理有限公司) (hereinafter referred to as “**Xiamen Rural Commercial Asset Management**”), and Xiamen Rural Commercial Financial Holdings Group Co., Ltd. (廈門農商金融控股集團有限公司) (hereinafter referred to as “**Xiamen Rural Commercial Financial Holdings**”) on 7 November 2018. The Chaoyang Court formally accepted this case on 2 January 2019. The Chaoyang Court heard the case on 11 November 2019. Before the hearing, the Company had withdrawn its claims against Xiamen Rural Commercial Asset Management and Xiamen Rural Commercial Financial Holdings. On 30 March 2020, the Chaoyang Court made the first instance verdict basically in favour of the Company's claims against Kaiyuan Securities. The Company applied to the Chaoyang Court for compulsory enforcement after the verdict became effective. The court accepted the application on 14 May 2020 (please refer to the Company's 2022 Annual Report for relevant case information). Based on the results of the execution, the Company and Kaiyuan Securities reached a settlement on enforcement. At present, the enforcement procedure of this case has been concluded.

Dispute between the Company and Kangde Group on Guarantee Contract

Due to the breach of contract by Shenzhen Qianhai Fengshi Yunlan Capital Management Co., Ltd. (深圳前海豐實雲蘭資本管理有限公司) (hereinafter referred to as “**Fengshi Yunlan**”) in conducting the stock-pledged repo transaction with the Company and Kangde Investment Group Co., Ltd. (康得投資集團有限公司) (hereinafter referred to as “**Kangde Group**”) also failed to fulfill its guarantee obligations in a timely manner to repay the relevant debts to the Company on behalf of Fengshi Yunlan, the Company filed a lawsuit with the Higher People’s Court of Beijing Municipality (hereinafter referred to as “**Beijing Higher Court**”) on 22 January 2019, requesting Kangde Group to assume the joint and several liability as the guarantor and repay the amount of RMB1,418,245,278.08 owed to the Company. The Beijing Higher Court heard the case on 9 December 2019. The Beijing Higher Court made the first instance verdict and the correction of ruling in favor of all claims of the Company on 30 April 2020 and 6 May 2020. The Company had applied to the First Intermediate People’s Court of Beijing Municipality (hereinafter referred to as “**Beijing First Intermediate Court**”) to add HAN Yu and other parties as persons subject to enforcement. The case is currently being enforced (please refer to the Company’s 2022 Interim Report for relevant case information). On 25 May 2023, the People’s Court of Duilong Deqing District of Lhasa, Tibet Autonomous Region accepted the application for bankruptcy and liquidation of Kangde Group by the applicant Jiangxi Bank Co., Ltd., and Kangde Group had entered bankruptcy and liquidation procedures.

Dispute between CITIC Securities South China and Xiwang Group on Bond Transaction

Due to the breach of contract on bond transaction by Xiwang Group Company Limited (hereinafter referred to as “**Xiwang Group**”), Guangzhou Securities (as previously named) submitted an arbitration application to the Shanghai International Economic and Trade Arbitration Commission on 8 November 2019, and the case was accepted on 22 November 2019. The hearing for the case was scheduled to be held on 6 May 2020. On 21 February 2020, the Zouping People’s Court of Shandong Province (hereinafter referred to as the “**Zouping Court**”) ruled to accept the Xiwang Group settlement case. On 16 April 2020, CITIC Securities South China received the ruling from Zouping Court, which approved the settlement agreement with Xiwang Group and terminated the settlement procedure with Xiwang Group. On 20 May 2020, CITIC Securities South China received the confirmation letter of creditor’s rights from the administrator, in which the proprietary creditor’s rights were confirmed and the arbitration fee, lawyer’s fee and security guarantee fee in relation to the creditor’s rights of asset management products were not confirmed. CITIC Securities South China raised an objection to the administrator. Later, CITIC Securities South China transferred the creditor’s rights of the asset management products. On 26 December 2022, the administrator organized a meeting of creditors involved in the Xiwang Group settlement case, and voted to pass the proposal to revise the settlement agreement (please refer to the Company’s 2022 Annual Report for relevant case information). On 9 June 2023, the meeting of creditors of Xiwang Group voted to approve the proposal for revising the settlement agreement. On 26 June 2023, the Zouping Court ruled to approve the proposal for revising the settlement agreement.

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

Due to the breach of contract on bond transaction by CITIC Guoan Group Co., Ltd. (hereinafter referred to as “**CITIC Guoan**”), Guangzhou Securities (as previously named) filed a lawsuit against CITIC Guoan with the Third Intermediate People’s Court of Beijing Municipality (hereinafter referred to as “**Beijing Third Intermediate Court**”) in May 2019. The subject matter of the lawsuit was the principal of RMB480 million as well as the corresponding interest, liquidated damages, expenses incurred for realizing the creditor’s rights and other fees. The case was formally accepted on 14 May 2019, and heard on 24 September 2019 and 11 December 2019. On 16 December 2020, CITIC Securities South China received the verdict issued by Beijing Third Intermediate Court, supporting all the claims made by CITIC Securities South China, and it has applied to the Beijing Third Intermediate Court for compulsory enforcement. After the Beijing First Intermediate Court ruled to accept CITIC Guoan’s reorganization, CITIC Securities South China has claimed its creditor’s rights according to law (please refer to the Company’s 2022 Annual Report for relevant case information). Beijing First Intermediate Court has ruled to approve the substantive merger and reorganization scheme of seven companies including CITIC Guoan, and the reorganization scheme is currently under implementation.

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

1. The administrative regulatory measures taken by the regulatory authorities against the Company, and the punishment on and rectification of the Company are as follows:

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

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

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

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

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

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

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

5.7 Material Related Party Transactions/Non-exempt Connected Transactions

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

1. Related party/connected transactions between the Group and CITIC Group, its subsidiaries and associates

Day-to-day related party/continuing connected transactions between the Group and CITIC Group, its subsidiaries and associates are classified into three major categories, namely securities and financial products transactions and services, miscellaneous services and property leasing. Since the Company's H Shares were listed in 2011, upon the approval of the general meeting of Shareholders and the Board, the Company and CITIC Group renewed the Securities and Financial Products Transactions and Services Framework Agreement, the Miscellaneous Services Framework Agreement and the Property Leasing Framework Agreement on a regular basis, to reach an agreement on the contents of the relevant transactions thereunder and set respective annual caps for the transaction amount. The existing Securities and Financial Products Transactions and Services Framework Agreement, the Miscellaneous Services Framework Agreement and the Property Leasing Framework Agreement were renewed on 30 December 2022, all of which are valid from 1 January 2023 to 31 December 2025.

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

In RMB ten thousand

Related/ Connected party	Type of related party/ connected transactions	Annual caps for transaction amount in 2023	Actual transaction amount/ highest balance in a single day during January to June 2023	Percentage of the total amount of similar transactions (%)	Impact on profit of the Company
CITIC Group and its associates	Net cash inflow derived from securities and financial products transactions (excluding financing transactions ^{Note 1})	15,500,000	2,326,614	—	—
	Net cash outflow incurred for securities and financial products transactions (excluding financing transactions ^{Note 1})	19,000,000	3,569,689	—	—
	Amount such as inter-financial institutions borrowings and beneficiary certificates issued by the Group	Not applicable ^{Note 2}	14,822,738	—	—
	Maximum daily balance (including interests) of financing transactions ^{Note 1} provided to the Company	2,000,000	300,007	—	—
	Maximum daily balance (including interests) of financing transactions ^{Note 1} provided by the Company	800,000	—	—	—

Type of related party/ connected transactions	Annual caps for transaction amount in 2023	Actual transaction amount during January to June 2023	Percentage of operating revenue/ expenses of the Company (%)	Impact on profit of the Company
Income derived from securities and financial services	350,000	53,376	1.69	53,376
Expenses incurred for securities and financial services	110,000	6,039	0.37	-6,039
Income derived from miscellaneous services	45,000	1,943	—	—
Expenses incurred for miscellaneous services	250,000	13,383	—	—
Rental income from lease of properties	60,000	1,895	0.06	1,895
Rental expenses paid for lease of properties/ Increase in total value of right-of-use assets	100,000	467	—	—

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

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

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

2. Related party transactions between the Group and other related parties

During the Reporting Period, the Company conducted related party transactions in strict compliance with the Resolution on Estimation of Related Party/Continuing Connected Transactions Contemplated in the Ordinary Course of Business of the Company in 2023 as considered and approved at the 2022 Annual General Meeting. Details of the implementation are as follows:

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

In RMB ten thousand

Related party	Type of related party transactions	Estimated transaction amount for the year 2023	Actual transaction amount during January to June 2023	Percentage of operating revenue/expenses of the Company (%)	Impact on profit of the Company
E-Capital Transfer	Expense	1,500	89.33	0.01	-89.33
Yuexiu Industrial Investment	Income	1,000	47.17	Less than 0.01	47.17
Qianhai Infrastructure Investment	Income	500	0.02	Less than 0.01	0.02
	Expense	500	0.01	Less than 0.01	-0.01

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

In RMB ten thousand

Related party	Type of related party transactions	Estimated transaction amount for the year 2023	Actual transaction amount during January to June 2023	Percentage of operating revenue/expenses of the Company (%)	Impact on profit of the Company
Yuexiu Capital	Income	1,500	68.87	Less than 0.01	68.87
	Expense	1,000	0.11	Less than 0.01	-0.11
Guangzhou Yuexiu Capital	Income	1,500	3.29	Less than 0.01	3.29
	Expense	1,000	0.56	Less than 0.01	-0.56

5.7.2 Related party transactions in relation to asset acquisitions or equity acquisitions or sales

On 28 June 2022, the 42nd Meeting of the Seventh Session of the Board of Directors of the Company considered and approved the Resolution on Waiving the Right of First Refusal regarding the 10% Equity Interest in China Asset Management Co., Ltd. and agreed to waive the right of first refusal regarding the 10% equity interest in China AMC held by Tianjin Haipeng, subject to the transfer price being not less than US\$0.49 billion, which is valid for one year from the date of approval by the Board of Directors. On 15 May 2023, both parties to the transfer signed an equity purchase agreement.

5.7.3 Related party/connected transactions in relation to joint external investment

On 30 September 2022, the 45th Meeting of the Seventh Session of the Board of Directors of the Company considered and approved the Proposal on the External Investment through a Subsidiary and agreed that CITIC Securities Investment would invest in Xinchun Fund in cash, with an investment amount of RMB141 million. Later, due to changes in the first batch of investors and the first settlement amount of Xinchun Fund, the investment amount of CITIC Securities Investment changed accordingly. On 14 June 2023, the 8th Meeting of the Eighth Session of the Board of Directors of the Company considered and approved the Proposal on Changing the External Investment Amount of Subsidiaries (《關於子公司對外投資變更出資金額的議案》), and agreed that the investment amount of CITIC Securities Investment investing in Xinchun Fund in cash would be changed to RMB122 million. Upon approval by the Board of Directors on the same day, CITIC Securities Investment completed the signing of the changed fund partnership contract with its related/connected investor CITIC Prudential and other unrelated/connected investors. Please refer to the Company's announcement dated 14 June 2023 for details. As at the date of this results announcement, CITIC Securities Investment has completed an investment of RMB36.60 million.

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

5.7.4 Related party credits and debts

In RMB Yuan

Related party	Related party relationship	Provision of funds to the related party			Provision of funds by the related party to listed companies		
		Balance at the beginning of the Reporting Period	Amount incurred	Balance at the end of the Reporting Period	Balance at the beginning of the Reporting Period	Amount incurred	Balance at the end of the Reporting Period
Subsidiaries of CITIC Group	Subsidiaries of Shareholder	177,581,146.78	-49,326,266.23	128,254,880.55	26,276,801.88	-2,348,905.49	23,927,896.39
Guangzhou Yuexiu Capital	Shareholder with non-controlling interest	—	—	—	3,543,889.32	84,432.59	3,628,321.91
Total		177,581,146.78	-49,326,266.23	128,254,880.55	29,820,691.20	-2,264,472.90	27,556,218.30
Causes of the related party credits and debts		Mainly include payables to the above related parties in connection with fund sales agency services, receivables from/payables to the above related parties in respect of deposits, margins and the project payment of CITIC Financial Center					
Impact of the related party credits and debts on the operating results and financial position of the Company		No adverse impact					

5.7.5 Other related party/connected transactions

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

5.8 Guarantee

During the Reporting Period, the total amount of guarantees provided by the Group to subsidiaries was RMB43,990 million. As at the end of the Reporting Period, the balance of guarantees provided by the Company was RMB89,131 million, all of which were guarantees provided by the Group to subsidiaries, representing 34.57% of the net asset of the Company as at the end of the Reporting Period.

5.8.1 Guarantees provided by the Company

According to the resolution approved at the Shareholders' general meeting, and upon deliberation by the duly authorized working group, the Company provided an unconditional and irrevocable guarantee on a joint and several basis for repayment obligations under each batch of notes to be issued pursuant to an overseas medium-term notes program set up by CITIC Securities Finance MTN, an indirect wholly-owned subsidiary of the Company. The guarantee amount was US\$3.0 billion, and the scope of the guarantee covers the principal, interest and other contingent account payables of overseas notes. As at the end of the Reporting Period, the aggregate balance of existing notes under the above-mentioned medium-term notes programs was US\$1,353 million, which specifically include: in 2019, CITIC Securities Finance MTN made a drawdown under the medium-term notes program to issue five-year notes of US\$200 million; in 2020, CITIC Securities Finance MTN made a drawdown under the medium-term notes program to issue 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. In 2023, CITIC Securities Finance MTN made a drawdown under the medium-term notes program with an issue size of approximately US\$297 million, comprising two-year notes of US\$200 million and three-year notes of RMB700 million.

According to the resolution approved at the Shareholders' general meeting and upon deliberation by the Company's management, the Company provided an unconditional and irrevocable guarantee for the Euro-commercial papers project set up by CITIC Securities Finance MTN with a guarantee period from 12 May 2023 to 12 May 2028 and an amount of US\$3.0 billion. The scope of the guarantee covers the principal, interest and other contingent account payables of overseas notes. During the Reporting Period, CITIC Securities Finance MTN issued 3 tranches of Euro-commercial papers in aggregate with a total issue size of US\$40 million. As at the end of the Reporting Period, the balance of existing notes was US\$330 million.

5.8.2 Guarantees provided by subsidiaries

During the Reporting Period, among all the subsidiaries of the Company, CSI and its subsidiaries had provided guarantees for the benefits of their subsidiaries for the purpose of their business operations, which mainly included loan guarantees and guarantees for medium-term notes. The balance of the above-mentioned guarantee was approximately RMB76,974 million as at 30 June 2023.

The above-mentioned debt guarantees directly or indirectly provided to guaranteed parties with a gearing ratio of more than 70% amounted to RMB89,131 million, all of which were guarantees provided by the Company and its overseas subsidiaries to their respective subsidiaries to meet the needs of business operations. Among them, CLSA B.V. provided a maximum debt guarantee of USD100 million to its 11 subsidiaries, and such guarantee of USD100 million had not been distributed to guarantee objects, 9 of such subsidiaries had their gearing ratios of more than 70% as of the end of the Reporting Period.

In addition, CSI and its subsidiaries have issued guarantees for various International Swaps and Derivatives Association agreements (ISDA), Global Master Repurchase agreements (GMRA), Global Master Securities Lending agreements (GMSLA) and Broker-Dealer agreements, some of which are unlimited guarantees. The above-mentioned unlimited guarantees have been issued in accordance with normal practices in the international banking industry and capital market, which allow the banks and other financial institutions trading with CSI, CLSA B.V. and their subsidiaries to support 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.

5.9 Other Significant Events and Subsequent Events

5.9.1 Changes to securities business outlets

1. The Company

During the Reporting Period, the Company completed the same-city relocation of 18 securities outlets, details of which are as follows:

No.	Original Name of Outlets	Current Name of Outlets	Address After Relocation
1	Wuhan Dongwu Avenue Securities Outlet	Wuhan Guanshan Avenue Securities Outlet	No. 01 & 02, 24/F, Building T2, Phase II of Fanyuecheng, No. 21 Guanshan Avenue, Hongshan District, Wuhan, Hubei Province
2	Beijing Dongsanhuan Central Road Securities Outlet	Beijing Asian Games Village Securities Outlet	No. 107, Inner 101, 1/F & No. 2906–2912 and 2915, Inner 2901, 29/F, Building 1, No. 8 Yard, Beichen East Road, Chaoyang District, Beijing
3	Shenyang Fengtian Street Securities Outlet	Shenyang Shifu Road Securities Outlet	1–2/F, 338A (338A), Shifu Road, Shenhe District, Shenyang, Liaoning Province
4	Yichun Gaoshi Road Securities Outlet	Yichun Yiyang Avenue Securities Outlet	No. 1-7 & 2-2, 1/F & 2/F, Building 60, Yongyi•Feicuicheng, No. 505 Yiyang Avenue, Yuanzhou District, Yichun, Jiangxi Province
5	Ganzhou Changzheng Avenue Securities Outlet	Ganzhou Dengfeng Avenue Securities Outlet	Shops 6#, 7#, 8#, 9#, 18#, 19#, Building 6, Qidian Xintiandi, No. 19 Dengfeng Avenue, Zhanggong District, Ganzhou, Jiangxi Province
6	Shanghai Anting Securities Outlet	Shanghai Shuangdan Road Securities Outlet	Rooms 1703 & 1705–1708, No. 1068 Shuangdan Road, Jiading District, Shanghai
7	Fenghua Nanshan Road Securities Outlet	Ningbo Tiantong South Road Securities Outlet	101-8 and 2001-1, No. 639 Tiantong South Road, Shounan Subdistrict, Yinzhou District, Ningbo, Zhejiang Province
8	Chenzhou Yongjun Road Securities Outlet	Chenzhou Nanhu Road Securities Outlet	111, 112 and 113, Building 1, Lehuo Gold Street, No. 126 Nanhu Road, Chenjiang Subdistrict, Beihu District, Chenzhou, Hunan Province
9	Guangzhou Huacheng Square Securities Outlet	Guangzhou Huacheng Square Securities Outlet	Rooms 1601 & 1606, Yuehai Financial Center, Huacheng Square, No. 21 Zhujiang West Road, Tianhe District, Guangzhou
10	Zhuzhou Huanghe North Road Securities Outlet	Zhuzhou Zhujiang North Road Securities Outlet	No. 104 & 116, Building 6, Lot B, Shennong Cultural & Leisure Street, No. 199 Zhujiang North Road, Tianyuan District, Zhuzhou, Hunan Province

No.	Original Name of Outlets	Current Name of Outlets	Address After Relocation
11	Shijiazhuang Huailing Road Securities Outlet	Shijiazhuang Huai'an East Road Securities Outlet	No. 101-9, Commercial Building, Ximei Fifth Avenue, No. 145 Huai'an East Road, Yuhua District, Shijiazhuang, Hebei Province
12	Ninghai Qixiang North Road Securities Outlet	Ninghai Qixiang North Road Securities Outlet	No. 572 & 574, Qixiang North Road, Taoyuan Subdistrict, Ninghai County, Ningbo, Zhejiang Province
13	Shanghai Ruijin South Road Securities Outlet	Shanghai Kaibin Road Securities Outlet	Room 201-3, No. 199 Kaibin Road, Xuhui District, Shanghai
14	Shanghai Century Avenue Securities Outlet	Shanghai Shiboguan Road Securities Outlet	Rooms 102-111, 1/F, No. 112 & 138 Shiboguan Road, China (Shanghai) Pilot Free Trade Zone
15	Dalian Zhongshan Road Securities Outlet	Dalian High-tech Industrial Zone Securities Outlet	No. 01-06, 4/F, No. 6 Huoju Road, High-Tech Industrial Zone, Dalian, Liaoning Province
16	Mianyang Linyuan Road Securities Outlet	Mianyang Linyuan Road Securities Outlet	No. 1, 1/F, Building 1, Meile • Stars of the City, No. 23 Linyuan Road West Section, Fucheng District, Mianyang
17	Fushun Yumin Road Securities Outlet	Fushun Linjiang East Road Securities Outlet	Shop No. 1 and No. 2, Building 69-2, Linjiang East Road, Shuncheng District, Fushun, Liaoning Province
18	Tangshan Jianshe North Road Securities Outlet	Tangshan Dali North Road Securities Outlet	North 1-2/F and South 3/F, No. 1, 14/F, Yufengli Yasongju (玉鳳里雅頌居), Chaoyang Street, Lubei District, Tangshan, Hebei Province

As at the end of the Reporting Period, the Company had 45 branch offices and 223 securities outlets.

2. CITIC Securities (Shandong)

During the Reporting Period, CITIC Securities (Shandong) cancelled Qingdao Fuzhou South Road Securities Outlet, Qingdao Jinsong 7th Road Securities Outlet, Liaocheng Development Zone Huangshan Road Securities Outlet and Zibo Meishijie Securities Outlet. As at the end of the Reporting Period, CITIC Securities (Shandong) had 6 branch offices and 59 securities outlets.

3. CITIC Futures

During the Reporting Period, CITIC Futures completed the same-city relocation of four branch offices, details of which are as follows:

No.	Name of Branch Offices	Address After Relocation
1	Xinjiang Branch Office	Rooms R, S, T, U, V & W, 34/F, Zhongtian Building, No. 165 Xinhua North Road, Tianshan District, Urumqi, Xinjiang
2	Shanghai Branch Office	Units 1301-1 and 1802, No. 799 Yanggao South Road, China (Shanghai) Pilot Free Trade Zone
3	Heilongjiang Branch Office	Units 8, 9, 10 and 11, 10/F, No. 1895 Qunli Fourth Avenue, Daoli District, Harbin, Heilongjiang
4	Wuhu Branch Office	Rooms 1706 and 1707, Weixing Times Financial Center, Jinghu District, Wuhu

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

4. CITIC Securities South China

During the Reporting Period, CITIC Securities South China newly established 1 securities outlet and completed the same-city relocation of 7 branches.

Details of the new establishment are as follows:

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

Details of the relocation are as follows:

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

As at the end of the Reporting Period, CITIC Securities South China had 2 branch offices and 30 securities outlets.

5. CSI

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

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

As at the end of the Reporting Period, CSI had 6 branches.

6. Kington Securities

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

As at the date of this results announcement, there was no subsequent event that has material impact on the Company and its subsidiaries.

VI. CHANGES IN ORDINARY SHARES AND INFORMATION ON SHAREHOLDERS

6.1 Information on Shareholders

Total number of Shareholders of the Company as at 30 June 2023: 574,188 Shareholders, including 574,030 A Shareholders and 158 registered H Shareholders.

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

Unit: Shares

Full name of Shareholders	Change during the Reporting Period	Shareholdings of the top 10 Shareholders			Shares pledged, marked or frozen		Nature of the Shareholder
		Number of Shares held at the end of the Reporting Period	Percentage (%)	Number of Shares held subject to trading moratorium	Status	Number	
HKSCC Nominees Limited ^{Note 1}	114,500	2,619,001,296	17.67	—	Unknown	—	Foreign legal person
CITIC Corporation Limited ^{Note 2}	—	2,299,650,108	15.52	—	Nil	—	State-owned legal person
Guangzhou Yuexiu Capital Holdings Co., Ltd. ^{Note 3}	—	626,191,828	4.23	626,191,828	Nil	—	State-owned legal person
Hong Kong Securities Clearing Company Limited ^{Note 4}	-44,732,335	501,315,511	3.38	—	Nil	—	Foreign legal person
Guangzhou Yuexiu Capital Holdings Group Co., Ltd. ^{Note 3}	—	305,155,945	2.06	305,155,945	Nil	—	State-owned legal person
China Construction Bank Corporation — Guotai CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund	18,288,623	219,087,656	1.48	—	Nil	—	Unknown
Central Huijin Asset Management Corporation Limited	—	205,146,964	1.38	—	Nil	—	State-owned legal person
Da Cheng Fund — Agricultural Bank — Da Cheng China Securities and Financial Assets Management Program	—	176,785,150	1.19	—	Nil	—	Unknown
China AMC Fund — Agricultural Bank — China AMC China Securities and Financial Assets Management Program	—	166,143,027	1.12	—	Nil	—	Unknown
Zhong Ou Fund — Agricultural Bank — Zhong Ou China Securities and Financial Assets Management Program	—	161,205,735	1.09	—	Nil	—	Unknown

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

Note 2: As at 30 June 2023, CITIC Limited, a party acting in concert with CITIC Corporation Limited, held 434,311,604 H Shares of the Company; and CITIC Corporation Limited, together with its party acting in concert, held a total of 2,733,961,712 Shares of the Company, accounting for 18.45% of the total issued Shares of the Company

Note 3: As at 30 June 2023, Yuexiu Capital directly held 305,155,945 A Shares of the Company, Guangzhou Yuexiu Capital directly held 626,191,828 A Shares of the Company, indirectly held 229,673,100 H Shares of the Company as a non-registered shareholder of Southbound Trading under the Shanghai-Hong Kong Stock Connect, and indirectly held 125,966,093 H Shares of the Company through its wholly-owned subsidiary of Yuexiu Financial International, totaling 1,286,986,966 Shares of the Company, accounting for 8.68% of the total issued Shares of the Company

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

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

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

6.1.2 Shareholdings of the top 10 Holders of Tradable Shares not Subject to Trading Moratorium as at 30 June 2023

Unit: Shares

Shareholdings of the top 10 Shareholders not subject to trading moratorium			
Name of Shareholders	Number of tradable Shares held not subject to trading moratorium	Class and number of Shares	
		Class	Number
HKSCC Nominees Limited	2,619,001,296	Overseas-listed foreign Shares	2,619,001,296
CITIC Corporation Limited	2,299,650,108	RMB ordinary Shares	2,299,650,108
Hong Kong Securities Clearing Company Limited	501,315,511	RMB ordinary Shares	501,315,511
China Construction Bank Corporation — Guotai CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund	219,087,656	RMB ordinary Shares	219,087,656
Central Huijin Asset Management Corporation Limited	205,146,964	RMB ordinary Shares	205,146,964
Da Cheng Fund — Agricultural Bank — Da Cheng China Securities and Financial Assets Management Program	176,785,150	RMB ordinary Shares	176,785,150
China AMC Fund — Agricultural Bank — China AMC China Securities and Financial Assets Management Program	166,143,027	RMB ordinary Shares	166,143,027
Zhong Ou Fund — Agricultural Bank — Zhong Ou China Securities and Financial Assets Management Program	161,205,735	RMB ordinary Shares	161,205,735
GF Fund — Agricultural Bank — GF China Securities and Financial Assets Management Program	161,057,499	RMB ordinary Shares	161,057,499
China Southern Fund — Agricultural Bank — China Southern China Securities and Financial Assets Management Program	160,527,420	RMB ordinary Shares	160,527,420

6.1.3 Shareholdings of the Shareholders Subject to Trading Moratorium as at 30 June 2023

Unit: Shares

No.	Name of Shareholders subject to trading moratorium	Listing and trading of Shares subject to trading moratorium			
		Number of Shares held subject to trading moratorium	Date eligible for listing and trading	Number of Shares newly eligible for listing and trading	Terms of trading moratorium
1	Guangzhou Yuexiu Capital Holdings Co., Ltd.	626,191,828	2024-03-11	—	Shareholder undertook to comply with the trading moratorium for 48 months
2	Guangzhou Yuexiu Capital Holdings Group Co., Ltd.	305,155,945	2024-03-11	—	Shareholder undertook to comply with the trading moratorium for 48 months
3	Incentive shares held under custody and others	23,919,000	To be determined after the implementation of the share incentive scheme	—	To be determined after the implementation of the share incentive scheme
Details of related party or concert party relationship among the above Shareholders		Guangzhou Yuexiu Capital Holdings Co., Ltd. is a wholly-owned subsidiary of Guangzhou Yuexiu Capital Holdings Group Co., Ltd., and the two companies are parties acting in concert. The Company is unaware of whether there is any related party or concert party relationship among other Shareholders listed above.			

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

6.1.4 Interest and Short Positions of Substantial Shareholders

Pursuant to Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), substantial Shareholders of the Company are required to disclose their interests, and are required to make further disclosure when the changes of their interests reached the prescribed threshold. The following table is derived from the latest interests information of the substantial Shareholders of the Company disclosed on the HKEXnews website of HKEX as at 30 June 2023. As they are only required to disclose the change of their interests when it reaches certain prescribed threshold, the information set out in the following table may be inconsistent with their actual interests as at 30 June 2023.

Name of Shareholders	Capacity	Class of Shares	Number of Shares (Shares)/type of Shares held	Percentage of the number of A Shares/ H Shares of the Company as at 30 June 2023 (%) ^{Note 6}	Percentage of total Shares of the Company as at 30 June 2023 (%) ^{Note 6}
CITIC Group Corporation	Interest of corporation controlled by you ^{Note 1}	A Shares	2,299,650,108/Long positions	18.85	15.52
	Interest of corporation controlled by you ^{Note 1}	H Shares	434,311,604/Long positions	16.58	2.93
Guangzhou Yue Xiu Holdings Limited	Interest of corporation controlled by you ^{Note 2}	A Shares	809,867,629/Long positions	6.64	5.46
	Interest of corporation controlled by you ^{Note 2}	H Shares	344,126,193/Long positions	13.13	2.32
National Council for Social Security Fund	Beneficial owner	H Shares	690,359,200 ^{Note 3} /Long positions	26.35	4.66
The Bank of New York Mellon Corporation	Interest of corporation controlled by you ^{Note 4}	H Shares	291,135,354/Long positions	11.11	1.96
			287,574,164/Shares available for lending	10.98	1.94
Citigroup Inc.	Interest of corporation controlled by you Approved lending agent	H Shares	155,141,092 ^{Note 5} /Long positions	5.92	1.05
			10,419,009 ^{Note 5} /Short positions	0.40	0.07
			139,736,868 ^{Note 5} /Shares available for lending	5.33	0.94

Note 1: As known to the Company, as at 30 June 2023, CITIC Group indirectly held 2,299,650,108 A Shares of the Company through its controlled corporations (including CITIC Limited and CITIC Corporation Limited), and indirectly held 434,311,604 H Shares of the Company through its controlled corporation (namely CITIC Limited)

Note 2: Guangzhou Yue Xiu Holdings Limited indirectly held 809,867,629 A Shares of the Company through its controlled corporations (namely Yuexiu Capital and Guangzhou Yuexiu Capital), and indirectly held 344,126,193 H Shares of the Company through its controlled corporations (namely Yuexiu Capital and Guangzhou Yuexiu Capital)

Note 3: According to the notices of disclosure of interests on the HKEXnews website of HKEX and the circular of the Company dated 10 July 2015, the National Council for Social Security Fund held 690,359,200 H Shares of the Company, including a total of 640,000,000 H Shares to be subscribed for under the subscription agreement entered into with ICBC Credit Suisse Asset Management (International) Company Limited and the subscription agreement entered into with Boser Asset Management Company Limited and Boser Asset Management (International) Co., Limited on 8 June 2015. The above private placement of H Shares was considered and approved at the 2015 Second Extraordinary General Meeting of the Company and is yet to take place. The resolution had expired on 24 August 2016

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

Note 5: Citigroup Inc., through a series of its controlled corporations, held the relevant interests of long position in 155,141,092 H Shares of the Company, of which 139,736,868 Shares were held in the capacity of approved lending agent; and held interest of short position in 10,419,009 H Shares of the Company

Note 6: The relevant percentages are calculated based on 2,620,076,855 H Shares or 12,200,469,974 A Shares of the Company in issue as at 30 June 2023

Save as disclosed above, as at 30 June 2023, the Directors were not aware of any other persons (other than the Directors, Supervisors and the chief executive) having any interest or short position in the Shares or underlying Shares of the Company as recorded in the register to be kept under Section 336 of the Securities and Futures Ordinance.

VII. DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

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

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

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

Name	Position	Change
ZHANG Hao	Chief Risk Officer (proposed)	Appointed by the Board

On 24 February 2023, Mr. ZHANG Hao was appointed as the Chief Risk Officer of the Company at the 3rd Meeting of the Eighth Session of Board of the Company to hold office until the expiry of the term of office of the Eighth Session of the Board of Directors. The appointment is still subject to the completion of the filing procedures in respect of his qualification to Shenzhen Securities Regulatory Bureau, and Mr. ZHANG Guoming ceased to serve as the Chief Risk Officer of the Company.

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

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

7.4 Number of Employees, Remuneration and Training

As of 30 June 2023, the Group had a total number of 26,865 employees, of which 16,322 were employees of the parent company.

During the Reporting Period, there was no change in the remuneration policy of the Company as compared with the disclosure in the 2022 Annual Report of the Company.

During the Reporting Period, the Company organized various trainings in accordance with the annual training plan, which were held both online and onsite. The Company organized the thematic education reading training for incumbent management to help improve their political consciousness and theoretical level; held the “Qihang Program” training course for reserve talents, and arranged job rotation for training in batches to help reserve talents improve their management skills and comprehensive vision; carried out the “sales talent training camp”, the “financial technology talent training camp” and other courses for business staff to help various professional talents of the Company to improve their business skills. In terms of training for all staff members, the Company organized on-the-job training for various levels, and held a series of lectures on the “CITIC Securities Lecture” and “Workplace Gas Station” on a monthly basis, to help their career development.

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

As at 30 June 2023, no Directors, Supervisors or chief executive of the Company (except the following person) had interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (as defined in Part XV of the Securities and Futures Ordinance), which were required, pursuant to Section 352 of the Securities and Futures Ordinance, to be entered into the register referred to therein, or required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (hereinafter referred to as the “**Model Code**”) set out in Appendix 10 to the Hong Kong Listing Rules, to be notified to the Company and the Hong Kong Stock Exchange.

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

Pursuant to the Securities and Futures Ordinance, the chief executive who was required to disclose his interests to the Hong Kong Stock Exchange was the President of the Company and did not include other Senior Management. In addition, as at 30 June 2023, no other Directors, Supervisors and Senior Management or their respective spouses or children under the age of 18 had been granted equity securities or warrants of the Company.

VIII. UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONTENTS

	<i>Pages</i>
REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION	70
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT (UNAUDITED)	
Condensed Consolidated Interim Income Statement	71
Condensed Consolidated Interim Statement of Comprehensive Income	72
Condensed Consolidated Interim Statement of Financial Position	73
Condensed Consolidated Interim Statement of Changes in Equity	75
Condensed Consolidated Interim Statement of Cash Flows	77
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS	79

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

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

Introduction

We have reviewed the accompanying interim financial information set out on pages 71 to 135, which comprises the condensed consolidated interim statement of financial position of CITIC Securities Company Limited (the "Company") and its subsidiaries (collectively, the "Group") as at 30 June 2023 and the condensed consolidated interim income statement, the condensed consolidated interim statement of comprehensive income, the condensed consolidated interim statement of changes in equity and the condensed consolidated interim statement of cash flows for the six months period then ended, and explanatory notes (the "Interim Financial Information"). The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34, Interim Financial Reporting ("IAS 34"), issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of this Interim Financial Information in accordance with IAS 34.

Our responsibility is to form a conclusion, based on our review, on this Interim Financial Information and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Financial Information of the Group is not prepared, in all material respects, in accordance with IAS 34.

KPMG

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong
29 August 2023

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2023

(In RMB thousands, unless otherwise stated)

	Note	Six months ended 30 June	
		2023 (Unaudited)	2022 (Unaudited)
Revenue			
Fee and commission income		17,538,300	18,293,594
Interest income	5	10,734,329	10,410,152
Net Investment income	6	11,539,096	9,461,919
		<u>39,811,725</u>	<u>38,165,665</u>
Income from bulk commodity trading		1,460,929	5,963,985
Other income	7	1,480,576	1,740,174
		<u>42,753,230</u>	<u>45,869,824</u>
Total revenue and other income			
Fee and commission expenses	8	2,997,889	2,873,087
Interest expenses	8	8,610,920	7,671,816
Staff costs	8	10,698,288	10,328,326
Depreciation		732,143	650,737
Tax and surcharges		202,063	188,178
Cost from bulk commodity trading		1,415,780	5,934,432
Other operating expenses and costs	8	2,980,008	2,480,570
Expected credit losses	9	380,105	(90,290)
Impairment losses on other assets	10	3,289	202,927
		<u>28,020,485</u>	<u>30,239,783</u>
Total operating expenses			
Operating profit		14,732,745	15,630,041
Share of profits and losses of:			
Associates		359,068	(254,976)
Joint ventures		5,966	25,524
		<u>365,034</u>	<u>(229,452)</u>
Profit before income tax		15,097,779	15,400,589
Income tax expense	11	3,345,868	3,789,770
		<u>11,751,911</u>	<u>11,610,819</u>
Profit for the period			
Attributable to:			
Owners of the Parent		11,305,771	11,196,327
Non-controlling interests		446,140	414,492
		<u>11,751,911</u>	<u>11,610,819</u>
Earnings per share (in RMB per share)			
— Basic	13	<u>0.75</u>	<u>0.76</u>
— Diluted	13	<u>0.75</u>	<u>0.76</u>

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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2023

(In RMB thousands, unless otherwise stated)

	Six months ended 30 June	
	2023	2022
	(Unaudited)	(Unaudited)
Profit for the period	11,751,911	11,610,819
Other comprehensive income		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods		
Net gains on investments in debt instruments measured at fair value through other comprehensive income	510,429	101,141
Net losses on debt instruments measured at fair value through other comprehensive income reclassified to profit or loss on disposal	(66,645)	(57,030)
Income tax relating to these items	(123,123)	(29,709)
	320,661	14,402
Share of other comprehensive income of associates and joint ventures	12,047	8,409
Exchange differences on translation of foreign operations	668,072	403,678
	1,000,780	426,489
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods		
Net losses on investments in equity instruments designated as at fair value through other comprehensive income	(6,873)	(6,609)
	(6,873)	(6,609)
Share of other comprehensive income of associates and joint ventures	—	(2,508)
Others	(6,061)	11,169
	(12,934)	2,052
Other comprehensive income for the period, net of tax	987,846	428,541
Total comprehensive income for the period	12,739,757	12,039,360
Attributable to:		
Owners of the Parent	12,261,679	11,689,695
Non-controlling interests	478,078	349,665
	12,739,757	12,039,360

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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

(In RMB thousands, unless otherwise stated)

	Note	30 June 2023 (Unaudited)	31 December 2022 (Audited)
Non-current assets			
Property, plant and equipment	14	8,522,379	8,282,316
Investment properties	15	949,497	953,997
Goodwill	16	8,450,383	8,431,567
Land-use rights and intangible assets	17	3,274,496	3,421,368
Investments in associates	18	9,953,721	9,638,858
Investments in joint ventures	18	14,581	9,860
Financial assets at fair value through other comprehensive income	19	157,867	162,540
Financial assets at fair value through profit or loss	25	33,480,344	32,630,913
Reverse repurchase agreements	27	2,846,404	—
Refundable deposits	20	70,636,399	69,158,115
Deferred income tax assets	21	10,465,170	11,570,191
Right-of-use assets	22	1,877,554	1,942,488
Other non-current assets	23	566,368	507,717
Total non-current assets		151,195,163	146,709,930
Current assets			
Fee and commission receivables		2,511,725	2,189,302
Margin accounts	24	111,103,891	106,976,333
Financial assets at fair value through other comprehensive income	19	71,192,312	70,115,174
Financial assets at fair value through profit or loss	25	554,568,210	498,291,779
Derivative financial assets	26	37,949,153	36,388,727
Reverse repurchase agreements	27	30,498,938	31,483,059
Other current assets	28	73,489,786	58,323,821
Cash held on behalf of customers	29	264,549,564	245,723,271
Cash and bank balances	30	128,880,238	112,401,964
Total current assets		1,274,743,817	1,161,893,430
Current liabilities			
Customer brokerage deposits	31	306,748,297	279,402,254
Derivative financial liabilities	26	38,766,710	28,122,498
Financial liabilities at fair value through profit or loss	32	72,749,185	62,404,334
Repurchase agreements	33	256,423,338	212,745,223
Due to banks and other financial institutions	34	18,876,092	29,580,863
Taxes payable	35	3,429,339	5,576,161
Short-term loans	36	10,391,345	9,801,009
Short-term financing instruments payable	37	42,344,707	11,859,811
Lease liabilities	38	671,138	563,835
Other current liabilities	39	292,699,243	297,781,138
Total current liabilities		1,043,099,394	937,837,126
Net current assets		231,644,423	224,056,304
Total assets less current liabilities		382,839,586	370,766,234

	<i>Note</i>	30 June 2023 (Unaudited)	31 December 2022 (Audited)
Non-current liabilities			
Debt instruments issued	40	92,304,729	74,759,187
Deferred income tax liabilities	21	2,583,719	3,490,703
Long-term loans	41	408,534	272,299
Financial liabilities at fair value through profit or loss	32	19,596,882	28,711,261
Repurchase agreements	33	1,510,190	1,537,872
Lease liabilities	38	1,218,784	1,407,947
Other non-current liabilities	42	2,359,936	2,214,926
		<hr/>	<hr/>
Total non-current liabilities		119,982,774	112,394,195
		<hr/>	<hr/>
Net assets		262,856,812	258,372,039
		<hr/> <hr/>	<hr/> <hr/>
Equity			
Equity attributable to Owners of the Parent			
Issued share capital	43	14,820,547	14,820,547
Other equity instruments	44	13,761,704	13,761,704
Reserves	45	140,440,195	139,306,544
Retained earnings		88,837,063	85,229,293
		<hr/>	<hr/>
		257,859,509	253,118,088
Non-controlling interests		4,997,303	5,253,951
		<hr/>	<hr/>
Total equity		262,856,812	258,372,039
		<hr/> <hr/>	<hr/> <hr/>

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

Approved and authorised for issue by the Board of Directors on 29 August 2023.

ZHANG Youjun
Chairman

YANG Minghui
Executive Director and President

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2023

(In RMB thousands, unless otherwise stated)

	Attributable to owners of the Parent											
	Note	Share capital	Other equity instruments	Capital reserve	Surplus reserves	Reserves			Retained earnings	Subtotal	Non-controlling interests	Total
						General reserves	Investment revaluation reserve	Foreign currency translation reserve				
As at 1 January 2023		14,820,547	13,761,704	90,939,724	11,293,893	36,884,302	(197,687)	386,312	85,229,293	253,118,088	5,253,951	258,372,039
Profit for the period		—	—	—	—	—	—	—	11,305,771	11,305,771	446,140	11,751,911
Other comprehensive income for the period		—	—	—	—	—	319,774	636,134	—	955,908	31,938	987,846
Total comprehensive income for the period		—	—	—	—	—	319,774	636,134	11,305,771	12,261,679	478,078	12,739,757
Dividend — 2022	12	—	—	—	—	—	—	—	(7,262,068)	(7,262,068)	—	(7,262,068)
Distribution to other equity instrument holders	12	—	—	—	—	—	—	—	(249,334)	(249,334)	—	(249,334)
Appropriation to surplus reserves		—	—	—	—	—	—	—	—	—	—	—
Appropriation to general reserves		—	—	—	—	186,599	—	—	(186,599)	—	—	—
Capital increase/(decrease) by equity holders												
— Capital increase/(decrease) by equity holders		—	—	(7,200)	—	—	—	—	—	(7,200)	(247,548)	(254,748)
— Capital increase by other equity instrument holders	44	—	—	—	—	—	—	—	—	—	—	—
— Others		—	—	(1,656)	—	—	—	—	—	(1,656)	—	(1,656)
Dividends to non-controlling interests		—	—	—	—	—	—	—	—	—	(487,178)	(487,178)
As at 30 June 2023 (Unaudited)		<u>14,820,547</u>	<u>13,761,704</u>	<u>90,930,868</u>	<u>11,293,893</u>	<u>37,070,901</u>	<u>122,087</u>	<u>1,022,446</u>	<u>88,837,063</u>	<u>257,859,509</u>	<u>4,997,303</u>	<u>262,856,812</u>

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

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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

(In RMB thousands, unless otherwise stated)

	Six months ended 30 June	
	2023 (Unaudited)	2022 (Unaudited)
Cash flows from operating activities		
Profit before income tax	15,097,779	15,400,589
Adjustments for:		
Financing interest expense	3,153,093	3,330,430
Share of profits and losses of associates and joint ventures	(365,034)	229,452
Interest income from debt instruments at fair value through other comprehensive income	(1,013,634)	(820,551)
Net gains on disposal of debt instruments at fair value through other comprehensive income	(293,188)	(185,599)
Net gains on disposal of property, plant and equipment and other assets	(1,859)	(7,802)
(Gains)/losses on disposal of associates, joint ventures and subsidiaries	(6,801)	4,885
Fair value gains on financial assets and liabilities measured at fair value through profit or loss	(1,709,606)	(2,043,038)
Depreciation	732,143	650,737
Amortisation	218,708	186,983
Expected credit losses	380,105	(90,290)
Impairment on other assets	3,289	202,927
	<u>16,194,995</u>	<u>16,858,723</u>
Net (increase)/decrease in operating assets		
Financial assets at fair value through profit or loss	(48,414,474)	(13,175,239)
Cash held on behalf of customers	(18,826,293)	(34,126,021)
Other assets	(16,873,304)	62,720,752
	<u>(84,114,071)</u>	<u>15,419,492</u>
Net increase/(decrease) in operating liabilities		
Customer brokerage deposits	26,538,244	52,540,862
Repurchase agreements	43,650,433	11,101,579
Other liabilities	(5,846,978)	(22,365,022)
	<u>64,341,699</u>	<u>41,277,419</u>
Net cash (outflow)/inflow from operating activities before tax	<u>(3,577,377)</u>	<u>73,555,634</u>
Income tax paid	(4,640,156)	(4,425,576)
Net cash (outflow)/inflow from operating activities	<u><u>(8,217,533)</u></u>	<u><u>69,130,058</u></u>

	<i>Note</i>	Six months ended 30 June	
		2023 (Unaudited)	2022 (Unaudited)
Cash flows from investing activities			
Net cash flow from purchases and sales of items of property, plant and equipment and other assets		(590,485)	(477,771)
Net cash flow from investments in associates and joint ventures		146,141	85,123
Net cash flow of financial assets at fair value through other comprehensive income		507,206	17,554,703
Net cash flow from other investing activities		(117,106)	32,669
Net cash (outflow)/inflow from investing activities		(54,244)	17,194,724
Cash flows from financing activities			
Cash inflows from rights issue		—	27,156,972
Cash inflows from perpetual bonds		—	3,000,000
Cash inflows from borrowing activities		61,513,485	14,997,420
Cash inflows from issuing bonds		101,552,215	31,558,626
Repayment of debts		(134,507,269)	(72,814,517)
Dividends and interest expense		(3,995,997)	(3,988,133)
Other cash (outflows)/inflows from financing activities		(666,519)	24,632
Net cash inflow/(outflow) from financing activities		23,895,915	(65,000)
Net increase in cash and cash equivalents			
Cash and cash equivalents at the beginning of the period		103,228,271	90,064,626
Effect of exchange rate changes on cash and cash equivalents		707,153	(296,836)
Cash and cash equivalents at the end of the period	46	119,559,562	176,027,572

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

(In RMB thousands, unless otherwise stated)

1 CORPORATE INFORMATION

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

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

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

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements for the six months ended 30 June 2023 have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”), as well as with all applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

The condensed consolidated interim financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2022. These financial statements were authorised for issue by the Company’s Board of Directors on 29 August 2023.

2.2 SIGNIFICANT ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value. Except for those described below, the accounting policies and methods of computation used in preparing the condensed consolidated interim financial statements are the same as those adopted in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2022.

Relevant standards and amendments effective in 2023 and adopted by the Group:

In the current interim period, the Group has adopted the following International Financial Reporting Standards (“IFRSs”) and amendments issued by the International Accounting Standards Board (“IASB”), that are mandatorily effective for the current interim period. Descriptions of these standards and amendments were disclosed in the Group’s annual consolidated financial statements for the year ended 31 December 2022.

Effective date	New accounting standards or amendments
1 January 2023	IFRS 17 Insurance Contracts
1 January 2023	Disclosure of Accounting Policies — Amendments to IAS 1 and IFRS Practice Statement 2
1 January 2023	Definition of Accounting Estimate — Amendments to IAS 8
1 January 2023	Deferred Tax related to Assets and Liabilities arising from a Single Transaction — Amendments to IAS 12

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

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

Effective date	New accounting standards or amendments
1 January 2024	Non-current Liabilities with Covenants — Amendments to IAS 1
1 January 2024	Lease Liability in a Sale and Leaseback — Amendments to IFRS 16
Available for optional adoption/effective date deferred indefinitely	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

Descriptions of these amendments were disclosed in the Group’s annual consolidated financial statements for the year ended 31 December 2022. The Group anticipates that the adoption of these amendments will not have a significant impact on the Group’s consolidated financial statements.

2.3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainties were the same as those that applied to the Group’s consolidated financial statements for the year ended 31 December 2022.

3 TAXATION

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

(1) Income tax

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

(2) Value added tax

The Group is subject to value-added tax (“VAT”) on its income from principal businesses at 6% to 13%.

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

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

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

4 OPERATING SEGMENT INFORMATION

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

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

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

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

Asset Management — Asset management services to asset management plans, fund management and other investment account management; and

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

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

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

Six months ended 30 June 2023 (unaudited)	Investment banking	Brokerage	Trading	Asset management	Others	Total
Segment revenue and other income						
Fee and commission income	4,125,943	7,545,416	249,137	5,284,951	332,853	17,538,300
Interest income	1,195	3,244,070	7,317,696	56,464	114,904	10,734,329
Investment income	—	118,435	9,616,825	58,323	1,745,513	11,539,096
Other income	(496)	365,155	648,237	70,008	1,858,601	2,941,505
Subtotal	4,126,642	11,273,076	17,831,895	5,469,746	4,051,871	42,753,230
Operating expenses	2,276,532	8,824,755	11,351,105	3,198,931	2,369,162	28,020,485
Including: Interest expenses	—	965,887	7,481,637	69,023	94,373	8,610,920
Expected credit losses	—	(1,833)	380,455	(258)	1,741	380,105
Impairment losses on other assets	—	123	—	—	3,166	3,289
Operating profit	1,850,110	2,448,321	6,480,790	2,270,815	1,682,709	14,732,745
Share of profits and losses of associates and joint ventures	—	—	—	—	365,034	365,034
Profit before income tax	1,850,110	2,448,321	6,480,790	2,270,815	2,047,743	15,097,779
Income tax expenses						3,345,868
Net profit for the period						11,751,911
Other segment information:						
Depreciation and amortisation	48,320	414,102	39,930	107,632	340,867	950,851
Capital expenditure	148,446	244,155	68,962	48,825	80,097	590,485

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

5 INTEREST INCOME

	Six months ended 30 June	
	2023	2022
Interest income on margin and other financing	5,066,313	5,232,718
Interest income on financial institution	4,357,033	4,246,240
Interest income on debt instruments at fair value through other comprehensive income	1,013,634	820,551
Others	297,349	110,643
Total	<u>10,734,329</u>	<u>10,410,152</u>

6 NET INVESTMENT INCOME

	Six months ended 30 June	
	2023	2022
Net gains/(losses) from financial assets at fair value through profit or loss (mandatory)	27,540,059	(16,030,444)
Net (losses)/gains from financial assets at fair value through profit or loss (designated)	(2,277,326)	1,590,330
Net gains from disposal of debt instruments at fair value through other comprehensive income	293,188	185,599
Net gains from financial liabilities at fair value through profit or loss	3,479,910	355,479
Net (losses)/gains from derivatives and others	(17,496,735)	23,360,955
Total	<u>11,539,096</u>	<u>9,461,919</u>

7 OTHER INCOME

	Six months ended 30 June	
	2023	2022
Lease income	99,289	95,037
Foreign exchange gains	921,817	1,105,557
Government grants	231,087	180,508
Others	228,383	359,072
Total	<u>1,480,576</u>	<u>1,740,174</u>

	Six months ended 30 June	
	2023	2022
Fee and commission expenses		
— Commission expenses	2,839,256	2,771,195
— Others	158,633	101,892
Total	<u>2,997,889</u>	<u>2,873,087</u>

	Six months ended 30 June	
	2023	2022
Interest expenses		
— Due to banks and other financial institutions	4,232,293	3,033,174
— Debt instruments issued and short-term financing instruments payable	2,708,285	3,181,481
— Customer brokerage deposits	802,237	725,997
— Others	868,105	731,164
Total	<u>8,610,920</u>	<u>7,671,816</u>

	Six months ended 30 June	
	2023	2022
Staff costs (including directors', supervisors' and senior executives' remuneration)		
— Salaries and bonuses	8,494,873	8,776,095
— Staff benefits	1,144,856	980,047
— Contributions to defined contribution schemes (i)	1,058,559	572,184
Total	<u>10,698,288</u>	<u>10,328,326</u>

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

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

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

	Six months ended 30 June	
	2023	2022
Other operating expenses and costs		
— Fund distribution and administration expenses	786,353	852,921
— Electronic device operating expenditure	470,545	357,488
— Travel expenses	265,648	100,299
— Marketing promotion expenses	228,286	165,869
— Amortisation of intangible assets	154,355	140,553
— Short-term rental expenses	115,482	108,040
— Consulting expenses	110,391	105,208
— Postal and communication expenses	104,197	93,463
— Investors Protection Fund	97,495	98,997
— Auditor's remuneration	15,820	14,122
— Payment to reporting auditors	10,727	9,278
— Others	631,436	443,610
Total	2,980,008	2,480,570

9 EXPECTED CREDIT LOSSES

	Six months ended 30 June	
	2023	2022
Reverse repurchase agreements	(7,073)	(97,044)
Margin accounts	23,175	(71,588)
Financial assets at fair value through other comprehensive income (debt instruments)	326,451	157,648
Other assets	57,511	9,824
Others	(19,959)	(89,130)
Total	380,105	(90,290)

10 IMPAIRMENT LOSSES ON OTHER ASSETS

	Six months ended 30 June	
	2023	2022
Impairment losses on inventory and others	3,289	202,927

11 INCOME TAX EXPENSE

	Six months ended 30 June	
	2023	2022
Current income tax expense	3,231,518	2,219,993
— Mainland China	2,982,280	1,912,428
— Outside Mainland China	249,238	307,565
Deferred income tax expense	114,350	1,569,777
Total	<u>3,345,868</u>	<u>3,789,770</u>

12 DIVIDENDS

	Six months ended 30 June	
	2023	2022
Dividends on ordinary shares approved but not paid	<u>7,262,068</u>	<u>8,003,095</u>
Distribution to other equity instrument holders (Note 13(1))	<u>249,334</u>	<u>243,743</u>

The distribution of dividends for the year ended 31 December 2022 on ordinary shares was approved in the General Shareholders' Meeting of the Company on 28 June 2023.

13 EARNINGS PER SHARE

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

	Six months ended 30 June	
	2023	2022
Earnings:		
Profit attributable to owners of the Parent	11,305,771	11,196,327
Less: Profit for the year attributable to other equity owners of the Parent (1)	<u>249,334</u>	<u>243,743</u>
Profit attributable to holders of ordinary shares	<u>11,056,437</u>	<u>10,952,584</u>
Shares:		
Weighted average number of ordinary shares in issue (thousand)	<u>14,820,547</u>	<u>14,504,221</u>
Basic and diluted earnings per share (in RMB yuan)	<u>0.75</u>	<u>0.76</u>

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

There were no dilutive items during the six months ended 30 June 2023 (Six months ended 30 June 2022: None).

(1) As at 30 June 2023, there were four tranches of perpetual subordinated bonds existed under the terms and conditions as detailed in Note 44 Other Equity Instruments. For the purpose of calculating basic earnings per ordinary share, profit attributable to other equity holders was deducted from the profit attributable to holders of ordinary shares.

14 PROPERTY, PLANT AND EQUIPMENT

30 June 2023	Properties and buildings	Communication equipment	Office equipment	Vehicles	Security equipment	Electronic devices	Others	Subtotal	Construction in progress	Total
Cost										
31 December 2022	5,974,394	73,764	306,640	2,536,172	10,863	3,074,388	22,821	11,999,042	1,579,834	13,578,876
Increases	5,994	4,813	24,605	334	275	223,938	—	259,959	283,302	543,261
Decreases	—	2,136	9,148	495	1,248	72,546	213	85,786	36,891	122,677
Effect of exchange rate change	6,767	2,089	2,254	89,064	—	41,947	—	142,121	—	142,121
30 June 2023	5,987,155	78,530	324,351	2,625,075	9,890	3,267,727	22,608	12,315,336	1,826,245	14,141,581
Accumulated depreciation										
31 December 2022	1,583,708	62,019	253,771	836,184	9,428	2,440,507	21,950	5,207,567	—	5,207,567
Increases	87,276	1,955	13,749	63,189	287	158,351	4	324,811	—	324,811
Decreases	—	2,052	8,913	480	1,277	69,670	204	82,596	—	82,596
Effect of exchange rate change	5,341	1,543	1,563	30,962	—	37,738	—	77,147	—	77,147
30 June 2023	1,676,325	63,465	260,170	929,855	8,438	2,566,926	21,750	5,526,929	—	5,526,929
Allowances for impairment										
31 December 2022	1,525	—	—	87,468	—	—	—	88,993	—	88,993
Increases	—	—	—	—	—	—	—	—	—	—
Decreases	—	—	—	—	—	—	—	—	—	—
Effect of exchange rate change	—	—	—	3,280	—	—	—	3,280	—	3,280
30 June 2023	1,525	—	—	90,748	—	—	—	92,273	—	92,273
Net carrying amount										
30 June 2023	4,309,305	15,065	64,181	1,604,472	1,452	700,801	858	6,696,134	1,826,245	8,522,379
31 December 2022	4,389,161	11,745	52,869	1,612,520	1,435	633,881	871	6,702,482	1,579,834	8,282,316

31 December 2022	Properties and buildings	Communication equipment	Office equipment	Vehicles	Security equipment	Electronic devices	Others	Subtotal	Construction in progress	Total
Cost										
31 December 2021	5,943,880	65,707	278,175	2,338,532	11,049	2,702,391	29,239	11,368,973	1,178,524	12,547,497
Increases	30,130	9,828	40,210	6,281	108	437,725	—	524,282	520,481	1,044,763
Decreases	9,176	5,226	14,478	9,226	294	156,230	6,411	201,041	119,171	320,212
Effect of exchange rate changes	9,560	3,455	2,733	200,585	—	90,502	(7)	306,828	—	306,828
31 December 2022	5,974,394	73,764	306,640	2,536,172	10,863	3,074,388	22,821	11,999,042	1,579,834	13,578,876
Accumulated depreciation										
31 December 2021	1,404,321	60,491	247,006	662,402	8,982	2,253,879	28,456	4,665,537	—	4,665,537
Increases	179,437	3,393	18,590	124,580	727	250,588	237	577,552	—	577,552
Decreases	8,877	4,986	14,085	9,013	281	145,535	6,742	189,519	—	189,519
Effect of exchange rate changes	8,827	3,121	2,260	58,215	—	81,575	(1)	153,997	—	153,997
31 December 2022	1,583,708	62,019	253,771	836,184	9,428	2,440,507	21,950	5,207,567	—	5,207,567
Allowances for impairment										
31 December 2021	1,525	—	—	80,072	—	3	—	81,600	—	81,600
Increases	—	—	—	—	—	—	—	—	—	—
Decreases	—	—	—	—	—	3	—	3	—	3
Effect of exchange rate changes	—	—	—	7,396	—	—	—	7,396	—	7,396
31 December 2022	1,525	—	—	87,468	—	—	—	88,993	—	88,993
Net carrying amount										
31 December 2022	4,389,161	11,745	52,869	1,612,520	1,435	633,881	871	6,702,482	1,579,834	8,282,316
31 December 2021	4,538,034	5,216	31,169	1,596,058	2,067	448,509	783	6,621,836	1,178,524	7,800,360

15 INVESTMENT PROPERTIES

30 June 2023	Properties and Buildings
Cost	
31 December 2022	1,386,302
Increases	—
Decreases	—
Effect of exchange rate changes	24,675
30 June 2023	1,410,977
Accumulated depreciation	
31 December 2022	322,615
Increases	17,304
Decreases	—
Effect of exchange rate changes	2,357
30 June 2023	342,276
Allowances for impairment	
31 December 2022	109,690
Increases	—
Decreases	—
Effect of exchange rate changes	9,514
30 June 2023	119,204
Net carrying amount	
30 June 2023	949,497
31 December 2022	953,997

31 December 2022	Properties and Buildings
Cost	
31 December 2021	1,354,795
Increases	39,238
Decreases	—
Effect of exchange rate changes	<u>(7,731)</u>
31 December 2022	<u>1,386,302</u>
Accumulated depreciation	
31 December 2021	288,383
Increases	34,681
Decreases	—
Effect of exchange rate changes	<u>(449)</u>
31 December 2022	<u>322,615</u>
Allowances for impairment	
31 December 2021	109,551
Increases	2,934
Decreases	—
Effect of exchange rate changes	<u>(2,795)</u>
31 December 2022	<u>109,690</u>
Net carrying amount	
31 December 2022	<u><u>953,997</u></u>
31 December 2021	<u><u>956,861</u></u>

16 GOODWILL

	30 June 2023	31 December 2022
Carrying amount at the beginning of the period/year:		
Cost	11,893,539	11,655,647
Less: Accumulated impairment	<u>3,461,972</u>	<u>2,979,674</u>
Net carrying amount	<u>8,431,567</u>	<u>8,675,973</u>
Movements during the period/year:		
Additions and effect of exchange rate changes	98,793	237,892
Impairment and effect of exchange rate changes*	(79,977)	(482,298)
Carrying amount at the end of the period/year:		
Cost	11,992,332	11,893,539
Less: Accumulated impairment	<u>3,541,949</u>	<u>3,461,972</u>
Net carrying amount	<u><u>8,450,383</u></u>	<u><u>8,431,567</u></u>

	30 June 2023	31 December 2022
China Asset Management Co., Ltd.	7,418,587	7,418,587
CITIC Securities International Co., Ltd.	614,070	595,254
CITIC Securities South China Company Limited	91,725	91,725
CITIC Futures Co., Ltd.	193,826	193,826
CITIC Securities (Shandong) Co., Ltd.	88,675	88,675
CITIC Securities Company Limited	43,500	43,500
Total	<u>8,450,383</u>	<u>8,431,567</u>

* As at 30 June 2023, the balance of impairment provision decreased by RMB80 million due to exchange rate changes (31 December 2022: decreased by RMB163 million).

17 LAND-USE RIGHTS AND INTANGIBLE ASSETS

30 June 2023	Intangible assets					Total
	Seats on stock exchanges	Software development	Customer relationships	Trademarks	Land-use rights	
Cost						
31 December 2022	131,433	1,946,427	1,427,531	296,426	3,690,300	7,492,117
Increases	—	28,623	—	—	—	28,623
Decreases	3,701	595	—	—	—	4,296
Effect of exchange rate changes	1,759	22,427	48,706	11,086	—	83,978
30 June 2023	<u>129,491</u>	<u>1,996,882</u>	<u>1,476,237</u>	<u>307,512</u>	<u>3,690,300</u>	<u>7,600,422</u>
Accumulated amortisation						
31 December 2022	102,657	1,579,333	1,317,982	—	763,173	3,763,145
Increases	136	59,871	67,337	—	47,259	174,603
Decreases	1,501	595	—	—	—	2,096
Effect of exchange rate changes	779	22,442	47,802	—	—	71,023
30 June 2023	<u>102,071</u>	<u>1,661,051</u>	<u>1,433,121</u>	<u>—</u>	<u>810,432</u>	<u>4,006,675</u>
Allowance for impairment						
31 December 2022	—	—	11,563	296,041	—	307,604
Increases	123	—	—	—	—	123
Decreases	—	—	—	—	—	—
Effect of exchange rate changes	5	—	433	11,086	—	11,524
30 June 2023	<u>128</u>	<u>—</u>	<u>11,996</u>	<u>307,127</u>	<u>—</u>	<u>319,251</u>
Net carrying amount						
30 June 2023	<u>27,292</u>	<u>335,831</u>	<u>31,120</u>	<u>385</u>	<u>2,879,868</u>	<u>3,274,496</u>
31 December 2022	<u>28,776</u>	<u>367,094</u>	<u>97,986</u>	<u>385</u>	<u>2,927,127</u>	<u>3,421,368</u>

31 December 2022	Intangible assets					Total
	Seats on stock exchanges	Software development	Customer relationships	Trademarks	Land-use rights	
Cost						
31 December 2021	127,752	1,740,794	1,313,011	271,303	3,714,574	7,167,434
Increases	—	161,621	4,528	—	—	166,149
Decreases	—	7,436	—	—	24,274	31,710
Effect of exchange rate changes	3,681	51,448	109,992	25,123	—	190,244
31 December 2022	131,433	1,946,427	1,427,531	296,426	3,690,300	7,492,117
Accumulated amortisation						
31 December 2021	100,824	1,430,808	1,089,800	—	672,094	3,293,526
Increases	327	104,226	131,685	—	94,599	330,837
Decreases	65	6,740	—	—	3,520	10,325
Effect of exchange rate changes	1,571	51,039	96,497	—	—	149,107
31 December 2022	102,657	1,579,333	1,317,982	—	763,173	3,763,145
Allowance for impairment						
31 December 2021	—	207	10,582	270,918	—	281,707
Increases	—	—	—	—	—	—
Decreases	—	207	—	—	—	207
Effect of exchange rate changes	—	—	981	25,123	—	26,104
31 December 2022	—	—	11,563	296,041	—	307,604
Net carrying amount						
31 December 2022	28,776	367,094	97,986	385	2,927,127	3,421,368
31 December 2021	26,928	309,779	212,629	385	3,042,480	3,592,201

	30 June 2023	31 December 2022
Associates	10,010,376	9,695,513
Joint ventures	14,581	9,860
Less: Allowance for impairment	<u>56,655</u>	<u>56,655</u>
Total	<u><u>9,968,302</u></u>	<u><u>9,648,718</u></u>

Financial information of the Group's material associates

- (i) CSC Financial Co., Ltd., as a major associate of the Group, is primarily engaged in securities brokerage and investment consulting, and is accounted for using the equity method. According to the unaudited financial data as at and for the six months ended 30 June 2023 provided by the management of CSC Financial Co., Ltd., the Group calculated its share of net assets based on its shareholding ratio.
- (ii) CITIC POLY (Tianjin) Private Equity Fund Management Co., Ltd., as a major associate of the Group, is primarily engaged in entrusted management of equity investment, investment and financing management and related advisory services, and is accounted for using the equity method. The relevant financial information is as follows (all listed in thousands of RMB):

	30 June 2023	31 December 2022
Current assets	1,552,712	1,623,820
Non-current assets	4,726,293	4,834,407
Current liabilities	1,816,415	2,185,456
Non-current liabilities	<u>84,020</u>	<u>45,445</u>

	Six months ended 30 June	
	2023	2022
Revenue	58,520	73,678
Profit from continuing operations	20,006	39,522
Total comprehensive income	<u>20,006</u>	<u>39,522</u>

19 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 June 2023	
	Current	Non-current
Debt instruments	<u>71,192,312</u>	<u>—</u>
Equity instruments (Designated)		
Non-tradable equity instruments	<u>—</u>	<u>157,867</u>
Total	<u><u>71,192,312</u></u>	<u><u>157,867</u></u>
Loss allowance	<u>937,325</u>	<u>—</u>
Analysed into:		
Listed	<u>69,592,259</u>	<u>—</u>
Unlisted	<u>1,600,053</u>	<u>157,867</u>
Total	<u><u>71,192,312</u></u>	<u><u>157,867</u></u>

	31 December 2022	
	Current	Non-current
Debt instruments	<u>70,115,174</u>	<u>—</u>
Equity instruments (Designated)		
Non-tradable equity instruments	<u>—</u>	<u>162,540</u>
Total	<u><u>70,115,174</u></u>	<u><u>162,540</u></u>
Loss allowance	<u>764,409</u>	<u>—</u>
Analysed into:		
Listed	<u>68,601,911</u>	<u>—</u>
Unlisted	<u>1,513,263</u>	<u>162,540</u>
Total	<u><u>70,115,174</u></u>	<u><u>162,540</u></u>

20 REFUNDABLE DEPOSITS

	30 June 2023	31 December 2022
Trading deposits	<u>56,119,889</u>	52,895,340
Credit deposits	<u>483,447</u>	1,179,988
Performance deposits	<u>14,033,063</u>	15,082,787
Total	<u><u>70,636,399</u></u>	<u><u>69,158,115</u></u>

21 DEFERRED INCOME TAX ASSETS/LIABILITIES

	30 June 2023	31 December 2022
Deferred income tax assets		
Fair value changes of financial instruments	1,302,218	3,072,780
Allowance for impairment losses	2,824,995	2,790,105
Salaries, bonuses, and allowances payable	5,128,494	4,546,034
Others	1,209,463	1,161,272
Total	<u>10,465,170</u>	<u>11,570,191</u>

	30 June 2023	31 December 2022
Deferred income tax liabilities		
Fair value changes of financial instruments	1,067,599	2,045,918
Amortisation allowance	3,750	25,293
Others	1,512,370	1,419,492
Total	<u>2,583,719</u>	<u>3,490,703</u>

22 RIGHT-OF-USE ASSETS

30 June 2023	Properties and buildings	Transportation vehicles	Electronic devices	Others	Total
Cost					
31 December 2022	3,779,833	1,331	1,278	1,973	3,784,415
Increases	330,146	284	—	208	330,638
Decreases	133,560	110	—	610	134,280
Effect of exchange rate change	49,030	(21)	(14)	—	48,995
30 June 2023	<u>4,025,449</u>	<u>1,484</u>	<u>1,264</u>	<u>1,571</u>	<u>4,029,768</u>
Accumulated depreciation					
31 December 2022	1,838,624	1,169	732	1,402	1,841,927
Increases	395,638	151	72	202	396,063
Decreases	111,633	110	—	610	112,353
Effect of exchange rate change	26,609	(22)	(10)	—	26,577
30 June 2023	<u>2,149,238</u>	<u>1,188</u>	<u>794</u>	<u>994</u>	<u>2,152,214</u>
Allowances for impairment					
31 December 2022	—	—	—	—	—
Increases	—	—	—	—	—
Decreases	—	—	—	—	—
Effect of exchange rate change	—	—	—	—	—
30 June 2023	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net carrying amount					
30 June 2023	<u>1,876,211</u>	<u>296</u>	<u>470</u>	<u>577</u>	<u>1,877,554</u>
31 December 2022	<u>1,941,209</u>	<u>162</u>	<u>546</u>	<u>571</u>	<u>1,942,488</u>

31 December 2022	Properties and Buildings	Transportation Vehicles	Electronic Devices	Others	Total
Cost					
31 December 2021	3,213,916	1,300	686	1,973	3,217,875
Increases	824,016	—	545	—	824,561
Decreases	350,127	—	—	—	350,127
Effect of exchange rate change	92,028	31	47	—	92,106
31 December 2022	3,779,833	1,331	1,278	1,973	3,784,415
Accumulated depreciation					
31 December 2021	1,321,831	845	550	925	1,324,151
Increases	746,934	285	156	477	747,852
Decreases	281,883	—	—	—	281,883
Effect of exchange rate change	51,742	39	26	—	51,807
31 December 2022	1,838,624	1,169	732	1,402	1,841,927
Allowances for impairment					
31 December 2021	—	—	—	—	—
Increases	—	—	—	—	—
Decreases	—	—	—	—	—
Effect of exchange rate change	—	—	—	—	—
31 December 2022	—	—	—	—	—
Net carrying amount					
31 December 2022	1,941,209	162	546	571	1,942,488
31 December 2021	1,892,085	455	136	1,048	1,893,724

23 OTHER NON-CURRENT ASSETS

	30 June 2023	31 December 2022
Receivables and others	566,368	507,717

24 MARGIN ACCOUNTS

	30 June 2023	31 December 2022
Margin accounts	113,630,296	109,477,877
Less: loss allowance	2,526,405	2,501,544
Total	111,103,891	106,976,333

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

As at 30 June 2023, the Group received collateral with fair value amounted to RMB466,900 million (31 December 2022: RMB431,795 million), in connection with its margin financing business.

	30 June 2023	
	Current	Non-current
Mandatory		
Debt instruments	277,904,241	632,981
Equity instruments	248,490,028	25,415,518
Others	23,018,862	3,810,313
	<u>549,413,131</u>	<u>29,858,812</u>
Designated		
Debt instruments	223,262	—
Equity instruments	4,931,242	3,043,592
Others	575	577,940
	<u>5,155,079</u>	<u>3,621,532</u>
Total	<u><u>554,568,210</u></u>	<u><u>33,480,344</u></u>
Analysed into:		
Mandatory		
Listed	485,254,234	7,092,340
Unlisted	64,158,897	22,766,472
	<u>549,413,131</u>	<u>29,858,812</u>
Designated		
Listed	4,930,182	278,492
Unlisted	224,897	3,343,040
	<u>5,155,079</u>	<u>3,621,532</u>
Total	<u><u>554,568,210</u></u>	<u><u>33,480,344</u></u>

As at 30 June 2023, financial assets at fair value through profit or loss of RMB223,677 million (31 December 2022: RMB212,800 million) were collateralised for repurchase agreements, amount due to China Securities Finance Co., Ltd. (CSF), and securities lending transactions and short-term loans.

	Current	Non-current
Mandatory		
Debt instruments	245,517,295	150,753
Equity instruments	226,614,521	24,857,372
Others	17,611,183	5,116,530
	<u>489,742,999</u>	<u>30,124,655</u>
Designated		
Debt instruments	210,752	—
Equity instruments	8,318,724	2,099,647
Others	19,304	406,611
	<u>8,548,780</u>	<u>2,506,258</u>
Total	<u>498,291,779</u>	<u>32,630,913</u>
Analysed into:		
Mandatory		
Listed	436,891,841	6,053,695
Unlisted	52,851,158	24,070,960
	<u>489,742,999</u>	<u>30,124,655</u>
Designated		
Listed	8,317,721	186,746
Unlisted	231,059	2,319,512
	<u>8,548,780</u>	<u>2,506,258</u>
Total	<u>498,291,779</u>	<u>32,630,913</u>

	30 June 2023					
	Hedging instruments			Non-hedging instruments		
	Fair value			Fair value		
	Notional amounts	Assets	Liabilities	Notional amounts	Assets	Liabilities
Interest rate derivatives	4,500,000	113,276	—	2,380,626,113	9,767,899	9,109,435
Currency derivatives	—	—	—	564,286,823	6,075,117	6,517,742
Equity derivatives	—	—	—	600,941,597	18,344,007	19,315,292
Credit derivatives	—	—	—	15,235,032	72,913	118,010
Others	—	—	—	959,590,889	3,575,941	3,706,231
Total	4,500,000	113,276	—	4,520,680,454	37,835,877	38,766,710

	31 December 2022					
	Hedging instruments			Non-hedging instruments		
	Fair value			Fair value		
	Notional amounts	Assets	Liabilities	Notional amounts	Assets	Liabilities
Interest rate derivatives	—	—	—	1,853,420,762	7,780,104	6,463,749
Currency derivatives	—	—	—	748,270,446	5,070,611	5,536,488
Equity derivatives	—	—	—	507,787,735	19,695,668	11,610,629
Credit derivatives	—	—	—	12,080,451	77,982	151,622
Others	—	—	—	831,431,631	3,764,362	4,360,010
Total	—	—	—	3,952,991,025	36,388,727	28,122,498

Under the daily mark-to-market and settlement arrangement, the Group's future contracts were settled on a daily basis and the amount of mark-to-market gain or loss of those unexpired future contracts is reflected in profit or loss and not included in derivative financial instruments above. The corresponding payments or receipts are reflected in "cash and bank balances". As at 30 June 2023, the fair value of those unexpired daily settled future contracts was a gain of RMB24 million (31 December 2022: gain of RMB607 million).

	30 June 2023	31 December 2022
Analysed by collateral:		
Stocks	32,498,650	29,396,206
Debts	4,900,598	5,974,265
Others	2,521,429	2,694,996
	<u>39,920,677</u>	<u>38,065,467</u>
Less: loss allowance	6,575,335	6,582,408
Total	<u><u>33,345,342</u></u>	<u><u>31,483,059</u></u>
Analysed by business:		
Pledged repo	36,223,100	32,777,512
Debt securities outright repo	1,176,148	2,592,960
Others	2,521,429	2,694,995
	<u>39,920,677</u>	<u>38,065,467</u>
Less: loss allowance	6,575,335	6,582,408
Total	<u><u>33,345,342</u></u>	<u><u>31,483,059</u></u>
Analysed by counterparty:		
Banks	2,687,468	4,010,462
Non-bank financial institutions	418,282	426,924
Others	36,814,927	33,628,081
	<u>39,920,677</u>	<u>38,065,467</u>
Less: loss allowance	6,575,335	6,582,408
Total	<u><u>33,345,342</u></u>	<u><u>31,483,059</u></u>

As at 30 June 2023, stock-pledged repo under reverse repurchase agreements totalled RMB32,491 million (31 December 2022: RMB29,396 million) with credit impairment loss allowance of RMB6,575 million (31 December 2022: RMB6,582 million).

As at 30 June 2023, the Group received collateral amounting to RMB86,707 million (31 December 2022: RMB88,182 million), in connection with its reverse repurchase agreements.

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

As at 30 June 2023, the amount of the above collateral allowed to be re-pledged was RMB4,007 million (31 December 2022: RMB5,747 million), and the amount of the collateral re-pledged was RMB3,549 million (31 December 2022: RMB4,832 million).

28 OTHER CURRENT ASSETS

	30 June 2023	31 December 2022
Accounts due from brokers	31,615,808	26,731,357
Settlement deposits receivable	14,097,183	10,984,816
Brokerage accounts due from clients	12,674,258	7,660,160
Interest receivable	327,363	359,765
Bulk commodity trading inventory	202,836	619,914
Deferred expenses	64,931	77,010
Dividends receivable	70	446
Others	16,652,450	14,043,906
Subtotal	75,634,899	60,477,374
Less: Impairment allowance	2,145,113	2,153,553
Total	73,489,786	58,323,821

29 CASH HELD ON BEHALF OF CUSTOMERS

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

30 CASH AND BANK BALANCES

	30 June 2023	31 December 2022
Cash on hand	216	236
Deposits in banks	128,880,022	112,401,728
Total	128,880,238	112,401,964

As at 30 June 2023, the Group had deposits in banks with restrictions of RMB8,499 million (31 December 2022: RMB7,824 million).

31 CUSTOMER BROKERAGE DEPOSITS

	30 June 2023	31 December 2022
Customer brokerage deposits	306,748,297	279,402,254

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

	30 June 2023	
	Current	Non-current
Financial liabilities held for trading		
Debt instruments	6,592,806	—
Equity investments	7,871,809	—
Others	621,580	—
Subtotal	15,086,195	—
Financial liabilities designated as at fair value through profit or loss		
Beneficiary certificates and structured notes	57,360,691	15,067,506
Minority interests in consolidated structured entities and others	302,299	4,529,376
Subtotal	57,662,990	19,596,882
Total	72,749,185	19,596,882

As at 30 June 2023 and 31 December 2022, there were no significant fair value changes related to the changes in the credit risk of the Group.

	31 December 2022	
	Current	Non-current
Financial liabilities held for trading		
Debt instruments	7,793,729	—
Equity investments	8,939,163	—
Others	1,194,116	—
Subtotal	17,927,008	—
Financial liabilities designated as at fair value through profit or loss		
Beneficiary certificates and structured notes	43,945,799	20,503,989
Minority interests in consolidated structured entities and others	531,527	8,207,272
Subtotal	44,477,326	28,711,261
Total	62,404,334	28,711,261

33 REPURCHASE AGREEMENTS

	30 June 2023	31 December 2022
Analysed by collateral:		
Equity	36,018,434	30,588,477
Debts	149,666,575	122,002,749
Precious metal	15,557,117	14,953,993
Others	56,691,402	46,737,876
Total	<u>257,933,528</u>	<u>214,283,095</u>
Analysed by counterparty:		
Banks	113,068,378	66,749,325
Non-bank financial institutions	35,529,663	27,699,736
Others	109,335,487	119,834,034
Total	<u>257,933,528</u>	<u>214,283,095</u>

As at 30 June 2023, the Group's pledged collateral in connection with its repurchase agreements amounted to RMB284,230 million (31 December 2022: RMB239,414 million).

34 DUE TO BANKS AND OTHER FINANCIAL INSTITUTIONS

	30 June 2023	31 December 2022
Due to banks	14,039,455	24,569,780
Due to China Securities Finance Corporation Limited	4,836,637	5,011,083
Total	<u>18,876,092</u>	<u>29,580,863</u>

35 TAXES PAYABLE

	30 June 2023	31 December 2022
Corporate income tax	2,509,188	4,055,636
Individual income tax	581,542	1,275,470
Value added tax	271,355	201,091
Others	67,254	43,964
Total	<u>3,429,339</u>	<u>5,576,161</u>

36 SHORT-TERM LOANS

	30 June 2023	31 December 2022
Analysed by nature:		
Credit loans	10,388,579	9,092,064
Collateralised loans	<u>2,766</u>	<u>708,945</u>
Total	<u><u>10,391,345</u></u>	<u><u>9,801,009</u></u>
Analysed by maturity:		
Maturity within one year	<u><u>10,391,345</u></u>	<u><u>9,801,009</u></u>

As at 30 June 2023, the annual interest rates on the short-term loans were in the range of 0.00% to 6.50% (31 December 2022: 0.00% to 6.50%). The collateral of the Group are financial assets at fair value through profit or loss. As at 30 June 2023, the book value of the collateral was RMB4,089 million (31 December 2022: RMB5,022 million).

As at 30 June 2023, the maturity of short-term loans is within one year, there was no default related to any short-term loans (31 December 2022: Nil).

37 SHORT-TERM FINANCING INSTRUMENTS PAYABLE

Six months ended 30 June 2023

Name	Issue date	Maturity date	Coupon rate	Opening balance	Increase	Repayment	Ending balance
CITICS MTN ECP41	28/01/2022	28/01/2023	0.00%	556,753	415	557,168	—
CITICS MTN ECP44	27/05/2022	22/05/2023	2.82%	212,441	2,414	214,855	—
CITICS MTN ECP46	27/05/2022	27/02/2023	0.00%	346,706	1,504	348,210	—
CITICS MTN ECP47	27/07/2022	26/07/2023	0.00%	272,477	15,779	—	288,256
CITICS MTN ECP48	06/07/2022	05/07/2023	0.00%	205,165	11,524	—	216,689
CITICS MTN ECP49	01/08/2022	31/07/2023	0.00%	340,230	19,702	—	359,932
CITICS MTN ECP50	08/08/2022	07/08/2023	0.00%	340,178	19,681	—	359,859
CITICS MTN ECP51	16/08/2022	15/08/2023	0.00%	815,824	47,116	—	862,940
CITICS MTN ECP52	14/09/2022	16/03/2023	0.00%	138,191	1,089	139,280	—
CITICS MTN ECP53	22/09/2022	21/09/2023	4.15%	845,259	49,677	—	894,936
CITICS MTN ECP54	21/10/2022	26/01/2023	0.00%	138,860	432	139,292	—
CITICS MTN ECP55	11/11/2022	10/11/2023	0.00%	398,670	26,360	—	425,030
CITICSCSI01	25/11/2022	25/02/2023	0.00%	690,822	31,831	722,653	—
CITICSCSI02	22/09/2022	22/03/2023	3.90%	352,036	16,336	368,372	—
CITICSCSI03	20/12/2022	20/03/2023	0.00%	178,950	8,940	187,890	—
23 CS S1	10/01/2023	12/07/2023	2.58%	—	3,041,619	6,161	3,035,458
23 CS S2	08/02/2023	10/11/2023	2.65%	—	3,033,037	5,861	3,027,176
23 CS S3	02/03/2023	07/09/2023	2.70%	—	4,039,229	7,804	4,031,425
23 CS S4	22/03/2023	27/09/2023	2.58%	—	5,038,997	9,748	5,029,249
23 CS S5	21/04/2023	26/10/2023	2.55%	—	5,026,554	9,748	5,016,806
23 CS S6	19/05/2023	24/11/2023	2.35%	—	4,011,389	7,804	4,003,585
23 CS S7	25/05/2023	24/05/2024	2.47%	—	3,007,011	5,862	3,001,149
XS2580203839	18/01/2023	20/10/2023	0.00%	—	142,253	—	142,253
HK0000910452	13/02/2023	21/08/2023	4.10%	—	72,050	—	72,050
HK0000920709	28/03/2023	04/10/2023	5.25%	—	73,152	—	73,152
XS2577832194	17/01/2023	31/01/2023	0.00%	—	216,796	216,796	—
HK0000904596	17/01/2023	17/07/2023	5.25%	—	152,406	—	152,406
HK0000904802	20/01/2023	20/07/2023	5.15%	—	147,834	—	147,834
HK0000904836	20/01/2023	20/10/2023	5.25%	—	36,974	—	36,974
HK0000904869	20/01/2023	20/10/2023	5.25%	—	147,882	—	147,882
HK0000917481	20/03/2023	20/04/2023	0.00%	—	180,663	180,663	—
HK0000924297	24/04/2023	24/07/2023	0.00%	—	151,224	—	151,224
HK0000932415	31/05/2023	31/08/2023	0.00%	—	50,133	—	50,133
HK0000932407	31/05/2023	01/12/2023	0.00%	—	38,873	—	38,873
HK0000932597	02/06/2023	01/09/2023	0.00%	—	46,545	—	46,545
HK0000936739	16/06/2023	18/09/2023	0.00%	—	84,244	—	84,244
Beneficiary certificates	(Note)	(Note)	(Note)	<u>6,027,249</u>	<u>12,564,507</u>	<u>7,943,109</u>	<u>10,648,647</u>
Total				<u><u>11,859,811</u></u>	<u><u>41,556,172</u></u>	<u><u>11,071,276</u></u>	<u><u>42,344,707</u></u>

Name	Issue date	Maturity date	Coupon rate	Opening balance	Increase	Repayment	Ending balance
CITICS MTN ECP16	19/01/2021	18/01/2022	0.75%	321,060	143	321,203	—
CITICS MTN ECP20	25/05/2021	24/05/2022	0.00%	158,952	443	159,395	—
CITICS MTN ECP21	02/06/2021	01/06/2022	0.00%	190,712	562	191,274	—
CITICS MTN ECP22	20/07/2021	19/07/2022	0.00%	325,991	1,077	327,068	—
CITICS MTN ECP23	22/07/2021	21/07/2022	0.00%	244,485	816	245,301	—
CITICS MTN ECP24	10/08/2021	08/03/2022	0.00%	318,517	268	318,785	—
CITICS MTN ECP25	19/08/2021	18/08/2022	0.00%	444,239	2,103	446,342	—
CITICS MTN ECP26	19/08/2021	18/03/2022	0.00%	191,094	177	191,271	—
CITICS MTN ECP27	08/09/2021	07/09/2022	0.00%	325,723	1,359	327,082	—
CITICS MTN ECP28	14/09/2021	14/06/2022	0.00%	317,888	904	318,792	—
CITICS MTN ECP29	17/09/2021	15/09/2022	0.58%	638,025	3,358	641,383	—
CITICS MTN ECP30	17/09/2021	16/09/2022	0.00%	317,173	1,654	318,827	—
CITICS MTN ECP31	29/09/2021	28/09/2022	0.00%	317,121	1,711	318,832	—
CITICS MTN ECP32	10/11/2021	12/05/2022	0.00%	76,336	172	76,508	—
CITICS MTN ECP33	10/11/2021	11/05/2022	0.00%	114,507	256	114,763	—
CITICS MTN ECP34	18/11/2021	18/05/2022	0.00%	1,081,193	2,680	1,083,873	—
CITICS MTN ECP35	18/11/2021	18/05/2022	0.00%	611,761	1,467	613,228	—
CITICS MTN ECP36	23/11/2021	22/11/2022	0.00%	632,434	5,360	637,794	—
CITICS MTN ECP37	02/12/2021	01/12/2022	0.00%	243,355	2,016	245,371	—
CITICS MTN ECP38	14/12/2021	13/12/2022	0.75%	612,707	5,330	618,037	—
CITICS MTN ECP39	20/12/2021	19/12/2022	0.00%	202,651	1,838	204,489	—
CITICS MTN ECP40	21/12/2021	21/09/2022	0.00%	316,749	2,092	318,841	—
CITICS MTN ECP41	28/01/2022	28/01/2023	0.00%	—	556,753	—	556,753
CITICS MTN ECP42	19/04/2022	19/10/2022	0.00%	—	158,797	158,797	—
CITICS MTN ECP43	25/05/2022	23/12/2022	0.00%	—	496,647	496,647	—
CITICS MTN ECP44	27/05/2022	22/05/2023	2.82%	—	212,441	—	212,441
CITICS MTN ECP45	27/05/2022	20/12/2022	0.00%	—	331,094	331,094	—
CITICS MTN ECP46	27/05/2022	27/02/2023	0.00%	—	346,706	—	346,706
CITICS MTN ECP47	27/07/2022	26/07/2023	0.00%	—	272,477	—	272,477
CITICS MTN ECP48	06/07/2022	05/07/2023	0.00%	—	205,165	—	205,165
CITICS MTN ECP49	01/08/2022	31/07/2023	0.00%	—	340,230	—	340,230
CITICS MTN ECP50	08/08/2022	07/08/2023	0.00%	—	340,178	—	340,178
CITICS MTN ECP51	16/08/2022	15/08/2023	0.00%	—	815,824	—	815,824
CITICS MTN ECP52	14/09/2022	16/03/2023	0.00%	—	138,191	—	138,191
CITICS MTN ECP53	22/09/2022	21/09/2023	4.15%	—	845,259	—	845,259
CITICS MTN ECP54	21/10/2022	26/01/2023	0.00%	—	138,860	—	138,860
CITICS MTN ECP55	11/11/2022	10/11/2023	0.00%	—	398,670	—	398,670
CITICSCSI01	25/11/2022	25/02/2023	0.00%	—	690,822	—	690,822
CITICSCSI02	22/09/2022	22/03/2023	3.90%	—	352,036	—	352,036
CITICSCSI03	20/12/2022	20/03/2023	0.00%	—	178,950	—	178,950
Beneficiary certificates	(Note)	(Note)	(Note)	6,627,788	7,568,573	8,169,112	6,027,249
Total				14,630,461	14,423,459	17,194,109	11,859,811

Note: As at 30 June 2023, the beneficiary certificates issued by the Company amounted to RMB10,649 million and coupon rates ranging from 1.75% to 4.00% (31 December 2022: RMB6,027 million, coupon rates ranging from 1.60% to 4.00%).

As at 30 June 2023, short-term financing instruments payable comprised of short-term corporate bonds and beneficiary certificates with an original tenure of less than one year.

As at 30 June 2023, there was no default relating to any short-term financing instruments payable issued (31 December 2022: Nil).

38 LEASE LIABILITIES

	30 June 2023		31 December 2022	
	Current	Non-current	Current	Non-current
Lease liabilities	<u>671,138</u>	<u>1,218,784</u>	<u>563,835</u>	<u>1,407,947</u>

As at 30 June 2023, the future cash flows of lease contracts signed by the Group but lease not yet commenced are shown as follows:

	30 June 2023	31 December 2022
Lease term		
Within one year	15,927	2,900
One to two years	128,023	104,891
Two to five years	376,743	313,265
More than five years	86,947	76,072
Total	<u>607,640</u>	<u>497,128</u>

39 OTHER CURRENT LIABILITIES

	30 June 2023	31 December 2022
Client deposits payable	137,174,392	134,916,690
Accounts due to brokers	38,552,413	27,088,199
Debt instruments issued due within one year and others	33,247,696	52,684,372
Settlement deposits payable	22,019,445	17,450,490
Salaries, bonuses and allowances payable	21,693,420	19,819,855
Dividends payable	7,665,496	261,494
Funds payable to securities issuers	1,355,914	15,253,774
Accrued liabilities	902,088	949,070
Fee and commissions payable	813,670	790,958
Interest payable	237,370	219,150
Funds payable to securities holders	167,559	166,245
Contract liabilities	7,216	24,952
Others	28,862,564	28,155,889
Total	<u>292,699,243</u>	<u>297,781,138</u>

40 DEBT INSTRUMENTS ISSUED

(a) Debt instruments issued

By category	30 June 2023	31 December 2022
Bonds and medium term notes issued	91,291,087	74,753,117
Structured notes issued	1,013,642	6,070
	<u>92,304,729</u>	<u>74,759,187</u>

By maturity	30 June 2023	31 December 2022
Maturity within five years	75,275,516	57,519,252
Maturity over five years	17,029,213	17,239,935
	<u>92,304,729</u>	<u>74,759,187</u>

As at 30 June 2023, there was no default related to any issued debt instruments (31 December 2022: Nil).

(b) Debt instruments issued list

Type	Name	Par value	Issue date	Term	Nominal	31 December 2022	30 June 2023
		RMB thousand			Coupon rate	RMB thousand	RMB thousand
Corporate bonds	15 CITICS 02	2,500,000	24/06/2015	10 years	5.10%	2,566,106	2,501,882
	19 CS G2	1,000,000	05/09/2019	5 years	3.78%	1,011,677	1,030,429
	20 CS G2	2,000,000	19/02/2020	5 years	3.31%	2,054,410	2,021,610
	20 CS G4	2,000,000	06/03/2020	5 years	3.20%	2,049,486	2,017,794
	20 CS G7	1,000,000	09/04/2020	5 years	3.10%	1,020,869	1,005,533
	20 CS 20	800,000	08/09/2020	10 years	4.20%	808,413	825,179
	20 CS 24	900,000	23/10/2020	10 years	4.27%	904,677	923,851
	21 CS 02	4,600,000	20/01/2021	3 years	3.56%	4,748,082	—
	21 CS 03	3,200,000	20/01/2021	10 years	4.10%	3,314,683	3,248,957
	21 CS 04	1,500,000	24/02/2021	3 years	3.60%	1,543,515	—
	21 CS 05	3,000,000	24/02/2021	10 years	4.10%	3,095,647	3,034,027
	21 CS 06	2,500,000	16/03/2021	10 years	4.10%	2,574,596	2,523,246
	21 CS 07	1,400,000	08/04/2021	10 years	4.04%	1,437,123	1,408,795
	21 CS 08	1,000,000	08/06/2021	5 years	3.70%	1,018,568	1,000,204
	21 CS 09	2,500,000	08/06/2021	10 years	4.03%	2,549,910	2,499,439
	21 CS 10	1,500,000	06/07/2021	5 years	3.62%	1,522,946	1,550,303
	21 CS 11	1,500,000	06/07/2021	10 years	3.92%	1,524,487	1,553,837
	21 CS 12	3,000,000	18/08/2021	3 years	3.01%	3,027,529	3,073,754
	21 CS 13	1,000,000	18/08/2021	5 years	3.34%	1,009,824	1,026,666
	21 CS 14	4,500,000	13/09/2021	3 years	3.08%	4,533,030	4,603,923
	21 CS 16	2,200,000	23/09/2021	3 years	3.09%	2,213,902	2,248,672
	21 CS 17	1,800,000	23/09/2021	5 years	3.47%	1,812,260	1,843,733
	21 CS 18	2,500,000	14/10/2021	3 years	3.25%	2,511,963	2,553,469
	21 CS 19	2,000,000	14/10/2021	5 years	3.59%	2,010,049	2,046,207
	21 CS 20	3,000,000	19/11/2021	3 years	3.07%	3,003,972	3,051,078
	21 CS 21	3,000,000	09/12/2021	3 years	2.97%	2,998,624	3,044,240
	22 CS 01	500,000	11/02/2022	5 years	3.20%	512,984	505,033
	22 CS 02	1,000,000	11/02/2022	10 years	3.69%	1,030,398	1,011,882
	22 CS 03	1,000,000	08/03/2022	3 years	3.03%	1,022,407	1,007,610
	22 CS 04	500,000	08/03/2022	5 years	3.40%	512,553	504,120
	22 CS 05	3,000,000	19/08/2022	3 years	2.50%	3,018,859	3,057,482
	23 CS 10	2,000,000	25/05/2023	3 years	2.89%	—	2,001,263
	23 CS 11	500,000	08/06/2023	2 years	2.64%	—	499,623
	23 CS 12	2,500,000	08/06/2023	3 years	2.80%	—	2,498,637
	23 CS G1	3,000,000	03/02/2023	2 years	2.95%	—	3,029,544
	23 CS G2	1,500,000	16/02/2023	2 years	2.89%	—	1,512,992
	23 CS G3	3,000,000	16/02/2023	3 years	3.06%	—	3,027,489
	23 CS G4	2,000,000	08/03/2023	2 years	3.01%	—	2,014,780
	23 CS G5	2,000,000	08/03/2023	5 years	3.32%	—	2,044,603
	23 CS G6	2,000,000	14/04/2023	2 years	2.87%	—	2,007,838
	23 CS G7	2,500,000	14/04/2023	5 years	3.17%	—	2,530,103
	23 CS G9	3,500,000	10/05/2023	3 years	2.90%	—	3,506,502
	CITIC SEC N2410	1,414,580	17/10/2019	5 years	2.88%	1,394,405	1,448,189
	CITIC SEC N2506	3,565,800	27/05/2020	5 years	2.00%	3,476,796	3,609,168
	CITIC SEC N2405	1,255,958	07/12/2022	1 year and 5 months	5.15%	1,220,869	—
	CITIC SEC N2502	1,352,080	14/02/2023	2 years	5.00%	—	1,464,292
	CITIC SEC N2606	695,444	14/06/2023	3 years	2.90%	—	690,089
Subordinated bond	21 CS C1	3,000,000	03/02/2021	3 years	3.97%	3,103,282	—
	22 CF 01	500,000	22/07/2022	3 years	3.00%	505,425	513,206
Medium term note	CITIC SEC N2504	2,167,958	21/04/2022	3 years	3.38%	2,088,791	2,169,814
Beneficiary certificates	Beneficiary certificates		(Note)	(Note)	(Note)	6,070	1,013,642
Total						74,759,187	92,304,729

Note: As at 30 June 2023, the beneficiary certificates issued by the Company amounted to RMB1,014 million (31 December 2022: RMB6 million) were with maturity dates over one year and coupon rates ranging from 2.50% to 2.80% (31 December 2022: 2.50%).

41 LONG-TERM LOANS

	30 June 2023	31 December 2022
Analysed by nature:		
Collateralised loans	396,053	272,299
Credit loans	12,481	—
Total	<u>408,534</u>	<u>272,299</u>
Analysed by maturity:		
Maturity within five years	408,534	272,299
Maturity over five years	—	—
Total	<u>408,534</u>	<u>272,299</u>

As at 30 June 2023, the interest rates on the long-term loans were in the range of 0.31% to 6.72% (31 December 2022: 5.88% to 5.93%). The collateral of the Group are property, plant and equipment and Investment properties. As at 30 June 2023 the book value of the collateral was RMB1,273 million (31 December 2022: RMB983 million).

42 OTHER NON-CURRENT LIABILITIES

	30 June 2023	31 December 2022
Regulatory risk provision	1,863,786	1,789,046
Others	496,150	425,880
Total	<u>2,359,936</u>	<u>2,214,926</u>

43 ISSUED SHARE CAPITAL

	30 June 2023		31 December 2022	
	Number of shares (Thousand)	Nominal value	Number of shares (Thousand)	Nominal value
Ordinary Shares				
Registered, issued and fully paid:				
A shares of RMB1 each	12,200,470	12,200,470	12,200,470	12,200,470
H shares of RMB1 each	2,620,077	2,620,077	2,620,077	2,620,077
Total	<u>14,820,547</u>	<u>14,820,547</u>	<u>14,820,547</u>	<u>14,820,547</u>

44 OTHER EQUITY INSTRUMENTS

Other equity instruments of the Group are as follows:

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

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

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

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

Key terms and conditions relating to the equity instruments that exist as at 30 June 2023 are as follows:

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

The perpetual subordinated bonds issued by the Company are classified as equity instruments and recognised under equity in the consolidated statement of financial position. As at 30 June 2023, the interest payable by the Company for the perpetual bonds was RMB249 million (31 December 2022: RMB259 million).

45 RESERVES

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

(a) *Capital reserve*

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

(b) *Surplus reserves*

(i) *Statutory surplus reserve*

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

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

(ii) *Discretionary surplus reserve*

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

(c) *General reserves*

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

(d) *Investment revaluation reserve*

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

(e) *Foreign currency translation reserve*

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

(f) *Distributable profits*

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

46 CASH AND CASH EQUIVALENTS

	30 June 2023	31 December 2022
Cash and bank balances	128,880,238	112,401,964
Less: Restricted funds (Note 30)	8,499,150	7,823,958
Interests receivables	821,526	1,349,735
Cash and cash equivalents	<u>119,559,562</u>	<u>103,228,271</u>

47 COMMITMENTS AND CONTINGENT LIABILITIES

(a) *Capital commitments*

	30 June 2023	31 December 2022
Contracted, but not provided for	<u>3,172,952</u>	<u>3,446,498</u>

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

(b) *Lease commitments — as a lessor*

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

	30 June 2023	31 December 2022
Within one year	329,724	325,790
One to two years	291,760	303,305
Two to three years	225,563	256,071
Three to four years	42,418	116,949
Four to five years	18,540	16,703
More than five years	93,374	100,538
Total	<u>1,001,379</u>	<u>1,119,356</u>

(c) *Legal proceedings*

In the ordinary course of business, the Group is subject to claims and are parties to legal and regulatory proceedings. As at 30 June 2023 and 31 December 2022, the Group was not involved in any material legal, or arbitration that if adversely determined, would materially and adversely affect the Group's financial position or results of operations.

48 RELATED PARTY DISCLOSURES

(1) *CITIC Corporation Limited*

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

(2) *Related party transactions*

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

Transactions during the period

	Six months ended 30 June	
	2023	2022
Income from providing services	<u>213</u>	<u>114</u>
Interest expense	<u>449</u>	<u>323</u>

Balances at the end of the period/year

	30 June 2023	31 December 2022
Contract liabilities	<u>2,448</u>	<u>2,448</u>

¹ CITIC Limited is the person acting in concert with CITIC Corporation Limited.

(b) *Related party transactions with subsidiaries*

Transactions during the period

	Six months ended 30 June	
	2023	2022
Interest income	328,193	454,657
Income from providing services	58,555	53,514
Leasing income	6,422	5,896
Net investment losses	(10,891)	(18,494)
Interest expenses	55,651	28,258
Expense from receiving services	92	—
Depreciation of right-of-use assets	176,003	173,639
Interest expenses of leasing liabilities	9,388	18,448

Balances at the end of the period/year

	30 June	31 December
	2023	2022
Other current assets	32,037,258	29,993,854
Financial assets at fair value through other comprehensive income	7,360,465	7,387,687
Deposits for investments-stock index futures	9,063,447	10,157,957
Derivative financial assets	1,567,837	1,534,927
Refundable deposits	9,311,941	8,911,709
Financial assets at fair value through profit or loss (Mandatory)	30,211,162	20,309,515
Right-of-use assets	528,008	704,010
Other current liabilities	1,180,652	1,157,264
Derivative financial liabilities	2,868,463	5,114,582
Customer brokerage deposits	539,448	737,510
Short-term financing instruments payable	131,888	130,276
Debt instruments issued	3,499,281	4,950,630
Lease liabilities	505,462	686,585

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

As at 30 June 2023, the collective assets management plans managed by the Company and held by the Company and its subsidiaries amounted to RMB591 million (31 December 2022: RMB602 million).

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

Transactions during the period

	Six months ended 30 June	
	2023	2022
Interest income	421,862	502,593
Income from providing services	131,184	436,418
Leasing income	18,953	20,875
Net investment gains/(losses)	134,606	(40,287)
Expense from receiving services	235,235	157,255
Interest expenses	35,341	16,199
Lease payment	35,327	31,989
Depreciation of right-of-use assets	19,512	17,376
Interest expenses of leasing liabilities	1,135	1,346

Balances at the end of the period/year

	30 June	31 December
	2023	2022
Cash held on behalf of customers (i)	45,177,640	31,868,260
Cash and bank balances (i)	11,254,298	6,316,028
Refundable deposits	120	—
Right-of-use assets	60,516	86,415
Other current assets	138,423	187,581
Repurchase agreements	1,000,159	—
Short-term financing instruments payable	18,521	18,297
Lease liabilities	64,396	91,536
Other current liabilities	23,928	26,277
Short-term loans	1,244,427	532,272

(i) Represented deposits placed with financial institutions, which are the subsidiaries of CITIC Corporation Limited.

As at 30 June 2023, the contracted amount of CITIC Financial Center construction paid to the major related parties of CITIC Corporation Limited by the Company is RMB823 million (31 December 2022: RMB659 million).

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

- (d) Shareholder who directly and indirectly holds more than 5% shares of the Company — Guangzhou Yuexiu Capital Holdings Group Co., Ltd., and its parties acting in concert, Guangzhou Yuexiu Capital Holdings Co., Ltd. and Yuexiu Financial International Holding Limited.

Transactions during the period

	Six months ended 30 June	
	2023	2022
Net investment (losses)/gains ⁽ⁱ⁾	(57,010)	20,905
Income from providing services	722	1,617
Interest expenses	7	—

- (i) During the six months ended 30 June 2023, net investment losses paid by the Company to shareholders directly or indirectly holding 5% or more shares of the Company are compensations under the Asset Protection Agreement related to issuance of shares to purchase assets.

Balances at the end of the period/year

	30 June 2023	31 December 2022
Other current liabilities	3,628	3,544

- (e) Related party transactions with associates

Transactions during the period

	Six months ended 30 June	
	2023	2022
Interest income	4,328	4,588
Income from providing services	1,003	28
Net investment (losses)/gains	(7,470)	13,318
Interests expense	224	8,832
Expense from receiving services	6,087	4,196
Net redemptions of equity investments	(125,539)	(21,640)

Balances at the end of the period/year

	30 June 2023	31 December 2022
Refundable deposits and others	505,338	500,759
Short-term financing instruments payable	18,521	18,297
Other current liabilities	109,075	94,249

49 FAIR VALUE AND FAIR VALUE HIERARCHY

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

Fair value hierarchy

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

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

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

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

(a) *Financial instruments recorded at fair value*

30 June 2023	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss (Mandatory)				
— Debt instruments	28,901,015	212,848,617	36,787,590	278,537,222
— Equity investments	245,685,957	9,648,785	18,570,804	273,905,546
— Others	127,658	26,701,517	—	26,829,175
Subtotal	274,714,630	249,198,919	55,358,394	579,271,943
Financial assets at fair value through profit or loss (Designated)	153,847	840,383	7,782,381	8,776,611
Derivative financial assets	735,251	30,116,960	7,096,942	37,949,153
Financial assets at fair value through other comprehensive income				
— Debt instruments	4,020,194	55,161,045	12,011,073	71,192,312
— Equity investments	—	2,200	155,667	157,867
Subtotal	4,020,194	55,163,245	12,166,740	71,350,179
Total	279,623,922	335,319,507	82,404,457	697,347,886
Financial liabilities:				
Financial liabilities at fair value through profit or loss				
— Financial liabilities held for trading	8,490,921	6,595,274	—	15,086,195
— Financial liabilities designated as at fair value through profit or loss	16,016	51,138,644	26,105,212	77,259,872
Subtotal	8,506,937	57,733,918	26,105,212	92,346,067
Derivative financial liabilities	927,174	30,737,969	7,101,567	38,766,710
Total	9,434,111	88,471,887	33,206,779	131,112,777

31 December 2022	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss (Mandatory)				
— Debt instruments	67,674,811	137,313,055	40,680,182	245,668,048
— Equity investments	219,792,129	12,507,655	19,172,109	251,471,893
— Others	615,531	22,112,182	—	22,727,713
Subtotal	288,082,471	171,932,892	59,852,291	519,867,654
Financial assets at fair value through profit or loss (Designated)				
	2,059	734,444	10,318,535	11,055,038
Derivative financial assets	684,416	29,163,647	6,540,664	36,388,727
Financial assets at fair value through other comprehensive income				
— Debt instruments	6,368,553	52,228,929	11,517,692	70,115,174
— Equity investments	—	—	162,540	162,540
Subtotal	6,368,553	52,228,929	11,680,232	70,277,714
Total	295,137,499	254,059,912	88,391,722	637,589,133
Financial liabilities:				
Financial liabilities at fair value through profit or loss				
— Financial liabilities held for trading	17,478,596	448,412	—	17,927,008
— Financial liabilities designated as at fair value through profit or loss	—	43,122,949	30,065,638	73,188,587
Subtotal	17,478,596	43,571,361	30,065,638	91,115,595
Derivative financial liabilities	545,592	23,162,996	4,413,910	28,122,498
Total	18,024,188	66,734,357	34,479,548	119,238,093

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

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

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

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

From January to June 2023, there were no change on the valuation technique used by the Group for the above recurring fair value measurements categorised within Level 2.

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

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

From January to June 2023, there were no change on the valuation technique used by the Group for the above recurring fair value measurements categorised within Level 3.

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

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

	As at 1 January 2023	Total gains/ (losses) recorded in profit or loss	Total gains recorded in other comprehensive income	Additions	Decreases	Transfers to Level 3 from Level 1	Transfers to Level 3 from Level 2	Transfers to Level 1 from Level 3	Transfers to Level 2 from Level 3	As at 30 June 2023
Financial assets:										
Financial assets at fair value through profit or loss (Mandatory)										
— Debt instruments	40,680,182	1,076,987	70,243	22,698,991	27,780,872	—	308,816	266,757	—	36,787,590
— Equity instruments	19,172,109	(678,683)	80,649	424,012	187,341	—	—	—	239,942	18,570,804
— Others	—	—	—	—	—	—	—	—	—	—
Financial assets at fair value through profit or loss (Designated)	10,318,535	(3,093,506)	23,978	674,123	140,749	—	—	—	—	7,782,381
Derivative financial assets	6,540,664	2,218,727	2,191	1,643,813	3,308,453	—	—	—	—	7,096,942
Financial assets at fair value through other comprehensive income	11,680,232	446,695	169,566	4,088,060	4,377,714	—	202,356	42,455	—	12,166,740
Financial liabilities:										
Financial liabilities at fair value through profit or loss — Financial liabilities designated as at fair value through profit or loss	30,065,638	(1,215,213)	4,238	7,063,070	9,812,521	—	—	—	—	26,105,212
— Financial liabilities held for trading	—	—	—	—	—	—	—	—	—	—
Derivative financial liabilities	4,413,910	5,329,150	—	3,819,839	6,461,332	—	—	—	—	7,101,567

	As at 1 January 2022	Total gains/ (losses) recorded in profit or loss	Total gains/ (losses) recorded in other comprehensive income	Additions	Decreases	Transfers to Level 3 from Level 1	Transfers to Level 3 from Level 2	Transfers to Level 1 from Level 3	Transfers to Level 2 from Level 3	As at 31 December 2022
Financial assets:										
Financial assets										
at fair value										
through profit or loss										
(Mandatory)										
— Debt instruments	56,658,072	1,833,927	55,421	62,894,839	81,818,225	—	1,072,739	16,591	—	40,680,182
— Equity instruments	22,441,821	603,387	155,403	6,947,924	7,143,164	—	114,552	314,054	3,633,760	19,172,109
— Others	337,562	—	—	—	337,562	—	—	—	—	—
Financial assets										
at fair value										
through profit or loss										
(Designated)										
	11,507,823	1,078,950	28,387	1,443,871	3,740,496	—	—	—	—	10,318,535
Derivative financial assets	2,920,334	6,063,584	5,310	3,386,770	5,835,334	—	—	—	—	6,540,664
Financial assets										
at fair value										
through other										
comprehensive income										
	9,318,267	440,977	(194,466)	11,961,043	9,857,607	—	73,111	—	61,093	11,680,232
Financial liabilities:										
Financial liabilities										
at fair value										
through profit or loss										
— Financial liabilities										
designated as										
at fair value										
through profit or loss										
	33,048,659	(1,883,650)	—	14,064,436	15,163,807	—	—	—	—	30,065,638
— Financial liabilities										
held for trading										
	—	—	—	—	—	—	—	—	—	—
Derivative financial liabilities	7,524,230	(5,379,830)	—	11,546,243	9,276,733	—	—	—	—	4,413,910

The amount of investment income recognised in profit or loss from Level 3 financial instruments held by the Group was RMB664 million for the six months ended 30 June 2023 (2022: RMB11,604 million).

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

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

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

	Carrying amount		Fair value	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Debt instruments issued	<u>92,304,729</u>	<u>74,759,187</u>	<u>93,497,069</u>	<u>75,319,762</u>

Overview

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

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

Structure of Risk Management

The Company has formed a three-level risk management system in which the risk management committee of the board of directors and the professional committee under the management team make collective decisions, and the internal control department closely coordinates with the business department/business line to manage risks from the aspects of deliberation, decision, implementation and supervision. At the level of departments and business lines, three lines of risk management are formed.

Level 1: The Board

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

Level 2: Operation Management

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

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

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

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

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

(a) Credit risk

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

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

Expected credit loss (ECL) measurement

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

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

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

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

For Stage 1 and Stage 2, the debt securities investments (i.e. debt instruments at fair value through other comprehensive income) and financing assets (including margin accounts, securities lending and stock-pledged repo under reverse repurchase agreements) are used to assess loss allowances with the risk parameter modelling approach that incorporated key parameters by the management, including Probability of Default ("PD"), Loss Given Default ("LGD"), Exposure at Default ("EAD") and Loss Ratio ("LR") taking into consideration of forward-looking factors. For credit-impaired financial assets classified under Stage 3, the management assesses the credit loss allowances by estimating the cash flows expected to arise from the financial assets after taking into consideration of forward-looking factors.

Measuring ECL — inputs, assumptions and estimation techniques

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

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

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

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

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

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

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

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

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

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

The Company has not used the low credit risk exemption as at 30 June 2023.

Definition of credit-impaired assets

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

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

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

Forward-looking information

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

For debt securities investments, the Company has performed historical data analysis and identified the key economic variables impacting credit risk and ECL. Key economic variables mainly include the growth rate of Domestic GDP, producer price index and the total retail sales of consumer goods. The Company using the regression analysis method to establish the historical relationship between these economic indicators and PD, EAD and LGD, forward-looking adjustments are finally made to ECL of financing financial assets. For financing assets, based on the analysis of the characteristics of these products, the Company has identified the key economic variables related to the risks of financing assets, namely Volatility of Shanghai Composite Index and Shenzhen Composite Index. The Company makes forward looking adjustments to the ECL of financing assets by analyzing the impacts of these economic variables.

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

As at 30 June 2023 and 31 December 2022, the Company concluded that three scenarios appropriately captured the non-linearities of key economic variables for all portfolios. The scenario weightings are determined by a combination of statistical analysis and expert judgement, taking account of the range of possible outcomes each chosen scenario is representative of. The probability-weight of the three scenarios employed by the Company were almost same.

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

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

Sensitivity analysis

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

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

Meanwhile, the Company also uses sensitivity analysis to monitor the impact of changes to the credit risk classification of the financial assets on ECL. As at 30 June 2023, assuming there was no significant increase in credit risk since initial recognition, and all the financial assets in Stage 2 were moved to Stage 1, the decremental impact on ECL recognised in financial statements is not significant.

Collateral and other credit enhancements

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

Loss Ratio of Financing Assets

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

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

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

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

Stage 2: No less than 10%;

Stage 3: Discounted cash flow on individual exposure.

Credit Risk Exposure Analysis

The Company considered the credit risk of the financing assets was relatively low. As at 30 June 2023 and 31 December 2022, most of the Financing Assets' ratio to underlying collateral value was over force liquidation level. As at 30 June 2023 and 31 December 2022, most of the debt securities investments of the Company were rated at investment grade or above.

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

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

	30 June 2023	31 December 2022
Financial assets at fair value through other comprehensive income (debt instruments)	71,192,312	70,115,174
Refundable deposits	70,636,399	69,158,115
Margin accounts	111,103,891	106,976,333
Financial assets at fair value through profit or loss	329,750,001	299,913,834
Derivative financial assets	37,949,153	36,388,727
Reverse repurchase agreements	33,345,342	31,483,059
Cash held on behalf of customers	264,549,564	245,723,271
Bank balances	128,880,022	112,401,728
Others	75,215,463	59,042,452
Total maximum credit risk exposure	<u>1,122,622,147</u>	<u>1,031,202,693</u>

Risk concentrations

Credit risk is often greater when counterparties are concentrated in one single industry or geographic location, or have comparable economic features. Meanwhile, different industrial sectors and geographic areas have their unique characteristics in terms of economic development, and could present different credit risks.

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

30 June 2023	By geographical area		Total
	Mainland China	Outside Mainland China	
Financial assets at fair value through other comprehensive income (debt instruments)	66,800,915	4,391,397	71,192,312
Refundable deposits	65,707,566	4,928,833	70,636,399
Margin accounts	104,932,372	6,171,519	111,103,891
Financial assets at fair value through profit or loss	288,967,634	40,782,367	329,750,001
Derivative financial assets	26,506,220	11,442,933	37,949,153
Reverse repurchase agreements	32,766,335	579,007	33,345,342
Cash held on behalf of customers	250,539,396	14,010,168	264,549,564
Bank balances	112,761,539	16,118,483	128,880,022
Others	13,205,050	62,010,413	75,215,463
Total maximum credit risk exposure	<u>962,187,027</u>	<u>160,435,120</u>	<u>1,122,622,147</u>

31 December 2022	By geographical area		Total
	Mainland China	Outside Mainland China	
Financial assets at fair value through other comprehensive income (debt instruments)	65,712,675	4,402,499	70,115,174
Refundable deposits	63,356,907	5,801,208	69,158,115
Margin accounts	102,089,187	4,887,146	106,976,333
Financial assets at fair value through profit or loss	244,825,634	55,088,200	299,913,834
Derivative financial assets	26,841,079	9,547,648	36,388,727
Reverse repurchase agreements	30,758,121	724,938	31,483,059
Cash held on behalf of customers	228,780,297	16,942,974	245,723,271
Bank balances	99,079,484	13,322,244	112,401,728
Others	7,513,036	51,529,416	59,042,452
Total maximum credit risk exposure	868,956,420	162,246,273	1,031,202,693

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

Loss allowance	30 June 2023			Total
	Stage of ECL			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL (Credit-impaired)	
Reverse repurchase agreements				
Amortised cost	33,393,784	680,397	5,846,496	39,920,677
Loss allowance	561,397	260,809	5,753,129	6,575,335
Book value	32,832,387	419,588	93,367	33,345,342
Margin accounts				
Amortised cost	111,544,028	698,824	1,387,444	113,630,296
Loss allowance	1,119,158	189,783	1,217,464	2,526,405
Book value	110,424,870	509,041	169,980	111,103,891
Financial assets at fair value through other comprehensive income (debt instruments)				
Fair value	70,619,479	494,424	78,409	71,192,312
Loss allowance	563,759	70,821	302,746	937,325
Others				
Amortised cost	74,977,261	50,852	2,005,031	77,033,144
Loss allowance	207,827	11,581	1,925,705	2,145,113
Book value	74,769,434	39,271	79,326	74,888,031

	31 December 2022			Total
	Stage of ECL			
	Stage 1	Stage 2	Stage 3	
Loss allowance	12-month ECL	Lifetime ECL	Lifetime ECL (Credit-impaired)	
Reverse repurchase agreements				
Amortised cost	31,168,263	960,000	5,937,204	38,065,467
Loss allowance	481,762	260,809	5,839,837	6,582,408
Book value	<u>30,686,501</u>	<u>699,191</u>	<u>97,367</u>	<u>31,483,059</u>
Margin accounts				
Amortised cost	107,157,437	729,220	1,591,220	109,477,877
Loss allowance	1,088,100	189,849	1,223,595	2,501,544
Book value	<u>106,069,337</u>	<u>539,371</u>	<u>367,625</u>	<u>106,976,333</u>
Financial assets at fair value through other comprehensive income (debt instruments)				
Fair value	69,987,932	—	127,242	70,115,174
Loss allowance	506,632	—	257,777	764,409
Others				
Amortised cost	58,716,606	104,524	1,925,405	60,746,535
Loss allowance	165,525	76,069	1,834,535	2,076,129
Book value	<u>58,551,081</u>	<u>28,455</u>	<u>90,870</u>	<u>58,670,406</u>

(i) Credit loss allowance for reverse repurchase agreements

	Stage of ECL			Total
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL (Credit-impaired)	
31 December 2022	481,762	260,809	5,839,837	6,582,408
Increases	239,332	—	—	239,332
Reversals	(159,697)	—	(86,708)	(246,405)
Write-offs	—	—	—	—
Transfers between stages				
— Increase	—	—	—	—
— Decrease	—	—	—	—
Others changes	—	—	—	—
30 June 2023	<u>561,397</u>	<u>260,809</u>	<u>5,753,129</u>	<u>6,575,335</u>

	Stage of ECL			Total
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL (Credit-impaired)	
1 January 2022	289,567	516,394	6,038,597	6,844,558
Increases	499,823	152,241	100,228	752,292
Reversals	(307,628)	(127,382)	(579,432)	(1,014,442)
Write-offs	—	—	—	—
Transfers between stages				
— Increase	—	—	280,444	280,444
— Decrease	—	(280,444)	—	(280,444)
Others	—	—	—	—
31 December 2022	<u>481,762</u>	<u>260,809</u>	<u>5,839,837</u>	<u>6,582,408</u>

Analysed loss allowance for stock-pledged repo:

	30 June 2023			Total
	Stage 1	Stage 2	Stage 3	
Book value	25,964,157	680,397	5,846,496	32,491,050
Loss allowance	<u>561,397</u>	<u>260,809</u>	<u>5,753,129</u>	<u>6,575,335</u>
Collateral	<u>69,833,567</u>	<u>1,417,687</u>	<u>6,999,788</u>	<u>78,251,042</u>

	31 December 2022			Total
	Stage 1	Stage 2	Stage 3	
Book value	22,499,002	960,000	5,937,204	29,396,206
Loss allowance	<u>481,762</u>	<u>260,809</u>	<u>5,839,837</u>	<u>6,582,408</u>
Collateral	<u>69,369,955</u>	<u>1,931,810</u>	<u>7,203,323</u>	<u>78,505,088</u>

(ii) *Credit loss allowance for margin accounts*

	Stage of ECL			Total
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL (Credit-impaired)	
31 December 2022	1,088,100	189,849	1,223,595	2,501,544
Increases	86,536	—	—	86,536
Reversals	(55,478)	(69)	(7,814)	(63,361)
Write-offs	—	—	—	—
Transfers between stages				
— Increase	—	—	—	—
— Decrease	—	—	—	—
Other changes	—	3	1,683	1,686
30 June 2023	<u>1,119,158</u>	<u>189,783</u>	<u>1,217,464</u>	<u>2,526,405</u>

	Stage of ECL			Total
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL (Credit-impaired)	
1 January 2022	1,274,829	191,920	1,852,602	3,319,351
Increases	55,448	270,229	7,502	333,179
Reversals	(237,486)	(189,866)	(728,082)	(1,155,434)
Write-offs	—	—	—	—
Transfers between stages				
— Increase	3	4,704	87,135	91,842
— Decrease	(4,704)	(87,138)	—	(91,842)
Other changes	10	—	4,438	4,448
31 December 2022	<u>1,088,100</u>	<u>189,849</u>	<u>1,223,595</u>	<u>2,501,544</u>

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

	Stage of ECL			Total
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL (Credit-impaired)	
31 December 2022	506,632	—	257,777	764,409
Increases	337,978	49,008	35,674	422,660
Reversals	(96,209)	—	—	(96,209)
Write-offs	(163,566)	—	—	(163,566)
Transfers between stages				
— Increase	—	21,813	—	21,813
— Decrease	(21,813)	—	—	(21,813)
Other changes	736	—	9,295	10,031
30 June 2023	<u>563,758</u>	<u>70,821</u>	<u>302,746</u>	<u>937,325</u>

	Stage of ECL			Total
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL (Credit-impaired)	
1 January 2022	365,959	—	44,000	409,959
Increases	518,367	—	—	518,367
Reversals	(42,655)	—	—	(42,655)
Write-offs	(136,053)	—	—	(136,053)
Transfers between stages				
— Increase	—	—	213,777	213,777
— Decrease	(213,777)	—	—	(213,777)
Other changes	14,791	—	—	14,791
31 December 2022	<u>506,632</u>	<u>—</u>	<u>257,777</u>	<u>764,409</u>

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

	Stage of ECL			Total
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL (Credit-impaired)	
31 December 2022	165,525	76,069	1,834,535	2,076,129
Increases	57,725	434	2,257	60,416
Reversals	(722)	(1,027)	(1,156)	(2,905)
Write-offs	—	—	—	—
Transfers between stages				
— Increase	—	—	81,152	81,152
— Decrease	(17,257)	(63,895)	—	(81,152)
Other changes	2,556	—	8,917	11,473
30 June 2023	<u>207,827</u>	<u>11,581</u>	<u>1,925,705</u>	<u>2,145,113</u>

	Stage of ECL			Total
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL (Credit-impaired)	
1 January 2022	208,160	80,160	1,803,789	2,092,109
Increases	22,319	2,200	48,006	72,525
Reversals	(64,937)	(6,247)	(34,234)	(105,418)
Write-offs	—	(5)	(3,367)	(3,372)
Transfers between stages				
— Increase	—	11	—	11
— Decrease	(11)	—	—	(11)
Other changes	(6)	(50)	20,341	20,285
31 December 2022	<u>165,525</u>	<u>76,069</u>	<u>1,834,535</u>	<u>2,076,129</u>

(b) Liquidity risk

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

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

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

	30 June 2023						Total
	Overdue/ repayable on demand	Less than three months	Three months to one year	One to five years	More than five years	Undated	
Non-derivative financial liabilities:							
Customer brokerage deposits	306,748,297	—	—	—	—	—	306,748,297
Financial liabilities at fair value through profit or loss	55,672	17,741,150	21,921,858	38,579,720	1,762,907	13,304,676	93,365,983
Repurchase agreements	15,252,541	225,197,395	16,405,487	1,681,639	—	—	258,537,062
Due to banks and other financial institutions	—	13,694,465	5,265,764	—	—	—	18,960,229
Short-term loans	41,260	10,362,662	7,699	—	—	—	10,411,621
Short-term financing instruments payable	—	22,354,933	20,338,942	—	—	—	42,693,875
Debt instruments issued	—	685,432	2,231,066	80,911,576	18,939,909	—	102,767,983
Long-term loans	—	7,484	22,824	433,860	—	—	464,168
Lease liabilities	—	184,361	556,067	1,193,766	139,840	—	2,074,034
Others	226,894,152	28,186,972	14,799,930	1,206,002	38,340	783,942	271,909,338
Total	548,991,922	318,414,854	81,549,637	124,006,563	20,880,996	14,088,618	1,107,932,590
Cash flows from derivative financial liabilities settled on a net basis	—	4,983,330	11,430,195	6,974,307	9,606,084	—	32,993,916
Gross-settled derivative financial liabilities:							
Contractual amounts receivable	—	(64,444,135)	(74,129,851)	(23,650,144)	—	—	(162,224,130)
Contractual amounts payable	—	67,129,416	76,557,248	24,367,445	—	—	168,054,109
	—	2,685,281	2,427,397	717,301	—	—	5,829,979

31 December 2022							
	Overdue/ repayable on demand	Less than three months	Three months to one year	One to five years	More than five years	Undated	Total
Non-derivative financial liabilities:							
Customer brokerage deposits	279,402,254	—	—	—	—	—	279,402,254
Financial liabilities at fair value through profit or loss	185	19,084,791	15,462,406	34,537,537	1,821,963	21,218,713	92,125,595
Repurchase agreements	9,151,788	193,679,273	10,100,696	1,537,872	—	—	214,469,629
Due to banks and other financial institutions	—	23,387,915	6,308,635	—	—	—	29,696,550
Short-term loans	166,262	9,096,667	709,508	—	—	—	9,972,437
Short-term financing instruments payable	—	7,553,236	4,426,503	—	—	—	11,979,739
Debt instruments issued	—	941,350	1,555,710	62,501,879	19,490,819	—	84,489,758
Long-term loans	—	4,513	14,844	294,256	—	—	313,613
Lease liabilities	—	180,617	593,946	1,194,179	177,786	—	2,146,528
Others	219,823,923	10,693,118	46,295,429	838,266	—	504,510	278,155,246
Total	508,544,412	264,621,480	85,467,677	100,903,989	21,490,568	21,723,223	1,002,751,349
Cash flows from derivative financial liabilities settled on a net basis	—	3,374,137	7,025,388	7,299,587	5,508,920	—	23,208,032
Gross-settled derivative financial liabilities:							
Contractual amounts receivable	—	(157,754,901)	(90,345,618)	(17,124,757)	—	—	(265,225,276)
Contractual amounts payable	—	160,694,653	92,184,710	17,454,254	—	—	270,333,617
	—	2,939,752	1,839,092	329,497	—	—	5,108,341

(c) **Market risk**

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

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

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

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

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

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

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

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

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

(i) *VaR*

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

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

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

	30 June 2023	30 June 2022
Stock price-sensitive financial instruments	338,143	429,584
Interest rate-sensitive financial instruments	132,442	194,667
Exchange rate-sensitive financial instruments	108,871	87,901
Total portfolio VaR	296,686	504,269

(ii) *Interest rate risk*

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

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

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

Sensitivity of revenue

	Six months ended 30 June	
	2023	2022
Change in basis points		
+25 basis points	(564,851)	(848,566)
-25 basis points	<u>588,295</u>	<u>846,486</u>

Sensitivity of equity

	30 June	31 December
	2023	2022
Change in basis points		
+25 basis points	(212,309)	(215,762)
-25 basis points	<u>220,478</u>	<u>221,458</u>

(iii) *Currency risk*

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

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

Sensitivity of revenue

Currency	Change in exchange rate	Six months ended 30 June	
		2023	2022
USD	-3%	625,388	588,514
HKD	-3%	<u>(611,254)</u>	<u>(516,878)</u>

Sensitivity of equity

Currency	Change in exchange rate	30 June 2023	31 December 2022
USD	-3%	(398,998)	(327,714)
HKD	-3%	(3,758)	(3,964)

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

The tables below summarise the Group's exposure to foreign currency exchange rate risk as at 30 June 2023 and 31 December 2022. The Group's exposure to RMB is provided in the tables below for comparison purposes. Included in the table are the carrying amounts of the assets and liabilities of the Group in RMB equivalent, categorised by the original currencies.

	As at 30 June 2023				Total
	RMB	USD in RMB equivalent	HKD in RMB equivalent	Other in RMB equivalent	
Net on-balance sheet position	<u>237,063,391</u>	<u>(3,396,975)</u>	<u>21,315,822</u>	<u>7,874,574</u>	<u>262,856,812</u>

	As at 31 December 2022				Total
	RMB	USD in RMB equivalent	HKD in RMB equivalent	Other in RMB equivalent	
Net on-balance sheet position	<u>247,104,460</u>	<u>(19,322,503)</u>	<u>23,403,193</u>	<u>7,186,889</u>	<u>258,372,039</u>

(iv) Price risk

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

As at 30 June 2023, the equity investment accounted for approximately 19.78% of the total assets (as at 31 December 2022: 20.03%).

51 EVENTS AFTER THE REPORTING PERIOD

(a) *Change of substantial shareholder*

CITIC Corporation Limited, the former largest shareholder of the Company, and CITIC Limited, its party acting in concert, gratuitously transferred a total of 2,733,961,712 shares of the Company to CITIC Financial Holdings. On 30 June 2023, the Company received the approval from CSRC regarding the change of the substantial shareholder of the Company. The registration of the gratuitous transfer of A shares involved in the above share transfer of the Company was completed on 26 July 2023, and the transfer of H shares in the above share transfer was completed on 24 August 2023. After the completion of the gratuitous transfer, CITIC Financial Holdings held 2,299,650,108 A shares of the Company and 434,311,604 H shares of the Company, totaling 2,733,961,712 shares of the Company, accounting for 18.45% of the total issued shares of the Company.

(b) *Issuance of medium term notes*

As at 13 July 2023, CSI MTN Limited, a subsidiary of the wholly-owned subsidiary of the Company, CITIC Securities International Company Limited (“CITIC Securities International”), issued an overseas medium term note in RMB amounting to RMB2.5 billion and was guaranteed by CITIC Securities International.

During the period from 17 July 2023 to 18 August 2023, CSI MTN Limited, a subsidiary of the wholly-owned subsidiary of the Company, CITIC Securities International, issued six overseas medium term notes in USD amounting totally to USD105.90 million and were guaranteed by CITIC Securities International.

As at 28 July 2023, CSI MTN Limited, a subsidiary of the wholly-owned subsidiary of the Company, CITIC Securities International, issued an overseas medium term note in HKD amounting to HKD1 billion and was guaranteed by CITIC Securities International.

(c) *Profit Distribution*

According to the 2022 Profit Distribution Plan passed in the Company’s 2022 Annual General Meeting of the Shareholders held on 28 June 2023, the Company declared cash dividends on its profit for the year ended 31 December 2022. The cash dividend distributions of the Company were completed on 25 August 2023.

52 APPROVAL OF THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

The interim financial information was approved and authorised for issue by the Board of Directors on 29 August 2023.

IX. DOCUMENTS AVAILABLE FOR INSPECTION

Financial statements signed by the head of the Company, the Chief Financial Officer and the head of the accounting department and chopped with the official chop of the Company. The original copy of the audit report with chops of the accounting firm and signatures and chops of CPAs.

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

Interim reports published in other stock exchanges.

The Articles of Association of the Company.

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

Beijing, China
29 August 2023

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

APPENDIX: INDEX OF INFORMATION DISCLOSURE

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

No.	Date of Publication	Subject Matter
1	2023-01-04	Monthly Return on Movements in Securities of CITIC Securities for December 2022
2	2023-01-12	Announcement on the Entering into the Supplemental Agreement of the Tripartite Supervision Agreement for the Deposit of Raised Funds in Designated Account of CITIC Securities Company Limited
3	2023-01-13	Announcement on the Preliminary Financial Data for the Year 2022 of CITIC Securities Company Limited
4	2023-01-19	Announcement on the Issuance of Medium-term Notes by Indirect Subsidiary and Guarantee Provided by Wholly-owned Subsidiary of CITIC Securities Company Limited
5	2023-01-20	Announcement on Amendments to the Articles of Association of CITIC Securities Company Limited
6		Announcement on the Resolutions Passed at the Second Meeting of the Eighth Session of the Board of CITIC Securities Company Limited
7	2023-01-31	Announcement on the Issuance of Debt Financing Instruments by Indirect Subsidiary and Guarantee Provided by the Company and Wholly-owned Subsidiary of CITIC Securities Company Limited
8	2023-02-04	Monthly Return on Movements in Securities of CITIC Securities for January 2023
9	2023-02-09	Announcement on Preliminary Financial Data of China AMC for the Year 2022 of CITIC Securities Company Limited
10	2023-02-11	Announcement on H Shares of CITIC Securities Company Limited — Update on the Qualifications of Company Secretary and Resignation of Joint Company Secretary
11	2023-02-17	Documents of the 2023 First Extraordinary General Meeting of CITIC Securities Company Limited
12		Notice on Convening of the 2023 First Extraordinary General Meeting of CITIC Securities Company Limited
13	2023-02-22	Announcement on the Guarantee for Indirect Wholly-owned Subsidiary's Plan of Issuing Euro-commercial Papers and Medium-term Notes by CITIC Securities Company Limited
14	2023-02-25	Announcement on the Approval of the China Securities Regulatory Commission for the Registration of Public Issuance of Perpetual Subordinated Corporate Bonds to Professional Investors of CITIC Securities Company Limited
15		Independent Opinions of Independent Non-executive Directors of the Eighth Session of the Board of Directors of CITIC Securities Company Limited on Appointments of Chief Risk Officer
16		Announcement on the Resolutions Passed at the Third Meeting of the Eighth Session of the Board of CITIC Securities Company Limited
17	2023-03-02	Announcement on Completion of Industrial and Commercial Registration of an Asset Management Subsidiary of CITIC Securities Company Limited
18		Monthly Return on Movements in Securities of CITIC Securities for February 2023
19	2023-03-10	The Articles of Association of CITIC Securities Company Limited (2023 Revision)
20		Legal Opinions of Beijing Jia Yuan Law Offices on the 2023 First Extraordinary General Meeting of CITIC Securities Company Limited
21		Announcement on the Resolutions of the 2023 First Extraordinary General Meeting of CITIC Securities Company Limited
22	2023-03-13	Indicative Announcement on Increase in Shareholding of Shareholders and Changes in Shareholders' Equity of CITIC Securities Company Limited
23	2023-03-17	Notification of Board Meeting
24	2023-03-22	Announcement on the Issuance of Medium-term Notes by Indirect Subsidiary and Guarantee Provided by Wholly-owned Subsidiary of CITIC Securities Company Limited
25	2023-03-24	Announcement on Convening of the 2022 Annual Results Presentation of CITIC Securities Company Limited
26	2023-03-31	2022 Special Verification Report of Tianfeng Securities Co., Ltd. and China Post Securities Co., Ltd. on the Deposit and Actual Use of Proceeds of CITIC Securities Company Limited
27		Annual Report of the Continuous Supervision by Tianfeng Securities Co., Ltd. and China Post Securities Co., Ltd. on CITIC Securities Company Limited for 2022
28		2022 Special Report and Assurance Report on the Deposit and Actual Use of Proceeds of CITIC Securities Company Limited

No.	Date of Publication	Subject Matter
29		2022 Special Report on the Deposit and Actual Use of Proceeds of CITIC Securities Company Limited
30		Announcement on the Resolutions Passed at the Second Meeting of the Eighth Session of the Supervisory Committee of CITIC Securities Company Limited
31		2022 Annual Report of CITIC Securities Company Limited
32		2022 Assessment Report on the Internal Control of CITIC Securities Company Limited
33		Special Statement Regarding the Appropriation of Funds by Largest Shareholder and Other Related Parties of CITIC Securities Company Limited for the Year Ended 31 December 2022
34		Report on the Audit Committee of the Board on the Performance of Duties in 2022 of CITIC Securities Company Limited
35		Audit Report on the Internal Control as at 31 December 2022 of CITIC Securities Company Limited
36		2022 Financial Statements and Audit Report of CITIC Securities Company Limited
37		Duty Performance Report of Independent Non-executive Directors for 2022 of CITIC Securities Company Limited
38		2022 Social Responsibility Report of CITIC Securities
39		Summary of the 2022 Annual Report of CITIC Securities Company Limited
40		Announcement on the Estimation of Financing Guarantee of the Company in 2023 of CITIC Securities Company Limited
41		Announcement on the Estimation of Related Party/Continuing Connected Transactions Contemplated in the Ordinary Course of Business of CITIC Securities Company Limited in 2023
42		Announcement on Profit Distribution Plan of CITIC Securities Company Limited
43		Special Remarks and Independent Opinions of the Independent Non-executive Directors of the Eighth Session of the Board on Relevant Matters at the Fourth Meeting of the Eighth Session of the Board of CITIC Securities Company Limited
44		Announcement on the Resolutions Passed at the Fourth Meeting of the Eighth Session of the Board of CITIC Securities Company Limited
45	2023-04-04	Monthly Return on Movements in Securities of CITIC Securities for March 2023
46	2023-04-05	Announcement on the Guarantee for Indirect Wholly-owned Subsidiary Issuing Euro-commercial Papers by CITIC Securities Company Limited
47	2023-04-14	Notification of Board Meeting
48	2023-04-26	Announcement on the Issuance of Medium-term Notes by Indirect Subsidiary and Guarantee Provided by Wholly-owned Subsidiary of CITIC Securities Company Limited
49	2023-04-28	Announcement on Changes in the Accounting Policies of CITIC Securities Company Limited
50		The Working Rules of the Management Committee of CITIC Securities Company Limited
51		Announcement on the Resolutions Passed at the Fifth Meeting of the Eighth Session of the Board of CITIC Securities Company Limited
52		2023 First Quarterly Results of CITIC Securities Company Limited
53	2023-05-05	Monthly Return on Movements in Securities of CITIC Securities for April 2023
54	2023-05-13	Announcement on the Change of the Accounting Firms of CITIC Securities Company Limited
55		Prior Approvals and Opinions of the Independent Non-executive Directors of the Eighth Session of the Board of CITIC Securities Company Limited on the Change of the Accounting Firms
56		Independent Opinions of the Independent Non-executive Directors of the Eighth Session of the Board of CITIC Securities Company Limited on the Change of the Accounting Firms
57		Announcement on the Resolutions Passed at the Sixth Meeting of the Eighth Session of the Board of CITIC Securities Company Limited
58	2023-05-16	Announcement on the Guarantee for the Euro-commercial Papers Plan of an Indirect Wholly-owned Subsidiary by CITIC Securities Company Limited
59	2023-05-31	Rules of Procedures of the Remuneration and Appraisal Committee of the Board of CITIC Securities Company Limited
60		Rules of Procedures of the Nomination Committee of the Board of CITIC Securities Company Limited
61		Measures of CITIC Securities Company Limited for the Management of the Holdings in the Shares of CITIC Securities Company Limited by Directors, Supervisors and Senior Management and Relevant Changes
62		Announcement on the Resolutions Passed at the Seventh Meeting of the Eighth Session of the Board of CITIC Securities Company Limited
63	2023-06-02	Monthly Return on Movements in Securities of CITIC Securities for May 2023
64		Announcement on the Issuance of Medium-term Notes by Indirect Subsidiary and Guarantee Provided by Wholly-owned Subsidiary of CITIC Securities Company Limited

No.	Date of Publication	Subject Matter
65	2023-06-06	Announcement on the Issuance of Medium-term Notes by Indirect Subsidiary and Guarantee Provided by Wholly-owned Subsidiary of CITIC Securities Company Limited
66	2023-06-07	Documents of the 2022 Annual General Meeting of CITIC Securities Company Limited
67		Notice on Convening of the 2022 Annual General Meeting of CITIC Securities Company Limited
68	2023-06-15	Announcement on H Shares of CITIC Securities Company Limited — Connected Transaction — Progress of the Capital Contribution to the Partnership of Suzhou Xincheng
69		Independent Opinions of Independent Non-executive Directors of the Eighth Session of the Board of CITIC Securities Company Limited on Changing the External Investment Amount of Subsidiaries
70		Prior Approvals and Opinions of the Independent Non-executive Directors of the Eighth Session of the Board of CITIC Securities Company Limited on Changing the External Investment Amount of Subsidiaries
71		Announcement on the Resolutions Passed at the Eighth Meeting of the Eighth Session of the Board of CITIC Securities Company Limited
72	2023-06-20	Announcement on the Issuance of Medium-term Notes by Indirect Subsidiary and Guarantee Provided by Wholly-owned Subsidiary of CITIC Securities Company Limited
73	2023-06-27	Announcement on the Guarantee for Indirect Wholly-owned Subsidiary's Plan of Issuing Medium-term Notes by CITIC Securities Company Limited
74	2023-06-29	Legal Opinions of Beijing Jia Yuan Law Offices on the 2022 Annual General Meeting of CITIC Securities Company Limited
75		Announcement on the Resolutions of the 2022 Annual General Meeting of CITIC Securities Company Limited

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

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

No.	Date of Publication	Subject Matter
1	2023-01-02	Overseas Regulatory Announcement — Independent Opinions of Independent Non-executive Directors of the Eighth Session of the Board of CITIC Securities Company Limited on Appointments of Senior Management of the Company
2		Overseas Regulatory Announcement — Announcement on the Approval of the China Securities Regulatory Commission for Establishing an Asset Management Subsidiary of CITIC Securities Company Limited
3	2023-01-03	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended 31 December 2022
4	2023-01-11	Overseas Regulatory Announcement — Announcement on the Entering into the Supplemental Agreement of the Tripartite Supervision Agreement for the Deposit of Raised Funds in Designated Accounts of CITIC Securities Company Limited
5	2023-01-12	Preliminary Financial Data for the Year 2022
6	2023-01-18	Overseas Regulatory Announcement — Announcement on the Issuance of Medium-term Notes by Indirect Subsidiary and Guarantee Provided by Wholly-owned Subsidiary of CITIC Securities Company Limited
7	2023-01-19	Additional Proposed Amendments to the Articles of Association
8		Announcement on the Resolutions Passed at the Second Meeting of the Eighth Session of the Board
9		Overseas Regulatory Announcement — Announcement on Amendments to the Articles of Association of CITIC Securities Company Limited
10	2023-01-30	Overseas Regulatory Announcement — Announcement on the Issuance of Debt Financing Instruments by Indirect Subsidiary and Guarantee Provided by the Company and Wholly-owned Subsidiary of CITIC Securities Company Limited
11	2023-02-03	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended 31 January 2023
12	2023-02-08	Voluntary Announcement — Preliminary Financial Data of China AMC for the Year 2022
13	2023-02-10	Announcement — Update on the Qualifications of Company Secretary and Resignation of Joint Company Secretary
14	2023-02-16	Proposed Amendments to the Articles of Association; Proposed Amendments to Certain Rules of Procedures; and Notice of 2023 First Extraordinary General Meeting
15		Notice of 2023 First Extraordinary General Meeting
16		Proxy Form
17		Notification Letter to Registered Shareholders — Notice of Publication of Circular, Notice and Proxy Form of 2023 First Extraordinary General Meeting and Change Request Form
18		Notification Letter to Non-registered Holders — Notice of Publication of Circular and Notice of 2023 First Extraordinary General Meeting and Request Form
19	2023-02-21	Overseas Regulatory Announcement — Announcement on the Guarantee for Indirect Wholly-owned Subsidiary's Plan of Issuing Euro-commercial Papers and Medium-term Notes by CITIC Securities Company Limited
20	2023-02-24	Announcement — Change of Chief Risk Officer
21		Overseas Regulatory Announcement — Independent Opinions of Independent Non-executive Directors of the Eighth Session of the Board of Directors of CITIC Securities Company Limited on Appointments of Chief Risk Officer
22		Overseas Regulatory Announcement — Announcement on the Approval of the China Securities Regulatory Commission for the Registration of Public Issuance of Perpetual Subordinated Corporate Bonds to Professional Investors of CITIC Securities Company Limited
23	2023-03-01	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended 28 February 2023
24		Overseas Regulatory Announcement — Announcement on Completion of Industrial and Commercial Registration of an Asset Management Subsidiary of CITIC Securities Company Limited
25	2023-03-09	Announcement — Poll Results of the 2023 First Extraordinary General Meeting
26		The Articles of Association of the Company
27		Overseas Regulatory Announcement — Legal Opinions of Jia Yuan Law Offices on the 2023 First Extraordinary General Meeting of CITIC Securities Company Limited
28	2023-03-12	Overseas Regulatory Announcement — Indicative Announcement on Increase in Shareholding of Shareholders and Changes in Shareholders' Equity by CITIC Securities Company Limited
29	2023-03-16	Notification of Board Meeting

No.	Date of Publication	Subject Matter
30	2023-03-21	Overseas Regulatory Announcement — Announcement on the Issuance of Medium-term Notes by Indirect Subsidiary and Guarantee Provided by Wholly-owned Subsidiary of CITIC Securities Company Limited
31	2023-03-23	Voluntary Announcement — Convening of the 2022 Annual Results Presentation
32	2023-03-30	2022 Annual Results Announcement
33		Final Dividend for the Year Ended 31 December 2022
34		2022 Social Responsibility Report
35		Overseas Regulatory Announcement — Announcement on the Resolutions Passed at the Fourth Meeting of the Eighth Session of the Board of CITIC Securities Company Limited
36		Overseas Regulatory Announcement — Announcement on the Resolutions Passed at the Second Meeting of the Eighth Session of the Supervisory Committee of CITIC Securities Company Limited
37		Overseas Regulatory Announcement — Announcement on the Estimation of Related Party/ Continuing Connected Transactions Contemplated in the Ordinary Course of Business of CITIC Securities Company Limited in 2023
38		Overseas Regulatory Announcement — 2022 Assessment Report on the Internal Control of CITIC Securities Company Limited
39		Overseas Regulatory Announcement — Audit Report on the Internal Control of 31 December 2022 of CITIC Securities Company Limited
40		Overseas Regulatory Announcement — Special Statement Regarding the Appropriation of Funds by Largest Shareholder and Other Related Parties of CITIC Securities Company Limited
41		Overseas Regulatory Announcement — Special Remarks and Independent Opinions of the Independent Non-executive Directors of the Eighth Session of the Board on Relevant Matters at the Fourth Meeting of the Eighth Session of the Board of CITIC Securities Company Limited
42		Overseas Regulatory Announcement — Report on the Audit Committee of the Board on the Performance of Duties in 2022 of CITIC Securities Company Limited
43		Overseas Regulatory Announcement — Duty Performance Report of Independent Non-executive Directors for 2022 of CITIC Securities Company Limited
44		Overseas Regulatory Announcement — Announcement on Profit Distribution Plan of CITIC Securities Company Limited
45		Overseas Regulatory Announcement — Announcement on the Estimation of Financing Guarantee of the Company in 2023 of CITIC Securities Company Limited
46		Overseas Regulatory Announcement — 2022 Special Report on the Deposit and Actual Use of Proceeds of CITIC Securities Company Limited
47		Overseas Regulatory Announcement — 2022 Special Report and Assurance Report on the Deposit and Actual Use of Proceeds of CITIC Securities Company Limited
48		Overseas Regulatory Announcement — 2022 Special Verification Report of Tianfeng Securities Co., Ltd. and China Post Securities Co., Ltd. on the Deposit and Actual Use of Proceeds of CITIC Securities Company Limited
49		Overseas Regulatory Announcement — Annual Report of the Continuous Supervision by Tianfeng Securities Co., Ltd. and China Post Securities Co., Ltd. on CITIC Securities Company Limited for 2022
50	2023-04-03	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended 31 March 2023
51	2023-04-04	Overseas Regulatory Announcement — Announcement on the Guarantee for Indirect Wholly-owned Subsidiary Issuing Euro-commercial Papers by CITIC Securities Company Limited
52	2023-04-13	Notification of Board Meeting
53	2023-04-24	Final Dividend for the Year Ended 31 December 2022 (updated)
54	2023-04-25	2022 Annual Report
55		Notification Letter to Registered Holders — Notice of Publication of 2022 Annual Report and 2022 Social Responsibility Report and Change Request Form
56		Notification Letter to Non-Registered Holders — Notice of Publication of 2022 Annual Report and 2022 Social Responsibility Report and Request Form
57		Overseas Regulatory Announcement — Announcement on the Issuance of Medium-term Notes by Indirect Subsidiary and Guarantee Provided by Wholly-owned Subsidiary of CITIC Securities Company Limited
58	2023-04-27	2023 First Quarterly Results
59		Overseas Regulatory Announcement — Announcement on the Resolutions Passed at the Fifth Meeting of the Eighth Session of the Board of CITIC Securities Company Limited
60		Overseas Regulatory Announcement — The Working Rules of the Management Committee of CITIC Securities Company Limited

No.	Date of Publication	Subject Matter
61		Overseas Regulatory Announcement — Announcement on Changes in the Accounting Policies of CITIC Securities Company Limited
62		Changes of the Company Secretary and Authorised Representative; Waiver from Strict Compliance with Rule 3.28 and Rule 8.17 of the Hong Kong Listing Rules
63	2023-05-04	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended 30 April 2023
64	2023-05-12	Proposed Change of Auditors
65		Overseas Regulatory Announcement — Announcement on the Resolutions Passed at the Sixth Meeting of the Eighth Session of the Board of CITIC Securities Company Limited
66		Overseas Regulatory Announcement — Announcement on Change of Auditors of CITIC Securities Company Limited
67		Overseas Regulatory Announcement — Prior Approvals and Opinions of the Independent Non-executive Directors of the Eighth Session of the Board on Change of Auditors of CITIC Securities Company Limited
68		Overseas Regulatory Announcement — Independent Opinions of the Independent Non-executive Directors of the Eighth Session of the Board on Change of Auditors of CITIC Securities Company Limited
69	2023-05-15	Overseas Regulatory Announcement — Announcement on the Guarantee for the Euro-commercial Papers Plan of an Indirect Wholly-owned Subsidiary by CITIC Securities Company Limited
70	2023-05-30	Rules of Procedures of the Nomination Committee of the Board of Directors
71		Rules of Procedures of the Remuneration and Appraisal Committee of the Board of Directors
72		Overseas Regulatory Announcement — Announcement on the Resolutions Passed at the Seventh Meeting of the Eighth Session of the Board of CITIC Securities Company Limited
73		Overseas Regulatory Announcement — the Measures for the Management of the Holdings in the Shares of CITIC Securities Company Limited by Directors, Supervisors and Senior Management and Relevant Changes
74	2023-06-01	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended 31 May 2023
75		Overseas Regulatory Announcement — Announcement on the Issuance of Medium-term Notes by Indirect Subsidiary and Guarantee Provided by Wholly-owned Subsidiary of CITIC Securities Company Limited
76	2023-06-05	Overseas Regulatory Announcement — Announcement on the Issuance of Medium-term Notes by Indirect Subsidiary and Guarantee Provided by Wholly-owned Subsidiary of CITIC Securities Company Limited
77	2023-06-06	Work Report of the Board; Work Report of the Supervisory Committee; 2022 Annual Report; 2022 Profit Distribution Plan; Change of Accounting Firms; Resolution on the Estimated Investment Amount for the Proprietary Business of the Company for 2023; 2023 Financing Guarantee Plan; Resolution on the Distributed Total Remuneration of the Directors and the Supervisors of the Company for 2022; Resolution on Estimation of Related Party/Continuing Connected Transactions Contemplated in the Ordinary Course of Business of the Company in 2023; and Notice of the Annual General Meeting
78		Notice of the Annual General Meeting
79		Proxy Form
80		Notification Letter to Registered Shareholders — Notice of Publication of Circular, Notice and Proxy Form of 2022 Annual General Meeting and Change Request Form
81		Notification Letter to Non-Registered Holders — Notice of Publication of Circular and Notice of 2022 Annual General Meeting
82		Final Dividend for the Year Ended 31 December 2022 (updated)
83	2023-06-14	Connected Transaction — Progress of the Capital Contribution to the Partnership of Suzhou Xincheng
84		Overseas Regulatory Announcement — Announcement on Resolutions Passed at the Eighth Meeting of the Eighth Session of the Board of Directors of CITIC Securities Company Limited
85		Overseas Regulatory Announcement — Independent Opinions of Independent Non-executive Directors of the Eighth Session of the Board of CITIC Securities Company Limited on Changing the External Investment Amount of Subsidiaries
86		Overseas Regulatory Announcement — Prior Approvals and Opinions of the Independent Non-executive Directors of the Eighth Session of the Board of CITIC Securities Company Limited on Changing the External Investment Amount of Subsidiaries
87		Final Dividend for the Year Ended 31 December 2022 (updated)
88	2023-06-19	Overseas Regulatory Announcement — Announcement on the Issuance of Medium-term Notes by Indirect Subsidiary and Guarantee Provided by Wholly-owned Subsidiary of CITIC Securities Company Limited

No.	Date of Publication	Subject Matter
89	2023-06-26	Overseas Regulatory Announcement — Announcement on the Guarantee for Indirect Wholly-owned Subsidiary’s Plan of Issuing Medium-term Notes by CITIC Securities Company Limited
90	2023-06-28	Announcement — Poll Results of the 2022 Annual General Meeting and Payment of the 2022 Final Dividend
91		Final Dividend for the Year Ended 31 December 2022 (updated)
92		Overseas Regulatory Announcement — Legal Opinions of Beijing Jia Yuan Law Offices on the 2022 Annual General Meeting of CITIC Securities Company Limited
93	2023-06-30	Overseas Regulatory Announcement — Announcement of Progress of Change in Equity of the Largest Shareholder in CITIC Securities Company Limited