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## **China International Capital Corporation Limited**

**中國國際金融股份有限公司**

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

**(Stock Code: 03908)**

### **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2023**

The board of directors of China International Capital Corporation Limited (the “**Company**”) hereby announces the audited annual results of the Company and its subsidiaries for the year ended December 31, 2023. This announcement, containing the main text of the 2023 annual report of the Company, complies with the relevant requirements of the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* in relation to preliminary announcements of annual results. The printed version of the Company’s 2023 annual report will be despatched to the shareholders of the Company in due course and the Company’s 2023 annual report will be available on the website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.cicc.com](http://www.cicc.com).

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

Beijing, the PRC  
March 28, 2024

*As at the date of this announcement, the Executive Director of the Company is Mr. Chen Liang; the Non-executive Directors are Ms. Zhang Wei, Mr. Kong Lingyan and Mr. Duan Wenwu; and the Independent Non-executive Directors are Mr. Ng Kong Ping Albert, Mr. Lu Zhengfei, Mr. Peter Hugh Nolan and Mr. Zhou Yu.*

# 《 OUR CULTURE 》

## MISSION:

BY THE PEOPLE AND FOR THE NATION  
CHINESE ROOTS AND INTERNATIONAL REACH

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## VISION:

TO BE A RESPECTED, INNOVATION-DRIVEN,  
LEADING GLOBAL INVESTMENT BANK



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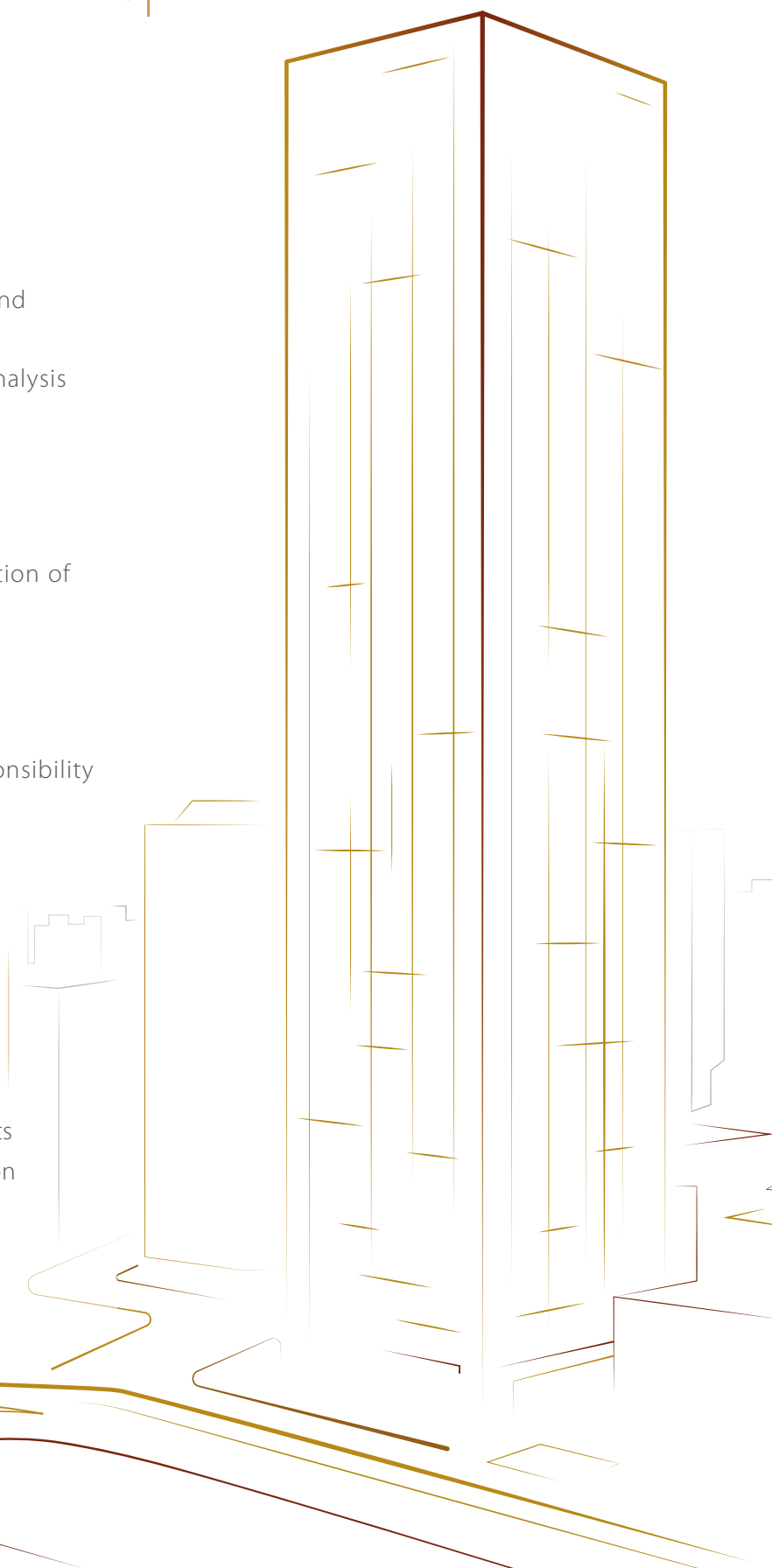
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# DEFINITIONS

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

“Company”, “our Company”, or “CICC”	China International Capital Corporation Limited* (中國國際金融股份有限公司), a joint stock company with limited liability converted from China International Capital Corporation Limited* (中國國際金融有限公司), a Chinese-foreign equity joint venture, on June 1, 2015, whose H Shares are listed on the Hong Kong Stock Exchange (Stock Code: 03908) and A Shares are listed on the Shanghai Stock Exchange (Stock Code: 601995)
“Group”, “our Group” or “we”	our Company and its subsidiaries (or with reference to the context, our Company and anyone or more of its subsidiaries)
“Articles of Association”	the <i>Articles of Association of China International Capital Corporation Limited</i>
“Ministry of Finance” or “MOF”	the Ministry of Finance of the PRC* (中華人民共和國財政部)
“CSRC”	the China Securities Regulatory Commission* (中國證券監督管理委員會)
“SFC”	the Securities and Futures Commission of Hong Kong (香港證券及期貨事務監察委員會)
“SSE”	the Shanghai Stock Exchange* (上海證券交易所)
“Beijing Stock Exchange”	the Beijing Stock Exchange* (北京證券交易所)
“Hong Kong Stock Exchange” or “HKEX”	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“Central Bank” or “People’s Bank of China”	the People’s Bank of China* (中國人民銀行), the central bank of the PRC
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited
“CICC Capital”	CICC Capital Management Co., Ltd.* (中金資本運營有限公司), a company incorporated in the PRC in March 2017 and a wholly-owned subsidiary of our Company
“CICC Fund Management”	CICC Fund Management Co., Ltd.* (中金基金管理有限公司), a company incorporated in the PRC in February 2014 and a wholly-owned subsidiary of our Company

"CICC Private Equity" or "CICC Private"	CICC Private Equity Management Co., Ltd.* (中金私募股權投資管理有限公司), a company incorporated in the PRC in October 2020 and a wholly-owned subsidiary of our Company
"CICC Futures"	CICC Futures Co., Ltd.* (中金期貨有限公司), a company incorporated in the PRC in July 2004 and a wholly-owned subsidiary of our Company
"CICC Wealth Management" or "CICC Wealth Management Securities"	China CICC Wealth Management Securities Company Limited* (中國中金財富證券有限公司), formerly known as China Investment Securities Company Limited* (中國中投證券有限責任公司), a company incorporated in the PRC in September 2005, which was renamed as China CICC Wealth Management Securities Company Limited in August 2019, and a wholly-owned subsidiary of our Company
"China Investment LuckyStone"	China Investment LuckyStone Management Co. Ltd.* (中金瑞石投資管理有限責任公司), formerly known as CISC Luckystone Investment Management Co., Ltd.* (中投瑞石投資管理有限責任公司), a company incorporated in the PRC in September 2009, which was renamed as China Investment LuckyStone Management Co. Ltd. in July 2021, and a wholly-owned subsidiary of CICC Wealth Management Securities
"CICC Pucheng"	CICC Pucheng Investment Co., Ltd.* (中金浦成投資有限公司), a company incorporated in the PRC in April 2012 and a wholly-owned subsidiary of our Company
"CICC International"	China International Capital Corporation (International) Limited* (中國國際金融(國際)有限公司), formerly known as China International Capital Corporation (Hong Kong) Limited* (中國國際金融(香港)有限公司), a company incorporated in Hong Kong in April 1997, which was renamed as China International Capital Corporation (International) Limited in June 2022, and a wholly-owned subsidiary of our Company
"CICC HK Securities"	China International Capital Corporation Hong Kong Securities Limited* (中國國際金融香港證券有限公司), a company incorporated in Hong Kong in March 1998 and a wholly-owned subsidiary of CICC International
"CICC HK AM"	China International Capital Corporation Hong Kong Asset Management Limited* (中國國際金融香港資產管理有限公司), a company incorporated in Hong Kong in December 2005 and a wholly-owned subsidiary of CICC International
"CICC HK Futures"	China International Capital Corporation Hong Kong Futures Limited* (中國國際金融香港期貨有限公司), a company incorporated in Hong Kong in August 2010 and a wholly-owned subsidiary of CICC International

“CICC (Singapore)”	China International Capital Corporation (Singapore) Pte. Limited, a company incorporated in Singapore in July 2008 and a wholly-owned subsidiary of CICC International
“A Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is (are) subscribed for and traded in RMB and listed on the SSE
“H Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is (are) subscribed for and traded in HK dollars and listed on the Hong Kong Stock Exchange
“A Share Offering and Listing”	the initial public offering of RMB ordinary shares (A Shares) and listing on the SSE of the Company
“Main Board”	the Main Board of the Shanghai Stock Exchange or the Shenzhen Stock Exchange
“ChiNext board”	the ChiNext board of the Shenzhen Stock Exchange
“STAR Market”	Sci-Tech innovation board of the Shanghai Stock Exchange
“NEEQ”	The National Equities Exchange and Quotations (全國中小企業股份轉讓系統)
“Securities Law”	the <i>Securities Law of the PRC*</i> (中華人民共和國證券法)
“SFO”	the <i>Securities and Futures Ordinance</i> (Chapter 571 of the Laws of Hong Kong)
“Company Law”	the <i>Company Law of the PRC*</i> (中華人民共和國公司法)
“IFRSs”	the International Financial Reporting Standards, which include standards, amendments and interpretations promulgated by the International Accounting Standards Board and the International Accounting Standards (IAS) and interpretations issued by the International Accounting Standards Committee (IASC)
“CASs”	Chinese Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC and other relevant requirements
“Model Code”	the <i>Model Code for Securities Transactions by Directors of Listed Issuers</i> set out in Appendix C3 to the <i>Listing Rules of the Stock Exchange</i>
“Corporate Governance Code”	the <i>Corporate Governance Code</i> set out in Appendix C1 to the <i>Listing Rules of the Stock Exchange</i>

“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each
“connected person(s)”	has the same meaning ascribed to it under the <i>Listing Rules of the Stock Exchange</i>
“Listing Rules of the Stock Exchange”	the <i>Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited</i>
“Listing Rules of the SSE”	the <i>Rules Governing the Listing of Stocks on the Shanghai Stock Exchange</i> , together with the <i>Listing Rules of the Stock Exchange</i> , are referred to as the “Listing Rules”
“Acquisition”	the acquisition by our Company of 100% equity interest of Former CISC (now renamed as CICC Wealth Management) from Huijin pursuant to the Equity Transfer Agreement
“Equity Transfer Agreement”	the equity transfer agreement entered into between our Company and Huijin dated November 4, 2016, pursuant to which our Company has agreed to purchase and Huijin has agreed to sell 100% of the equity interest of Former CISC (now renamed as CICC Wealth Management)
“Net capital”	net capital refers to net assets after risk adjustments on certain types of assets as defined in the <i>Provisions on the Calculation Basis for Risk Control Indicators of Securities Companies</i>
“FICC”	fixed income, commodities and currency
“ETF(s)”	exchange-traded fund(s)
“FoF”	Fund of Fund
“REIT(s)”	real estate investment trust(s)
“NSSF”	the National Council for Social Security Fund of the PRC* (中國全國社會保障基金理事會)
“CSDC”	China Securities Depository and Clearing Corporation Limited* (中國證券登記結算有限責任公司)

“Huijin”, “Huijin Company” or “Central Huijin”	Central Huijin Investment Ltd.* (中央匯金投資有限責任公司), a wholly state-owned company ultimately owned by the PRC Government and a Shareholder of our Company
“Jianyin Investment”	China Jianyin Investment Limited* (中國建銀投資有限責任公司), a company incorporated in the PRC in June 1986 and a wholly-owned subsidiary of Huijin and a Shareholder of our Company
“JIC Investment”	JIC Investment Co., Ltd.* (建投投資有限責任公司), a company incorporated in the PRC in October 2012 and a wholly-owned subsidiary of Jianyin Investment and a Shareholder of our Company
“China Investment Consulting”	China Investment Consulting Co., Ltd.* (中國投資諮詢有限責任公司), a company incorporated in the PRC in March 1986 and a wholly-owned subsidiary of Jianyin Investment and a Shareholder of our Company
“Haier Jinying”	Haier Group (Qingdao) Jinying Holding Co., Ltd.* (海爾集團(青島)金盈控股有限公司), formerly known as Haier Group (Qingdao) Financial Holdings Ltd.* (海爾集團(青島)金融控股有限公司), a company incorporated in the PRC in February 2014 and a Shareholder of our Company
“I&G”	China National Investment and Guaranty Corporation* (中國投融資擔保股份有限公司), a company incorporated in the PRC in December 1993 and a Shareholder of our Company
“Tencent”	Tencent Holdings and its subsidiaries
“Tencent Holdings”	Tencent Holdings Limited, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the Hong Kong Stock Exchange (Stock Code: 00700 (HKD counter) and 80700 (RMB counter))
“Jinteng Technology”	Jinteng Technology Information (Shenzhen) Co., Ltd.* (金騰科技信息(深圳)有限公司), a company incorporated in the PRC in June 2020 and a joint venture of the Company and Tencent Technology (Shenzhen) Co., Ltd.* (騰訊數碼(深圳)有限公司)
“Tencent Mobility Limited”	Tencent Mobility Limited, a company incorporated in Hong Kong with limited liability, a wholly-owned subsidiary of Tencent Holdings and a Shareholder of our Company
“PRC” or “China”	the People’s Republic of China
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC



“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“HK\$”, “HKD” or “HK dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$” or “USD”	United States dollars, the lawful currency of the United States
“Latest Practicable Date”	March 28, 2024
“Reporting Period”	the period from January 1, 2023 to December 31, 2023

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

# IMPORTANT NOTES

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

<b>Name</b>	<b>Position</b>	<b>Reason of Not Attending in Person</b>	<b>Name of Proxy</b>
Duan Wenwu	Non-executive Director	Other Work Arrangement	Zhang Wei

- III. The financial statements for 2023 prepared by our Company according to the IFRSs have been audited by Deloitte Touche Tohmatsu, who has expressed unqualified opinions on those financial statements.
- IV. The profit distribution plan or the plan for converting reserve into share capital resolved and approved by the Board of Directors during the Reporting Period

The Company will adopt the method of cash dividend payment to its Shareholders for its 2023 profit distribution. The total proposed cash dividends to be distributed is RMB868,906,236.24 (tax-inclusive). On the basis of 4,827,256,868 Shares in issuance of the Company as at the Latest Practicable Date, the cash dividends of RMB1.80 (tax-inclusive) per 10 Shares will be distributed. In case of any changes in the total share capital of the Company before the record date to distribute profit, the amount of cash dividend per Share will be adjusted within the total amount of RMB868,906,236.24 (tax-inclusive). The above profit distribution plan shall be submitted to the annual general meeting of the Company for consideration and approval.

- V. Statement for the risks involved in the forward-looking statement

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

- VI. No appropriation of funds on a non-operating basis by the Company's controlling shareholder or other related parties has occurred.

- VII. The Company did not provide any external guarantee in violation of the decision-making procedures.
- VIII. The business operations of our Company are closely related to the macro economy, monetary policy and market conditions in China and other jurisdictions where our businesses are operated. Any fluctuation in China's and international capital markets will affect the Company's business performance.

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

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

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

# MESSAGE FROM OUR CHAIRMAN

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## **DEAR SHAREHOLDERS,**

The year 2023 marks the commencement of fully embracing the spirit of the 20th CPC National Congress, and signifies the 28th milestone year of CICC's journey. Guided by Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era, CICC diligently studied and implemented the spirit of the 20th CPC National Congress and the Central Financial Work Conference. We embraced the responsibility of financial service for the nation and by the people, achieving high-quality development.

Adhering to the new development philosophy, we actively served the real economy and the national agenda. Following the "Eight Adherences" in financial work, we prioritized major responsibilities and core businesses, and provided comprehensive services for the financing needs of real economy by leveraging our strengths in equity and debt financing, mergers and acquisitions, equity investment, etc., contributing RMB9.8 trillion to direct social financing throughout the year, effectively serving the real economy.

With unity and determination, we tackled challenging market conditions and industry complexities. The Company pursued high-quality development, with steady progress across all business lines. Additionally, the control functions of middle and back offices were further strengthened, while the cohesiveness and creativity of the talent pool continued to improve, further solidifying the foundation for long-term development.

Reflecting on China's capital market development and our 28 years of history, we revisited our original mission. Drawing wisdom from history, we summarized the core spirit of CICC, set the goal to build a first-class investment bank, and will forge ahead to create new brilliance.

Looking at the general trend, we are confident about the industry's prospects. Despite the increasing complexity, severity and uncertainty of the current external environment, the resilience and potential of the Chinese economy, along with the people's aspirations and demands for a better life, as well as China's vast unified national market, complete industrial chain system, and the largest number of highly skilled labor force in the world, all providing us with the confidence and strength to achieve development.

In pursuit of mutual development, we unite our hearts and keep advancing ahead. CICC, fueled by dreams, stood at the forefront of the reform and opening-up wave in the 1990s. Today, it is our mission, responsibility, and obligation to pass the aspiration on, and persevere in the pursuit of lofty goals. We pay tribute to history, drawing wisdom and strength from it, and carry forward the core genes that make CICC great. Embracing the future, we strive to seize the opportunity for high-quality development, create new opportunities in challenges, and open new prospects amid changes.

In the new year, we will uphold the original aspiration of "For the Nation", and deepen our roots in China while consolidating our global footprint. We are committed to serving national development, actively thinking and assisting in solving major economic and social development issues for the country, and will accelerate to become a first-class investment bank with international competitiveness. We will maintain our strategic focus, strengthen strategic guidance and empowerment of business development, and ensure the successful execution of the "Three + One" strategic blueprint. Stepping forward steadily and persistently, we will better leverage the hub function of the capital market, actively leverage our strengths and know-how with focus on the five key areas of technology finance, green finance, inclusive finance, pension finance, and digital finance, and follow the path of financial development with Chinese characteristics, making new and greater contributions to the construction of a financial powerhouse!

**Chen Liang**

Chairman

# MESSAGE FROM OUR PRESIDENT

## DEAR SHAREHOLDERS,

**Challenging times are like fire; they test and refine true worth.** The year 2023 marked the beginning of fully implementing the spirit of the 20th CPC National Congress. The overall performance of the Chinese economy improved, and solid steps were taken to build a modern socialist country in all respects. The Central Financial Work Conference outlined the blueprint for building a strong financial nation, and explicitly stressed the imperative of cultivating first-class investment banks and institutions, setting the future direction and goals for securities firms. We are deeply inspired with a greater sense of responsibility.

**Unity leads to victory.** Over the past year, we have always kept in mind the top priorities of the country, focusing on serving as a bridge between the real economy and the capital market, and striving for new breakthroughs and new achievements in advancing high-quality development. As at the end of 2023, total assets of CICC amounted to RMB624,306.6 million; net assets<sup>(note)</sup> amounted to RMB104,603.3 million. Our Group recorded total revenue and other income of RMB35,446.2 million and profit<sup>(note)</sup> of RMB6,156.1 million. The Company keeps advancing ahead with steady steps. In 2023, we ranked second by global equity financing of PRC-based companies and maintained the first place by Hong Kong IPO financing. We remained industry No.1 by the AUM of private equity investment funds and led the industry by advisory-based AUM. We topped the market by QFII trading volume and led the market by fixed income global connectivity and bond connect trading volume.

## BUILDING UPON OUR CORE BUSINESSES, WE CONTINUOUSLY ENHANCE THE QUALITY AND EFFICIENCY OF SERVING THE REAL ECONOMY

As the transformation and upgrade of the national economy accelerate, the demands for direct financing, especially those in the technology sector, has surged. This places higher demands on high-quality capital market services to the real economy under the across-the-board registration-based IPO system. Guided by the fundamental principle of financial services for the real economy, we bolster financial support for major national strategies, key sectors, and vulnerable segments based on our core businesses and expertise. This contributes to the modernization of the industrial system and accelerating the development of new productive forces.

**We vigorously support the innovation-driven development strategy.** We have provided financial support to core enterprises in key areas essential to the country's technological progress. We facilitated transactions for technology companies, with a transaction volume exceeding RMB340 billion. Through growth funds, FoFs, and other means, we have mobilized social capital towards sectors such as industrial internet, cloud computing, artificial intelligence, big data, and blockchain. We established 23 funds focusing on technological innovation and industrial upgrading, with numerous portfolio companies making breakthroughs in core technologies.

**We actively support small and medium-sized enterprises (SMEs).** We actively contributed to expanding the businesses of the Beijing Stock Exchange and the NEEQ, and assisted SMEs in achieving direct financing through IPOs, bond issuance, asset securitization, and other channels, completing transactions totaling over RMB230 billion. We designed new service models for SMEs, with the synergy of "investment banking + banking" model enabling dozens of SMEs to obtain

Note: Net assets refer to total equity attributable to shareholders of the parent company. Profit refers to profit attributable to shareholders of the parent company.

banking facilities. **We serve the strategy of green development and actively promote green finance.** We actively participated in green industry equity and bond financing, and mergers and acquisitions, completing transactions in the green sector exceeding RMB600 billion. We facilitated the establishment of several green-themed funds, strategically covering industries like green energy and new materials, and supporting companies in low-carbon transformation and green development. We are honored to have been invited to participate in the G20 Sustainable Finance Working Group, providing insights for financing and capacity building for global sustainable development goals.

## STABILIZING THE MARKET, WE CONTRIBUTE TO BUILDING A MODERN CAPITAL MARKET WITH CHINESE CHARACTERISTICS

As a state-owned financial institution, we have always considered safeguarding the long-term healthy development of the capital market as our significant responsibility. We actively leverage our expertise in cross-border and cross-market businesses to help activate the capital market, boost investor confidence, and protect investor rights.

**With capital, products, and services, we strive to maintain market stability amidst market fluctuations and uncertainties.** We increased holdings of equity shares in mutual funds through principal investment and leveraged financial instruments such as OTC options trading and ETF market making to maintain market liquidity and activity. We actively explored markets in the Middle East and other Belt and Road countries, successfully introducing long-term capital from the Middle East into several important projects, contributing to market stability. Additionally, we actively developed China's unique index system and index-based investments, mediating long-term funds into the market. We launched a series of index products in the secondary market, such as the "CSHT.WI", which effectively enhances the value of companies in strategic Hard & Core Technology fields such as smart manufacturing and aerospace, while also providing investors with financial products of long-term investment value.

**Providing objective interpretation, value discovery, and in-depth research, we actively convey the value of A shares, guiding market understanding of the long-term resilience and huge development potential of China's economy through professional interpretation.** Since 2023, we have published over 18,000 reports, ranking first in the market by quantity, and covering over 1,800 stocks. These reports presented the long-term value of A shares to the market, effectively stabilizing market expectations. At the same time, we leveraged platform and research advantages to conduct systematic research on major issues in economic and social development. Focusing on the real economy, we held the 2023 Specialization and Innovation Forum, and released a series of in-depth research results closely following the times, such as *Industry Chains of a Large Economy* (《大國產業鏈》) and *Belt and Road Initiative at Ten* (《「一帶一路」新十年》). We promoted China's advantages as an ultra-large unified market and long-term growth potential through various high-end forums.

**With professionalism, focus, and dedication, we leverage the expertise of investment banking to facilitate smoother and more efficient industrial restructuring through debt restructuring.**

CICC has been focused on the field of debt restructuring for a long time. We have actively participated in the top-level design of debt restructuring and contributed to fostering the “market-oriented” and “law-based” debt restructuring system. In 2023, we completed projects involving a debt scale of approximately RMB667 billion, introducing over RMB70 billion of funds, and safeguarding about 38,000 jobs. We extended our advisory services from “mid-restructuring” to “pre-restructuring” and “post-restructuring”, allowing debt restructuring to benefit more people through longer chains of involvement. For example, we helped Xining Special Steel’s transformation and upgrading, driving the development of local steel and related industries, and creating jobs. We actively supported to “ensure the delivery of housing projects” initiative, assisting multiple leading property developers to mitigate domestic debt risks, involving a total scale of over RMB80 billion.

**PUTTING CUSTOMERS FIRST, WE FOCUS ON CREATING VALUE FOR OUR CLIENTS**

We grasp the rapid changes in economic growth paradigm. The fusion of economic transformation and people’s aspirations for a better life, coupled with technological advancements such as AI and big data, is accelerating the restructuring of many industries. Faced with these changes, our steadfast commitment remains anchored in our original mission of “creating values for our clients”, enabling us to navigate through the changing circumstances.

**In terms of wealth management,** we aim to provide advisory-based professional services that guide clients in investing the “right money” in the “right products” at the “right time”, enabling each client to reap returns brought by compound interests over time and pursue relative certainty amidst market fluctuations. We are committed to providing clients with “whole-lifetime companionship”, leveraging the expertise of our professional consultant team to interpret market changes alongside nearly 7 million clients. Understanding economic, industry, and market cycles, we advocate for long-term investment philosophies. We have established a specialized, open content ecosystem from the perspective of our clients, establishing the “Co-Building with Time” 1018 brand month. This bridges online and offline services, achieving over tens of millions of online views and over a hundred million WeChat Index readings. We have established wealth planning accounts and provided goal-oriented advisory-based services tailored to our clients’ needs. We continuously refine segmentation of client demands, investment consultants and services to deliver attentive and meticulous service when clients need it most.

**In terms of institutional services,** we leverage the synergies of “investment + investment banking + research” to elevate the quality of our customer service model. By offering a one-stop institutional business service, we consistently bolster our core competencies. We delved into the genuine needs of global clients and constantly expand our customer base domestically and internationally. We have successfully reached over tens of thousands of corporate and institutional clients, earning widespread recognition from large multinational corporations and top institutions at home and abroad. We continually enhanced the capabilities of our Strategic Client Center by assembling cross-departmental “1+N” service teams dedicated to serving strategic clients. We provided 24/7 trading services, mapping out customer group service graphs, to ensure timely responses to the needs of different types of institutional clients at various stages.



## GUIDED BY DEVELOPMENT STRATEGIES, WE REMAIN FIRM IN EXECUTING THE BLUEPRINT

We steadfastly implement the “Digitalization, Regionalization, Internationalization and One CICC” strategy, further solidifying the foundation and momentum for the Company’s long-term sustainable development through international setup, regional footprints, digital empowerment, and the collective strength from “One CICC”.

**Under the digitalization strategy**, the empowering of “Digital CICC” has been gradually evident. Key areas such as wealth management platforms, asset management and research platforms, and FOF investment management platforms are steadily digitalized, and we have been promoting scenario applications such as intelligent investment advisory. **Under the regionalization strategy**, “CICC in China” has deepened its roots. We continued to deepen our regional penetration, expand coverage of early-stage enterprises, and established several FOFs or growth funds in cooperation with the governments in Guangdong, Hubei, Anhui provinces, etc. **Under the internationalization strategy, we have seen an increasingly improved global setup** of “Global CICC”. Cooperation agreements have been signed with institutions in multiple countries participating in the “Belt and Road” initiative. We actively voiced out in mainstream media at home and abroad, telling China stories, and expanding our global influence. The collective strength from “**One CICC**” has yielded significant results, with all departments working closely and harmoniously, centering around a customer-focused service model that has been further refined.

## FINANCE FOR GOOD. WE FULFILL SOCIAL RESPONSIBILITIES THROUGH “FINANCE + CHARITY”

We’ve been long committed to social welfare, actively fulfilling, and practicing social responsibilities. We have supported rural revitalization and carried out poverty alleviation initiative and provided assistance to the vulnerable. Our resident cadre stationed in Huining County continues to work diligently; we bolster the industries in the beautiful Guzhang County. Our commitment to targeted assistance has been promoting the progress of rural revitalization. Our rural doctor training program in Tibet has advanced maternal and child healthcare in villages, bringing knowledge and health to remote communities. In Medog, Tibet, the “CICC Public Welfare Ecological Carbon Neutrality Forest” innovatively pilots a comprehensive project combining “green low-carbon initiatives, biodiversity conservation, and rural revitalization”. On the Pamir Plateau in Tibet, the “Frontier Miles” initiative funds improvements to school infrastructure in border areas. Faced with floods in Hebei, earthquakes in Gansu, and other natural disasters, CICC team gathers immense support to help disaster-stricken communities rebuild their homes. As we continue the path of serving the people’s aspirations for a better life, we are more determined and taking stronger actions.

Looking back, we have consistently kept pace with the times, tackling tough yet worthwhile challenges, and leveraging our expertise and know-how to serve the reform and advancement of the real economy. Looking ahead, we are committed to becoming a top-tier investment bank, staying focused on our strategic objectives, enhancing our core strengths, seizing growth opportunities, and steadily advancing on the path of high-quality development, contributing to the building of a financial powerhouse!

**Wu Bo**  
President

# BUSINESS OVERVIEW

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# COMPANY PROFILE

## I. BASIC CORPORATE INFORMATION

<b>Chinese name</b>	中國國際金融股份有限公司
<b>Abbreviation of Chinese name</b>	中金公司
<b>English name</b>	China International Capital Corporation Limited
<b>Abbreviation of English name</b>	CICC
<b>Legal representative</b>	Chen Liang
<b>Chairman</b>	Chen Liang
<b>President</b>	Wu Bo
<b>Joint company secretaries</b>	Sun Nan, Zhou Jiaying
<b>Registered and office address</b>	27th and 28th Floor, China World Office 2, 1 Jianguomenwai Avenue, Chaoyang District, Beijing, PRC
<b>Historical changes in registered address</b>	On March 16, 2015, registered address of the Company was changed from “27th and 28th Floor, China World Office 2, 1 Jianguomenwai Avenue, Beijing” to “27th and 28th Floor, China World Office 2, 1 Jianguomenwai Avenue, Chaoyang District, Beijing”
<b>Postcode</b>	100004
<b>Place of business in Hong Kong</b>	29/F, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong, China
<b>Company website</b>	<a href="http://www.cicc.com">www.cicc.com</a>
<b>E-mail</b>	<a href="mailto:Investorrelations@cicc.com.cn">Investorrelations@cicc.com.cn</a>
<b>Contacted telephone</b>	(010) 65051166
<b>Registered capital</b>	RMB4,827,256,868
<b>Net capital</b>	RMB44,125,911,819

## Business scope and each individual business qualification of the Company

According to the *Business License*, the Company's business scope covers: securities business; foreign exchange business; public securities investment fund sales; intermediary introduction business provided by securities companies to futures companies; custodian business for securities investment funds.

Please refer to Appendix I in this report for the main business qualifications of the Company.

## II. CONTACT

<b>Contact</b>	Secretary to the Board: Sun Nan  Securities Affairs Representative: Zhou Cen
<b>Address</b>	27th and 28th Floor, China World Office 2, 1 Jianguomenwai Avenue, Chaoyang District, Beijing, PRC
<b>Telephone</b>	(010) 65057590
<b>Facsimile</b>	(010) 65051156
<b>E-mail</b>	Investorrelations@cicc.com.cn

## III. INFORMATION DISCLOSURE AND PLACE AVAILABLE FOR INSPECTION

<b>Names and websites of the medium where the annual report is disclosed</b>	China Securities Journal ( <a href="http://www.cs.com.cn">www.cs.com.cn</a> ) Shanghai Securities News ( <a href="http://www.cnstock.com">www.cnstock.com</a> ) Securities Times ( <a href="http://www.stcn.com">www.stcn.com</a> ) Securities Daily ( <a href="http://www.zqrb.cn">www.zqrb.cn</a> )
<b>The stock exchange websites where the annual report is disclosed</b>	Website of the SSE: <a href="http://www.sse.com.cn">www.sse.com.cn</a> The HKEXnews website of HKEX: <a href="http://www.hkexnews.hk">www.hkexnews.hk</a>
<b>Place available for inspection of the annual report</b>	27th and 28th Floor, China World Office 2, 1 Jianguomenwai Avenue, Chaoyang District, Beijing, PRC 29th Floor, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong

## IV. OVERVIEW OF COMPANY STOCK

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

## V. OTHER INFORMATION OF THE COMPANY

### (i) History of the Company

Our Company was established on July 31, 1995, with the name of China International Capital Corporation Limited (中國國際金融有限公司) in the PRC as approved by the People's Bank of China ("PBOC") with a registered capital of US\$100 million. The promoters of our Company were the former People's Construction Bank of China (中國人民建設銀行), Morgan Stanley & Co. Incorporated (摩根士丹利國際公司), I&G (then known as China National Investment & Guaranty Corporation (中國經濟技術投資擔保公司)), GIC Private Limited (新加坡政府投資有限公司, then known as Government of Singapore Investment Corporation Pte. Ltd. (新加坡政府投資公司)) and Mingly Corporation (名力集團控股有限公司, then known as The Mingly Corporation Limited (名力集團)).

On June 1, 2015, our Company was converted into a joint-stock company with limited liability with the name of China International Capital Corporation Limited (中國國際金融股份有限公司). Upon the conversion, our Company had a total share capital of RMB1,667,473,000, comprising 1,667,473,000 Shares with a nominal value of RMB1.00 each.

Our Company was successfully listed on the Hong Kong Stock Exchange on November 9, 2015, and initially issued 555,824,000 H Shares, and further issued 83,372,000 H Shares upon the exercise of over-allotment option. After the completion of the global offering and the exercise of the over-allotment option, the total number of issued Shares of our Company increased from 1,667,473,000 Shares to 2,306,669,000 Shares.

On November 4, 2016, our Company and Huijin entered into the Equity Transfer Agreement, pursuant to which, our Company has agreed to acquire, and Huijin has agreed to sell, 100% of the equity interest of Former CISC (now renamed as CICC Wealth Management Securities). CICC Wealth Management Securities is a fully-licensed securities firm in the PRC with an extensive and well-established branch network, a large customer base, and an integrated business platform. Our Company became the sole shareholder of Former CISC (now renamed CICC Wealth Management Securities) on March 21, 2017. 1,678,461,809 domestic shares had been issued as fully paid to Huijin as consideration for the Acquisition on April 12, 2017. Upon completion of the Acquisition, Huijin directly held 58.58% equity interest in our Company, and that the registered capital of our Company increased from RMB2,306,669,000 to RMB3,985,130,809.

On March 23, 2018, the Company completed the issuance of 207,537,059 new H Shares to Tencent Mobility Limited. Accordingly, the number of the Company's issued H Shares and the total issued Shares increased to 1,727,714,428 H Shares and 4,192,667,868 Shares, respectively.

On October 24, 2019, the Company successfully allotted an aggregate of 176,000,000 new H Shares to no fewer than six professional, institutional and/or individual investors, which are not connected parties or connected persons of the Company. Accordingly, the total issued H Shares and the total issued Shares of the Company increased to 1,903,714,428 H Shares and 4,368,667,868 Shares, respectively.

On November 2, 2020, our Company was successfully listed on the Shanghai Stock Exchange and issued 458,589,000 A Shares in the initial public offering and a total of 2,464,953,440 domestic shares held by the original domestic shareholders of the Company were converted into 2,464,953,440 A Shares. Upon completion of the A Share Offering and Listing, the total number of issued Shares of our Company increased to 4,827,256,868 Shares, including 1,903,714,428 H Shares and 2,923,542,440 A Shares.

In 2021, the Company completed the integration of 20 domestic business offices engaged in wealth management business with CICC Wealth Management, further realizing the business integration of both parties. After the integration, the Company, as the parent company, conducted investment banking business, equities business, FICC business, asset management business and private equity business; CICC Wealth Management, as a wholly-owned subsidiary, conducted wealth management business.

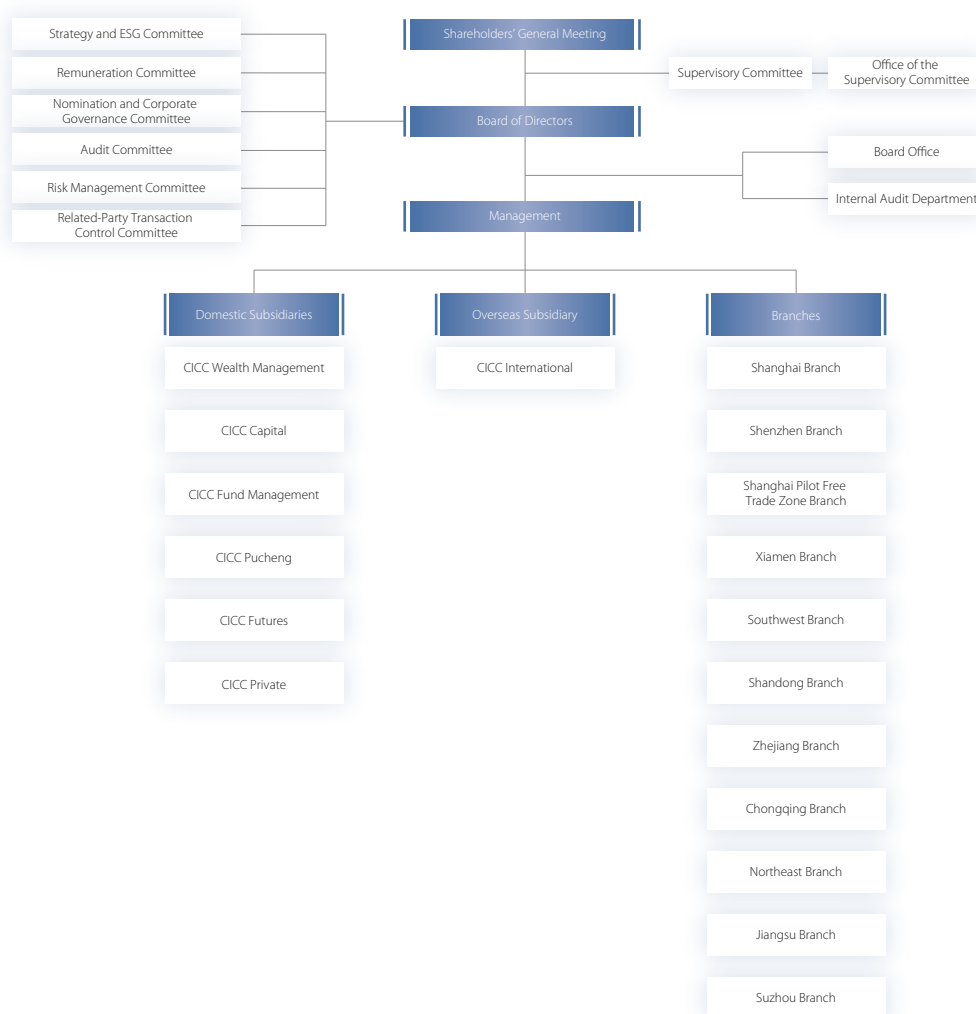
In June 2022, in line with the Company's internationalization strategy, China International Capital Corporation (Hong Kong) Limited changed its name to China International Capital Corporation (International) Limited.

The Headquarters of our Group is in Beijing and as of December 31, 2023, our Group has a number of subsidiaries in the PRC, including CICC Wealth Management Securities, CICC Capital, CICC Fund Management, CICC Pucheng, CICC Futures and CICC Private Equity. Moreover, our Group has established branch companies in Shanghai, Shenzhen, Xiamen, Chengdu, Hangzhou, Jinan, Chongqing, Shenyang, Nanjing and Suzhou. The Group and its subsidiaries have over 200 securities business offices located in 30 provinces, autonomous regions and municipalities of the PRC. As the scope of business continues to expand, our Group has also actively ventured into overseas markets. We have further strengthened our international presence by establishing subsidiaries or branches in seven international financial centers, including Hong Kong of the PRC, New York, London, Singapore, San Francisco, Frankfurt and Tokyo, laying a solid foundation for our Company to become a world-class investment bank in China.

In recent years, our Group has been committed to enhancing our core competitiveness by speeding up efforts to invest in innovative business and developing offshore business to build a balanced business structure. Our Group strives to become a world-renowned financial institution featuring our balanced structure and full services.

**(ii) Organizational Structure of the Company**

Pursuant to the *Company Law*, the *Securities Law*, the *Guidance for the Internal Control of Securities Companies* (《證券公司內部控制指引》), relevant rules and regulations of CSRC, the *Listing Rules of the Stock Exchange*, the *Listing Rules of the SSE* and the *Articles of Association*, the Company regulates its operation and continuously improves the operation mechanism and system construction of the Shareholders’ General Meeting, the Board of Directors, the Supervisory Committee and the management of the Company, and has established a standardized and scientific corporate governance structure and an organizational structure to meet its development needs. The organizational chart of the Company is as follows:





Notes:

1. The Internal Audit Department is independent of the business departments of our Company and will report directly to the Audit Committee under the Board.
2. In this organizational chart, the subsidiaries presented under domestic subsidiaries and the overseas subsidiary are controlled and consolidated subsidiaries that belong to the second-tier structure in the organizational structure, excluding joint ventures and associates.

### (iii) Basic Information of Branches

#### 1. Basic information of securities business offices

As of the end of the Reporting Period, the Company has a total of 216 securities business offices (including 215 securities business offices of CICC Wealth Management Securities), and the distribution is as follows:

Location	Number of Securities Business Offices	Location	Number of Securities Business Offices	Location	Number of Securities Business Offices
Guangdong	43	Jiangsu	26	Sichuan	21
Beijing	15	Zhejiang	13	Shanghai	10
Hubei	8	Anhui	9	Shandong	10
Fujian	6	Tianjin	7	Liaoning	7
Henan	6	Heilongjiang	4	Hunan	5
Shaanxi	4	Jilin	2	Qinghai	2
Hebei	4	Chongqing	2	Shanxi	2
Inner Mongolia	1	Ningxia	1	Jiangxi	1
Gansu	2	Yunnan	1	Guangxi	1
Guizhou	1	Tibet	1	Xinjiang	1

Please refer to Appendix II to this report for the change of the Company's securities business offices during the Reporting Period.

## 2. Basic information of branches

As of the end of the Reporting Period, the Company owns 11 branches, and the basic information is as follows:

No.	Name	Address	Time of establishment	Person-in-charge	Contact number
1	CICC Shanghai Branch	Units 1107-1108, 11/F; Units 2601, 2604A and 2604B-2608, 26/F; Units 2701-2704 and 2705-2708, 27/F; 28/F; Units 2901-2903, 2904B and 2905-2908, 29/F; Units 3103A, 3104B and 3105-3106, 31/F; 32/F; and Units 3301-3304A and 3306-3308, 33/F, No. 1233 Lujiazui Ring Road, China (Shanghai) Pilot Free Trade Zone	2000/12/14	Zhang Yiming	(021)58796226
2	CICC Shenzhen Branch	72/F; Unit 01A, 73/F and Unit 0203, 74/F, Ping An Finance Center, No. 5033 Yitian Road, Fu'an Community, Futian Street, Futian District, Shenzhen	2011/7/5	Pan Zhibing	(0755)83195000
3	CICC SFTZ Branch	Unit 3104A, 31/F, AZIA Center, No. 1233 Lujiazui Ring Road, China (Shanghai) Pilot Free Trade Zone	2014/7/21	Cao Yu	(021)58796226
4	CICC Xiamen Branch	Rooms 0401-0403, Office Building, Paragon Center, No. 1 Lianyue Road, Siming District, Xiamen	2018/9/17	Chen Kang	(0592)5157000
5	CICC Southwest Branch	Rooms 3603 and 3604, 36/F, Building 3, No. 1199, North Section of Tianfu Avenue, Chengdu High-tech Zone, China (Sichuan) Pilot Free Trade Zone	2018/10/10	Du Yingxia	(028)82080222
6	CICC Shandong Branch	Room 2904, 29/F, Block A, Gold Times Square, No. 9999 Jingshi Road, Longdong Street, Lixia District, Jinan, Shandong <sup>1</sup>	2019/4/16	Guo Yun	(0531)55832323
7	CICC Zhejiang Branch	Room 1114, 11/F, Zhongtian Qiantang Ginza, Shangcheng District, Hangzhou, Zhejiang <sup>2</sup>	2019/5/24	Wang Jing	(0571)86010188

<sup>1</sup> Address change completed in January 2024

<sup>2</sup> Address change completed in January 2024

No.	Name	Address	Time of establishment	Person-in-charge	Contact number
8	CICC Chongqing Branch	Units 6#, 7#, 8# and 9-1#, 10/F, Building 1 (Star Fest Fortune), No. 8 Fortune East Road, Liangjiang New District, Chongqing	2021/8/18	Wang Yan	(010)65051166
9	CICC Northeast Branch	Unit 03, 15/F, CR Building, No. 286 Qingnian Avenue, Heping District, Shenyang, Liaoning	2021/9/15	Wang Zilong	(024)26205555
10	CICC Jiangsu Branch	Unit 301, 3/F, Building 4, No. 5 Wangjiang Road, Nanjing Area, China (Jiangsu) Pilot Free Trade Zone	2021/12/28	Chen Ye	(010)65051166
11	CICC Suzhou Branch	Block 1, Suzhou Central Plaza & Room 06, 22/F, Block D, Suzhou Central Office Building, Suzhou Industrial Park, Suzhou Area, China (Jiangsu) Pilot Free Trade Zone	2022/4/20	Huang Jiening	(010)65051166

Please refer to Appendix II to this report for the change of the Company's branches during the Reporting Period.

### 3. Basic information on major subsidiaries

As of the end of the Reporting Period, the Company directly controlled one overseas subsidiary (i.e. CICC International) and 6 domestic subsidiaries (i.e. CICC Wealth Management Securities, CICC Capital, CICC Fund Management, CICC Pucheng, CICC Futures and CICC Private Equity). Please refer to "Management Discussion and Analysis – Analysis on Investment and Financing Activities – Major controlled and participating companies and structured entities" in this report for details.

## VI. OTHER RELEVANT INFORMATION

### (i) Accounting firm

Domestic accounting firm  
appointed by the Company

Name	Deloitte Touche Tohmatsu Certified Public Accountants LLP
Office address	30/F, No. 222 East Yan'an Road, Huangpu District, Shanghai
Name of signing accountants	Ma Hing Fai, Ma Qianlu

Overseas accounting firm  
appointed by the Company

Name	Deloitte Touche Tohmatsu Registered Public Interest Entity Auditor
Office address	35/F, One Pacific Place, No. 88 Queensway, Hong Kong
Name of signing accountant	Ma Hing Fai

### (ii) Legal Advisor

Domestic legal advisor  
appointed by the Company

Name	King & Wood Mallesons
Office address	18th Floor, East Tower, World Financial Center, 1 Dongsanhuan Zhonglu, Chaoyang District, Beijing

Overseas legal advisor  
appointed by the Company

Name	Clifford Chance
Office address	27/F, Jardine House, One Connaught Place, Central, Hong Kong

# Major Honors Awarded in 2023

Since its incorporation in 1995, CICC has won honors and awards in events organized by domestic and foreign media and organizations: such as Best Investment Bank in China, Best Sales Service Team and Most Influential Research Institution by leveraging on its profound and professional knowledge in economies, industries, laws and regulations, and quality customer services. Below is a list of awards that we obtained in 2023:

## Awards Sponsor: Asiamoney

Best Securities Houses Awards 2023

- China's Best Securities House

Greater Bay Area Awards 2023

- Best Securities House in the Greater Bay Area

Brokers Poll 2023

- China (A&B Share)

- Best Domestic Brokerages
- Best Domestic Brokerages for Research
- Best Domestic Brokerages for Sales
- Best Brokerages for Corporate Access
- Best Brokerages for Execution
- Most Transformed Brokerages
- Best Brokerages for ESG Research

- Hong Kong, China

- Best Brokerages
- Best Brokerages for Research
- Best Brokerages for Sales
- Best Brokerages for Corporate Access
- Best Brokerages for Execution
- Most Transformed Brokerages
- Best Brokerages for ESG Research

Best Wealth Managers in China Awards 2023

- Best Securities House in Wealth Management  
CICC Wealth Management

## Awards Sponsor: Bond Connect

Bond Connect Awards 2023

- Northbound Top Market Maker
- Cross Border Subscription Pioneer (Underwriter)
- Bond Connect Marketing Award
- Primary Market Pioneer (Underwriter)  
China International Capital Corporation  
(International) Limited
- Cross Border Subscription Pioneer (Investor)  
China International Capital Corporation  
(International) Limited

## Awards Sponsor: Finance Asia

Finance Asia Awards 2023

- China (Domestic)
  - Best Bank
  - Best Investment Bank
  - Best ECM House
  - Best DCM House
  - Best Broker

## Awards Sponsor: Forbes China

2023 Best Employer Selection

- China's Best Employers of the Year
- China's Best Employers for Digital Responsibility of the Year

### Awards Sponsor: Fortune

ESG Influence Ranking of China 2023 (Top 40)

### Awards Sponsor: Global Finance

Stars of China 2023

- Best Bank for Green Bonds
- Best SME Services Bank

### Awards Sponsor: Harvard Business Review

Excellence in Management Award 2023

- Best for Sustainable Future of the Year

Ram Charan Management Practice Award 2023

- Best Enterprise for ESG Practice

### Awards Sponsor: IFENG.COM

Phoenix Star Award 2023

- Best IPO Service Provider of Hong Kong Listed Companies

### Awards Sponsor: Institutional Investor

2023 Asia Executive Team

- All-Asia Banks and Non-Bank Finance Sector
  - Honored Companies (Rank 4)
  - Best ESG (Combined & Buyside Rank 3)
  - Best Company Board (Combined & Buyside Rank 3)
  - Best IR Program (Combined & Buyside Rank 3)
  - Best IR Team (Combined & Buyside Rank 3)

- Chinese Mainland Banks and Non-Bank Finance Sector

- Honored Companies (Rank 4)
- Best ESG (Combined & Buyside Rank 3)
- Best Company Board (Combined & Buyside Rank 3)
- Best IR Program (Combined & Buyside Rank 3)
- Best IR Team (Combined & Buyside Rank 3)

2023 China Research & Sales Team

- China Best Research Provider Firm Leaders (Rank 1)  
Analyst Leaders (Rank 1)
- China Best Sales Team  
The Leaders: Overall (Rank 2)
- China Top Corporate Access Provider  
The Leaders: Overall (Rank 2)

### Awards Sponsor: The Asset

Sustainable Investing Awards 2023

- Asset Management Company of the Year (Overall Offshore, China)  
CICC Hong Kong Asset Management

### Awards Sponsor: Universum

2023 China's Most Attractive Employers Rankings

- Best Employer of Investment Banks

### Awards Sponsor: 21st Century Business Herald

Excellent Financial Development Cases Awards 2023

- Best Green Finance Innovation Institution  
Competitiveness Case of Carbon Neutrality
- Pioneer Enterprises Awards 2023
  - Pioneer Enterprises of Green Finance

### Awards Sponsor: Beijing Business Today

Top Brands of Beijing Financial Industry Awards 2023  
– Top 10 Brands in Beijing Financial Industry of the Year

### Awards Sponsor: Caijing

STAR Market Awards 2023  
– Most Contributing Institution of STAR Market  
New Awards 2023  
– Best Enterprise for ESG Practice

### Awards Sponsor: Wealth Magazine

Wealth APAC Awards 2023  
– Best Wealth Management in China  
CICC Wealth Management  
– China Family Office Top 50  
CICC Global Family Office

### Awards Sponsor: China Philanthropy Times

China Charity List 2023  
– Best Foundations of the Year  
CICC Charity Foundation

### Awards Sponsor: China Times

Golden Cicada Award 2023  
– Best Financial Institutions for High Quality Development  
Charity Award 2023  
– Best Model Charity Project of the Year  
CICC-Joyoung Charity Kitchen

### Awards Sponsor: Family Office

The 7th Chinese Family Management Leaders Top 50 Award  
– Best Comprehensive Service Capability for Institutional Family Office  
CICC Global Family Office

### Awards Sponsor: Jiemian

Best ESG Awards 2023  
– Best ESG for Green Finance of the Year

### Awards Sponsor: JRJ.com

GoldenWis Awards 2023  
– Outstanding Securities Company  
– Best ESG Practice Enterprise

### Awards Sponsor: Financial News

China Financial Institution Awards 2023  
– Best Securities Company for Asset Management  
– Best Securities Company for Wealth Management  
CICC Wealth Management  
Cases of Financial Support for Rural Revitalization Awards 2023  
– Outstanding Cases of Financial Support for Rural Revitalization  
CICC – Nanping: Ecological Value Carbon Sink +

### Awards Sponsor: China FoF

China FoF Awards 2023

- Best China FOFs  
CICC Capital (Rank 1)
- Best State-owned PE Institutions  
CICC Capital (Rank 1)
- Best Fundraising PE Institutions  
CICC Capital (Rank 1)
- Top 10 Best Exit PE Institutions  
CICC Capital (Rank 5)
- Best PE Institutions of the Decade  
CICC Capital

China FoF Awards 2023 Special List

- Top 15 Best Risk Management FOFs in China  
CICC Capital (Rank 1)
- Top 10 Best Exit FOFs in China  
CICC Capital (Rank 1)
- Top 30 Best Return PE  
CICC Capital (Rank 1)
- Top 20 Best Return State-owned PE Institutions  
CICC Capital (Rank 2)

### Awards Sponsor: NBD

China Securities Business Awards 2023

- Best ESG Securities Companies
- Top 30 Brand Value of Listed Chinese Securities Companies
- Best Securities Companies for Asset Management
- Best Securities Companies for Financial Technology  
CICC Wealth Management

Best ESG Projects Awards 2023

- Best Leadership Projects  
CICC Shandong Green Development Fund Project

### Awards Sponsor: Southern Metropolis Daily

Responsible China Award 2023

- Best Enterprise for Rural Revitalization Practice

### Awards Sponsor: Zero2IPO Group

Zero2IPO China VC/PE Fund Limited Partners Ranking 2023

- Top 50 China VC/PE Institutional Limited Partners of the Year 2023  
CICC Capital (Rank 1)
- Top 10 China Active VC/PE Institutional Limited Partner of the Year 2023  
CICC Capital

Zero2IPO China VC & PE Annual Ranking 2023

- Top 100 China PE Institutions  
CICC Capital (Rank 2)
- Best Fundraising PE Institutions in China  
CICC Capital
- The Most Active PE Institutions in China  
CICC Capital
- Top 30 China SRDI Investment Institutions  
CICC Capital
- Top 30 China Institutions on Advanced Manufacturing Investment  
CICC Capital
- Top 30 China Institutions on Renewable Energy & New Material Investment  
CICC Capital

### Awards Sponsor: People.cn

Excellent Inclusive Finance Cases Awards 2023

- Best Innovation Model



### Awards Sponsor: Chinese Venture

China Limited Partner Awards 2022-2023

- Top 20 Best FoF managers in China  
CICC Capital
- Top 20 Best State-owned Assets FoF in China  
CICC Capital
- Best FoFs of Investment Bank in China  
CICC Capital

### Awards Sponsor: The Time Weekly

The 8th Golden Tangerine Awards of Time Finance

- Best Financial Institution for Social Responsibility

### Awards Sponsor: CVINFO

CV Limited Partners Awards 2023

- China Most Notable PE Institutions  
CICC Capital (Rank 1)
- Top 20 China Best PE Institutional Limited Partners  
CICC Capital
- Top 30 China Best VC Institutional Limited Partners  
CICC Capital

### Awards Sponsor: New Fortune

Best Investment Bank in China Awards 2023

- Best Investment Bank for ESG
- Best Investment Bank for M&A (Rank 1)
- Best Investment Bank for IPO (Rank 2)
- Best Investment Bank for Overseas Market (Rank 2)
- Best Equity House (Rank 2)
- Best Investment Bank for Refinancing (Rank 2)

- Best Investment Bank in China (Rank 3)
- Best Bond House (Rank 4)
- Best Investment Bank for Health Industry (Rank 2)
- Best Investment Bank for Technology and Intelligent Manufacturing (Rank 3)
- Best Investment Bank for Consumption Industry (Rank 4)
- Most Creative Deals  
Gotion High-tech's SWX GDR  
Keda's SWX GDR

The 5th New Fortune Best Investment Advisors Award

- Best Wealth Management Practice  
CICC Wealth Management

### Awards Sponsor: Sina

China ESG Golden Awards 2023

- Best Securities Company for Responsible Investment

### Awards Sponsor: Securities Times

Best Institutions of Securities Industry in China Awards 2023

- Best Full-Service Asset Management Institution
- Best Investment Bank for Equity Financing
- Best Cross Border Investment Bank
- Best Broker for Institutional Investor
- Best Full-Service Wealth Broker  
CICC Wealth Management
- Best Fund Investment Advisor  
CICC Wealth Management
- Best Deals of Public REITs  
CICC Xiamen Anju REIT
- Best Public Equity Products  
CICC Xinrui

### **Awards Sponsor: China Enterprise Reform and Development Society**

ESG Development Forum for Enterprises Awards 2023

- Best ESG Enterprise for Rural Revitalization
- Best ESG Enterprise for Investment

### **Awards Sponsor: China Fund News**

Best Asset Management Awards 2023

- Best Asset Management Institution
- Best Asset Management for Fixed Income

Best China's Fund Awards 2023

- Best Innovation Cases of REITs  
CICC-GLP Logistics REIT
- Best Innovation Cases of Overseas Fund Products  
CICC Carbon Futures ETF

- Best Business Innovation Cases  
Mutual Fund 50 of CICC Wealth Management

The Yinghua Awards (Overseas Fund) 2023

- Three-year Yinghua Awards Greater China ETF  
CICC Bloomberg China Treasury 1-10 (CICC HK AM)
- Three-year Yinghua Awards Credit Hedge  
CICC Multi-Strategy Fixed Income Fund SP (CICC HKAM)

### **Awards Sponsor: China Association for Public Companies**

ESG Practice Cases of Listed Companies Awards 2023

- Best ESG Practice Cases of Listed Companies
- Best Practice Cases for Rural Revitalization of Listed Companies Awards 2023
- Best Practice Cases for Rural Revitalization

### **Awards Sponsor: China Securities Journal**

Best Securities Company Awards 2023

- Best Securities Companies
- Best Securities Companies for ESG
- Best Securities Companies for Financial Technology

Best Asset Management Products Awards 2023

- Best 5-Year Collective Asset Management Plan Manager
- Best 5-Year Long-only Equity Collective Asset Management Plan:

CICC Xinrui

- Best 5-Year Hybrid Bond (Type 2) Collective Asset Management Plan:

CICC Multi-Strategy No. 5

- Best 1-Year Short-term Bond Collective Asset Management Plan:

CICC Zhixin No. 1

- Best 3-Year FOF Collective Asset Management Plan:  
CICC Wealth Jinfu No. 1

### **Awards Sponsor: China Media Group (Financial Program Center)**

Top 30 ESG Pioneers of China's Financial Listed Companies 2023

*Note:* As of the Latest Practicable Date

# SUMMARY OF ACCOUNTING DATA AND FINANCIAL INDICATORS

## I. MAJOR ACCOUNTING DATA AND FINANCIAL INDICATORS

Unit: RMB in million

Items	2023	2022	Change year-on-year	2021	2020	2019
<b>Operating results</b>						
Total revenue and other income	<b>35,446.2</b>	37,398.2	(5.2%)	40,964.4	32,401.8	22,782.5
Total expenses	<b>28,657.8</b>	28,338.7	1.1%	28,133.9	23,656.4	17,541.3
Profit before income tax	<b>6,823.0</b>	9,056.0	(24.7%)	12,978.1	8,712.7	5,301.6
Profit attributable to shareholders of the parent company	<b>6,156.1</b>	7,597.5	(19.0%)	10,777.7	7,207.5	4,238.7
Net cash (used in)/generated from operating activities	<b>(2,422.3)</b>	57,960.9	N/A	1,867.4	(33,738.7)	(27,657.8)
Basic earnings per share (RMB/share)	<b>1.138</b>	1.459	(22.0%)	2.159	1.598	0.990
Weighted average return on net assets	<b>6.4%</b>	8.9%	Decreased by 2.4 percentage points	14.6%	13.5%	9.6%

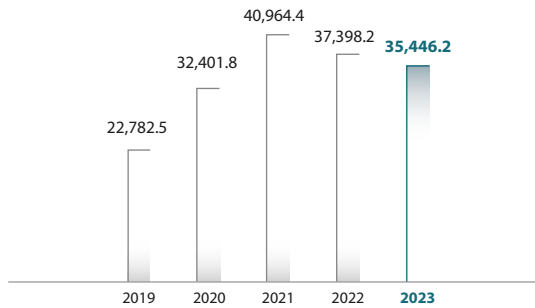
Items	December 31, 2023	December 31, 2022	Change year-on-year	December 31, 2021	December 31, 2020	December 31, 2019
<b>Financial position</b>						
Total assets	<b>624,306.6</b>	648,764.0	(3.8%)	649,795.5	521,620.5	344,971.2
Total liabilities	<b>519,409.2</b>	549,289.3	(5.4%)	565,064.7	449,805.4	296,439.7
Total equity attributable to shareholders of the parent company	<b>104,603.3</b>	99,188.1	5.5%	84,422.1	71,634.9	48,293.8
Accounts payable to brokerage clients and to underwriting clients	<b>82,311.0</b>	92,100.0	(10.6%)	100,749.5	70,655.2	52,815.4
<b>Total share capital (in million shares)</b>	<b>4,827.3</b>	4,827.3	-	4,827.3	4,827.3	4,368.7
<b>Net assets per share attributable to shareholders of the parent company (RMB/share)<sup>(1)</sup></b>	<b>18.3</b>	17.2	6.5%	15.7	13.8	10.8
<b>Gearing ratio<sup>(2)</sup></b>	<b>80.6%</b>	82.1%	Decreased by 1.5 percentage points	84.6%	84.1%	83.4%

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

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

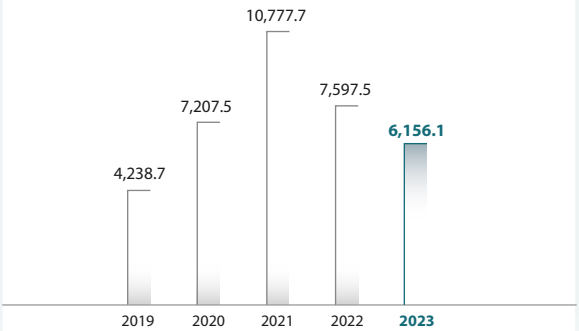
Total revenue and other income

RMB in million

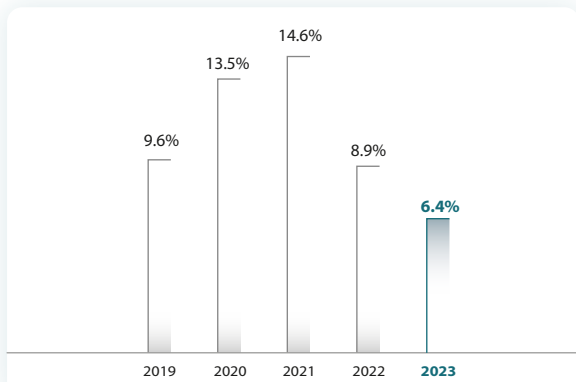


Profit attributable to shareholders of the parent company

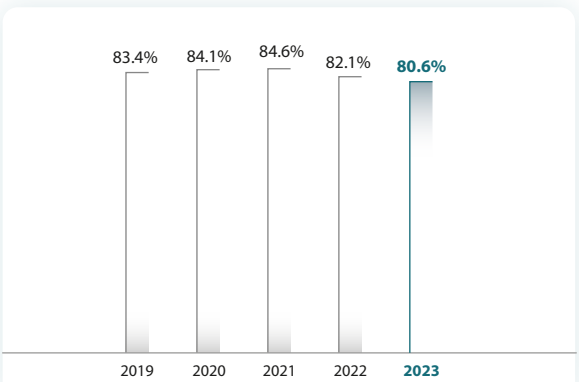
RMB in million



Weighted average return on net assets

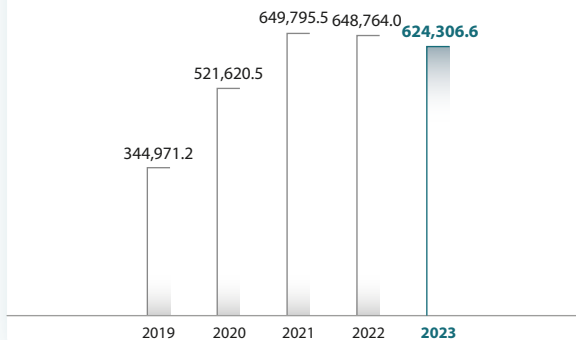


Gearing ratio



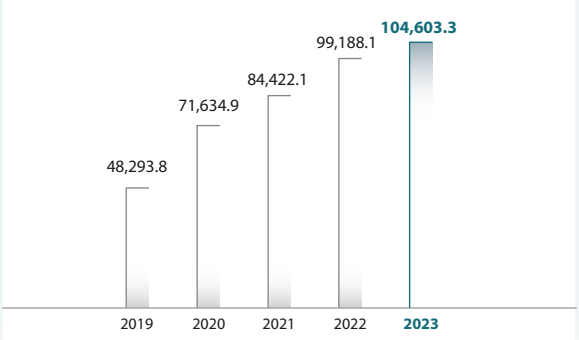
Total assets

RMB in million



Total equity attributable to shareholders of the parent company

RMB in million



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

In terms of our Group's consolidated profits for 2023 and 2022 and the consolidated net assets as of December 31, 2023 and December 31, 2022, there's no difference between the numbers presented in the consolidated financial statements prepared in accordance with IFRSs and those presented in the consolidated financial statements prepared in accordance with CASs.

## III. NET CAPITAL AND RELEVANT RISK CONTROL INDICATORS

As of December 31, 2023, the net capital of the parent company amounted to RMB44,125.9 million, representing a decrease of 2.7% as compared with RMB45,336.9 million as of December 31, 2022. In 2023, our parent company's net capital and other risk control indicators all met regulatory requirements.

Unit: RMB in million

Items	December 31, 2023	December 31, 2022
Core net capital	<b>29,417.3</b>	30,224.6
Supplementary net capital	<b>14,708.6</b>	15,112.3
Net capital	<b>44,125.9</b>	45,336.9
Net assets	<b>78,137.3</b>	77,107.1
Total risk capital reserves	<b>22,943.6</b>	24,852.8
Total on-and-off-balance-sheet assets	<b>257,117.9</b>	268,837.1
Risk coverage ratio	<b>192.3%</b>	182.4%
Capital leverage ratio	<b>11.4%</b>	11.2%
Liquidity coverage ratio	<b>201.1%</b>	239.7%
Net stable funding ratio	<b>132.4%</b>	154.3%
Net capital/net assets	<b>56.5%</b>	58.8%
Net capital/liabilities	<b>18.8%</b>	18.1%
Net assets/liabilities	<b>33.3%</b>	30.8%
Equity securities and related derivatives held/net capital	<b>62.0%</b>	57.5%
Non-equity securities and related derivatives held/net capital	<b>348.5%</b>	339.5%

# MANAGEMENT DISCUSSION AND ANALYSIS

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## I. CORPORATE STRATEGIES AND OPERATIONS

### (I) Market Environment

#### **China's economy staged a recovery in 2023.**

China's GDP grew 5.2% year-on-year in 2023, accelerating markedly from the 3.0% growth in 2022. As economic and social activities fully normalized, China's consumption potential was unleashed, service consumption recovered at an accelerating pace, and consumption played a stronger fundamental role as a driver of economic growth. In 2023, final consumption expenditure contributed 82.5% of China's economic growth, boosting GDP growth by 4.3 percentage points. Despite overall weakness in the real estate sector, the accelerating construction of major projects continued to play a key role in stabilizing economic growth. In 2023, gross capital formation contributed 28.9% of China's economic growth, driving GDP growth by 1.5 percentage points.

#### **Innovation-driven development gained momentum; industrial transformation and upgrading bore fruit.**

Investment in the high-tech manufacturing industry and high-tech service sector increased 9.9% and 11.4% in 2023, which outpaced the growth of overall fixed asset investment by 6.9 percentage points and 8.4 percentage points, respectively. These figures show steady progress in industrial transformation and upgrading. In the high-tech manufacturing industry, aerospace vehicle and equipment manufacturers above the designated size recorded 17.7% year-on-year growth in their value added, which outpaced that of all

industrial companies above the designated size by 13.1 percentage points. Service companies in key areas maintained revenue growth. The year-on-year revenue growth of high-tech service companies and sci-tech service firms above the designated size outpaced that of all service companies above the designated size by 2.7 percentage points and 2.9 percentage points, respectively. The competitiveness of China's manufacturing industries was also evident in exports, such as the country's outstanding automobile exports.

#### **China's capital market came under pressure in 2023 due to internal and external challenges,**

including multiple corrections to expectations for China's economic recovery, and sustained tight policy stance in major overseas economies. Nevertheless, China still reached milestones in the comprehensive implementation of the registration-based IPO system, and advanced in an orderly manner a number of medium- to long-term reforms that aim to develop capital markets with Chinese characteristics, expand the country's opening-up, and improve the quality of listed companies. Various institutional investors continued to grow larger. In the mutual fund industry, the number of newly issued fund units reached 1,153.4 billion in 2023 and the net asset value continued to rise compared with the end-2022 level. In addition, privately-offered funds' securities under management and insurance companies' equity and other securities investments both increased compared with end-2022 levels. Northbound funds became more volatile in the second half of 2023 and the full-year net

inflow of funds totaled RMB43,704 million in 2023, lower than the amount in 2022. After substantial corrections, the valuation of China's equity market is quite attractive for investment. In our view, investors should not be pessimistic about the medium-term performance outlook of China's capital market, since the Chinese economy is likely to improve along with the issuance and implementation of pro-growth policies, and the country has large markets with strong growth potential and extensive industry chains with global competitive advantages.

**The financial sector provided support for the high-quality development of the real economy.**

The People's Bank of China (PBoC) continued to ensure a favorable monetary and financial environment for the real economy in 2023. In terms of aggregate policies, the PBoC lowered twice the reserve requirement ratio (RRR) for financial institutions to maintain a moderate credit aggregate and a steady pace of credit growth. In addition, the PBoC reduced policy interest rates twice to facilitate further declines in loan prime rates (LPR), and guided commercial banks to cut the interest rates of outstanding personal housing loans for first homes. Moreover, deposit interest rates were lowered three times, helping banks to reduce their liability costs. This also shows the enhanced role of the market-oriented adjustment mechanism for deposit interest rates, and helps lower comprehensive financing costs for the whole society. From a structural perspective, financial institutions provided stronger credit support for key areas. As of end-2023, there was a 23.5% year-on-year increase in the balance of inclusive loans to micro and

small businesses, and the growth rate was 18.6% year-on-year for loans to enterprises that use special and sophisticated technologies to produce novel and unique products, 21.9% year-on-year for loans to small and medium technology enterprises, 31.9% year-on-year for medium- and long-term loans to manufacturing industries, and 34.0% year-on-year for medium- and long-term loans to high-tech manufacturing industries. Loan growth in these key areas significantly outpaced the overall loan growth of 10.6%. As for financial risks, the PBoC took prudent measures to deal with risks in key regions and at key institutions. Meanwhile, financial institutions assisted with the defusing of debt risks at local government financing vehicles in an orderly manner.

## (II) Landscape of Securities Industry

**Earnings of the securities industry were stable in 2023 but business operations still faced challenges.**

The decline in major stock indexes narrowed while the rise in bond indexes widened. The average daily turnover of the A-share market was RMB874,410 million, and the average daily balance of margin financing and securities lending edged down 0.8% to RMB1.61 trillion. Against such a backdrop, we estimate that securities firms' investment income rose year-on-year in 2023, partly offsetting the decline in fee income. Therefore, we believe the industry's overall earnings stabilized year-on-year in 2023. Among various business lines, we estimate that the industry's brokerage revenue declined year-on-year in 2023, as market turnover and commission rates both fell marginally, while agency sales of financial products still faced pressure. Meanwhile, the

industry's investment banking revenue was under downward pressure in 2023, as A-share IPO fundraising decreased by 31.3% year-on-year to RMB358,971 million and A-share follow-on offering decreased by 39.8% year-on-year to RMB402,708 million, although credit bond issuance increased by 5.1% year-on-year to RMB18.99 trillion. In addition, we estimate that the industry's revenue from the asset management business declined slightly in 2023, as securities firms were transforming this business line at an accelerating pace, the mutual fund industry launched a fee reform in the second half of 2023, and the assets under management (AUM) of mutual funds remained stable year-on-year. As the performance of major equity and bond market indexes recovered year-on-year in 2023, we estimate that securities firms' investment income rebounded markedly on a low base and was an important contributor to the stabilization of the industry's overall earnings. We expect securities firms' 2023 operating results to diverge due to differences in revenue mix and asset allocation.

**Steady advancements in market reforms help drive high-quality development of the securities industry.**

The A-share market fully adopted the across-the-board registration-based IPO system in 2023. Meanwhile, China further reformed its fundamental market rules and frameworks, and the country's multi-layer capital market system continued to improve. At a meeting of the Political Bureau of the CPC Central Committee held in July 2023, policymakers called for measures to "invigorate the capital market and boost investor confidence". In August, the China Securities

Regulatory Commission (CSRC) unveiled a policy package designed for this purpose, which was followed by the issuance of various measures, such as cutting the stamp duty on securities trading, coordinating and balancing primary and secondary markets, regulating stock sales by shareholders, and fostering high-quality development of the Beijing Stock Exchange. At the central financial work conference held in October 2023, policymakers stressed the need to "give full play to the pivotal role of the capital market, advance the registration-based IPO system, develop diversified equity financing, significantly improve the quality of listed companies, and cultivate first-class investment banks and institutions". Policymakers highly recognized the capital market's significant role in serving the real economy and national strategies. As such, we believe China will launch more medium- and long-term institutional reforms on investment, financing and trading, so as to accelerate the growth of a modern capital market with Chinese characteristics and guide the high-quality development of the securities industry to achieve high efficiency, full compliance with rules and regulations, as well as business specialization and differentiation.

**Supply-side reforms are likely to accelerate in the securities industry, helping improve the industry's competitive landscape.**

Key reform drivers include the government's top-down policy guidance, the requirement that financial institutions should slash their fees and relinquish part of their profits, as well as regulation rules that categorize securities firms based on their relative strengths and provide stronger firms with more supportive terms and



conditions. Supply-side reforms in the securities industry will likely gain speed through both organic growth and mergers & acquisitions, raising the industry's concentration ratio. In the first place, financial institutions are being asked to relinquish more profits, raising the bar on securities firms' diversified client structure, comprehensive customer services and efficient business operations. In this context, we believe high-quality securities companies with strong economies of scale, outstanding professional expertise, and leading internal coordination mechanisms have stronger capabilities to cope with these changes and expand business volume to offset impacts from reduced prices. Secondly, the CSRC has initiated a revision of risk control indicators for securities companies in response to policymakers' call at the central financial work conference that China shall comprehensively strengthen financial regulation and enhance service capabilities of investment banks. By optimizing indicators and adopting categorized ratings, the revision aims to guide securities companies to improve business structures and may allow high-quality firms to expand their business scale to an appropriate extent on the back of a given amount of capital. This will encourage securities firms to grow stronger, in our view. High-quality securities companies are taking the lead to transform various business lines, which enhances their business competitiveness and earnings stability. Meanwhile, favorable policies and appropriate market conditions may offer opportunities for strategically leading companies to grow by leaps and bounds through mergers & acquisitions.

### **(III) Development Strategies**

CICC's strategic vision is to focus on serving the priorities of the national development, innovating to support the real economy, actively facilitating capital market reform, and effectively promoting financial risk mitigation. CICC attaches importance to medium and long-term development, and will clarify the direction, and capture the opportunities to accelerate growth for quality and capabilities, strengthen core competitiveness, and strive to become a first-class investment bank with international competitiveness.

### **(IV) Business Plans**

In 2024, we will uphold the original aspiration of "For the Nation", continue to deepen our roots in China and consolidate our global footprint. We will act as a bridge between the real economy and the capital market, contributing to the five key areas of technology finance, green finance, inclusive finance, pension finance, and digital finance, and making new breakthroughs and achievements on the path of high-quality development. We will maintain strategic focus, strengthen the strategic guidance and empowerment of business development, and fully execute the "Three + One" strategic blueprint. We will actively seize market opportunities, consolidate core competitive advantages and business strengths, and accelerate to become a first-class investment bank with international competitiveness.

## II. ANALYSIS OF CORE COMPETITIVENESS

### (I) Premier Brand

Our Company has established a premier brand in the financial services industry. Since the inception, our Company has drawn on the best practices of market in China, and has always adhered to the business philosophy of “By the People and For the Nation, Chinese Roots and International Reach”, which won us a market reputation at home and abroad. For years, while maintaining high-standard practices, our Company has actively participated in reforms and system construction of the capital market to stimulate business innovation. Our Company maintained leading positions in many businesses for years, and was honored numerous awards as the best player in China.

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

### (II) High-quality Client Base

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

### (III) Balanced Business Structure

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

#### (IV) Outstanding Cross-border Capability

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

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

In terms of cross-border business, our Company has been serving the “bringing in” and “going global” needs of industrial capital and financial capital, which enabled us to enjoy certain advantages in businesses such as overseas IPOs for PRC-based companies, offshore bond offerings, and cross-border mergers and acquisitions, to sustain strong growth in emerging businesses such as cross-border transactions and the Connect business, thereby obtaining more bargaining and pricing power in the international capital markets.

#### (V) Leading and Influential Research

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

Our research capabilities have been widely recognized by influential international institutions. These included the “No. 1 Overall Country Research for China” in the *Asiamoney Brokers Poll*, which marked the 18th consecutive year of our championship in this poll from 2006 to 2023. We were also named the “No.1 The All-China Best Research Team” by *Institutional Investor* for twelve consecutive years from 2012 to 2023. In 2020, our Company established the CICC Global Institute (CGI), which focuses on public policy research and is committed to building a new think tank in the new era. The CGI and CICC Research are committed to working side by side to provide all-round research support for the economic and social development.

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

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

Most members of our senior management team have work experience in domestic and overseas financial institutions with global perspectives. In the meantime, they have experienced the main development course and multiple cycles of China's securities industry, and are equipped with rich experience and profound understanding regarding domestic and overseas capital markets and the securities markets. Riding on the concept of "Chinese Roots and International Reach", our senior management team has constantly combined advanced management experience with the practices of China's financial reform, and took the lead in developing new products and vigorously exploring new markets.

Our excellent brand and high-quality platforms enabled us to recruit the best graduates from top domestic and overseas universities, providing high-quality talents for our domestic and overseas branches. Our sound staff development and training system has provided comprehensive and systematic training for employees at different levels and positions, thereby continuously enhancing professional capabilities of our workforce and equipping them with practice capabilities to obtain full licenses. Through the above measures, we have developed high-quality workforce to support our rapid, healthy and sustainable development.

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

Our Company has established an efficient and reasonable management model and a comprehensive and prudent risk management mechanism. The Company has adhered to the "Two Consistencies", gradually improved the modern state-owned enterprise system with Chinese characteristics, and established corresponding business models and management processes in line with the experience of mature international markets to ensure efficient and effective management. At the same time, our Company has always adhered to and continuously strengthened the "all staff, whole process, full coverage and penetrating" risk control compliance system and operating mechanism, through which the parent company can conduct integrated vertical management over domestic and overseas subsidiaries and branches, and the same business and the same client can be subject to unified risk management. Therefore, our Company has formed centralized and effective business management and risk control, and unified decision-making, management and resources allocation, thus ensuring the smooth and orderly development of our business and the stable operation of our risk control system.

## (VIII) Advanced Information Technology Capabilities

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

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

## III. ANALYSIS OF PRINCIPAL BUSINESS

### (I) Investment Banking

#### Equity Financing

##### *Market Environment*

In 2023, a total of 314 A-share IPOs were completed, with an aggregate financing size of RMB358,971 million, representing a year-on-year decrease of 31.3%; a total of 293 A-share follow-on offerings were completed, with an aggregate financing size of RMB402,708 million, representing a year-on-year decrease of 39.8%.

In the Hong Kong primary market, a total of 67 Hong Kong IPOs were completed, with an aggregate financing size of US\$5,888 million, representing a year-on-year decrease of 56.0%; in terms of follow-on offerings and sell-downs, a total of 204 transactions were completed with an aggregate amount of US\$12,603 million, representing a year-on-year increase of 19.6%.

In the US primary market, a total of 21 US IPOs of PRC-based companies were completed, with an aggregate financing size of US\$668 million, representing a year-on-year increase of 23.7%. A total of 48 US follow-on offerings and sell-downs of PRC-based companies were completed, with an aggregate size of US\$2,880 million, representing a year-on-year increase of 263.8%.

### *Actions and Achievements*

In 2023, our Company closed a total of 17 A-share IPOs acting as the lead underwriter, with an aggregate lead underwriting amount of RMB32,245 million, ranking the fourth in the market. The Company continued to consolidate the advantages in large projects and led the completion of A-share IPOs including IPO of Nexchip on the STAR Market, IPO of CSI Solar on the STAR Market, and IPO of Huaqin on the Main Board. The Company closed a total of 26 A-share follow-on offering projects acting as the lead underwriter, with an aggregate lead underwriting amount of RMB49,335 million, ranking the third in the market.

In 2023, the Company sponsored a total of 20 Hong Kong IPOs, including Hong Kong IPOs of J&T Express, TUHU (途虎養車), and Fourth Paradigm, with an aggregate lead underwriting amount of US\$1,218 million, ranking the first in the market; the Company closed a total of 22 Hong Kong IPOs acting as the global coordinator, with an aggregate lead underwriting amount of US\$986 million, ranking the first in the market; and the Company also closed a total of 23 Hong Kong IPOs acting as the bookrunner, with an aggregate lead underwriting amount of US\$529 million, ranking the first in the market. The Company closed 8 follow-on offerings and sell-downs for Hong Kong stocks acting as the bookrunner, with an aggregate lead underwriting amount of US\$566 million.

In 2023, the Company closed 2 US IPOs of PRC-based companies acting as the bookrunner, with an aggregate lead underwriting amount of US\$37 million; and 1 US follow-on offering of PRC-based companies acting as the bookrunner, with an aggregate lead underwriting amount of US\$21 million.

In 2023, we fully implemented the major decisions and deployments of the Party Central Committee and the State Council, implemented the spirit of the 20th CPC National Congress, the Central Financial Work Conference and the Central Economic Work Conference, and stayed true to the fundamental purpose of finance serving the real economy. To serve national science and technology innovation, we completed related equity projects with deal size of over RMB110.0 billion, including benchmark projects such as IPO of Paratera on the Beijing Stock Exchange. To serve the green development strategy, we completed related equity projects with deal size of approximately RMB71.0 billion, including A-share follow-on offerings of SEMCORP and US ATM offering of Li Auto. In terms of the development of inclusive finance, we helped small and medium-sized enterprises to raise more than RMB24.0 billion in equity capital and completed projects such as IPO of MBET on the Beijing Stock Exchange and IPO of Huitong Advanced Materials on the Beijing Stock Exchange.

Items	2023		2022	
	Lead underwriting amount (RMB in million)	Number of offerings	Lead underwriting amount (RMB in million)	Number of offerings
<b>A-share equity offerings</b>				
IPOs	32,245	17	52,863	32
Follow-on offerings	49,335	26	125,661	46
Preferred shares	5,000	3	0	0

Items	2023		2022	
	Lead underwriting amount (USD in million)	Number of offerings	Lead underwriting amount (USD in million)	Number of offerings
<b>Hong Kong equity offerings<sup>3</sup></b>				
IPOs	529	23	1,012	34
Follow-on offerings	566	8	476	10

Items	2023		2022	
	Lead underwriting amount (USD in million)	Number of offerings	Lead underwriting amount (USD in million)	Number of offerings
<b>US equity offerings of PRC-based companies</b>				
IPOs	37	2	15	1
Follow-on offerings	21	1	–	–

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

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

### Outlook for 2024

In 2024, the Company will continue to implement the guiding principles of the Central Financial Work Conference and the Central Economic Work Conference, seize the business opportunities brought by the implementation of the comprehensive registration system, and make more active contributions towards aspects of technology finance, green finance, inclusive finance, pension finance and digital finance, and supporting great self-reliance and strength in science and technology. We will comprehensively strengthen capacity building, improve project pipeline, project quality and market share, and enhance client coverage and influence. We will consolidate our leading edge and contribute to the construction of a financial powerhouse.

<sup>3</sup> Based on the bookrunner role

## Debt Financing and Asset Securitization<sup>4</sup>

### *Market Environment*

China's bond market was volatile and strong as a whole. In the year, credit bonds issued amounted to approximately RMB18.99 trillion, representing a year-on-year increase of 5.1%, among which the asset securitization products issued amounted to RMB1.88 trillion, representing a year-on-year decrease of 6.8%. Local government bonds issued amounted to RMB9.33 trillion, representing a year-on-year increase of 26.8%. In terms of offshore bonds, the US Treasury benchmark interest rate remained high, and the cost of offshore bond financing and refinancing rose due to the Federal Reserve's interest rate hikes. In the year, medium-and long-term offshore bonds issued by Chinese issuers amounted to US\$98.0 billion, representing a year-on-year decrease of 13.7%.

### *Actions and Achievements*

In 2023, the onshore bonds underwriting amount of CICC was RMB1,159,538 million, representing a year-on-year increase of 26.3%; the offshore bonds underwriting amount was US\$5,189 million, representing a year-on-year increase of 2.2%.

In 2023, CICC's debt financing and asset securitization business made remarkable achievements in serving the national science and technology advancement, promoting infrastructure public REITs products, and supporting the national "Carbon Peaking and Carbon Neutrality" strategy, adhering to serving

the real economy. In 2023, CICC ranked No. 4 in terms of onshore bonds underwriting amount, No. 2 in terms of non-policy bank financial bonds underwriting amount, No. 4 in terms of underwriting amount of asset-backed securities, and No. 3 in terms of underwriting amount of local government bonds in the industry. In the field of infrastructure public REITs, CICC ranked first in the market in terms of the listed projects under management, and continued to lead the market in terms of expansion, market making, strategic investment and research coverage. In terms of offshore bonds, CICC ranked No. 1 among PRC-based securities companies in terms of offshore bonds underwriting amount by Chinese issuers for three consecutive years. Specifically, CICC ranked No. 1 among PRC-based securities companies in terms of underwriting amount of offshore ESG bonds by Chinese issuers.

We completed the following milestone products and projects. In the field of onshore bonds and in terms of science and technology innovation, we assisted National Silicon Industry Group (滬硅產業集團) in completing the issuance of the China's first corporate bond of science and technology innovation by a company listed on the STAR Market, and Beijing Enterprises Group (北京控股集團) in completing the issuance of the market's first 10-year science and technology innovation bonds by a local state-owned enterprise. In terms of green bonds, the Company assisted Guangxi Energy Group (廣西能源集團) in completing the issuance of China's first "green science and technology

<sup>4</sup> Source: Wind for domestic market, Bloomberg for offshore market



innovation and low-carbon transformation-linked" corporate bonds, and assisted CECEP Solar Energy Technology (中節能股份) in completing the issuance of the first green corporate bond under the *Common Ground Taxonomy* on the SZSE. In terms of supporting regional economic development, the Company assisted Chengdu Communications Investment Group (成都交通投資集團) in completing the issuance of "Chengdu-Chongqing Twin Cities Economic Circle" bond, being China's first bond to raise funds for expressway project. In terms of rural revitalization, the Company assisted State Power Investment Corporation (國家電投集團) in completing the issuance of the first rural revitalization Quasi-REITs in the market. In terms of infrastructure public REITs, the Company completed the first two REITs expansion projects of GLP (普洛斯) and Shekou Industrial Park (蛇口產業園), and completed two initial offerings of Hubei Optics Valley Science and Technology Investment Industrial Park REIT (湖北光谷科投產業園REIT) and Shandong Expressway REIT (山東高速REIT). In terms of offshore bonds, the Company assisted the Ministry of Finance in the issuance of offshore sovereign bonds, assisted the People's Government of Hainan Province, Guangdong Province and Shenzhen Municipality in the issuance of offshore Renminbi bonds. To empower the real economy, the Company assisted NIO Inc., iQIYI Inc., and MicroPort Scientific Corporation in completing the issuance of overseas convertible bonds, and assisted New Hope Group in completing the first

sustainability-linked bonds issued overseas by a private enterprise from Chinese mainland. The Company assisted multiple Chinese enterprises in overseas ESG bond financing, including overseas green bonds issuance by Guangzhou Development District Holding Group and Jinan Energy, overseas green bonds issuance with the dual themes of "Biodiversity" and "Belt and Road" by China Construction Bank London Branch and Sydney Branch, and overseas sustainable bonds issuance by Huzhou City Investment and Development Group. The Company promoted multi-product and multi-market bonds issuance, including subordinated capital bonds issuance by China Taiping and the global first RMB "Yulan Bond" issuance by Bank of China Macau Branch. In terms of internationalization, the Company assisted New Development Bank, SSA (Sovereigns, Supranational, and Agencies) issuer, in completing private placement medium-term note issuance and euro commercial paper issuance, assisted the Asian Infrastructure Investment Bank in completing the issuance of euro commercial paper, assisted China Education Group in the issuance of Dim Sum Bonds guaranteed by Credit Guarantee and Investment Facility (a trust fund of the Asian Development Bank), and assisted KDB Asia Limited (a wholly-owned subsidiary of Korea Development Bank) in the issuance of Certificate of Deposit. In terms of debt restructuring, the Company assisted several leading real estate enterprises to restructure their outstanding bonds of approximately RMB83.0 billion in total.

### *Outlook for 2024*

In 2024, the Company will give full play to its professional advantages, and combine its efforts in innovating fixed income products with those in serving national strategic development. To this end, the Company will increase its underwriting scale in special products such as science and technology innovation bonds, ESG bonds, rural revitalization, and Belt and Road bonds. The Company will continue to maintain the strategic focus and leading edge of infrastructure public REITs, and actively seize opportunities arising from corporate debt management and credit repair business. In terms of international business, the Company will continuously contribute to the development of the offshore RMB bond market, and promote green and sustainable debt financing. The Company will expand overseas customer base, and relying on the advantages of CICC's cross-border platform, provide domestic and foreign enterprises with multi-currency debt financing and risk management solutions. In addition, the Company will also strictly control risks in the debt financing and asset securitization business through comprehensive risk management, execution quality and compliance control.

### **Financial Advisory Services**

#### *Market Environment*

In 2023, according to Dealogic, 3,095 mergers and acquisitions ("M&A") transactions in PRC Market were announced with an aggregate

volume of approximately US\$324,528 million, representing a year-on-year decrease of 19.3%, among which, 2,685 transactions were domestic with a total volume of approximately US\$252,671 million, representing a year-on-year decrease of 28.4%; and 410 transactions were cross-border with a total volume of approximately US\$71,857 million, representing a year-on-year increase of 46.3%.

#### *Actions and Achievements*

In 2023, according to Dealogic, CICC maintained our leading position and continued to rank No. 1 in the PRC M&A Market. In 2023, according to Dealogic, CICC announced 70 transactions, involving an aggregate volume of approximately US\$69,056 million. Among these transactions, 56 were domestic with a total volume of approximately US\$51,642 million, and 14 were cross-border or offshore with a total volume of approximately US\$17,413 million.

In 2023, we served the national strategies and helped the strategic restructuring of central and local state-owned enterprises. We announced a number of deals, including the establishment of Zhonghui Life Insurance by Huijin Company and China Insurance Security Fund to assume insurance business and corresponding assets and liabilities of Tian'an Life Insurance, PipeChina's integration of equity interests in United Pipeline, and investment in Postal Savings Bank of China by China Mobile. To promote market-oriented industry integration and advancement, we

announced a number of milestone transactions, including BYD Electronics' acquisition of the mobile electronics manufacturing business of JABIL in Chengdu and Wuxi, the strategic investment in Shanghai RAAS by Haier Group, and CR Pharmaceutical Commercial's solicitation of strategic investors. We led a number of featured A-share transactions, including the asset purchase of Aerospace Intelligent Manufacturing Technology (航天智造) from Sichuan Academy of Aerospace Technology (航天七院), the acquisition of Hunan Baoshan Nonferrous Metals & Minerals by Jin Gui Yin Ye (金貴銀業), and the acquisition of AVIC Harbin Aircraft and AVIC Changhe Aircraft by AVICOPTER through share issuance. We continued to lead the Hong Kong stock market transactions, and announced deals including Isola Castle's general offer to acquire Vinda International, the privatization of Dali Foods, and the privatization of Yitai Coal. We

continued to leverage our leading edge in the cross-border business and promote the dual circulation of domestic and foreign capitals, announcing deals including LOTUS DE-SPAC and listing in the US, raising PIPE financing from South Korea's financial institution Meritz; CATL, through its subsidiary CBL, invested in Indonesia to develop an integrated project on electric vehicle battery; and the strategic investment in Kingdee International from Qatar Investment Authority. In addition, we continued to help the government and enterprises resolve risks, protect the employment, and led a number of projects including restructuring of and investment in Brilliance Group by Shenyang Automobile (沈陽汽車), debt restructuring of Xining Special Steel, debt restructuring of DDMC (當代明誠), and debt restructuring of Caissa Tosun.

Milestone transactions announced in 2023 include:

<b>Project</b>	<b>Size</b>	<b>Highlights</b>
PipeChina's integration of equity interests in United Pipeline	US\$8.4 billion	The largest M&A in China in 2023
Investment in Postal Savings Bank of China by China Mobile	US\$6.5 billion	The largest all cash-based A-share non-public offering through bookbuilding ever in A-share market
LOTUS DE-SPAC and listing in the US, raising PIPE financing from South Korea's financial institution MERITZ	US\$5.5 billion	The largest cross-border M&A in China in 2023 and the largest M&A in China's new energy vehicle industry
COFCO Fortune's strategic investor introduction	US\$3.1 billion	The largest private equity financing in food and agriculture industry in China in 2023
BYD Electronics' acquisition of the mobile electronics manufacturing business of JABIL in Chengdu and Wuxi	US\$2.2 billion	The largest foreign divestment in domestic assets in China in 2023
CR Pharmaceutical Commercial's solicitation of strategic investors	US\$0.9 billion	The largest pharmaceutical private financing in the past three years
Privatization of Dali Foods	US\$0.7 billion	The largest cash-based Hong Kong privatization in the consumer industry by market capitalization in recent 5 years; the largest Hong Kong privatization in the food and beverage industry by market capitalization in recent 10 years
Privatization of Yitai Coal	US\$0.7 billion	The largest buy-back privatization transaction, the first H-share privatization transaction of a company listed on SSE B-share and HKEX

<b>Project</b>	<b>Size</b>	<b>Highlights</b>
Major asset swap of Pearl River Holdings	US\$0.4 billion	The first transaction where a local state-owned A-share listed real estate enterprise realized change in principal business through major asset swap
Strategic investment in Kingdee International from Qatar Investment Authority	US\$0.2 billion	The largest single equity investment in the Hong Kong stock market by investors from West Asia since 2022
Restructuring of and investment in Brilliance Group by Shenyang Automobile	Approximately RMB66.0 billion	The largest restructuring investment transaction in China's automobile industry, which has secured the automobile manufacturing industry chain in Liaoning Province, stabilized foreign investment, and implemented the Northeast revitalization strategy in the new era
Debt restructuring of Xining Special Steel	Approximately RMB15.0 billion	The largest reorganization transaction of a listed company in China's iron and steel industry in the past five years, which has ensured the sustainable development of the only iron and steel enterprise on the Qinghai-Tibet Plateau and maintained the safety of the industrial chain
Debt restructuring of DDMC	Approximately RMB10.0 billion	The largest reorganization transaction of a listed company in the cultural and sports category, which has contributed to the high-quality development of the Yangtze River Economic Belt
Debt restructuring of Caissa Tosun	Approximately RMB3.0 billion	The first reorganization of a listed company in the tourism industry, promoting the cross-provincial integration of high-quality tourism resources, and helping the construction of the tourism industry in Hainan Free Trade Port

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

### *Outlook for 2024*

In 2024, the Company will continue to serve the national strategies, fully leverage its domestic and overseas linkages to promote the dual circulation, firmly support the high-quality development of the real economy, grasp M&A opportunities in key technology sectors, and strive to steadily increase market share. In terms of debt restructuring, we will continue to help local governments and enterprises prudently resolve debt risks, maintain industrial security, and improve the quality and efficiency of financial services for the real economy.

## **(II) Equities Business**

### **Market Environment**

In 2023, as the global stock market was disturbed by monetary policy adjustments, geopolitical tensions, economic recovery and inflationary pressures, various markets witnessed mixed performances, with significant divergences. The A-share market curbed at a high level after an upsurge, with slight decrease in trading volume as compared with the same period of the previous year.

As of the end of 2023, performance of the A-share market can be illustrated by the following indexes: -3.7% in SSE Composite Index, -13.5% in SZSE Component Index, -11.4% in Shanghai & Shenzhen 300 Index, -7.4% in China Securities

Index 500, -19.4% in ChiNext Price Index, -13.8% in Hang Seng Indexes, -14.0% in Hang Seng China Enterprises Index and -5.3% in Hang Seng Tech Index. In 2023, the average daily turnover of A shares reached RMB874,410 million, representing a year-on-year decrease of 5.5%; the average daily turnover in the Hong Kong stock market was HK\$105,012 million, representing a year-on-year decrease of 15.9%<sup>5</sup>.

### **Actions and Achievements**

In 2023, the Company actively served national strategies, and implemented the overall deployment of the Central Financial Work Conference. The Company gave full play to its own characteristics in the equity business, and provided domestic and foreign institutional investors with “investment research, sales, trading, products, and cross-border” and other one-stop comprehensive financial services for the stock business. We focused on serving important national strategies such as innovation-driven development, technological self-improvement, green development, and inclusive finance. The equities business cooperated with multiple departments of the Company, played the role of a bridge and introduced high-quality investors to the capital market, making due contributions to promoting the reform and opening up of the capital market.

<sup>5</sup> Source: Wind, Hong Kong Stock Exchange

**We steadily advanced our business with institutional clients.** We have consolidated the advantages of institutional client groups and upgraded our global trading capabilities. We followed the business concept of Client First and continued to diversify our clientele, covering more than 11,000 domestic and overseas institutional investors. In 2023, the number of new client accounts achieved solid growth. The market share of QFII clients has ranked first in the market for 20 consecutive years, and investment research services for a number of QFII and global long-only funds ranked top. The market share of Hong Kong stock trading continued to lead among Chinese securities companies. The Company continued to be in the first echelon in the investment research services for mutual funds clients. We achieved a high coverage of hedge funds, and customer stickiness was improved. We also made progress in the expansion of the bank customers, and remained a leading position in the investment research services for NSSF.

**We comprehensively improved our tailor-made products.** We actively respond to market changes, continuously introduced product innovation, and strengthened the building of a comprehensive customer service capability system. We continued to improve product and service capabilities throughout the whole life cycle for domestic businesses and maintained our market advantage. We enriched asset allocation options and institutional investment channels.

The Company was approved to officially become a market maker on the Beijing Stock Exchange and the STAR Market of Shanghai Stock Exchange, focusing on the national innovation-driven development strategies. In terms of offshore product business, we continuously enriched the customer structure and product category, as a way to further enhance our international competitiveness, and ranked among the tops of overseas Chinese securities companies in terms of comprehensive strengths.

**We continued to improve our international presence.** We strengthened our international setup to improve our influence in cross-border business, and provided customers with first-class global capital market services. The share of Stock Connect transactions remained at the forefront of the market. CICC HK Securities was approved as one of the first batch of “HKD-RMB dual counter” market makers to boost the internationalization of RMB. The overseas team cooperated in the implementation of a number of primary and secondary market financing projects to introduce overseas strategic and cornerstone investors for listed companies, and actively attract long-term funds into the market. We focused on expanding customers in emerging markets and countries involved in the Belt and Road Initiative, and helped CICC expand its overseas business and improve the level of comprehensive customer services.

We built and broadened the defense risk management system across the department, and formed a multi-level, all-round and penetrating risk control and compliance system, to proactively respond to various market fluctuations and emergencies. We established and improved a centralized management and control system and carried it out in matrix way so as to resolutely adhere to the bottom line of risk prevention. We accelerated digitization process to enable business development, benchmarked against market best practices, and built a platform-based open ecosystem service system to lead financial innovation with digital and intelligent technologies.

### **Outlook for 2024**

In 2024, the Company will always adhere to the goal of serving national strategies, practice the customer-oriented business concept, and strengthen the all-round customer service capability as a way to strive to build a global equity business platform that provides leading solutions. The Company will deeply cultivate various institutional customer groups, enhance product innovation, enhance two-way cross-border business capabilities, and improve the digital level of investment research and transaction services. The Company will manage and prevent risks in an all-round way, adhere to the pursuit of progress while maintaining stability, promote stability through progress, and actively contribute to the construction of a modern capital market with Chinese characteristics and a financial powerhouse.

## **(III) FICC**

### **Market Environment**

In 2023, the domestic economy experienced its recovery as a whole, but the major overseas economies were still facing inflationary pressure, and the market saw repeated divergence and periodical fluctuations. In the year, the domestic market fluctuated due to the impact of fundamentals and policies, and yields were generally moving in an M-shape. In 2023, according to the data of ChinaBond, the total bond transaction amount in the inter-bank market was RMB202.7 trillion.

### **Actions and Achievements**

In 2023, the Company continued to promote the development of FICC business. We improved the quality and efficiency of traditional businesses, and actively expanded market presence of emerging businesses with focus on customer service. Our bond underwriting and trading volume continued to lead the market. We continued to rank No. 1<sup>6</sup> in the market in terms of the underwriting amount of USD bonds of PRC-based companies for three consecutive years. We further enhanced the coverage of international customers and trading service capabilities, and established a global sales network covering New York, London, Singapore and Tokyo with Chinese mainland and Hong Kong, China as centers, with cross-border settlement amount continuing to increase.

<sup>6</sup> Source: Bloomberg



In order to actively capture opportunities, we enhanced our product innovation and customer services and continued to develop derivatives business. We continued to capture market opportunities from publicly-offered REITs, carbon transaction, green finance, enterprises that use special and sophisticated technologies to produce novel and unique products, and non-equity ETFs. In order to develop the capacity to provide customized services, we enhanced the innovation of domestic and foreign products and launched a number of innovative product lines. We continued to develop the cross-border derivatives business and expand the interest rate, credit and foreign exchange businesses, thereby rallying among leading market makers in terms of key categories of commodities.

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

### **Outlook for 2024**

In 2024, the Company will continue to promote the high quality development of FICC business, enhance comprehensive customer service capabilities, develop a global market-making platform with full time zones, multiple currencies and markets, thus constantly expanding our influence; continue to maintain our dominant position in the traditional FICC business market and expand the scale of the emerging businesses. We will continue to optimize the risk control system and strengthen risk control; further strengthen capabilities in

customized products, continuously promote product innovation, and improve the capacity to serve the real economy, with an aim to build an one-stop customer service platform covering all products. We will improve cross-border business capabilities, support high-level opening-up, and steadily implement the international setup. In the meantime, we will continue to promote the digital transformation, step up the development of digital economy and enhance the systematic ability of global business development to build a first-class FICC fin-tech platform.

## **(IV) Asset Management**

### **Asset Management**

#### *Market Environment*

In 2023, the market environments experienced heightened complexity both internally and externally. The fluctuation of capital market intensified, the uncertainty and difficulty of investment increased, new regulatory documents published, and industry competition escalated. Under the new situation of domestic economic transformation and upgrading and deepening financial market reform, opportunities and challenges coexisted in the asset management industry. Asset management institutions continued to build up competence in asset management, sales and services, product mix, and compliance and risk control, served the overall situation of economic and social development, made efforts to create value returns for investors, and constantly promoted high-quality business development.

### *Actions and Achievements*

In 2023, we gave full play to our strengths and made up for our deficiencies. We consolidated the investment and research construction, strengthened the risk control and compliance, and enhanced the personnel management. Guided by the high-quality development of asset management business, we built competitive advantages for differentiated development, and highlighted the business layout with focus on the concept of “finance serving real economy”. We persisted in investing in the investment and research capacity building to consolidate the long-term foundation for business development. Committed to the diversification of customer base, we broadened our layout of retail and corporate customer base, deeply served the needs of strategic customers such as social security and annuities, and continued to strengthen the coverage of international customers. We continuously improved digital capabilities, focused on investment and research integration and operation management, and deepened platform capacity building and business process integration. We continuously made efforts to enhance our risk management capacity, improved the risk management mechanism and the risk management system so as to hold the bottom line and operate in a compliant way.

As of December 31, 2023, the AUM of the Asset Management Department of the Company was RMB552,571 million. By product line, the AUM of collective asset management products and segregated asset management products (including NSSF, corporate annuities, occupational annuities and pensions) were RMB138,842 million and RMB413,729 million, respectively. We had altogether 758 products under management.

### *Outlook for 2024*

In 2024, the Company will actively study and implement the guiding principles of the 20th CPC National Congress and the spirit of the Central Financial Work Conference, adhere to high-quality development, and strictly abide by the bottom line of risk compliance to contribute to the Company’s building of a world-class investment bank. We will enhance the quality and efficiency, strive to improve comprehensive competitiveness, and make great efforts to further consolidate the current market position. The Company will deepen the construction of the core investment and research system, strengthen the talent reserve and echelon building, improve the layout of product lines, and firmly adhere to the bottom line of no major risks.

## CICC Fund Management

### *Market Environment*

In 2023, the A-share market was weak and volatile, most major stock indices closed down, and the new issuance of mutual funds continued to be sluggish, hitting a five-year low. However, driven by the growth of the money market funds and bond funds, the scale of mutual fund industry increased to RMB27.60<sup>7</sup> trillion, representing an increase of approximately 6.0% over the end of the previous year. The scale of the mutual funds surpassed that of bank financial products for the first time to become the largest asset management category. Meanwhile, the reform of mutual fund rates has been finalized, and the high-quality development of the industry has steadily advanced.

### *Actions and Achievements*

In 2023, CICC Fund Management closely followed the requirements of high-quality development, focused on mutual fund businesses, diversified product mix, strengthened team and competence building, and improved management and digital empowerment. CICC Fund Management also strictly observed requirements of compliance and risk control to maintain steady business growth. CICC Fund Management issued 6 traditional mutual funds, including CICC CSI 1000 Index Enhanced Initiating Fund (中金中證1000指數增強型發起式證券投資基金), CICC Advanced Manufacturing Hybrid Fund (中金先進製造混合型證券投資基金), and CICC Selected Changxing Robust 6-month Holding

Period Hybrid Initiating Fund of Funds (FoF), and the product line was more abundant and complete. CICC Fund Management completed the first follow-on offering of CICC GLP REIT and the issuance of CICC Hubei Science Technology Investment Optics Industry Park REIT (中金湖北科投光谷REIT) and CICC Shandong Expressway REIT (中金山東高速REIT), and the management scale of C-REITs remained the first in the industry. Meanwhile, as CICC Fund Management continued to strengthen the core competence building of investment and research, many funds' performances ranked in the forefront of its class, and the medium-long period performance continued to accumulate. Our sales competence was continuously improved. The exploration of the online transformation of traditional channels achieved remarkable results, and the number of customers served grew continuously. In addition, following Client First, CICC Fund Management finished the reduction of fund management fees and custodian fees, and actively carried out a variety of online and offline investor education activities to help investors establish scientific investment concepts. In 2023, the overall business of CICC Fund Management was running smoothly, with no major violations of laws and regulations and major potential compliance risks.

As of December 31, 2023, the AUM of CICC Fund Management increased by RMB27,420 million compared with the end of 2022 to RMB138,477 million. The AUM of mutual funds increased to RMB127,204 million, representing an increase of 25.98% compared with the end of 2022.

<sup>7</sup> Source: Data from the Asset Management Association of China as of the end of December 2023

### *Outlook for 2024*

In 2024, CICC Fund Management will keep practicing high-quality development and promote steady business growth. It will continue to focus on investment and research team and competence building, enhance investment and research competence, and accumulate product performance. CICC Fund Management will enhance product management, make efforts in fund issuance and continuous marketing, diversify product mix, and enhance product vitality; strengthen marketing competence building, promote the construction of high-quality comprehensive marketing system covering retail channels, institutional investors and e-commerce platforms; improve the comprehensive service ability for customers, strengthen customer companionship, improve customer investment experience, continue to carry out investor education activities, and help investors develop scientific investment concepts. CICC Fund Management will continue to do a good job in the issuance and follow-on offering of REITs, improve the operation and management, and strive to establish a benchmark for industry operation competence. In 2024, CICC Fund Management will continue to strengthen comprehensive competence building, actively explore industry innovation, empower business development through digitalization, strengthen compliance and risk control management, and safeguard the bottom line of no major risks.

## **(V) Private Equity Investment**

### **Market Environment**

In 2023, the landscape of private equity market was still changing, with the profound transformations in fundraising and investment environment. On fundraising side, the complexities, severities and uncertainties of international finance were surging, and domestic economic recovery still faced some challenges, therefore fundraising activities encountered obstacle. Given the rebound of fundings from government guidance funds and corporate investors, the fundraising activities are expected to recover later.

Meanwhile, affected by the macro environment, fund managers remained cautious in making investment decisions. Furthermore, the highlights of China's private equity market last year were in technology innovation sectors, such as semiconductor, new energy and new material.

The exit of China's private equity investment market slowed down gradually, due to multiple factors such as the deceleration of domestic IPO, the volatility of the equity market and obstacles to overseas listings. The private equity fund managers are actively exploring diversified exit channels, such as M&As and secondary transactions, to help funds realize efficient and orderly exit.

### **Actions and Achievements**

As of December 31, 2023, the Company's private equity business reached RMB401.8 billion. In 2023, CICC won the bid for a number of provincial, municipal and district-level government guidance funds, and completed the fundraising of many direct investment funds, focusing on digital economy, green development and regional development. We continued to improve our investment capabilities, pursue better performance, enhance our knowledge in diverse sectors such as digital economy, advanced manufacturing, new energy, new materials, and healthcare, so as to promote scientific and technological innovation and industrial upgrading. CICC Capital Management Department actively empowered investors and invested companies, and provided various support such as finance, business, and human resources. A number of invested companies have gone public last year.

### **Outlook for 2024**

CICC Capital Management Department will adhere to the original spirit of finance serving the country, serve the real economy with the highest standards, and focus on technology finance, green finance, inclusive finance, pension finance and digital finance. We will fully utilize the advantages of corporate equity investment funds and FoFs, and strengthen cooperation with local governments and industrial groups to further consolidate our industry leadership. Through research-driven investment, we will continuously strengthen investment and empowerment capabilities. We will strengthen collaboration with investment bank and other business lines to improve cross-departmental cooperation. We will improve risk management and corporate governance system, and continuously enhance our competitive advantage.

## THE ASSETS UNDER MANAGEMENT OF THE GROUP

As of December 31, 2023, the size of total assets managed by different business divisions and subsidiaries of our Group is set forth as follows:

Unit: RMB in million

Items	December 31, 2023	December 31, 2022	% of change
AUM in relation to fee and commission income (wholly-owned)			
Collective asset management plans	<b>139,907</b>	232,262	-40%
Segregated asset management plans	<b>460,245</b>	518,082	-11%
Special asset management plans	<b>172,542</b>	176,937	-2%
Mutual funds	<b>143,412</b>	114,845	25%
Private equity investment funds	<b>296,781</b>	262,609	13%
Subtotal	<b>1,212,886</b>	1,304,734	-7%
AUM in relation to share of profits of associates and joint ventures (jointly invested)			
Private equity investment funds	<b>118,569</b>	111,158	7%
Non-private equity investment funds	<b>61,717</b>	71,755	-14%
Subtotal	<b>180,286</b>	182,913	-1%
<b>Total</b>	<b>1,393,172</b>	1,487,647	-6%

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

## (VI) Wealth Management

### Market Environment

Looking back to 2023, the overall trend of A-shares in 2023 was relatively weak. The trading turnover of Shanghai and Shenzhen markets altogether was RMB212.10 trillion, representing a year-on-year decrease of 5.3%<sup>8</sup>. 2023 saw the implementation of a number of new policies. Wealth management has stepped into the NAV-based era. The scale of mutual funds amounted to RMB27.60 trillion, representing an increase of approximately 6.0% over the end of the previous year. The spirit of the Central Financial Work Conference, the spirit of the Central Economic Work Conference and a series of policies have been gradually implemented, and residents sought more diversified and specialized wealth management services and products.

<sup>8</sup> Source: Wind

## Actions and Achievements

**Financial product AUM grew for four consecutive years, and inclusive financial products and services continuously upgraded.** Financial product AUM of the wealth management business was approximately RMB350.0 billion, with positive growth for four consecutive years. The advisory-based system composed of products and services such as China 50 (中國50), Mini 50 (微50), Mutual Fund 50 (公募50), Stock 50 (股票50), and ETF50 was continuously improved. The wealth planning account system was innovated and released, which was based on customer needs, to deepen goal-oriented advisory-based services. Through innovative personal trading services such as “Stock 50”, “ETF 50” and “Stock T0 (股票T0)”, more than 200,000 customers were covered and customer assets of more than RMB240.0 billion were signed.

**With focus on customer service, we enhanced the breadth and depth of customer companionship.**

In the volatile market environment, the total number of CICC wealth management customers was 6,803,800, an increase of 17.0% over the previous year, and the total asset value of customer accounts was RMB2.88 trillion, an increase of 4.3% over the previous year. We actively responded to the call of “activating the capital market and enhancing investor confidence”, and accompanied customers professionally to spread our brand, and enhance the sense of gain of customers. The investment education was awarded the A grade in the 2023 investor education evaluation announced by the Securities Association of China. We created an “online + offline” content matrix, and launched offline events of nine major brands, including China 50 China Tour (中國50中國行) and

Fortune Wanjiaying (財富萬家行). We carried out more than 3,400 activities, and eight live broadcast programs including *China 50-Cloud Chatting Room* (《中國50中國行雲會客廳》), *Desired Investment* (《嚮往的投資》), and *Fund Planning* (《基金有規劃》), attracting more than 12 million views.

**We continued to deepen digital transformation, and focused on digital intelligence to create value. Our fintech capabilities were at the forefront of the industry.**

In 2023, digital intelligence drove value realization, with the online AUM being nearly RMB10 billion, a fourfold increase from the end of last year. The App was upgraded from functional to operational, empowering business development. The RITAS advisory-based digital platform continued to practice the concept of customer-centered wealth management allocation. E-Space, a platform for investment consultants, improved the four-stage customer experience to further empower investment consultants doing business and help them grow. The data management capability was certified by the China Academy of Information and Communications Technology as Level 3 (Robust Level). We embraced the wave of AIGC technology and explored AIGC-enabled wealth management scenarios.

## Outlook for 2024

Looking forward to 2024, we will thoroughly implement the guiding principles of the Central Financial Work Conference, serve the national strategies, and pursue high-quality development. We will continue to scale up, improve quality and efficiency, refine

operations, and proceed digital intelligence transformation so as to achieve greater life and social value together with customers. In terms of customer experience, we will continue to build an industry-leading “omni-channel, multi-scenario” customer acquisition model, embrace the trend of public offering, indexation and globalization, and develop inclusive finance to improve customers’ long-term investment experience. At the product and solution level, while maintaining the strategic focus on advisory-based concept, we will extend the advisory-based concept to a single product and allocate assets properly. We will enhance the basic trading capabilities and develop the “retail transaction service system that creates value for customers”. In terms of capacity building for investment consultants, we will strengthen the refined empowerment for investment consultants to achieve steady growth in the size of the investment consultants team and increase production capacity. In terms of technology and digitalization, we will put efforts in digital finance and continue to promote the transformation of “digital intelligence”.

### **(VII) Research**

Our research team covers global markets and serves clients both at home and abroad through our offices and platforms across the world. The scope of our research products and investment analysis spans not just macro economy and market strategy, but also fixed income, financial engineering, asset allocation, equities, commodities, and foreign exchange. As of December 31, 2023, our research team consisted of nearly 400 highly experienced professionals, and covered more than 40 sectors, and around

1,800 companies listed on stock exchanges in Chinese mainland, Hong Kong SAR, New York, Singapore, Frankfurt, London, and Paris.

CICC Research has won recognition from domestic and international investors for its independent, unbiased, and insightful research products. In 2023, we issued more than 18,000 research reports in Chinese and/or foreign languages. On top of numerous sector and company reports, we also published a series of thematic reports, including reports on the wave of AI (AI浪潮之巔, Chinese version), data and AI in China (數智中國, Chinese version), the valuation system with Chinese characteristics (探索中國特色估值體系, Chinese version), the across-the-board registration-based IPO system (全面註冊制研究, Chinese version), CICC frontier technologies (中金前沿科技, Chinese version), and China’s broad consumer sectors (中國大消費, Chinese version). These research products have showcased our profound understanding of China. The superior depth and extensive coverage of our research reports have earned us the reputation as the “China Expert”. In 2023, we hosted multiple forums and conferences to analyze hot topics in the capital market and macro policy trends, which gained extensive attention and unanimous recognition from institutional clients. These events include *Frontier Technology: A Smart Future and the Accelerating Present* (CICC Closed-door Meetings with Select Listed Companies 2023), *Virtuous Cycle in Healthcare Ecosystem: Broad Range of Investment Opportunities* (The Third CICC Healthcare Industry Forum), *New Strides of High-quality Development* (CICC Investment Strategy Conference 2H23), the “Belt and Road Initiative



at Ten" forum, and 2024: New Vision and New Technologies (CICC Annual Investment Strategy Conference 2023).

CICC Global Institute (CGI) has worked diligently to perform its tasks, improve its social influence, and build a strong, comprehensive brand name for public policy research. In 2023, CGI held forums: *Long-term Challenges and Recovery Paths for the Chinese Economy*, *CBDs: Current Developments and Future Implications*, and *Green Economy in the Era of Deglobalization: Global Landscape and China's Responses*. We completed field research on rural revitalization for the third consecutive year, and released a thematic report collection titled *Dreams Coming True in China's Rural Revitalization* (心歸田野夢歸鄉, Chinese version). We published two new books titled *The Reshaping of China's Industry Chains amid a Changing Landscape* (大國產業鏈:新格局下的宏觀和產業趨勢, Chinese version) and *Belt and Road Initiative at Ten: Macro, Financial, and Industrial Trends* (「一帶一路」新十年:宏觀、金融與產業趨勢, Chinese version). Moreover, we invited scholars to visit CGI and organized activities for internal and external communications. CGI was invited to join the G20 Sustainable Finance Working Group. We endeavored to advance key projects of the China Council for International Cooperation on Environment and Development, and continued to conduct many public policy research projects and provide relevant services.

## (VIII) OTHER EXPLANATIONS

There was no major change in the Company's operation and no matter that had or expected to have a significant impact on the Company's principal operations during the Reporting Period. There is no significant change in the composition of profits or the source of profits due to non-core business.

## IV. ANALYSIS ON PRINCIPAL OPERATIONS AND FINANCIAL STATEMENTS

### (I) Profitability Analysis of Our Group

In 2023, the Group focused on playing the role of a bridge between the real economy and the capital market, and strove for new breakthroughs and new achievements in advancing high-quality development. The Company kept advancing ahead with steady steps.

In 2023, the Group realized total revenue and other income of RMB35,446.2 million, representing a decrease of RMB1,952.0 million or 5.2% compared with that in 2022. In 2023, the Group realized profit attributable to shareholders of the parent company of RMB6,156.1 million, representing a decrease of RMB1,441.4 million or 19.0% compared with that in 2022. The Group realized earnings per share of RMB1.138 in 2023, representing a decrease of 22.0% compared with that in 2022. The weighted average return on net assets was 6.4%, representing a decrease

of 2.4 percentage points compared with that in 2022.

## (II) Asset Structure and Quality

As of December 31, 2023, total assets of the Group amounted to RMB624,306.6 million, representing a decrease of RMB24,457.5 million or 3.8% compared with that in 2022. Total liabilities of the Group amounted to RMB519,409.2 million, representing a decrease of RMB29,880.2 million or 5.4% compared with that in 2022. The Group's total equity attributable to shareholders of the parent company amounted to RMB104,603.3 million, representing an increase of RMB5,415.2 million or 5.5% compared with that in 2022. After deducting accounts payable to brokerage clients and to underwriting clients of RMB82,311.0 million, the adjusted total assets of the Group amounted to RMB541,995.6 million; the adjusted total liabilities amounted to RMB437,098.2 million; the gearing ratio was 80.6%, decreased by 1.5 percentage points from 82.1% as at December 31, 2022; the operating leverage ratio<sup>9</sup> was 5.2 times, representing a decrease of 0.4 time compared with 5.6 times as at December 31, 2022.

As of December 31, 2023, the Group's financial assets at fair value through profit or loss and derivative financial assets totalled RMB296,686.6 million, accounting for 47.5% of the total assets; financial assets at fair value through other comprehensive income amounted to RMB65,619.1 million, accounting for 10.5% of the total assets; cash and bank balances and cash held on behalf of clients totalled RMB146,986.8 million, accounting for 23.5% of the total assets; receivable from margin clients and reverse REPOs totalled RMB55,731.0 million, accounting for 8.9% of the total assets; interests in associates and joint ventures amounted to RMB1,076.1 million, accounting for 0.2% of the total assets; other assets amounted to RMB58,207.0 million, accounting for 9.4% of the total assets.

As of December 31, 2023, most of the Group's liabilities were current liabilities. Accounts payable to brokerage clients and to underwriting clients totally amounted to RMB82,311.0 million, accounting for 15.8% of the total liabilities; REPOs amounted to RMB64,899.1 million, accounting for 12.5% of the total liabilities; placements from financial institutions, short-term debt securities issued and long-term debt securities issued due within one year totalled RMB104,061.8 million, accounting for 20.0% of the total liabilities; financial liabilities at fair value through profit or loss and derivative financial liabilities totalled RMB50,057.8 million, accounting for 9.6% of the total liabilities;

<sup>9</sup> Operating leverage ratio = (total assets – accounts payable to brokerage clients and to underwriting clients)/total equity attributable to shareholders of the parent company

long-term debt securities issued amounted to RMB106,937.0 million, accounting for 20.6% of the total liabilities; other liabilities amounted to RMB111,142.5 million, accounting for 21.5% of the total liabilities.

### (III) Cash Flows

In 2023, excluding the impacts of changes in cash held on behalf of clients, a net decrease in cash and cash equivalents of the Group amounted to RMB14,051.8 million. The changes from a net increase in cash and cash equivalents of RMB19,396.1 million in 2022 are mainly generated from the following daily activities:

- net cash used in operating activities amounted to RMB2,422.3 million in 2023, representing a change from the net cash generated of RMB57,960.9 million in 2022. The change was mainly attributable to a shrinkage in the net cash inflow from investments in financial instruments at fair value through profit or loss as compared with that in 2022; meanwhile, a turn from the net cash inflow from an expansion in scale of placements from financial institutions in 2022 to the net cash outflows from a reduction in scale in 2023, a turn from the net cash inflow from a decline in scale of receivable from margin clients in 2022 to the net cash outflows from an expansion of scale in 2023, and a larger reduction in accounts payable to brokerage clients as compared with that in 2022 led to an increase in the net cash outflows. The above increase in net cash outflow was partially offset by a decrease in net cash outflow associated with trade payables for derivative transactions;
- net cash generated from investing activities amounted to RMB2,081.9 million in 2023, representing a change from the net cash used of RMB23,437.5 million in 2022. The change was mainly attributable to a reduction of the cash outflow associated with purchase of investments and an increase in cash receipts from disposal of investments;
- net cash used in financing activities amounted to RMB13,711.5 million in 2023, representing a decrease of RMB1,415.9 million or 9.4% as compared with the net cash used of RMB15,127.4 million in 2022. The decrease was mainly attributable to a decrease in redemption of debt securities issued, which was partially offset by a decrease in proceeds from issuing debt securities.

### (IV) Financing Channels and Capability

Our Group constantly broadens and diversifies its funding channels to optimize the liability structure. The funding instruments of our Group include corporate bonds, medium-term note program, bank loans, commercial papers, beneficiary certificates, transfer of right to income, inter-bank borrowing, REPOs, etc.

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

## (V) Operating Revenue and Profit Analysis

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

#### *Summary of Financial Performance*

In 2023, the Group realized a profit of RMB6,163.6 million, representing a year-on-year decrease of 18.8%. The financial performance of the Group is summarized as follows:

Unit: RMB in million

Items	2023	2022	Change	% of change
<b>Revenue</b>				
Fee and commission income	<b>13,830.3</b>	18,063.3	(4,233.1)	(23.4%)
Interest income	<b>9,405.4</b>	8,153.3	1,252.0	15.4%
Investment income	<b>10,555.9</b>	10,607.9	(52.0)	(0.5%)
Total revenue	<b>33,791.5</b>	36,824.5	(3,033.0)	(8.2%)
Other income, net	<b>1,654.7</b>	573.7	1,081.0	188.4%
<b>Total revenue and other income</b>	<b>35,446.2</b>	37,398.2	(1,952.0)	(5.2%)
<b>Total expenses</b>	<b>28,657.8</b>	28,338.7	319.0	1.1%
<b>Share of profits/(losses) of associates and joint ventures</b>	<b>34.6</b>	(3.5)	38.0	N/A
<b>Profit before income tax</b>	<b>6,823.0</b>	9,056.0	(2,233.0)	(24.7%)
Income tax expense	<b>659.3</b>	1,461.1	(801.8)	(54.9%)
<b>Profit for the year</b>	<b>6,163.6</b>	7,594.9	(1,431.2)	(18.8%)
Profit attributable to shareholders of the parent company	<b>6,156.1</b>	7,597.5	(1,441.4)	(19.0%)

### *Revenue Breakdown*

In 2023, the Group's revenue decreased by 8.2% to RMB33,791.5 million compared with that in 2022. Fee and commission income accounted for 40.9% of total revenue, representing a year-on-year decrease of 8.1 percentage points; interest income accounted for 27.8%, representing a year-on-year increase of 5.7 percentage points; investment income accounted for 31.3%, representing a year-on-year increase of 2.4 percentage points. A breakdown of the Group's revenue is presented as follows:

<b>Items</b>	<b>2023</b>	2022	<b>Change</b>
Fee and commission income	<b>40.9%</b>	49.1%	Decreased by 8.1 percentage points
Interest income	<b>27.8%</b>	22.1%	Increased by 5.7 percentage points
Investment income	<b>31.3%</b>	28.8%	Increased by 2.4 percentage points
<b>Total</b>	<b>100.0%</b>	100.0%	

In 2023, the Group's fee and commission income decreased compared with that in 2022, resulting in a relatively decrease in the proportion of fee and commission income.

### *Fee and Commission Income and Expenses*

In 2023, the Group realized a net fee and commission income of RMB12,088.4 million, representing a year-on-year decrease of RMB3,854.7 million or 24.2%. A breakdown of the Group's fee and commission income and expenses is presented as follows:

Unit: RMB in million

Items	2023	2022	Change	% of change
<b>Fee and commission income</b>				
Brokerage commission income	<b>5,685.4</b>	6,724.6	(1,039.2)	(15.5%)
Investment banking income	<b>3,959.2</b>	7,347.5	(3,388.2)	(46.1%)
Underwriting and sponsoring fees from equity financing	<b>2,121.4</b>	5,076.4	(2,955.0)	(58.2%)
Underwriting and sponsoring fees from debt and structured financing	<b>1,091.3</b>	1,325.4	(234.1)	(17.7%)
Financial advisory fees	<b>746.5</b>	945.6	(199.1)	(21.1%)
Asset management fees	<b>3,267.0</b>	3,200.6	66.4	2.1%
Asset management and mutual funds	<b>1,551.9</b>	1,679.3	(127.4)	(7.6%)
Private equity investment funds	<b>1,715.1</b>	1,521.4	193.8	12.7%
Investment advisory fees	<b>685.4</b>	599.9	85.5	14.2%
Others	<b>233.2</b>	190.7	42.5	22.3%
<b>Total fee and commission income</b>	<b>13,830.3</b>	18,063.3	(4,233.1)	(23.4%)
<b>Fee and commission expenses</b>	<b>1,741.9</b>	2,120.3	(378.4)	(17.8%)
<b>Net fee and commission income</b>	<b>12,088.4</b>	15,943.0	(3,854.7)	(24.2%)

The charts below set forth the composition of the Group's fee and commission income:



The structure of the Group's fee and commission income is presented as follows:

Items	2023	2022	Change
Brokerage commission income	<b>41.1%</b>	37.2%	Increased by 3.9 percentage points
Investment banking income	<b>28.6%</b>	40.7%	Decreased by 12.0 percentage points
Asset management fees	<b>23.6%</b>	17.7%	Increased by 5.9 percentage points
Investment advisory fees	<b>5.0%</b>	3.3%	Increased by 1.6 percentage points
Others	<b>1.7%</b>	1.1%	Increased by 0.6 percentage point
<b>Total</b>	<b>100.0%</b>	100.0%	

Brokerage commission income amounted to RMB5,685.4 million, representing a year-on-year decrease of RMB1,039.2 million or 15.5%, mainly due to the fact that in 2023, as the global stock market was disturbed by monetary policy adjustments, geopolitical tensions, economic recovery and inflationary pressures, various markets witnessed mixed performances, with significant divergences. The A-share market curbed at a high level after an upsurge, with slight decrease in trading volume as compared with that in 2022. The average daily turnover of A shares reached RMB874,410 million, representing a year-on-year decrease of 5.5%; the average daily turnover of H shares was HK\$105,012 million, representing a year-on-year decrease of 15.9%.

Investment banking income amounted to RMB3,959.2 million, representing a year-on-year decrease of RMB3,388.2 million or 46.1%. Investment banking income included underwriting and sponsoring fees from equity financing and from debt and structured financing and financial advisory fees. The underwriting and sponsoring fees amounted to RMB3,212.7 million, representing a year-on-year decrease of RMB3,189.1 million or 49.8%; of which, underwriting and sponsoring fees from equity financing decreased by RMB2,955.0 million or 58.2%, mainly due to a decrease in revenue associated with equity financing transactions such as IPO on the STAR Market and on the ChiNext Board as well as on the Hong Kong Stock Exchange; underwriting and sponsoring fees from debt and structured financing decreased by RMB234.1 million, or 17.7%, mainly due to a decrease in revenue related to debt and structured financing transactions such as financial bonds, corporate bonds and convertible bonds. Financial advisory fees amounted to RMB746.5 million, representing a year-on-year decrease of RMB199.1 million or 21.1%, mainly due to a decline in fees from financial advisory services for debt restructuring, acquisition of listed companies, M&A and fixed-income products.

Asset management fees amounted to RMB3,267.0 million, representing a year-on-year increase of RMB66.4 million or 2.1%. Asset management fees consisted of fees from asset management business, mutual fund business and private equity investment fund business. In addition to asset management fees, a portion of the Group's share of profits of associates and joint ventures was generated from the AUM of the fund management companies jointly-invested by the Group.

Investment advisory fees amounted to RMB685.4 million, representing a year-on-year increase of RMB85.5 million or 14.2%, mainly due to a rise in demand for investment advisory services for trusts in 2023, resulting in the corresponding increase in investment advisory fees.

Fee and commission expenses amounted to RMB1,741.9 million, representing a year-on-year decrease of RMB378.4 million or 17.8%, mainly due to a decrease of brokerage commission expenses resulting from the downward trend of capital markets.



### *Interest Income and Expenses*

In 2023, the Group incurred net interest expenses of RMB1,334.8 million, among which interest income amounted to RMB9,405.4 million, representing a year-on-year increase of 15.4%, and interest expenses amounted to RMB10,740.1 million, representing a year-on-year increase of 17.0%. A breakdown of the Group's interest income and expenses is presented as follows:

Unit: RMB in million

Items	2023	2022	Change	% of change
<b>Interest income</b>				
Interest income from financial institutions	<b>3,419.9</b>	2,845.5	574.4	20.2%
Interest income from margin financing and securities lending	<b>2,743.7</b>	2,672.5	71.2	2.7%
Interest income from reverse REPOs	<b>773.1</b>	885.4	(112.2)	(12.7%)
Interest income from financial assets at fair value through other comprehensive income	<b>1,700.8</b>	1,432.3	268.5	18.7%
Others	<b>767.8</b>	317.7	450.1	141.7%
<b>Total interest income</b>	<b>9,405.4</b>	8,153.3	1,252.0	15.4%
<b>Interest expenses</b>				
Interest expenses on accounts payable to brokerage clients	<b>366.7</b>	332.0	34.7	10.5%
Interest expenses on REPOs	<b>1,358.4</b>	925.8	432.6	46.7%
Interest expenses on placements from financial institutions	<b>2,204.9</b>	1,527.3	677.6	44.4%
Interest expenses on debt securities issued	<b>5,512.1</b>	5,729.6	(217.5)	(3.8%)
Interest expenses on lease liabilities	<b>88.4</b>	75.4	13.0	17.2%
Others	<b>1,209.5</b>	586.3	623.2	106.3%
<b>Total interest expenses</b>	<b>10,740.1</b>	9,176.5	1,563.6	17.0%
<b>Net interest expenses</b>	<b>(1,334.8)</b>	(1,023.2)	(311.6)	30.5%

Interest income from financial institutions amounted to RMB3,419.9 million, representing a year-on-year increase of RMB574.4 million or 20.2%, mainly due to an increase in deposit interest rate overseas.

Interest income from margin financing and securities lending amounted to RMB2,743.7 million, representing a year-on-year increase of RMB71.2 million or 2.7%.

Interest income from reverse REPOs amounted to RMB773.1 million, representing a year-on-year decrease of RMB112.2 million or 12.7%, mainly due to a shrinkage in average scale of the Group's stock-based lending business compared with that in 2022, resulting in a corresponding decrease in interest income.

Interest income from financial assets at fair value through other comprehensive income amounted to RMB1,700.8 million, representing a year-on-year increase of RMB268.5 million or 18.7%, mainly due to an expansion in average scale of the Group's position in debt securities at fair value through other comprehensive income in the domestic markets.

Interest expenses amounted to RMB10,740.1 million, representing a year-on-year increase of RMB1,563.6 million or 17.0%, mainly due to a climb in interest expenses arising from REPOs, placements from financial institutions and other external financing.

#### *Investment income*

In 2023, the Group realized an investment income of RMB10,555.9 million, representing a year-on-year decrease of RMB52.0 million or 0.5%. A breakdown of the Group's investment income is presented as follows:

Unit: RMB in million

Items	2023	2022	Change	% of change
<b>Investment income</b>				
Net losses from disposal of financial assets at fair value through other comprehensive income	<b>(132.3)</b>	(117.3)	(15.1)	12.9%
Net gains from financial instruments at fair value through profit or loss and from derivative financial instruments	<b>10,688.2</b>	10,722.5	(34.3)	(0.3%)
– Equity investments	<b>6,601.0</b>	5,583.4	1,017.6	18.2%
– Debt investments	<b>3,762.3</b>	3,175.4	586.9	18.5%
– Other investments	<b>325.0</b>	1,963.8	(1,638.8)	(83.5%)
Others	<b>0.0</b>	2.6	(2.6)	(99.9%)
<b>Total</b>	<b>10,555.9</b>	10,607.9	(52.0)	(0.5%)

Net losses from disposal of financial assets at fair value through other comprehensive income amounted to RMB132.3 million, representing a year-on-year increase of RMB15.1 million or 12.9%, mainly due to an enlarged scale of the Group's disposition of overseas debt securities at fair value through other comprehensive income, resulting in the corresponding increase in the net losses associated with the disposals.

Net gains from financial instruments at fair value through profit or loss and from derivative financial instruments totalled RMB10,688.2 million, representing a year-on-year decrease of RMB34.3 million or 0.3%, and were from the following categories of investments:

- Net gains from equity investments increased by RMB1,017.6 million or 18.2% year on year, mainly due to the change from a net loss associated with securities held by the Group under the following-investment mechanism on STAR Market in 2022 to a net gain in 2023; meanwhile, the net investment income related to the OTC derivatives business increased amid the stock market subject to fluctuations in 2023;
- Net gains from debt investments increased by RMB586.9 million or 18.5% year on year, mainly due to a growth in net gains from investments in securitized products and bonds;
- Net gains from other investments were mainly gains or losses arising from investments in funds and decreased by RMB1,638.8 million or 83.5% year on year, mainly due to a decline in scale of the Group's investments in private funds and a drop in valuation of public REITs funds amid an unfavorable market, resulting in a corresponding decrease in net gains from fund investments.

For detailed information of the Group's financial instruments at fair value through profit or loss and of derivative financial instruments, please refer to "(VI) Analysis of Items in Statement of Financial Position – 1. Items of Assets – Investments – Financial Assets at Fair Value through Profit or Loss", "(VI) Analysis of Items in Statement of Financial Position – 1. Items of Assets – Investments – Derivative Financial Assets" and "(VI) Analysis of Items in Statement of Financial Position – 2. Items of Liabilities", respectively.

### Operating Expenses

In 2023, the Group's operating expenses (excluding fee and commission expenses and interest expenses, the same below) amounted to RMB16,175.7 million, representing a year-on-year decrease of RMB866.2 million or 5.1%. A breakdown of the Group's operating expenses is presented as follows:

Unit: RMB in million

Items	2023	2022	Change	% of change
<b>Operating expenses</b>				
Staff costs	<b>10,685.5</b>	11,927.2	(1,241.8)	(10.4%)
Depreciation and amortization expenses	<b>1,771.7</b>	1,645.1	126.6	7.7%
Tax and surcharges	<b>87.2</b>	122.7	(35.5)	(28.9%)
Other operating expenses and costs	<b>3,626.4</b>	3,367.8	258.5	7.7%
Provision for/(Reversal of) impairment losses under expected credit loss model	<b>5.0</b>	(20.9)	26.0	N/A
<b>Total</b>	<b>16,175.7</b>	17,042.0	(866.2)	(5.1%)

Staff costs amounted to RMB10,685.5 million, representing a year-on-year decrease of RMB1,241.8 million or 10.4%, primarily attributable to the decline in the Group's operating performance compared with that in 2022 under the unfavorable market conditions in 2023 and the corresponding decrease in staff costs.

Depreciation and amortization expenses amounted to RMB1,771.7 million, representing a year-on-year increase of RMB126.6 million or 7.7%.

Tax and surcharges amounted to RMB87.2 million, representing a year-on-year decrease of RMB35.5 million or 28.9%, mainly due to a decrease in the Group's taxable revenue in connection with value-added tax, resulting in a decline in value-added tax and related urban construction and maintenance tax, educational surtax and local educational surtax.

Other operating expenses and costs amounted to RMB3,626.4 million, representing a year-on-year increase of RMB258.5 million or 7.7%.

Provision for impairment losses under expected credit loss model amounted to RMB5.0 million, the variation from the reversal of impairment losses in 2022 primarily attributable to a decrease in a reversal of impairment losses for account receivable and reverse REPOs compared with those of last year and a variation in the impairment losses for receivable from margin clients from a reversal in 2022 to a provision in 2023, which were partially dampened by a change to a reversal for impairment losses for financial assets at fair value through other comprehensive income from a provision of impairment losses in 2022.

## 2. Segment Results

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

Unit: RMB in million

Items	2023	2022	Change	% of change
<b>Investment Banking</b>				
<b>Segment revenue and other income</b>	3,664.8	6,049.1	(2,384.3)	(39.4%)
Fee and commission income	3,199.4	6,051.4	(2,851.9)	(47.1%)
Interest income	10.0	35.1	(25.1)	(71.5%)
Investment income/(losses)	446.7	(39.8)	486.5	N/A
Other income	8.7	2.4	6.3	260.0%
<b>Interest expenses</b>	(244.8)	(320.9)	76.1	(23.7%)
<b>Revenue and other income after interest</b>	3,420.0	5,728.2	(2,308.2)	(40.3%)
<b>Non-interest expenses<sup>(1)</sup></b>	3,228.5	3,935.4	706.9	(18.0%)
<b>Profit before income tax</b>	191.5	1,792.8	(1,601.3)	(89.3%)
<b>Segment margin<sup>(2)</sup></b>	5.2%	29.6%	Decreased by 24.4 percentage points	

The variation of investment income of Investment Banking from investment losses in 2022 was primarily attributable to upturns in market value of the securities held by the Group under the following-investment mechanism on STAR Market amid the recovery of China's capital market, resulting in a corresponding swing in the gains and losses from these investments; other income increased year on year, primarily due to an increase in net gains from foreign exchange derivative transactions for the purpose of foreign currency hedging under the effect of exchange rate fluctuations.

Items	2023	2022	Change	% of change
<b>Equities</b>				
<b>Segment revenue and other income</b>	<b>10,067.3</b>	8,639.1	1,428.2	16.5%
Fee and commission income	<b>1,741.9</b>	2,688.1	(946.2)	(35.2%)
Interest income	<b>1,598.5</b>	1,029.6	568.9	55.3%
Investment income	<b>5,374.7</b>	5,617.9	(243.2)	(4.3%)
Other income/(losses)	<b>1,352.3</b>	(696.5)	2,048.8	N/A
<b>Interest expenses</b>	<b>(4,537.8)</b>	(2,245.2)	(2,292.6)	102.1%
<b>Revenue and other income after interest</b>	<b>5,529.5</b>	6,393.9	(864.4)	(13.5%)
<b>Non-interest expenses<sup>(1)</sup></b>	<b>1,692.4</b>	1,680.5	11.9	0.7%
<b>Profit before income tax</b>	<b>3,837.1</b>	4,713.4	(876.3)	(18.6%)
<b>Segment margin<sup>(2)</sup></b>	<b>38.1%</b>	54.6%	Decreased by 16.4 percentage points	

The variation of other income of Equities from other losses in 2022 was primarily resulted from changes in gains and losses from foreign exchange derivative transactions for the purpose of hedging the market risks associated with OTC derivative transactions under the effect of exchange rate fluctuations, and the investment gains and losses arising from the market risks associated with OTC derivative transactions were mainly assumed by the clients; the increase in interest expenses was mainly due to a larger interest expenses on financing resulted from a higher overseas financing rate.

Items	2023	2022	Change	% of change
<b>FICC</b>				
<b>Segment revenue and other income</b>	<b>6,002.0</b>	6,262.3	(260.3)	(4.2%)
Fee and commission income	<b>860.0</b>	1,017.7	(157.7)	(15.5%)
Interest income	<b>1,795.9</b>	1,436.5	359.4	25.0%
Investment income	<b>3,342.1</b>	3,159.8	182.3	5.8%
Other income	<b>4.0</b>	648.3	(644.3)	(99.4%)
<b>Interest expenses</b>	<b>(3,343.5)</b>	(3,067.4)	(276.1)	9.0%
<b>Revenue and other income after interest</b>	<b>2,658.5</b>	3,194.9	(536.4)	(16.8%)
<b>Non-interest expenses<sup>(1)</sup></b>	<b>1,129.0</b>	1,190.3	(61.3)	(5.2%)
<b>Profit before income tax</b>	<b>1,529.6</b>	2,004.7	(475.1)	(23.7%)
<b>Segment margin<sup>(2)</sup></b>	<b>25.5%</b>	32.0%	Decreased by 6.5 percentage points	

Items	2023	2022	Change	% of change
<b>Asset Management</b>				
<b>Segment revenue and other income</b>	<b>1,203.7</b>	1,375.2	(171.4)	(12.5%)
Fee and commission income	<b>1,176.2</b>	1,368.0	(191.8)	(14.0%)
Interest income	<b>27.1</b>	52.4	(25.3)	(48.3%)
Investment losses	<b>(7.7)</b>	(55.2)	47.5	(86.0%)
Other income	<b>8.2</b>	10.0	(1.8)	(18.2%)
<b>Interest expenses</b>	<b>(134.6)</b>	(158.3)	23.7	(15.0%)
<b>Revenue and other income after interest</b>	<b>1,069.2</b>	1,216.8	(147.7)	(12.1%)
<b>Non-interest expenses<sup>(1)</sup></b>	<b>912.5</b>	929.4	(16.9)	(1.8%)
<b>Share of profits of associates and joint ventures</b>	<b>1.0</b>	21.3	(20.3)	(95.3%)
<b>Profit before income tax</b>	<b>157.7</b>	308.8	(151.1)	(48.9%)
<b>Segment margin<sup>(2)</sup></b>	<b>13.1%</b>	22.5%	Decreased by 9.4 percentage points	

Items	2023	2022	Change	% of change
<b>Private Equity</b>				
<b>Segment revenue and other income</b>	<b>2,109.7</b>	2,519.0	(409.3)	(16.2%)
Fee and commission income	<b>1,762.3</b>	1,569.1	193.2	12.3%
Interest income	<b>0.2</b>	6.6	(6.4)	(97.2%)
Investment income	<b>277.2</b>	906.7	(629.5)	(69.4%)
Other income	<b>69.9</b>	36.6	33.3	91.1%
<b>Interest expenses</b>	<b>(257.1)</b>	(269.0)	11.9	(4.4%)
<b>Revenue and other income after interest</b>	<b>1,852.6</b>	2,250.0	(397.4)	(17.7%)
<b>Non-interest expenses<sup>(1)</sup></b>	<b>997.3</b>	1,048.2	(50.9)	(4.9%)
<b>Share of profits of associates and joint ventures</b>	<b>71.7</b>	33.3	38.3	115.0%
<b>Profit before income tax</b>	<b>927.0</b>	1,235.1	(308.1)	(24.9%)
<b>Segment margin<sup>(2)</sup></b>	<b>43.9%</b>	49.0%	Decreased by 5.1 percentage points	

The year-on-year rise in share of profits of associates and joint ventures of Private Equity was mainly due to an increase in share of profits of joint ventures.

Items	2023	2022	Change	% of change
<b>Wealth Management</b>				
<b>Segment revenue and other income</b>	<b>9,714.1</b>	10,140.5	(426.4)	(4.2%)
Fee and commission income	<b>5,313.8</b>	5,532.1	(218.2)	(3.9%)
Interest income	<b>3,955.5</b>	4,093.0	(137.5)	(3.4%)
Investment income	<b>310.1</b>	408.7	(98.6)	(24.1%)
Other income	<b>134.7</b>	106.7	28.0	26.2%
<b>Interest expenses</b>	<b>(1,927.3)</b>	(2,089.1)	161.9	(7.7%)
<b>Revenue and other income after interest</b>	<b>7,786.9</b>	8,051.4	(264.5)	(3.3%)
<b>Non-interest expenses<sup>(1)</sup></b>	<b>5,684.4</b>	6,006.8	(322.4)	(5.4%)
<b>Share of losses of associates and joint ventures</b>	<b>(38.0)</b>	(58.0)	20.0	(34.4%)
<b>Profit before income tax</b>	<b>2,064.5</b>	1,986.6	77.8	3.9%
<b>Segment margin<sup>(2)</sup></b>	<b>21.3%</b>	19.6%	Increased by 1.7 percentage points	



Items	2023	2022	Change	% of change
<b>Others<sup>(3)</sup></b>				
<b>Segment revenue and other income</b>	<b>2,684.5</b>	2,413.1	271.5	11.2%
Fee and commission expenses	(223.4)	(163.0)	(60.4)	37.1%
Interest income	2,018.2	1,500.2	518.1	34.5%
Investment income	812.8	609.8	203.1	33.3%
Other income	76.9	466.2	(389.3)	(83.5%)
<b>Segment expenses</b>	<b>4,568.8</b>	5,398.3	(829.6)	(15.4%)
<b>Share of losses of associates and joint ventures</b>	<b>(0.1)</b>	(0.1)	0.0	(25.5%)
<b>Loss before income tax</b>	<b>(1,884.3)</b>	(2,985.4)	1,101.0	(36.9%)

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

## (VI) Analysis of Items in Statement of Financial Position

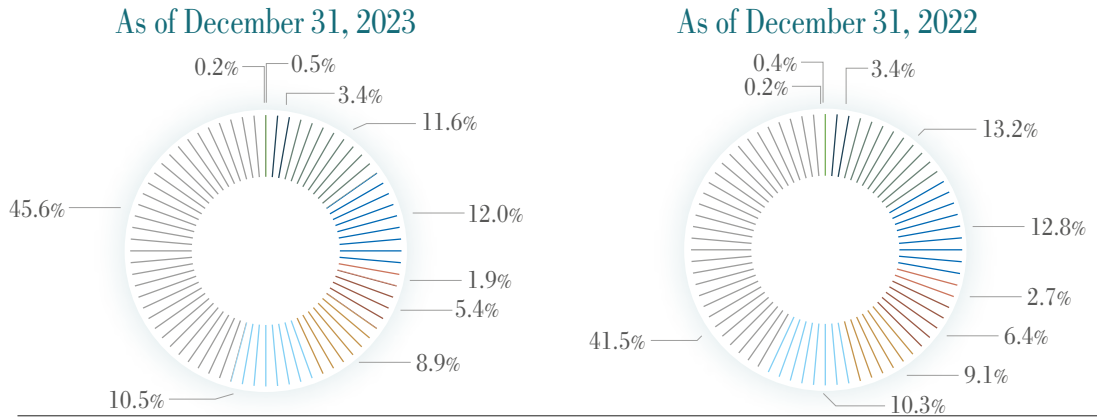
### 1. Items of Assets

As of December 31, 2023, the Group's total assets amounted to RMB624,306.6 million, representing a year-on-year decrease of RMB24,457.5 million or 3.8%. Excluding the impact of accounts payable to brokerage clients and to underwriting clients, the Group's adjusted total assets as of December 31, 2023 amounted to RMB541,995.6 million, representing a year-on-year decrease of RMB14,668.5 million or 2.6%. A breakdown of the Group's assets is presented as follows:

Unit: RMB in million

Item	December 31, 2023	December 31, 2022	Change	% of change
Property and equipment and intangible assets	<b>3,203.9</b>	2,364.3	839.6	35.5%
Interests in associates and joint ventures	<b>1,076.1</b>	1,015.6	60.5	6.0%
Financial assets at fair value through profit or loss	<b>284,681.3</b>	269,397.0	15,284.3	5.7%
Financial assets at fair value through other comprehensive income	<b>65,619.1</b>	66,689.4	(1,070.3)	(1.6%)
Receivable from margin clients and reverse REPOs	<b>55,731.0</b>	58,762.0	(3,031.0)	(5.2%)
Accounts receivable	<b>34,009.5</b>	41,769.5	(7,760.0)	(18.6%)
Derivative financial assets	<b>12,005.4</b>	17,791.4	(5,786.0)	(32.5%)
Cash held on behalf of clients	<b>74,851.0</b>	83,016.9	(8,165.9)	(9.8%)
Cash and bank balances	<b>72,135.8</b>	85,789.3	(13,653.5)	(15.9%)
Others	<b>20,993.6</b>	22,168.7	(1,175.1)	(5.3%)
<b>Total</b>	<b>624,306.6</b>	648,764.0	(24,457.5)	(3.8%)

The charts below set forth the composition of the Group's assets as of the dates indicated:



- Property and equipment and intangible assets
- Interests in associates and joint ventures
- Financial assets at fair value through profit or loss
- Financial assets at fair value through other comprehensive income
- Receivable from margin clients and reverse REPOs
- Accounts receivable
- Derivative financial assets
- Cash held on behalf of clients
- Cash and bank balances
- Others

## INVESTMENTS

The Group's investments consisted of financial assets at fair value through other comprehensive income, interests in associates and joint ventures, financial assets at fair value through profit or loss and derivative financial assets.

As of December 31, 2023, total investments of the Group amounted to RMB363,381.9 million, representing a year-on-year increase of RMB8,488.5 million or 2.4%. A breakdown of the Group's investments is presented as follows:

Unit: RMB in million

Items	December 31, 2023	December 31, 2022	Change	% of change
Financial assets at fair value through other comprehensive income	65,619.1	66,689.4	(1,070.3)	(1.6%)
Interests in associates and joint ventures	1,076.1	1,015.6	60.5	6.0%
Financial assets at fair value through profit or loss	284,681.3	269,397.0	15,284.3	5.7%
Derivative financial assets	12,005.4	17,791.4	(5,786.0)	(32.5%)
<b>Total</b>	<b>363,381.9</b>	<b>354,893.3</b>	<b>8,488.5</b>	<b>2.4%</b>

#### *Financial Assets at Fair Value through Other Comprehensive Income*

The Group's financial assets at fair value through other comprehensive income were debt investments. As of December 31, 2023, the carrying amount of such assets amounted to RMB65,619.1 million, accounting for 10.5% of the Group's total assets which represented a year-on-year decrease of RMB1,070.3 million or 1.6%.

#### *Interests in Associates and Joint Ventures*

As of December 31, 2023, the Group's interests in associates and joint ventures amounted to RMB1,076.1 million, representing a year-on-year increase of RMB60.5 million or 6.0% and accounting for 0.2% of the Group's total assets. A breakdown of the Group's interests in associates and joint ventures is presented as follows:

Unit: RMB in million

Items	December 31, 2023	December 31, 2022	Change	% of change
Associates	532.0	515.4	16.6	3.2%
Joint ventures	544.1	500.2	43.9	8.8%
<b>Total</b>	<b>1,076.1</b>	<b>1,015.6</b>	<b>60.5</b>	<b>6.0%</b>

*Financial Assets at Fair Value through Profit or Loss*

As of December 31, 2023, the Group's financial assets at fair value through profit or loss amounted to RMB284,681.3 million, representing a year-on-year increase of RMB15,284.3 million or 5.7% and accounting for 45.6% of the Group's total assets. The investment categories are listed as follows:

Unit: RMB in million

Items	December 31, 2023	December 31, 2022	Change	% of change
<b>Equity investments</b>				
– Hedge position held for OTC derivative transactions	<b>122,436.5</b>	109,145.8	13,290.7	12.2%
– Financial assets of consolidated structured entities	<b>3,296.6</b>	3,507.2	(210.6)	(6.0%)
– Equity investments held directly by the Group	<b>14,371.4</b>	12,497.0	1,874.4	15.0%
Subtotal	<b>140,104.5</b>	125,150.0	14,954.5	11.9%
<b>Debt investments</b>				
– Financial assets of consolidated structured entities	<b>11,728.0</b>	6,705.1	5,022.9	74.9%
– Debt investments held directly by the Group	<b>78,415.6</b>	74,814.0	3,601.5	4.8%
Subtotal	<b>90,143.6</b>	81,519.1	8,624.4	10.6%
<b>Funds and other investments</b>				
– Financial assets of consolidated structured entities	<b>4,625.7</b>	4,205.1	420.5	10.0%
– Funds and other investments held directly by the Group	<b>49,807.5</b>	58,522.7	(8,715.2)	(14.9%)
Subtotal	<b>54,433.2</b>	62,727.8	(8,294.7)	(13.2%)
<b>Total</b>	<b>284,681.3</b>	269,397.0	15,284.3	5.7%

The Group's financial assets at fair value through profit or loss increased by RMB15,284.3 million or 5.7% year on year and mainly consisted of the following categories:

- RMB19,650.3 million in financial assets of consolidated structured entities in which the Group held interests, accounting for 6.9% of the total financial assets at fair value through profit or loss. The financial assets of these consolidated structured entities included RMB3,296.6 million of equity investments, primarily listed stocks; RMB11,728.0 million of debt investments, most of which were debt securities above investment grade; and RMB4,625.7 million of funds and other investments, mainly private funds, equity mutual funds and money market funds;
- RMB122,436.5 million of investments in hedge equity position held for OTC derivative transactions by the Group, consisting of underlying assets under the OTC derivatives trading agreements into which the Group had entered with its clients, accounting for 43.0% of the total financial assets at fair value through profit or loss. These underlying assets were held to hedge the market risks associated with OTC derivative trading whereby the volatility in fair value of the underlying assets was mainly assumed by the clients and had no material impact on the Group's profit or loss;
- RMB14,371.4 million of equity investments held directly by the Group, accounting for 5.0% of the total financial assets at fair value through profit or loss, most of which were investments in the private equity investment funds and in the stocks listed on the STAR Market;
- RMB78,415.6 million of debt investments held directly by the Group, accounting for 27.5% of the total financial assets at fair value through profit or loss, most of which were debt securities above investment grade and securitized products;
- RMB49,807.5 million in funds and other investments held directly by the Group, accounting for 17.5% of the total financial assets at fair value through profit or loss, most of which were money market funds and mutual funds with high liquidity and low risks.

### *Derivative Financial Assets*

As of December 31, 2023, the Group's derivative financial assets amounted to RMB12,005.4 million, representing a year-on-year decrease of RMB5,786.0 million or 32.5% and accounting for 1.9% of the Group's total assets. The decrease was mainly attributable to a decrease in derivative financial assets under equity contracts as a result of fluctuations in valuation of the Group's OTC derivatives under the effect of changes in stock market prices; meanwhile, the derivative financial assets under currency contracts decreased as a result of a decrease in scale of the Group's relevant derivative transactions and changes in valuation under the effect of exchange rate fluctuations. A breakdown of the Group's derivative financial assets is presented as follows:

Unit: RMB in million

Items	December 31, 2023	December 31, 2022	Change	% of change
Interest rate contracts	1,659.9	966.8	693.1	71.7%
Currency contracts	927.1	2,435.9	(1,508.8)	(61.9%)
Equity contracts	8,343.7	13,772.8	(5,429.1)	(39.4%)
Credit contracts	105.8	180.1	(74.3)	(41.3%)
Other contracts	968.9	435.8	533.1	122.3%
<b>Total</b>	<b>12,005.4</b>	17,791.4	(5,786.0)	(32.5%)

### **RECEIVABLE FROM MARGIN CLIENTS AND REVERSE REPOS**

As of December 31, 2023, the Group's receivable from margin clients and reverse REPOs totaled RMB55,731.0 million, representing a year-on-year decrease of RMB3,031.0 million or 5.2% and accounting for 8.9% of the Group's total assets, mainly due to a decrease in reverse REPOs resulting from a shrinkage in scale of bond-pledged repurchase business and bond outright repurchase business. The decrease was partially offset by an increase in scale of margin business as a result of a rise in financing demands of domestic clients.

## PROPERTY AND EQUIPMENT AND INTANGIBLE ASSETS

As of December 31, 2023, the Group's property and equipment and intangible assets totaled RMB3,203.9 million, representing a year-on-year increase of RMB839.6 million or 35.5% and accounting for 0.5% of the Group's total assets, mainly due to an increase in expenditures on office equipment, software and leasehold improvements, as well as investment in construction in progress. A breakdown of the Group's property and equipment and intangible assets is presented as follows:

Unit: RMB in million

Items	December 31, 2023	December 31, 2022	Change	% of change
Property and equipment	2,112.0	1,560.4	551.5	35.3%
Intangible assets	1,091.9	803.9	288.1	35.8%
<b>Total</b>	<b>3,203.9</b>	2,364.3	839.6	35.5%

## CASH HELD ON BEHALF OF CLIENTS

The Group's cash held on behalf of clients consisted of cash held on behalf of brokerage clients and underwriting clients. As of December 31, 2023, it amounted to RMB74,851.0 million, representing a year-on-year decrease of RMB8,165.9 million or 9.8% and accounting for 12.0% of the Group's total assets.

## CASH AND BANK BALANCES

As of December 31, 2023, the Group's cash and bank balances amounted to RMB72,135.8 million, representing a year-on-year decrease of RMB13,653.5 million or 15.9% and accounting for 11.6% of the Group's total assets, mainly due to a decrease in self-owned funds.



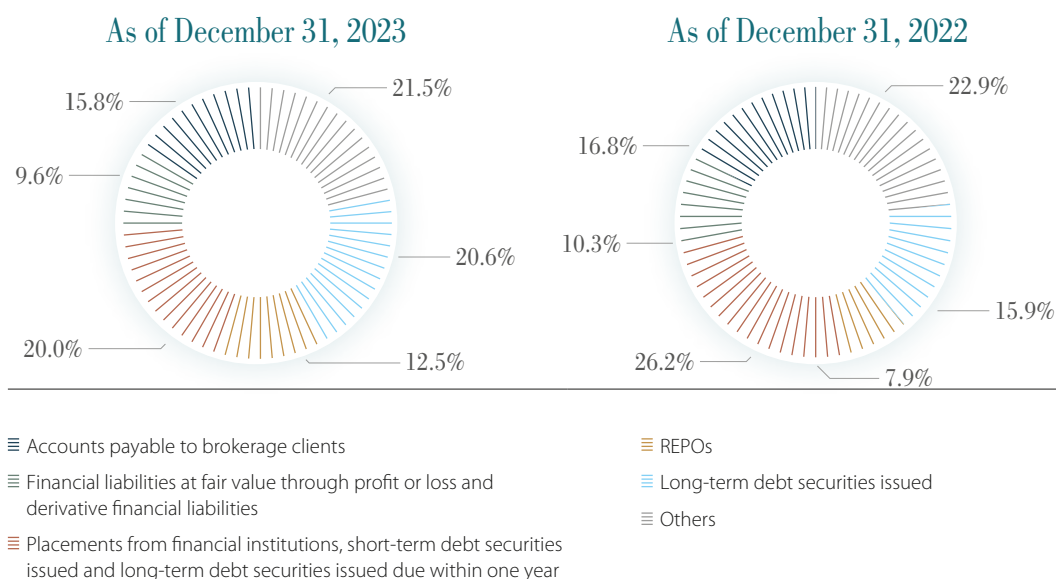
## 2. Items of Liabilities

As of December 31, 2023, the Group's total liabilities amounted to RMB519,409.2 million, representing a year-on-year decrease of RMB29,880.2 million or 5.4%. Excluding the impact of accounts payable to brokerage clients and to underwriting clients, the Group's adjusted total liabilities as of December 31, 2023 amounted to RMB437,098.2 million, representing a year-on-year decrease of RMB20,091.2 million or 4.4%. A breakdown of the Group's liabilities is presented as follows:

Unit: RMB in million

Items	December 31, 2023	December 31, 2022	Change	% of change
Accounts payable to brokerage clients	<b>82,311.0</b>	92,100.0	(9,788.9)	(10.6%)
Financial liabilities at fair value through profit or loss and derivative financial liabilities	<b>50,057.8</b>	56,551.4	(6,493.7)	(11.5%)
Placements from financial institutions, short-term debt securities issued and long-term debt securities issued due within one year	<b>104,061.8</b>	144,108.9	(40,047.0)	(27.8%)
REPOs	<b>64,899.1</b>	43,156.7	21,742.4	50.4%
Long-term debt securities issued	<b>106,937.0</b>	87,273.1	19,663.9	22.5%
Others	<b>111,142.5</b>	126,099.3	(14,956.8)	(11.9%)
<b>Total</b>	<b>519,409.2</b>	549,289.3	(29,880.2)	(5.4%)

The following charts set out the composition of the Group's liabilities as of the dates indicated:



As of December 31, 2023, the Group's accounts payable to brokerage clients amounted to RMB82,311.0 million, representing a year-on-year decrease of RMB9,788.9 million or 10.6%. A breakdown of the Group's accounts payable to brokerage clients is presented as follows:

Unit: RMB in million

Items	December 31, 2023	December 31, 2022	Change	% of change
Individual clients	34,853.5	37,880.7	(3,027.2)	(8.0%)
Institutional/corporate clients	47,447.0	54,204.9	(6,757.9)	(12.5%)
Accrued interest	10.5	14.3	(3.8)	(26.5%)
<b>Total</b>	<b>82,311.0</b>	92,100.0	(9,788.9)	(10.6%)

As of December 31, 2023, the Group's financial liabilities at fair value through profit or loss and derivative financial liabilities totaled RMB50,057.8 million, representing a year-on-year decrease of RMB6,493.7 million or 11.5%; of which, derivative financial liabilities decreased by RMB1,801.5 million or 15.9% year on year, mainly due to a decrease in the derivative financial liabilities under equity contracts as a result of fluctuations in valuation of the Group's OTC derivatives under the effect of changes in stock market prices; meanwhile, the derivative financial liabilities under currency contracts decreased as a result of a shrinkage in scale of the Group's relevant derivative transactions and changes in valuation under the effect of exchange rate fluctuations; financial liabilities at fair value through profit or loss decreased by RMB4,692.2 million or 10.4% year on year, mainly due to a decrease in scale of the stock-linked and index-linked structured products initiated by the Group overseas under the impact of a volatile stock market and a decline in client demands, as well as fluctuations in the valuation.

As of December 31, 2023, the Group's placements from financial institutions, short-term debt securities issued and long-term debt securities issued due within one year amounted to RMB104,061.8 million, representing a year-on-year decrease of RMB40,047.0 million or 27.8%, mainly due to decreases in the placements from banks and corporate bonds due within one year. A breakdown of the Group's placements from financial institutions, short-term debt securities issued and long-term debt securities issued due within one year is presented as follows:

Unit: RMB in million

Items	December 31, 2023	December 31, 2022	Change	% of change
Placements from financial institutions	44,974.4	60,846.0	(15,871.6)	(26.1%)
Corporate bonds	28,562.9	55,175.5	(26,612.6)	(48.2%)
Beneficiary certificates	13,953.8	15,725.0	(1,771.2)	(11.3%)
Subordinated bonds	9,152.2	1,036.2	8,116.0	783.2%
Medium-term notes	7,131.6	10,513.8	(3,382.2)	(32.2%)
Structured notes	287.0	812.3	(525.3)	(64.7%)
<b>Total</b>	<b>104,061.8</b>	144,108.9	(40,047.0)	(27.8%)

As of December 31, 2023, the Group's REPOs amounted to RMB64,899.1 million, representing a year-on-year increase of RMB21,742.4 million or 50.4%, mainly due to an increase in scale of securities-pledged repurchase business.

As of December 31, 2023, the Group's long-term debt securities issued amounted to RMB106,937.0 million, representing a year-on-year increase of RMB19,663.9 million or 22.5%. The Group's long-term debt securities issued in 2023 included 15 tranches of corporate bonds with an aggregate principal of RMB34,000.0 million, 6 tranches of subordinated bonds with an aggregate principal of RMB8,500.0 million, 2 tranches of USD-denominated medium-term notes with an aggregate principal of US\$1,750.0 million, and 2 tranches of beneficiary certificates with an aggregate principal of RMB127.0 million. A breakdown of the Group's long-term debt securities issued is presented as follows:

Unit: RMB in million

Items	December 31, 2023	December 31, 2022	Change	% of change
Corporate bonds	64,301.2	50,114.6	14,186.6	28.3%
Medium-term notes	25,111.6	19,227.5	5,884.1	30.6%
Subordinated bonds	17,397.2	17,931.0	(533.8)	(3.0%)
Beneficiary certificates	127.0	–	127.0	N/A
<b>Total</b>	<b>106,937.0</b>	87,273.1	19,663.9	22.5%

As of December 31, 2023, the Group's other liabilities amounted to RMB111,142.5 million, representing a year-on-year decrease of RMB14,956.8 million or 11.9%, mainly due to a decrease in trade payable for derivative transactions.

### 3. Items of Equity

As of December 31, 2023, the Group's total equity attributable to shareholders of the parent company amounted to RMB104,603.3 million, representing a year-on-year increase of RMB5,415.2 million or 5.5%. A breakdown of the Group's equity is presented as follows:

Unit: RMB in million

Items	December 31, 2023	December 31, 2022	Change	% of change
Share capital	4,827.3	4,827.3	–	–
Capital reserve	39,515.2	39,515.2	–	–
Surplus reserve	2,099.7	1,856.7	243.0	13.1%
General reserves	7,717.1	6,804.6	912.5	13.4%
Investment revaluation reserve	262.9	(142.5)	405.5	N/A
Foreign currency translation reserve	955.7	572.3	383.3	67.0%
Other reserves	1.5	1.7	(0.2)	(13.9%)
Retained profits	32,823.9	29,352.8	3,471.1	11.8%
Other equity instruments	16,400.0	16,400.0	–	–
<b>Total equity attributable to shareholders of the parent company</b>	<b>104,603.3</b>	99,188.1	5,415.2	5.5%

### (VII) Contingent Liabilities

The Group is exposed to the risk of economic benefit outflows due to litigations or arbitrations in the course of operations. The Group assessed and made provisions for any probable outflow of economic benefits in relation to the contingent liabilities in accordance with relevant accounting policies.

### (VIII) Pledge of Assets of the Group

The Group has no pledge of assets as of December 31, 2023.

### **(IX) Income Tax Policy**

In accordance with the *Enterprise Income Tax Law of the PRC* (《中華人民共和國企業所得稅法》) and the *Provisions of Implementation for the Enterprise Income Tax Law of the PRC* (《中華人民共和國企業所得稅法實施條例》), the statutory corporate income tax rate applicable to our parent company and our PRC subsidiaries is 25%. Our Hong Kong subsidiaries are subject to a tax rate of 16.5% on their assessable profit. The parent company's income tax computation and payment are governed by the *Announcement of the State Administration of Taxation on Printing and Distributing the Administrative Measures for Collection of Consolidated Payments of Enterprise Income Tax by the Enterprises with Trans-regional Operations* (《國家稅務總局關於印發〈跨地區經營匯總納稅企業所得稅徵收管理辦法〉的公告》) (Public Notice of the State Administration of Taxation [2012] No.57). During the year ended December 31, 2023, we had fulfilled all our tax obligations and did not have any unresolved tax disputes with the relevant tax authorities in China or other jurisdictions.

## **V. ANALYSIS ON INVESTMENT AND FINANCING ACTIVITIES**

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

For information on equity investments of the Group as of December 31, 2023, please refer to “Notes to the Consolidated Financial Statements – 25. Interests in Associates and Joint Ventures”. The Group had no significant non-equity investments.

For information on the financial assets measured at fair value held by the Group based on its principal activities, please refer to “Management Discussion and Analysis – IV. Analysis on Principal Operations and Financial Statements – (VI) Analysis of Items in Statement of Financial Position – 1. Items of Assets – Investments” of this Report.

### **(II) Analysis on financing activities**

For information on debt financing during the Reporting Period, please refer to “Particulars of Bonds” in this report.

### **(III) Material assets and equity disposal**

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

## (IV) Major controlled and participating companies and structured entities

### 1. Major controlled and participating companies

The Company has 8 major subsidiaries, as of the Latest Practicable Date, the principal information on which is as follows:

No.	Name	Shareholding	Time of establishment	Registered capital	Person-in-charge	Contact number	Registered address	Main business
1	CICC International	100%	1997/04/04	With issued share capital of HK\$6,000,000,000	Liu Qingchuan, Chu Gang, Xia Xinghan, Ma Kui, Wu Bo, Sun Nan, Wang Hanfeng	(852)28722000	29/F, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong	Overseas investment holding business
2	CICC Wealth Management Securities	100%	2005/09/28	RMB8 billion	Gao Tao	(0755)82026676	L4601-L4608, China Resources Building, No. 2666 Keyuan South Road, Haizhu Community, Yuehai Street, Nanshan District, Shenzhen, Guangdong	Securities brokerage; securities investment consulting; financial consulting relating to the securities trading and securities investment; proprietary trading of securities; securities asset management; proxy sale of securities and investment fund; margin financing and securities lending; and proxy sale of financial products
3	CICC Capital	100%	2017/03/06	RMB2 billion	Shan Junbao	(010)65051166	Units 01-08, 25th Floor, Building 16, 1 Jianguomenwai Avenue, Chaoyang District, Beijing	Asset management; investment management; project investment; and investment consulting
4	CICC Fund Management	100%	2014/02/10	RMB500 million	Li Jinze	(010)63211122	Room 05, 26th Floor, China World Office 2, 1 Jianguomenwai Avenue, Chaoyang District, Beijing	Fund offering, fund sales, provision of asset management service for specific clients, asset management and other activities as approved by the CSRC
5	CICC Pucheng	100%	2012/04/10	RMB6 billion	Liu Jian	(021)58796226	Unit 2608A, 26/F, No. 1233 Lujiazui Ring Road, China (Shanghai) Pilot Free Trade Zone	Investment management, investment consultancy, import and export of goods and technology, domestic cargo transportation agency services, and storage (excluding hazardous articles)

No.	Name	Shareholding	Time of establishment	Registered capital	Person-in-charge	Contact number	Registered address	Main business
6	CICC Futures	100%	2004/07/22	RMB350 million	Li Jing	(0971)8224987	No. 1811 and 1813, Sapphire Hotel, No. 21 Shengli Road, Chengxi District, Xining, Qinghai	Commodity futures brokerage, financial futures brokerage, and asset management
7	CICC Private Equity	100%	2020/10/30	RMB500 million	Long Liang	(010)65051166	Unit 03, 8/F, No. 100 South Zhongshan Road, Huangpu District, Shanghai	Equity investment management, investment management, asset management, and investment consulting
8	CICC Financial Trading Limited	Wholly owned by CICC Financial Holdings Limited	2012/04/10	With issued share capital of HK\$1	Jia Jia, Lau Tsz Wing, Wang Jin, Diao Zhihai, Ji Yanbin, Lin Ning, Liu Qingchuan, Peng Jun, Tan Bin, Wang Ke, Wu Bo, Yu Weijiang, Zhang Yongcheng, Zhou Xuetao, Shek Wan Sang, Andy, Li Nailin, Chen Zhenhong, Zhou Jishen, Song Miao, Wang Jianli	(852)28722000	29/F, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong	Client facilitation trade, trading of listed securities, exchange-traded funds (ETFs), and derivative financial instruments



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

*CICC International:*

Under the Hong Kong Financial Reporting Standards, as of December 31, 2023, the total assets were HK\$180,230.7 million, the net assets were HK\$27,662.2 million, and the net profit in 2023 was HK\$3,621.5 million. As of December 31, 2022, the total assets were HK\$193,771.7 million, the net assets were HK\$23,757.9 million, and the net profit in 2022 was HK\$3,098.0 million.

*CICC Wealth Management Securities:*

As of December 31, 2023, the total assets were RMB154,471.9 million, the net assets were RMB19,383.8 million, and the net profit in 2023 was RMB1,636.0 million. As of December 31, 2022, the total assets were RMB154,623.3 million, the net assets were RMB18,334.6 million, and the net profit in 2022 was RMB1,106.2 million.

*CICC Capital:*

As of December 31, 2023, the total assets were RMB6,886.1 million, the net assets were RMB3,332.2 million, and the net profit in 2023 was RMB749.7 million. As of December 31, 2022, the total assets were RMB6,273.8 million, the net assets were RMB3,152.6 million, and the net profit in 2022 was RMB786.5 million.

*CICC Fund Management:*

As of December 31, 2023, the total assets were RMB767.6 million, the net assets were RMB430.4 million, and the net profit in 2023 was RMB40.4 million. As of December 31, 2022, the total assets were RMB715.8 million, the net assets were RMB390.0 million, and the net profit in 2022 was RMB21.6 million.

*CICC Pucheng:*

As of December 31, 2023, the total assets were RMB7,440.4 million, the net assets were RMB4,509.5 million, and the net profit in 2023 was RMB270.8 million. As of December 31, 2022, the total assets were RMB9,001.8 million, the net assets were RMB5,238.7 million, and the net profit in 2022 was RMB796.8 million.

*CICC Futures:*

As of December 31, 2023, the total assets were RMB7,840.8 million, the net assets were RMB776.8 million, and the net profit in 2023 was RMB55.9 million. As of December 31, 2022, the total assets were RMB9,171.2 million, the net assets were RMB720.2 million, and the net profit in 2022 was RMB63.4 million.

*CICC Private Equity:*

As of December 31, 2023, the total assets were RMB920.4 million, the net assets were RMB516.9 million, and the net profit in 2023 was RMB105.1 million. As of December 31, 2022, the total assets were RMB814.7 million, the net assets were RMB561.9 million, and the net profit in 2022 was RMB392.6 million.

*CICC Financial Trading Limited:*

Under the Hong Kong Financial Reporting Standards, as of December 31, 2023, the total assets were US\$14,837.3 million, the net assets were US\$1,288.0 million, and the net profit in 2023 was US\$285.8 million. As of December 31, 2022, the total assets were US\$16,689.5 million, the net assets were US\$1,002.1 million, and the net profit in 2022 was US\$299.1 million.

**2. Structured entities**

For the information on structured entities controlled by the Group during the Reporting Period, please refer to “Notes to the Consolidated Financial Statements-53. Interests in Structured Entities” in this report.

**3. Transactions between the Company and its overseas subsidiaries**

According to the relevant requirements of *Measures for the Administration of Overseas Establishment, Acquisition of and Equity Participation in Business Organizations by Securities Companies and Securities Investment Fund Management Companies*, transactions between the Company and its overseas subsidiaries are disclosed as below: as of December 31, 2023, the assets of the Company generated from transactions between the Company and its overseas subsidiaries totalled RMB1,700.3 million, including derivative financial assets, accounts receivable and other current assets; the liabilities of the Company incurred by such transactions totalled RMB2,105.5 million, including derivative financial liabilities, accounts payable and other current liabilities.

## VI. COMPLIANCE OF THE COMPANY'S ACCOUNTS

### (I) Compliance of Accounts of CICC Wealth Management

The Company's wealth management business is mainly conducted through CICC Wealth Management. Since the CSRC has comprehensively carried out the account regulation work on securities companies, CICC Wealth Management has fully implemented the account regulation in strict accordance with the regulations and requirements under the CSRC.

#### 1. Rectification over unqualified account

The All-in-one Counter System of the Company solves the problem that the rectification over unqualified accounts are confined to the level of manual control by integrating second-generation ID card readers, real-time automatic verification with CSDC, and activation and verification management of unqualified and dormant accounts, which technically solidified the long-term mechanism of account rectification work. In 2023, the Company has no new unqualified accounts, no unqualified accounts activated by mistake, and unqualified accounts sending entrustments to exchanges. As of December 31, 2023, the Company has 3,700 unqualified securities accounts remaining.

#### 2. Standardized management on judicially frozen accounts

The Company freezes and unfreezes customer accounts in strict accordance with the requirements of the judiciary and other competent state authorities. For the unqualified accounts frozen by the judicial system, the Company has performed separate storage in the counter system. If the unqualified accounts frozen by the judicial system remained unrectified after the judicial freeze is removed, the Company will report to CSDC the suspension of transactions and the separate storage of remaining unqualified securities accounts, whilst submitting a report to the Shenzhen Securities Regulatory Bureau within fifteen days after the judicial freeze is removed. As of December 31, 2023, there are 318 judicially frozen securities accounts separately stored in the Counter System of the Company.

#### 3. Standardized management of risk disposal accounts

According to the risk disposal arrangement for the former China Southern Securities Co., Ltd. (hereinafter referred to as "China Southern Securities"), the Company continued to receive some retained accounts of China Southern Securities in 2020. An independent branch has been established in the OTC system for separate storage and cessation of transactions according

to relevant regulations, and separate reservation and trading restrictions will be lifted subject to the completion of standardized procedures of the accounts, and third-party escrow has been implemented.

#### **4. Standardized management of pure capital accounts**

In 2023, the Company continued to implement separate reservation management for pure capital accounts in strict compliance with the relevant regulations and complete the activation procedures for customers in accordance with the prescribed processes.

#### **(II) Compliance of Accounts of the CICC's Business Office**

Apart from CICC Wealth Management, CICC had one securities business office as at the end of the Reporting Period, Beijing Jianguomenwai Avenue Securities Business Office of CICC (hereinafter referred to as the "Jianguomen Business Office").

In 2023, Jianguomen Business Office continued to strictly implement the real name system for securities accounts when handling securities account business. The securities account business of Jianguomen Business Office was handled by the counter of the branches, and each counter of the branch had set up handling position and review position to audit the application materials for various account business in strict compliance with the relevant regulations of CSDC and verify identity information in accordance with the requirements of CSDC. As of December 31, 2023, Jianguomen Business Office had no remaining and opening of any ineligible account.

In 2023, the Jianguomen Business Office continued to implement restrictive management for pure capital accounts in strict accordance with relevant regulations and to freeze and unfreeze customer accounts in strict accordance with the requirements of the judiciary and other competent state authorities. As of December 31, 2023, the Jianguomen Business Office had 0 judicially frozen accounts held in storage of the OTC system, which did not involve the risky disposal accounts.

## VII. RISK MANAGEMENT

### (I) Overview

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

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

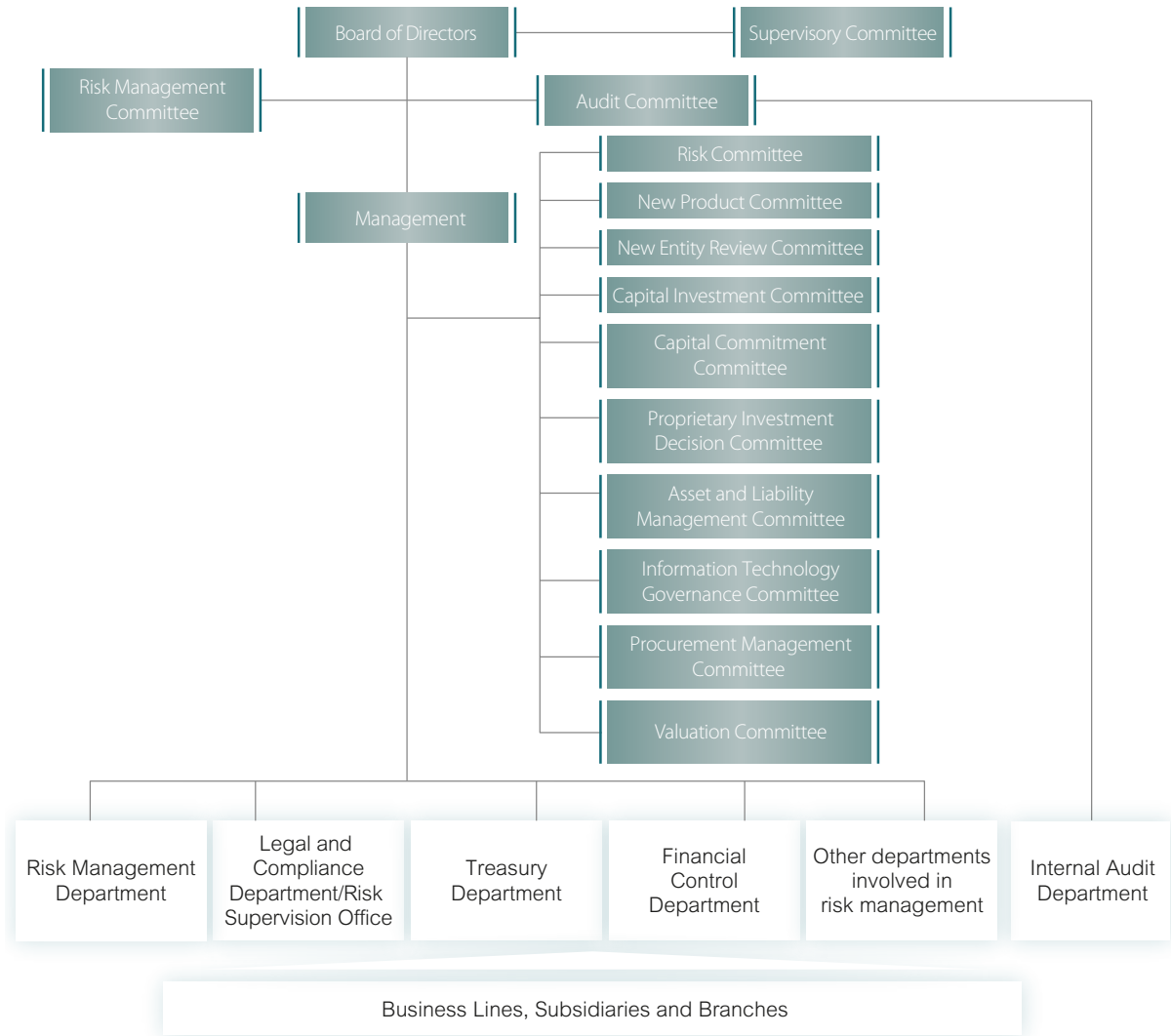
### (II) Risk Management Framework

The Company has established a multi-level risk management organizational structure which comprises the Board of Directors, the Supervisory Committee, senior management, departments performing risk management functions, business departments and branches, of which, 1) the Board of Directors is the top level of our Company's risk management and

internal control governance structure and is responsible for facilitating the enforcement of the firm-wide risk management culture and reviewing and approving the overall risk management goals, risk appetite, risk tolerance, important risk limits and the risk management policy of our Company. The Board of Directors performs its risk management duties primarily through the Risk Management Committee and the Audit Committee; 2) the Supervisory Committee assumes the supervision duty on the effectiveness of the overall risk management of our Company, and supervises and inspects the fulfillment of the risk management duties performed by the Board of Directors and the management, and reviews the rectification of risk management deficiencies and findings; 3) under the Board of Directors, our Company has established the Management Committee chaired by the Chairman or the President. The Management Committee determines the risk appetite of our Company in accordance with the overall risk management goals set by the Board of Directors and assumes the major responsibility of ensuring the effectiveness of the overall risk management of our Company; 4) the Risk Committee established under the Management Committee reports risk issues to the Management Committee and significant risk matters to the Risk Management Committee under the Board of Directors. There are New Product Committee, New Entity Review Committee, Capital Investment Committee,

Capital Commitment Committee, Proprietary Investment Decision Committee, Asset and Liability Management Committee, Information Technology Governance Committee, Procurement Management Committee and Valuation Committee under the Management Committee, which perform their duties in respect of new business/new product approval, branch set-up and approval, approval of capital contribution from owned funds, risk control of issuance and underwriting in investment banking business, management of investment decision-making process of proprietary business, management of assets and liabilities of the Company, management of information technology, procurement management, valuation management of financial instruments and etc.; 5) departments performing risk management functions, including departments such as Risk Management Department, Legal and Compliance Department, Treasury Department, Financial Control Department, Operations Department, Information Technology Department and Public Relations Department, coordinate to manage various risks based on their respective perspectives; and 6) heads of business departments and branches take the primary responsibility for the effectiveness of risk management. During our daily business operations, all staff involved in business operations in our business departments and branches are required to perform risk management functions.

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



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

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

In 2023, the global economy was dismal, the international landscape was complex and evolving, geopolitical conflicts were frequent, and the external environment was becoming more complex, severe and uncertain. Under the leadership of the Party Central Committee, China adhered to the general principle of seeking progress while ensuring stability, implemented the new development philosophy in a complete, accurate and comprehensive manner, accelerated the establishment of a new development pattern, comprehensively deepened reform and opening up, stepped up macroeconomic-control, and worked to expand domestic demand, optimize the structure, boost confidence, and prevent and defuse risks. The national economy picked up and made solid progress in high-quality development. However, it still faces difficulties and challenges such as insufficient domestic effective demand, excess capacity in some

industries, weak social expectations and many hidden risks. Confronted with severe and complex market environment challenges, the Company persisted in implementing the risk management and control requirements of "full coverage, looking through, and full cycle", and continuously strengthened the integrated vertical risk management system covering its subsidiaries and branches. Through joint efforts on risk management control of three lines of defense, the Company actively identified, prudently evaluated, dynamically monitored, timely reported and proactively coped with risks. The Company deeply publicized the risk management culture, continuously enhanced risk management capabilities, coordinated its business plans, considered its risk appetite, reviewed and improved the multi-dimensional and multi-level risk management system, optimized the management mechanism and processes prospectively, and continuously promoted the optimization and sustainable development of its business models. During the Reporting Period, the business operation of the Company was stable without material risk events and large losses, and the overall risks were controllable and tolerable.

During the Reporting Period, the Company continued to enhance risk management of the same business and the same client. The Company formulated identification standards for the same business to implement relatively consistent risk management standards and measures for the same business and to identify, assess, measure, monitor and aggregate risks of the same business within the Company in a unified manner. The Company also



formulated identification standards for the same client to enhance standardized and regulated management of information of the same client and to aggregate and monitor the business transactions in various business lines of the Company with the same client, which will be implemented throughout all key links of business. At the same time, the Company managed relevant risks of clients identified as related parties in a unified manner.

### Market Risk

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

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

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

- Our Company monitors risk limit usage in real time or on a daily basis. The Risk Management Department prepares daily risk reports to monitor the usage of limits and submits them to the management and business departments. When the limit usage triggers the warning line, the Risk Management Department will issue a warning notice to business departments. Once the risk indicators exceed the limits, business departments shall report reasons of the breach and measures to be taken to the Chief Risk Officer or his/her authorized person and shall be responsible for reducing the risk exposure to a level within the limits in a given time frame. If this cannot be achieved, they are required to apply to the Chief Risk Officer or his/her authorized person for a temporary increase in limit. If necessary, the Chief Risk Officer will submit a request to the management.

#### *Value at Risk (VaR)*

Our Company sets the total VaR limit of our investment portfolio and VaR limits for different business lines. The Risk Management Department computes and monitors VaRs of these financial instruments on a daily basis to ensure the daily VaRs are maintained within limits. The following table sets forth the computed VaRs and diversification effect of the Company by risk categories (equity prices, interest rates, currency rates and commodity prices) as of the dates and for the periods as indicated: 1) the daily VaRs as of the end of the respective period; 2) the averages of daily VaRs during the respective period; and 3) the highest and lowest daily VaRs during the respective period.

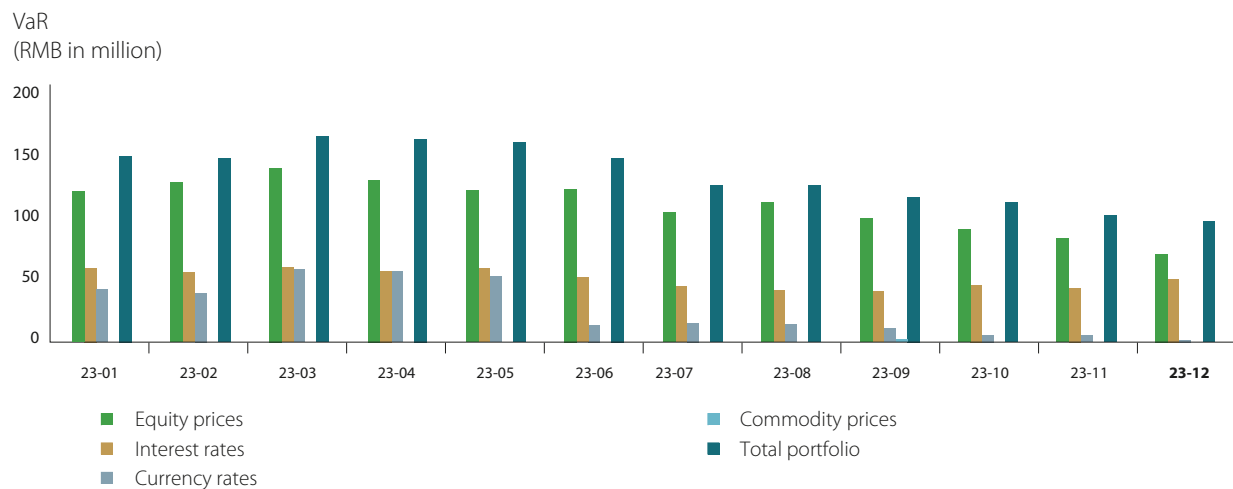
(RMB in million)	December 31,	December 31,	2023 (as of December 31)			2022 (as of December 31)		
	2023		2022	Average	Highest	Lowest	Average	Highest
Equity prices <sup>1</sup>	69.0	108.0	108.2	138.3	68.6	130.8	187.3	96.9
Interest rates <sup>2</sup>	49.5	71.7	50.0	74.7	37.8	69.9	83.0	50.9
Currency rates <sup>3</sup>	2.3	42.0	28.2	58.5	2.3	35.0	48.5	20.8
Commodity prices <sup>4</sup>	1.0	0.7	0.9	2.5	0.5	1.1	2.7	0.5
Diversification effect	(27.2)	(90.4)	(55.7)			(87.3)		
Total portfolio	94.5	132.1	131.5	176.4	84.5	149.5	186.1	126.1

Notes:

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

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

### Monthly VaR Chart



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

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

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

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

### **Credit Risk**

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

### *Bond Investments Business*

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

During the Reporting Period, in response to the frequent occurrence of credit risk events, FICC Department closely collaborated with the Risk Management Department and identified, assessed, monitored and managed credit risk related to bond investments. As a result, the Company avoided material losses during the Reporting Period through effective risk management measures.

The Company	As of December 31, 2023 (RMB in million)		
	Position	DV01	Spread DV01
Overseas rating			
– AAA	354.6	0.05	–
– AA- to AA+	1,334.0	0.05	0.03
– A- to A+	3,652.3	0.36	0.36
– BBB- to BBB+	2,412.5	0.24	0.24
– below BBB-	1,025.4	0.09	0.09
NR	1,515.3	0.35	0.41
Sub-total	10,294.2	1.13	1.13
Domestic rating			
– AAA	83,211.7	11.35	9.15
– AA- to AA+	13,389.7	1.69	1.69
– A- to A+	870.5	0.08	0.08
– below A-	363.9	0.02	0.02
Sub-total	97,835.8	13.14	10.94
– Non-rated 1	42,285.5	8.64	–
– Non-rated 2	5,347.1	0.05	0.05
Total	155,762.7	22.97	12.13

Notes: The Risk Management Department uses DV01 and Spread DV01 to measure the interest rate sensitivity and credit spread sensitivity of bonds.

DV01 measures the change in the value of interest rate sensitive products for each parallel movement of one basis point in a market interest rate curve. Spread DV01 measures the change in the value of credit spread sensitive products for each parallel movement of one basis point in the credit spread.

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

### *Capital Business*

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

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

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

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

#### *Stock-based Lending Business*

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

assessment and analysis of the pledged securities and clients with large financing demand, and raised the approval requirements to ensure risks were managed at a controllable level.

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

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

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

Unit: RMB in million

<b>Items</b>	<b>As of December 31, 2023</b>	As of December 31, 2022
Amounts of margin financing and securities lending	<b>42,425.4</b>	41,153.8
Market value of collaterals	<b>111,285.1</b>	110,229.3
Collateral ratio	<b>262.3%</b>	267.8%

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

As of December 31, 2023, the collateral ratio of the margin financing and securities lending business of the Company was 262.3%. Assuming that the market value of all securities as collaterals of the Company's margin financing and securities lending business declined by 10% and 20% respectively, and the liabilities of securities lending business increased by 10% and 20% respectively, the collateral ratio of the Company's margin financing and securities lending business as of December 31, 2023, would have been 233.8% and 205.3% respectively.

*Stock-based Lending Business*

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

Unit: RMB in million

Items	As of December 31, 2023	As of December 31, 2022
Amounts of stock-based lending	5,161.4	5,657.0
Market value of collaterals	13,598.8	18,215.6
Collateral ratio	263.5%	322.0%

Note: The collateral ratio refers to the ratio of the fair value of initial and supplement collateral, less any collateral already released, plus interests and dividends received, divided by the amount payable by the borrower.

**Liquidity Risk**

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

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

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



In order to withstand the potential liquidity risk and satisfy the short-term liquidity needs, our Company constantly holds sufficient unsecured and high-quality liquid assets as its liquidity reserves. The liquidity reserves are held by the Treasury Department and are managed independently from business departments. Our Company manages the liquidity reserves of all branches and subsidiaries vertically to ensure the allocation efficiency of the liquidity reserves. Meanwhile, due to the liquidity transfer restrictions between entities and regions, the liquidity reserves are held in various currencies and maintained within major operating subsidiaries, ensuring that the liquidity requirements of different entities are met in a timely manner. The size and composition of the liquidity reserves are actively managed by our Company based on the consideration of factors including, but not limited to, funding maturity profile, balance sheet size and composition, business and operational capital requirements, stress test results, and regulatory requirements. Our Company strictly limits the liquidity reserves to high-quality liquid assets (including cash and cash equivalents, interest rate bonds and money market funds) and sets risk limits.

Our Company constantly broadens and diversifies its funding channels to optimize the liability structure. The funding instruments of our Company include corporate bonds, medium-term note program, bank loans, commercial papers, beneficiary certificates, transfer of right to income, inter-bank borrowing, REPOs, etc. Our Company maintains good relationship with banks and has sufficient bank credit to meet the funding requirement for business development. As of the Latest Practicable Date, as assessed by China Chengxin International Credit Rating Company Limited (中誠信國際信用評級有限責任公司), the

credit rating of our Company is AAA and the rating outlook is stable. As of the Latest Practicable Date, as assessed by Standard & Poor's, the long-term rating of the Company is BBB+, the short-term rating is A-2 and the rating outlook is stable. As assessed by Moody's, the long-term rating of the Company is Baa1, the short-term rating is P-2 and the rating outlook is stable. As assessed by Fitch, the long-term rating of the Company is BBB+, the short-term rating is F2 and the rating outlook is stable.

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

During the Reporting Period, the regulatory liquidity risk management indicator of our Company continued to comply with the regulatory requirements. As of December 31, 2023, the liquidity coverage ratio and the net stable funding ratio of our Company were 201.1% and 132.4%, respectively.

### Operational Risk

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

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

- Cultivating the operational risk idea of all staffs and improving employees' awareness to operational risks;

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

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

### **IT Risk**

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

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

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

- Ensuring the reliability, integrity, availability and maintainability of information system through the management process of initialization, approval and control of IT projects;
- Establishing information security management system, formulating and implementing information security plan, monitoring information security threats;
- Establishing a data governance organizational framework to ensure unified management, sustainable controllability and storage safety of data;
- Tracking, responding to, analyzing and dealing with problems of information system and emergencies of information technology through establishing an effective process to manage problems;
- Through establishing an IT emergency management system, formulating an emergency plan, carrying out emergency drills, and continuously improving IT emergency management process, to ensure that the system can support the Company's business operations in a continuous and steady manner.

## Compliance Risk

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

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

- Our Company formulates and updates our compliance policies and procedures in accordance with changes in laws, regulations and industry norms;
- Our professional compliance team is responsible for examining various businesses and providing compliance advice. We implement effective compliance risk management measures at an early stage of new businesses and conduct compliance reviews and supervision during carrying out new business;
- Our Company controls the circulation of sensitive information by monitoring information flows and establishing dynamic information barrier walls, with the aim to prevent risks of insider trading and manage conflicts of interest;

- Our Company undertakes compliance supervision and reviews in accordance with applicable laws and regulations, other regulatory documents, self-regulatory rules, industry norms and our internal policies, to monitor the compliance of our business operations and employee activities and identify and prevent compliance risks in a proactive manner;
- Our Company adopts various means to cultivate a compliance culture within each business line, functional department and branch and provides compliance training to our employees to improve their compliance awareness;
- Our Company has established an internal accountability system in respect of employees' violations of laws and regulations and internal policies to impose applicable punishments on offenders.
- Our Company formulates templates for various business contracts and requires our business departments to use our in-house templates to the fullest extent. We also review contracts drafted or provided by counterparties prior to entering into such contracts to mitigate the legal risk associated with performing such contracts;
- Our Company conducts legal training to enhance our employees' legal awareness;
- Our Company applies for trademarks, maintains and protects our existing trademarks, safeguards our goodwill and trade secrets and takes legal actions against behaviors that harm our reputation or interests;
- Our Company takes active measures to mitigate legal risks when disputes and litigation arise.

### Legal Risk

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

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

- Our Company continuously enhances our internal policies and business procedures from a legal perspective to ensure that our operations and management satisfy the requirements of applicable laws and regulations;

### Money Laundering Risk

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

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

- Establishing an organizational structure for money laundering risk management and properly conducting anti-money laundering human resource assurance;

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

### Reputational Risk

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

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

- All business departments take measures to prevent, manage and control reputational risks across important business activities and processes, and strictly follow "Know Your Customers (KYC)" principle, enhance project due diligence and quality control, as well as timely prevent and deal with potential reputational risk;
- Continuously improving and implementing the reputational risk management system and rules to specify the organizational structure and division of responsibilities for reputational risk management so as to consolidate reputational risk management work;

- Identifying and evaluating the risk information or sources that may affect the Company's reputation, conducting investigations of reputational risks and evaluation of reputational risks, adopting corresponding risk control measures based on the evaluation results, and continuously improving and implementing the mechanism for assessing, preventing, responding to and handling reputational risk events;
- Establishing of a sound public opinion monitoring and early warning system, conducting targeted monitoring, identification, early warning and evaluation of public opinions in relation to the Company, and publishing and communicating the Company's views and positions to the public in a timely manner, so as to avoid the spread and deterioration of erroneous information caused by misreading or misreporting in the public opinion environment;
- Defining the content, form, frequency and scope of reputational risk reporting to timely inform the Board and the management of the levels and management of reputational risks, and submitting reports on major reputational events as required by regulatory authorities or their branches;
- Strengthening reputational risk management, developing employees' awareness of reputational risks and good professional conduct through system construction and training mechanism, improving the reputation information registration mechanism, incorporating employee reputation into the personnel management system, and strengthening the evaluation and accountability of personnel who led to a negative impact on the reputation of the Company.

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

##### **Establishment of risk control indicators monitoring**

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

### **Complementary mechanism**

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

### **(V) The Investment of the Company in Compliance Risk Control and Information Technology**

In 2023, the cumulative investment of the Company in compliance risk control and information technology amounted to RMB530.1 million and RMB1,728.8 million, respectively.

### **(VI) Business Innovation and Its Effects on the Company's Business Performance and Future Development, and Risk Control**

During the Reporting Period, the Company actively improved its innovation capability, systematically integrated all-round resources for business innovation, and continuously launched new financial products and services. The development of business innovation can meet the diversified needs of customers, enhance the efficiency of resource utilization, as well as facilitate fast adaptation to the requirements of capital market reform, timely grasp of the future development direction of the financial market, and consolidate and enhance the core competitiveness of the Company.

The Company has established a mechanism for risk assessment, prevention and elimination of new businesses and products. All businesses or products with new features and risks are subject to the review of the new products' legal features, major risks or uncertainties and risk control measures under the relevant internal policies on new product management, which are assessed and approved by the Company's New Product Committee. The committee will also carry out follow-up reviews and monitoring to ensure a match between innovative business development and risk management capabilities.

# CORPORATE GOVERNANCE AND PARTICULARS OF BONDS

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# DIRECTORS' REPORT

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## I. PRINCIPAL BUSINESS

The principal businesses of our Company are Investment Banking, Equities Business, FICC, Asset Management, Private Equity, Wealth Management and relevant financial services. The business operations and prospects of our Company and risks possibly faced by our Company in our business activities are respectively set out in "Management Discussion and Analysis – Analysis of Principal Business" and "Management Discussion and Analysis – Risk Management" of this report. The key financial indicators of our Company are set out in "Summary of Accounting Data and Financial Indicators" and "Consolidated Financial Statements" of this report.

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

### (i) Formulation, implementation or adjustment of profit distribution policy

According to the *Articles of Association*, the profit distribution plan of the Company shall be formulated by the Board of Directors, and a special proposal shall be submitted to the Shareholders' General Meeting for consideration and approval before implementation. After the Shareholders' General Meeting of the Company makes a resolution on the profit distribution plan, the Board of Directors shall complete the distribution of dividends (or shares) within 2 months after the Shareholders' General Meeting. The determination of whether to pay a dividend and in what amount is based on factors including the Company's results of operations, cash flows, financial condition, capital adequacy ratio, dividends the Company receives from its subsidiaries, future business prospects, statutory and regulatory restrictions on the payment of dividends by the Company and other factors that the Board of Directors deems relevant.

Article 257 of the *Articles of Association* stipulates the specific policies for the Company's profit distribution as follows:

" (I) Profit shall be distributed in the following manner: the Company may use cash, shares or a combination of cash and shares or other methods permitted by law or regulation to distribute profit; (II) Conditions for and proportions of cash dividends distribution: if the Company has no events such as major investment plans or significant cash expenditures, and the Company's risk control indicators can meet regulatory requirements and the normal operating capital requirements of the Company can be satisfied after the distribution of cash dividends, within any three (3) consecutive years, the cumulative profit distributed by the Company in cash shall not be less than 30% of the annual average distributable profit realized in such three (3) years; (III) Interval of profit distribution: in principle, the Company makes a profit distribution once a year, and the Board of Directors can propose the Company to carry out the interim profit distribution according to the profit situation and the situation of capital requirements and related conditions; (IV) Conditions for issuing share dividends: when the Company is operating well and the Board of Directors believes that the Company's share price does not match the size of the Company's share capital and that the issuance of share dividends is in the interest of the shareholders of the Company as a whole, and comprehensively taking into account the Company's growth, dilution of net assets per share and other factors, it can propose share dividends distribution plan under the conditions of meeting the aforesaid cash dividends distribution."

During the Reporting Period, the Company did not amend or adjust the profit distribution policy.

The 2022 profit distribution plan of our Company is to distribute cash dividends to its Shareholders in the form of cash dividends of RMB1.80 (tax-inclusive) per 10 Shares, for a total cash dividend of RMB868,906,236.24 (tax-inclusive). The Company's profit distribution for the year 2022 has been implemented on August 18, 2023.

The Company will adopt the method of cash dividend to distribute cash dividends to its Shareholders for its 2023 profit distribution. The total proposed cash dividends to be distributed is RMB868,906,236.24 (tax-inclusive), representing 15.8% of the net profit attributable to shareholders of the parent company in the consolidated statement of the year (excluding the net profit attributable to holders of perpetual subordinated bonds). On the basis of the total number of 4,827,256,868 Shares of the Company as at the Latest Practicable Date, the cash dividends of RMB1.80 (tax-inclusive) per 10 Shares will be distributed. In case of any changes in the total share capital of the Company before the record date to distribute profit, the amount of cash dividend per Share will be adjusted within the total amount of RMB868,906,236.24 (tax-inclusive). The cash dividends will be denominated and declared in RMB, and paid in RMB and in HKD to holders of A Shares and holders of H Shares, respectively. The actual amount distributed in HKD will be converted based on the average central parity of the exchange rate of RMB against Hong Kong dollars as announced by PBOC for the five business days prior to the date of the 2023 Annual General Meeting of the Company. The 2023 profit distribution plan shall be subject to the consideration and approval by the Shareholders' General Meeting before implementation.

The cash dividends will be paid within two months after the 2023 profit distribution plan is considered and approved at the Shareholders' General Meeting. The Company will make further announcement on, among others, record date and date of distribution in relation to this dividend distribution.

## **(ii) Particulars of the formulation and implementation of profit distribution policy**

The Company's profit distribution policy, especially the cash dividend policy, was in line with the relevant industry requirements, with clear standards and ratios of dividend distribution. The relevant formulation and revision procedures were compliant, transparent and complete, without prejudice of the legitimate interests of minority shareholders.

The Company's 2023 profit distribution plan is in line with the requirements of the *Articles of Association*, which had been considered and approved by the Board of Directors, and should be submitted to the Shareholders' General Meeting for consideration, and minority shareholders may express their views and aspirations through Shareholders' General Meeting, investor briefing session and other channels, and their legitimate rights and interests have been fully protected.

### (III) TAX RELIEF AND EXEMPTION INFORMATION FOR HOLDERS OF H SHARES

The holders of H Shares of our Company shall pay relevant tax and/or enjoy tax relief and exemption in accordance with the following provisions:

According to the *Individual Income Tax Law of the People's Republic of China* (《中華人民共和國個人所得稅法》) and its implementation rules, dividends paid to individuals by PRC companies are generally subject to an individual income tax levied at a flat rate of 20%.

Pursuant to the requirements of the *Notice of the Ministry of Finance and the State Administration of Taxation on Certain Policies Regarding Individual Income Tax (Cai Shui Zi [1994] No. 020)* (《財政部、國家稅務總局關於個人所得稅若干政策問題的通知》(財稅字[1994]020號)), individual foreigners are exempted from individual income tax on dividends and bonus received from foreign-invested enterprises in the PRC. As the Company is a foreign-invested joint stock limited company, the foreign individual Shareholders who hold the H Shares of the Company and whose names appear on the H-share register are not required to pay the individual income tax of the PRC.

Pursuant to the *Notice of the State Administration of Taxation on Issues Concerning Withholding the Enterprise Income Tax on Dividends Paid by Chinese Resident Enterprises to Holders of H Shares who are Overseas Non-resident Enterprises (Guo Shui Han [2008] No. 897)* (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號)), a PRC resident enterprise, when distributing dividends for 2008 and for the years afterwards to holders of H Shares who are overseas non-resident enterprises, shall withhold the enterprise income tax at a flat rate of 10%. A non-PRC resident enterprise which is entitled to a preferential tax rate under an applicable tax treaty or arrangement may, directly or through its agent, apply to the competent tax authorities for a refund of the excess amount of tax withheld.

Pursuant to the *Notice on Taxation Policies concerning the Pilot Program of an Interconnection Mechanism for Transactions in the Shanghai and Hong Kong Stock Markets* (Cai Shui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)) and the *Notice on Taxation Policies concerning the Pilot Program of an Interconnection Mechanism for Transactions in the Shenzhen and Hong Kong Stock Markets* (Cai Shui [2016] No. 127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)) jointly promulgated by the Ministry of Finance, the State Administration of Taxation and the CSRC, for dividends derived by Mainland individual investors from investing in H Shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect, H-share companies shall withhold individual income tax at a tax rate of 20% for the investors. For mainland securities investment funds investing in shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect, the above rules also apply and individual income tax shall be levied on dividends derived therefrom. Dividends derived by mainland enterprise investors from investing in shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect shall be reported and paid by the enterprise investors themselves. H-share companies will not withhold or pay enterprise income tax on their behalf in the distribution of dividends. For dividends derived by mainland resident enterprises where the relevant H shares have been continuously held for more than 12 months, the enterprise income tax thereon may be exempt according to the tax law.

### III. ISSUANCE OF SHARES, USE OF PROCEEDS AND USAGE PROGRESS

During the Reporting Period, the Company did not issue any shares and did not use the relevant proceeds.

For other financing activities of the Company during the Reporting Period, please refer to “Management Discussion and Analysis – Analysis on Investment and Financing Activities” and “Particulars of Bonds” in this report.

### IV. ISSUANCE OF BONDS

During the Reporting Period, the Group completed the issuance of 15 tranches of corporate bonds, 6 tranches of subordinated bonds, 1 tranche of short-term corporate bond and 2 tranches of medium-term notes, with an aggregate principal amount of RMB45.5 billion and US\$1.75 billion. The funds raised were fully used to replenish the working capital and repay direct debt financing instruments that were due or resold, and other general corporate purposes. For further details, please refer to “Changes in Shares and Information of Shareholders – Issuance and Listing of Securities – Issuance of Securities” and “Particulars of Bonds” in this report.

## V. DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS

Our Company has entered into service contracts with the Directors and Supervisors. The Directors or Supervisors may be re-elected upon expiry of their term of office, upon the approval by the Shareholders' General Meeting.

In addition, none of the Directors or Supervisors has entered into any service contracts with our Company or its subsidiaries which cannot be terminated within one year without compensation (other than statutory compensation).

## VI. PERMITTED INDEMNITY

Our Company has maintained liability insurance policies for its Directors, Supervisors and senior management.

## VII. DIRECTORS' AND SUPERVISORS' INTEREST IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

No transactions, arrangements or contracts of significance in which the Directors or Supervisors of the Company or their connected entities had a material interest, directly or indirectly, has been entered into by our Company or its subsidiaries during the Reporting Period.

## VIII. DIRECTORS' INTERESTS IN BUSINESSES THAT COMPETE WITH THE BUSINESSES OF OUR COMPANY

Save as disclosed in the "Directors, Supervisors, Senior Management and Employees – Biographies of Directors, Supervisors and Senior Management" of this report, none of the Directors has any disclosable interests in any business competing against the businesses of our Company.

## IX. RIGHTS OF DIRECTORS AND SUPERVISORS TO ACQUIRE SHARES OR DEBENTURES

As of the end of the Reporting Period, none of the Company or any of its subsidiaries was a party to any arrangements to enable the Directors, Supervisors or their spouses or minor children under the age of 18 to acquire benefits by means of acquiring shares or debentures of the Company or any other body corporate.

## X. MANAGEMENT CONTRACTS

Save for employment contracts with employees, our Company did not enter into any contracts nor had any existing contracts in respect of all or any significant part of management and administration of business of our Company during the Reporting Period.

## XI. PRE-EMPTIVE RIGHTS

During the Reporting Period, our Company has no arrangements in respect of pre-emptive rights according to the provisions under the PRC laws and the *Articles of Association*.

## XII. RESERVES AND DISTRIBUTABLE RESERVES

For the movement of distributable profit, please refer to “Notes to the Consolidated Financial Statements – 60. Statement of Financial Position and Changes in Equity of the Company”.

## XIII. MAJOR CLIENTS AND SUPPLIERS

Our Company has a high-quality and diversified client base (primarily consisting of industry-leading corporations, institutional investors and high-net-worth individuals). Our Company develops and maintains long-term cooperation with clients and is dedicated to providing them with a comprehensive suite of products and services. Our Company has won our clients’ loyalty through our deep engagement and thorough knowledge and understanding of their businesses.

The Group’s client base is diversified. In 2023, revenue from transactions with the top five customers accounted for less than 30% of our Company’s total revenue.

By virtue of the nature of our Company’s business, our Company has no major suppliers. In 2023, the total purchases from the top five suppliers accounted for less than 30% of our Company’s total purchases.

## XIV. DONATION

During the Reporting Period, the Group donated over RMB48.5 million to support public welfare and assistance programs.

By order of the Board  
Chairman  
**Chen Liang**

# CHANGES IN SHARES AND INFORMATION OF SHAREHOLDERS

## I. CHANGES IN SHARE CAPITAL

### (i) Changes in Shares

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

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

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

#### 1. Changes in shareholding structure

Unit: share

	Before the change		Amount of change	After the change	
	Number	Percentage (%)		Number	Percentage (%)
I. Shares subject to selling restrictions	1,993,921,159	41.31	-1,993,921,159	-	0.00
1. Shares held by state	1,936,155,680	40.11	-1,936,155,680	-	0.00
2. Shares held by state-owned legal persons	2,734,800	0.06	-2,734,800	-	0.00
3. Shares held by other domestic investors	30,954,757	0.64	-30,954,757	-	0.00
Including: Shares held by domestic non-state-owned legal persons	30,954,757	0.64	-30,954,757	-	0.00
Shares held by domestic natural persons	-	0.00	-	-	0.00
4. Shares held by foreign investors	24,075,922	0.50	-24,075,922	-	0.00
Including: Shares held by foreign legal persons	24,075,922	0.50	-24,075,922	-	0.00
Shares held by foreign natural persons	-	0.00	-	-	0.00
II. Outstanding shares not subject to selling restrictions	2,833,335,709	58.69	1,993,921,159	4,827,256,868	100.00
1. RMB-denominated ordinary shares	929,621,281	19.26	1,993,921,159	2,923,542,440	60.56
2. Foreign shares listed in the PRC	-	0.00	-	-	0.00
3. Foreign shares listed overseas	1,903,714,428	39.44	-	1,903,714,428	39.44
4. Others	-	0.00	-	-	0.00
III. Total number of shares	4,827,256,868	100.00	-	4,827,256,868	100.00



*Notes:*

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

## **2. Description of changes in shareholding structure**

1,938,890,480 Shares of the Company held by Shareholders prior to the Company’s initial public offering of A Shares and 55,030,679 Shares of the Company placed to strategic investors during the Company’s initial public offering of A Shares were listed and traded on November 30, 2023, and the number of Shares subject to selling restrictions and outstanding Shares not subject to selling restrictions of the Company changed accordingly. For details, please refer to “Changes in Shares Subject to Selling Restrictions” in this section of this report and the relevant announcements disclosed by the Company on the website of SSE.

## **3. Effect of changes in shares on financial indicators such as earnings per share and net assets per share for the most recent year and the most recent period: Not applicable**

**(ii) Changes in Shares Subject to Selling Restrictions**

Unit: share

Name of shareholder	Number of shares subject to selling restrictions at the beginning of the year	Number of shares released from selling restrictions during the year	Increase in shares subject to selling restrictions during the year	Number of shares subject to selling restrictions at the end of the year	Reasons for selling restrictions	Date of release from selling restrictions
Central Huijin Investment Ltd.	1,936,155,680	1,936,155,680	-	-	Shareholder undertakings of the A Share Offering and Listing	
Alibaba (China) Network Technology Co., Ltd.	13,757,670	13,757,670	-	-	Selling restrictions under strategic placement of the A Share Offering and Listing	
Abu Dhabi Investment Authority	13,757,670	13,757,670	-	-	Selling restrictions under strategic placement of the A Share Offering and Listing	
Brunei Investment Agency	10,318,252	10,318,252	-	-	Selling restrictions under strategic placement of the A Share Offering and Listing	
China Life Insurance Company Limited – Traditional – Ordinary insurance products – 005L – CT001 Hu	10,318,252	10,318,252	-	-	Selling restrictions under strategic placement of the A Share Offering and Listing	2023/11/30
Taiping Life Insurance Co., Ltd. – Traditional – Ordinary insurance products – 022L – CT001 Hu	6,878,835	6,878,835	-	-	Selling restrictions under strategic placement of the A Share Offering and Listing	
China Jiayin Investment Limited	911,600	911,600	-	-	Shareholder undertakings of the A Share Offering and Listing	
JIC Investment Co., Ltd.	911,600	911,600	-	-	Shareholder undertakings of the A Share Offering and Listing	
China Investment Consulting Co., Ltd.	911,600	911,600	-	-	Shareholder undertakings of the A Share Offering and Listing	
Total	1,993,921,159	1,993,921,159	-	-	/	/

**II. ISSUANCE AND LISTING OF SECURITIES****(i) Issuance of Securities**

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

During the Reporting Period, the information of the issued bonds (including enterprise bonds, corporate bonds and debt financing instruments of financial enterprises) of the Company and subsidiaries is as follows:

Currency: RMB

Issuer	Name of bond	Abbreviation	Code	Class of bonds	Issuing date	Coupon rate (%)	Issuance size (RMB in 100 million)	Listing date	Approved listing		Trading arrangements	
									transaction size (RMB in 100 million)	Place for trading		
CCC	2023 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (First Tranche) (Type I)	23-CCCCG1	138841.SH	Corporate bonds	2023/1/16	3.00	10	2023/1/30	10	SSE	2026/1/17	Matching, one-click-order, price-enquiry, bidding and agreement trading
CCC	2023 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (First Tranche) (Type II)	23-CCCCG2	138842.SH	Corporate bonds	2023/1/16	3.18	30	2023/1/30	30	SSE	2028/1/17	Matching, one-click-order, price-enquiry, bidding and agreement trading
CCC	2023 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Second Tranche) (Type I)	23-CCCCG3	115448.SH	Corporate bonds	2023/6/5	2.87	50	2023/6/12	50	SSE	2028/6/6	Matching, one-click-order, price-enquiry, bidding and agreement trading
CCC	2023 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Second Tranche) (Type II)	23-CCCCG5	115690.SH	Corporate bonds	2023/7/21	2.69	30	2023/7/27	30	SSE	2028/7/24	Matching, one-click-order, price-enquiry, bidding and agreement trading
CCC	2023 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Third Tranche) (Type I)	23-CCCCG6	115691.SH	Corporate bonds	2023/7/21	3.03	20	2023/7/27	20	SSE	2030/7/24	Matching, one-click-order, price-enquiry, bidding and agreement trading
CCC	2023 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Third Tranche) (Type II)	23-CCCCF1	252158.SH	Corporate bonds	2023/8/25	2.80	10	2023/8/31	10	SSE	2028/8/28	One-click-order, price-enquiry, bidding and agreement trading
CCC	2023 Corporate Bonds of China International Capital Corporation Limited Non-publicly Issued to Professional Investors (First Tranche) (Type I)	23-CCCCF2	252159.SH	Corporate bonds	2023/8/25	3.06	40	2023/8/31	40	SSE	2030/8/28	One-click-order, price-enquiry, bidding and agreement trading
CCC	2023 Corporate Bonds of China International Capital Corporation Limited Non-publicly Issued to Professional Investors (Second Tranche) (Type II)	23-CCCCF3	252379.SH	Corporate bonds	2023/9/15	2.89	20	2023/9/21	20	SSE	2026/9/18	One-click-order, price-enquiry, bidding and agreement trading

## Changes in Shares and Information of Shareholders

Issuer	Name of bond	Abbreviation	Code	Class of bonds	Issuing date	Coupon rate (%)	Issuance size (RMB in 100 million)	Listing date	Approved listing		Termination date of transaction	Trading arrangements
									transaction size (RMB in 100 million)	Place for trading		
CCC	2023 Corporate Bonds of China International Capital Corporation Limited Non-publicly Issued to Professional Investors (Second Tranche)(Type II)	23 CCCF4	252380.SH	Corporate bonds	2023/9/15	2.99	30	2023/9/21	30	SSE	2028/9/18	One-click-order, price-enquiry, bidding and agreement trading
CCC	2023 Subordinated Bonds of China International Capital Corporation Limited Publicly Issued to Professional Institutional Investors (First Tranche)(Type I)	23 CCCC1	240347.SH	Subordinated bonds	2023/12/6	3.18	5	2023/12/13	5	SSE	2028/12/7	Matching, one-click-order, price-enquiry, bidding and agreement trading
CCC	2023 Subordinated Bonds of China International Capital Corporation Limited Publicly Issued to Professional Institutional Investors (First Tranche)(Type II)	23 CCCC2	240348.SH	Subordinated bonds	2023/12/6	3.35	20	2023/12/13	20	SSE	2028/12/7	Matching, one-click-order, price-enquiry, bidding and agreement trading
CCC	2023 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Institutional Investors (First Tranche)(Type II)	23 CCCG7	240416.SH	Corporate bonds	2023/12/20	2.85	30	2023/12/28	30	SSE	2028/12/21	Matching, one-click-order, price-enquiry, bidding and agreement trading
CCC	2023 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Institutional Investors (Fourth Tranche)(Type I)	23 CCCG8	240417.SH	Corporate bonds	2023/12/20	3.03	10	2023/12/28	10	SSE	2030/12/21	Matching, one-click-order, price-enquiry, bidding and agreement trading
CCC Wealth Management	2023 Subordinated Bonds of China CCC Wealth Management Securities Company Limited Publicly Issued to Professional Investors (First Tranche)(Type I)	23 CCC WMS	138835.SH	Subordinated bonds	2023/2/10	3.80	25	2023/2/17	25	SSE	2026/2/13	Matching, one-click-order, price-enquiry, bidding and agreement trading
CCC Wealth Management	2023 Subordinated Bonds of China CCC Wealth Management Securities Company Limited Publicly Issued to Professional Investors (First Tranche)(Type II)	23 CCC WMS	138836.SH	Subordinated bonds	2023/2/10	4.17	5	2023/2/17	5	SSE	2028/2/13	Matching, one-click-order, price-enquiry, bidding and agreement trading
CCC Wealth Management	2023 Corporate Bonds of China CCC Wealth Management Securities Company Limited Publicly Issued to Professional Investors (First Tranche)(Type I)	23 CCC WMS	115201.SH	Corporate bonds	2023/4/12	3.02	15	2023/4/19	15	SSE	2026/4/13	Matching, one-click-order, price-enquiry, bidding and agreement trading
CCC Wealth Management	2023 Corporate Bonds of China CCC Wealth Management Securities Company Limited Publicly Issued to Professional Investors (First Tranche)(Type II)	23 CCC WMS	115202.SH	Corporate bonds	2023/4/12	3.28	15	2023/4/19	15	SSE	2028/4/13	Matching, one-click-order, price-enquiry, bidding and agreement trading

Issuer	Name of bond	Abbreviation	Code	Class of bonds	Issuing date	Coupon rate (%)	Issuance size (RMB in 100 million)	Listing date	Approved listing		Trading arrangements	
									transaction size (RMB in 100 million)	Place for trading		
											Termination date of transaction	
CCC Wealth Management	2023 Short-term Corporate Bonds of China CCC Wealth Management Securities Company Limited Publicly Issued to Professional Investors (First Tranche)	23 CCC WMS S1	115358.SH	Short-term corporate bonds	2023/5/17	2.52	30	2023/5/24	30	SSE	2024/5/18	Matching, one-click-order, price-enquiry, bidding and agreement trading
CCC Wealth Management	2023 Corporate Bonds of China CCC Wealth Management Securities Company Limited Publicly Issued to Professional Investors (Second Tranche)(Type I)	23 CCC WMS G3	115843.SH	Corporate bonds	2023/8/23	2.72	20	2023/8/30	20	SSE	2026/8/24	Matching, one-click-order, price-enquiry, bidding and agreement trading
CCC Wealth Management	2023 Corporate Bonds of China CCC Wealth Management Securities Company Limited Publicly Issued to Professional Investors (Second Tranche)(Type II)	23 CCC WMS G4	115844.SH	Corporate bonds	2023/8/23	3.08	10	2023/8/30	10	SSE	2028/8/24	Matching, one-click-order, price-enquiry, bidding and agreement trading
CCC Wealth Management	2023 Subordinated Bonds of China CCC Wealth Management Securities Company Limited Publicly Issued to Professional Investors (Second Tranche)(Type I)	23 CCC WMS C3	240099.SH	Subordinated bonds	2023/10/25	3.39	25	2023/10/31	25	SSE	2026/10/26	Matching, one-click-order, price-enquiry, bidding and agreement trading
CCC Wealth Management	2023 Subordinated Bonds of China CCC Wealth Management Securities Company Limited Publicly Issued to Professional Investors (Second Tranche)(Type II)	23 CCC WMS C4	240100.SH	Subordinated bonds	2023/10/25	3.70	5	2023/10/31	5	SSE	2028/10/26	Matching, one-click-order, price-enquiry, bidding and agreement trading
CCC Hong Kong Finance 2016 MTN Limited	USD 250m 5.493% Notes due 2026	CCC HK 5.493 03/01/26	XS2585576973	Overseas USD-denominated medium-term notes	2023/3/1	5.49	88	2023/3/2	88	HKEX	2026/3/1	Public offer
CCC Hong Kong Finance 2016 MTN Limited	USD500m 5.442% Notes due 2026	CCC HK 5.442 07/18/26	XS2648007495	Overseas USD-denominated medium-term notes	2023/7/18	5.44	35	2023/7/19	35	HKEX	2026/7/18	Public offer

*Note 1:* Overseas USD-denominated medium-term notes are USD-denominated, issuance size and approved listing transaction size in the above table are denominated in RMB, and the translation is based on the middle exchange rates as at the end of the Reporting Period.

Description of Issuance of Securities: for details, please refer to “Particulars of Bonds – Bond Issuance and Duration” in this report.

### **(ii) Changes in Total Number of Ordinary Shares and Shareholding Structure and the Assets and Liabilities Structure of the Company**

For the information on changes in total number of ordinary shares and shareholding structure of the Company, please refer to “Changes in Share Capital” in this section of this report. For the information on changes in the assets and liabilities structure of the Company, please refer to “Management Discussion and Analysis – Analysis on Principal Operations and Financial Statements” in this report.

### **(iii) During the Reporting Period, the Company Had No Existing Internal Employee Shares**

## III. INFORMATION OF SHAREHOLDERS

### **(i) Total Number of Shareholders**

As of the end of the Reporting Period, the Company had a total of 117,117 ordinary shareholders, among which 116,739 are holders of A Shares and 378 are registered holders of H Shares.

As of the end of February 2024, the Company had a total of 119,578 ordinary shareholders, among which 119,200 are holders of A Shares and 378 are registered holders of H Shares.

## (ii) Shareholdings of Top Ten Shareholders and Participation in Securities Lending and Refinancing Business

### 1. Shareholding of top ten shareholders (excluding Shares lent through securities lending and refinancing business)

Unit: share

Name of shareholder	Number of shares held as at the end of the Reporting Period	Shareholding as at the end of the Reporting Period	Increase/ decrease during the Reporting Period	Number of shares held subject to selling restrictions	Class of shares	Pledged, marked or frozen shares	Class of shareholder
Central Huijin Investment Ltd.	1,936,155,680	40.11%	-	-	A Shares	Nil	Nation
HKSCC Nominees Limited	1,902,965,934	39.42%	+12,500	-	H Shares	Unknown	Foreign legal person
Haier Group (Qingdao) Jinying Holding Co., Ltd.	202,543,300	4.20%	-102,406,700	-	A Shares	Nil	Domestic non-state-owned legal person
China National Investment and Guaranty Corporation	103,129,646	2.14%	-24,433,314	-	A Shares	Nil	State-owned legal person
Hong Kong Securities Clearing Company Limited	27,696,260	0.57%	-5,090,193	-	A Shares	Nil	Foreign legal person
China Construction Bank Corporation – Guotai CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund	16,687,364	0.35%	-352,265	-	A Shares	Nil	Others
Abu Dhabi Investment Authority	14,001,970	0.29%	-1,773,354	-	A Shares	Nil	Foreign legal person
Alibaba (China) Network Technology Co., Ltd.	13,757,670	0.28%	-	-	A Shares	Nil	Domestic non-state-owned legal person
China Construction Bank Corporation -Huabao CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund	12,406,527	0.26%	-627,963	-	A Shares	Nil	Others
China Life Asset Management-Industrial Bank-China Life Asset -Qianyan Superior Selection 2374 Asset Management Product	11,743,000	0.24%	+11,743,000	-	A Shares	Nil	Others
China Life Asset Management-Industrial Bank-China Life Asset -Qianyan Superior Selection 2372 Asset Management Product	11,743,000	0.24%	+11,743,000	-	A Shares	Nil	Others
China Life Asset Management-Industrial Bank-China Life Asset -Qianyan Superior Selection 2375 Asset Management Product	11,743,000	0.24%	+11,743,000	-	A Shares	Nil	Others

*Notes:*

1. As at the end of the Reporting Period, all of the Company's A Shares and H Shares were outstanding shares not subject to selling restrictions, therefore, the shareholdings of top ten Shareholders not subject to selling restrictions were consistent with the shareholdings in the above table;
2. The information set out in the above table are extracted from the information on registered shareholders which was obtained by the Company from the share register or calculated based on such information. Some Shareholders were not among the top ten Shareholders at the beginning of the period, therefore, their shareholdings at the beginning of the period were not previously disclosed;
3. HKSCC Nominees Limited is the nominal holder of shares on behalf of the unregistered shareholders of H Shares of the Company. The number of shares held by HKSCC Nominees Limited included the shares held by Tencent Mobility Limited and Des Voeux Investment Company Limited which are registered under the name of HKSCC Nominees Limited;
4. The shares held by Hong Kong Securities Clearing Company Limited refer to shares held by non-registered shareholders of northbound of the Shanghai-Hong Kong Stock Connect.

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

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



## 2. Shares lent through securities lending and refinancing by top ten Shareholders

Unit: share

Name of shareholder	Shareholding of general account and credit account at the beginning of the Reporting Period		Shares lent through securities lending and refinancing and not yet been returned at the beginning of the Reporting Period		Shareholding of general account and credit account at the end of the Reporting Period		Shares lent through securities lending and refinancing and not yet been returned at the end of the Reporting Period	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Haier Group (Qingdao) Jinying Holding Co., Ltd.	304,950,000	6.32%	-	0.00%	202,543,300	4.20%	-	0.00%
China National Investment and Guaranty Corporation	127,562,960	2.64%	-	0.00%	103,129,646	2.14%	-	0.00%
China Construction Bank Corporation - Guotai CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund	17,039,629	0.35%	53,000	0.00%	16,687,364	0.35%	2,350,100	0.05%
China Construction Bank Corporation - Huabao CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund	13,034,490	0.27%	512,700	0.01%	12,406,527	0.26%	407,800	0.01%

Note: During the Reporting Period, Haier Group (Qingdao) Jinying Holding Co., Ltd. and China National Investment and Guaranty Corporation participated in the securities lending and refinancing business with the Company's securities. As of the end of the Reporting Period, all of the aforementioned lent Shares have been returned.

### 3. Changes in top ten Shareholders over the end of the last period

#### (1) New Shareholders to the list of top ten Shareholders during the Reporting Period

Unit: share

Name of shareholder	Shares lent through securities lending and refinancing and not yet been returned at the end of the Reporting Period		Shareholding of general account and credit account, and shares lent through securities lending and refinancing and not yet been returned at the end of the Reporting Period	
	Number	Percentage	Number	Percentage
Abu Dhabi Investment Authority	-	-	14,001,970	0.29%
Alibaba (China) Network Technology Co., Ltd.	-	-	13,757,670	0.28%
China Construction Bank Corporation-Huabao CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund	-	-	12,406,527	0.26%
China Life Asset Management-Industrial Bank-China Life Asset - Qianyuan Superior Selection 2374 Asset Management Product	-	-	11,743,000	0.24%
China Life Asset Management-Industrial Bank-China Life Asset - Qianyuan Superior Selection 2372 Asset Management Product	-	-	11,743,000	0.24%
China Life Asset Management-Industrial Bank-China Life Asset - Qianyuan Superior Selection 2375 Asset Management Product	-	-	11,743,000	0.24%

#### (2) Shareholders fallen from the list of top ten Shareholders during the Reporting Period

As of the end of the Reporting Period, China Life Asset Management-Bank of China-China Life Asset-Dingkun Superior Selection 2232 Insurance Asset Management Product, China Life Asset Management-Bank of China-China Life Asset-Dingkun Superior Selection 2265 Insurance Asset Management Product, China Life Asset Management-Bank of China-China Life Asset-Dingkun Superior Selection 2231 Insurance Asset Management Product and China Life Asset Management-Bank of China-China Life Asset-Dingkun Superior Selection 2266 Insurance Asset Management Product fallen from the list of top ten Shareholders of the Company, and were not on the list of top 200 Shareholders of the Company obtained from the A Share registrar. The Company was not aware of their Shares held and lent through securities lending and refinancing business at the end of the Reporting Period.

#### (III) Shareholding of Holders of Restricted Shares

As of the end of the Reporting Period, all of the Company's Shares were outstanding shares not subject to selling restrictions, therefore, it's not applicable.

#### (IV) Strategic Investors or General Legal Persons Who Became Top Ten Shareholders Due to Placement of New Shares

Not applicable.

## IV. CONTROLLING SHAREHOLDER AND ACTUAL CONTROLLER

### (i) Controlling Shareholder

The controlling shareholder of the Company is Huijin Company. During the Reporting Period, the controlling shareholder of the Company did not change.

Huijin Company is a state-owned investment company established in accordance with the *Company Law*. Headquartered in Beijing, Huijin Company was established in December 2003 and mandated to exercise the rights and assume the obligations as a contributor in major state-owned financial enterprises on behalf of the PRC Government. In September 2007, the Ministry of Finance issued special sovereign bonds and acquired all the shares of Huijin Company from the PBOC. The acquired shares of Huijin Company were injected into China Investment Corporation as part of its initial capital contribution. However, principal shareholder rights of Huijin Company are exercised by the State Council. The members of the Board of Directors and Supervisory Committee of Huijin Company are appointed by and are accountable to the State Council. In accordance with authorization by the State Council, Huijin Company makes equity investments in major state-owned financial enterprises, and shall, to the extent of its capital contribution, exercise the rights and perform the obligations as a contributor on behalf of the PRC Government in accordance with applicable laws, so as to achieve the goal of preserving and enhancing the value of state-owned financial assets. Huijin Company does not conduct any other business or commercial activity and does not intervene in the daily business operations of the key state-owned financial enterprise in which it holds controlling shareholding. The basic information of Huijin Company is as follows:

<b>Name</b>	Central Huijin Investment Ltd.
<b>Legal representative</b>	Peng Chun
<b>General Manager</b>	Shen Rujun
<b>Date of establishment</b>	December 16, 2003
<b>Nature of business</b>	Investment in equity interests of major state-owned financial institutions under the authorisation of the State Council and other related businesses approved by the State Council
<b>Registered capital</b>	RMB828.209 billion

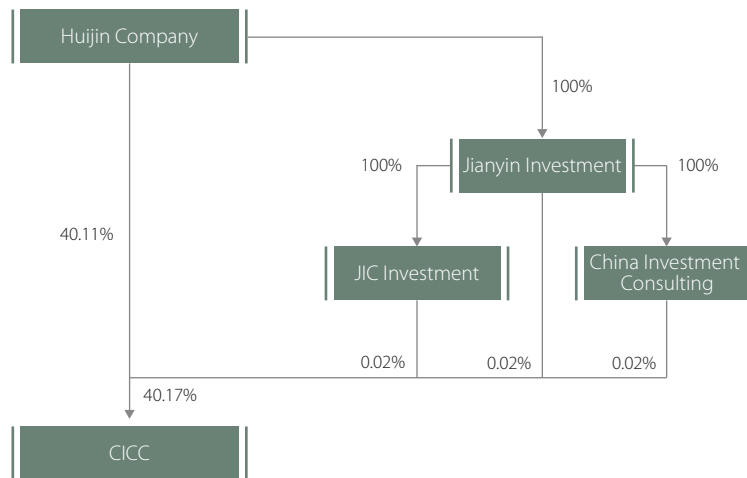
As of the end of the Reporting Period, companies held by Huijin Company directly are as follows:

No.	Name of institution	Shareholding of Huijin Company
1	China Development Bank	34.68%
2	Industrial and Commercial Bank of China Limited ★ ☆	34.79%
3	Agricultural Bank of China Limited ★ ☆	40.14%
4	Bank of China Limited ★ ☆	64.13%
5	China Construction Bank Corporation ★ ☆	57.14%
6	China Everbright Group Ltd.	63.16%
7	China Export & Credit Insurance Corporation	73.63%
8	China Reinsurance (Group) Corporation ☆	71.56%
9	China Jiayin Investment Limited	100.00%
10	China Galaxy Financial Holding Co., Ltd.	69.07%
11	Shenwan Hongyuan Group Co., Ltd. ★ ☆	20.05%
12	New China Life Insurance Company Ltd. ★ ☆	31.34%
13	Zhong Hui Life Insurance Co., Ltd.	80.00%
14	Evergrowing Bank Co., Limited	53.95%
15	Bank of Hunan Co., Ltd.	20.00%
16	China Securities Co., Ltd. ★ ☆	30.76%
17	China Galaxy Asset Management Co., Ltd.	13.30%
18	Guotai Junan Investment Management Co., Ltd.	14.54%

Notes:

- ★ represents A-share listed companies; ☆ represents H-share listed companies.
- In addition to the above controlled and participating companies, Huijin Company also wholly owns Central Huijin Asset Management Ltd. Central Huijin Asset Management Ltd. was established in November 2015 and was registered in Beijing with a registered capital of RMB5 billion. It is engaged in the asset management business.

## (ii) Framework of the Ownership and Controlling Relationship Between the Company and the Controlling Shareholder



## (iii) Information on the Actual Controller: Not applicable

## V. DISCLOSURE OF INTERESTS

### (i) Directors', Supervisors' and Chief Executive's Interests and Short Positions

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

Name	Class of Shares	Capacity	Number of securities/Type of shares held	Percentage of the total share capital (%)	Percentage of the total number of the relevant class of shares (%)
Wu Bo	H Shares	Others (Note 1)	133,079/ Long positions	0.003	0.01

Note:

- Mr. Wu Bo indirectly holds interests through subscription of the asset management plan.

**(ii) Substantial Shareholders' Interests and Short Positions**

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

<b>Name</b>	<b>Class of Shares</b>	<b>Capacity</b>	<b>Number of securities/ Type of shares held</b>	<b>Percentage of the total share capital (%)</b>	<b>Percentage of the total number of the relevant class of shares(%)</b>
Huijin Company (Note 2)	A Shares	Beneficial owner	1,936,155,680/ Long positions	40.11	66.23
		Interest of controlled corporation	2,734,800/ Long positions	0.06	0.09
Haier Group Corporation (Note 3)	A Shares	Interest of controlled corporation	213,919,800/ Long positions	4.43	7.32
Alibaba Group Holding Limited (Note 4)	H Shares	Interest of controlled corporation	202,844,235/ Long positions	4.20	10.66
Tencent Holdings (Note 5)	H Shares	Interest of controlled corporation	216,249,059/ Long positions	4.48	11.36

*Notes:*

1. Pursuant to Part XV of the *SFO*, the Shareholders of the Company are required to file disclosure of interests forms to the Hong Kong Stock Exchange when certain criteria are fulfilled. When shareholding of a Shareholder in the Company changes, it is not necessary to notify the Company or the Hong Kong Stock Exchange unless certain criteria are fulfilled. Therefore, the shareholdings filed with the Hong Kong Stock Exchange may be different from the latest shareholding of the Shareholders. The number and proportion of Shares held by the relevant Shareholders as shown in the above table may also differ from the actual number and proportion of Shares held by the relevant Shareholders as at the end of the Reporting Period as disclosed elsewhere in this report.
2. Each of Jianyin Investment, JIC Investment and China Investment Consulting is wholly owned by Huijin Company. Therefore, Huijin Company is deemed to be interested in 2,734,800 A Shares held by Jianyin Investment, JIC Investment and China Investment Consulting for the purpose of the *SFO*.
3. As of the end of the Reporting Period, each of Qingdao Haironghui Holdings Co., Ltd. (as the sole shareholder of Haier Group (Qingdao) Jinying Holding Co., Ltd.), Qingdao Haichuangke Management Consulting Enterprise (Limited Partnership) (holding 48.8% interest in Qingdao Haironghui Holdings Co., Ltd.), Haier Group Corporation (holding 51.2% interest in Qingdao Haironghui Holdings Co., Ltd.) and Qingdao Haichuangke Investment Management Co., Ltd. (as general partner of Qingdao Haichuangke Management Consulting Enterprise (Limited Partnership) holding its 0.5% interest) is deemed to be interested in the A Shares held by Haier Group (Qingdao) Jinying Holding Co., Ltd. under the *SFO*. For the actual shareholding of Haier Group (Qingdao) Jinying Holding Co., Ltd. in the Company as of the end of the Reporting Period, please refer to "Information of Shareholders" of this section in this report.
4. As of the end of the Reporting Period, Des Voeux Investment Company Limited held 202,844,235 H Shares of the Company. Des Voeux Investment Company Limited is wholly owned by Alibaba Group Treasury Limited, which is wholly owned by Alibaba Group Holding Limited. Therefore, Alibaba Group Treasury Limited and Alibaba Group Holding Limited are deemed to be interested in 202,844,235 H Shares held by Des Voeux Investment Company Limited under the *SFO*. For the actual shareholding of Alibaba (China) Network Technology Co., Ltd., a wholly-owned subsidiary of Alibaba Group Holding Limited, in the Company as of the end of the Reporting Period, please refer to "Information of Shareholders" of this section in this report.
5. As of the end of the Reporting Period, Tencent Mobility Limited, directly interested in 216,249,059 H Shares, is a wholly-owned subsidiary of Tencent Holdings, which is therefore deemed to be interested in the H Shares held by Tencent Mobility Limited.

## VI. SUFFICIENT PUBLIC FLOAT

As of the Latest Practicable Date and based on the information available to our Company and to the knowledge of the Directors, our Company's public float complies with the requirements of Rule 8.08 of the *Listing Rules of the Stock Exchange*.

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

For details, please refer to "Particulars of Bonds – Bond Issuance and Duration – Triggering and implementation of the corporate bonds with option clauses" in this report.

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

## VIII. OTHER EXPLANATIONS

During the Reporting Period, there is no case that the accumulative number of pledged shares of the Company held by the controlling shareholder of the Company exceeded 80% of the total number of Shares held by it, or that the reduction of Shares held by the controlling shareholder and other covenanters is restricted.

During the Reporting Period, the Company did not repurchase any Shares.



## I. BASIC INFORMATION, CHANGES IN SHAREHOLDING AND REMUNERATIONS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Name	Position	Tenure for the session	Gender	Date of birth	Number of shares held at the beginning of the year (Share)	Number of shares held at the end of the year (Share)	Whether received remuneration from related party of the Company
Chen Liang (陳亮)	Chairman of the Board, Executive Director	Since November 2023	Male	January 1968	0	0	No
	Chairman of the Management Committee	Since October 2023					
Zhang Wei (張薇)	Non-executive Director	Since June 2023	Female	October 1981	0	0	No
Kong Lingyan (孔令岩)	Non-executive Director	Since June 2023	Male	February 1977	0	0	No
Duan Wenwu (段文務)	Non-executive Director	Since February 2020	Male	June 1969	0	0	Yes
Ng Kong Ping Albert (吳港平)	Independent Non-executive Director	Since June 2022	Male	September 1957	0	0	No
Lu Zhengfei (陸正飛)	Independent Non-executive Director	Since June 2022	Male	November 1963	0	0	No
Peter Hugh Nolan (彼得·諾蘭)	Independent Non-executive Director	Since March 2020	Male	April 1949	0	0	No
Zhou Yu (周禹)	Independent Non-executive Director	Since June 2023	Male	February 1981	0	0	No
Gao Tao (高濤)	Chairman of the Supervisory Committee, Employee Representative Supervisor	Since June 2017	Male	January 1965	0	0	No
Jin Lizuo (金立佐)	Supervisor	Since June 2015	Male	June 1957	0	0	Yes
Cui Zheng (崔錚)	Supervisor	Since February 2020	Male	December 1980	0	0	No
Wu Bo (吳波)	President	Since November 2023	Male	June 1977	0	0	No
	Chief Financial Officer	Since September 2023					
	Member of the Management Committee	Since April 2018					
Zhang Kejun (張克均)	Member of the Management Committee	Since October 2021	Male	February 1966	0	0	No
Xu Yicheng (徐翌成)	Member of the Management Committee	Since January 2023	Male	October 1974	0	0	No
	Assistant President	March 2020-January 2023					
Wang Jianli (王建力)	Member of the Management Committee	Since January 2023	Male	August 1971	0	0	No
Wang Shuguang (王曙光)	Member of the Management Committee	Since January 2023	Male	November 1974	0	0	No
Du Pengfei (杜鵬飛)	Member of the Management Committee	Since April 2023	Male	July 1974	0	0	No
Hu Changsheng (胡長生)	Member of the Management Committee	Since June 2017	Male	March 1966	0	0	No
Sun Nan (孫男)	Member of the Management Committee	Since January 2024	Male	September 1979	0	0	No
	Secretary to the Board of Directors	Since May 2020					
Zhang Fengwei (張逢偉)	Chief Risk Officer	Since June 2017	Male	December 1967	0	0	No

Name	Position	Tenure for the session	Gender	Date of birth	Number		Whether received remuneration from related party of the Company
					of shares held at the beginning of the year (Share)	Number of shares held at the end of the year (Share)	
Cheng Long (程龍)	Chief Information Officer	Since October 2021	Male	March 1976	0	0	No
Zhou Jiaying (周佳興)	Chief Compliance Officer	Since December 2021	Male	August 1972	0	0	No
<b>Resigned Personnel</b>							
Shen Rujun (沈如軍)	Chairman of the Board, Non-executive Director	August 2019-October 2023	Male	February 1964	0	0	No
Huang Zhaohui (黃朝暉)	Executive Director	February 2020-October 2023	Male	January 1964	0	0	No
	President, Chairman of the Management Committee	December 2019-October 2023					
Tan Lixia (譚麗霞)	Non-executive Director	February 2020-November 2023	Female	September 1970	0	0	Yes
Liu Li (劉力)	Independent Non-executive Director	June 2016-June 2023	Male	September 1955	0	0	No
Chu Gang (楚鋼)	Chief Operating Officer, Member of the Management Committee	April 2015-February 2024	Male	February 1964	0	0	No
Wong King Fung (黃勁峯)	Chief Financial Officer, Member of the Management Committee	February 2017-September 2023	Male	July 1968	0	0	No
Ma Kui (馬葵)	Financial Controller	May 2015-February 2024	Female	October 1971	19,600 (H Shares)	19,600 (H Shares)	No
Total	/	/	/	/	19,600 (H Shares)	19,600 (H Shares)	/

Notes:

- For details of changes in Directors, Supervisors and senior management of the Company, please refer to “Changes in Directors, Supervisors and Senior Management” of this section in this report.
- The commencement date of tenure for the session in respect of re-elected Directors and Supervisors is the effective date of their first appointment.
- The number of shares held by Directors, Supervisors and senior management at the beginning and end of the year are the total number of A Shares and H Shares of the Company directly held by them during their terms of office.
- As some Directors and Supervisors, during their tenure of office, served as directors (other than being independent directors of both sides) and senior management of legal persons or other organizations other than the Company and its controlled subsidiaries, such legal person or other organization constitutes the related party of the Company. During the Reporting Period, relevant persons have received remuneration or allowance from such related parties.

## II. BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

### Directors

**Mr. Chen Liang (陳亮)**, born in January 1968, has been appointed as the Chairman of the Company since November 2023, and the Secretary of the Party Committee and Chairman of the Management Committee of the Company since October 2023. Mr. Chen has successively served as the director of the Computer Division, deputy general manager of the Securities Division, manager of the Securities Branch on Wenyi Road, and deputy general manager of the Securities Business Headquarters of Xinjiang Hongyuan Trust Investment Co., Ltd., from October 1994 to February 2001, successively served as the general manager and assistant to the general manager of the Urumqi Business Headquarters, general manager of the Xinjiang Marketing and Brokerage Center, and general manager of the Corporate Brokerage Business Headquarters of Hongyuan Securities Co., Ltd., from February 2001 to September 2009, served as the deputy general manager of Hongyuan Securities Co., Ltd. and chairman of the board of directors of Hongyuan Futures Co., Ltd., from September 2009 to January 2015, served as a member of the Party Committee of each of Shenwan Hongyuan Group Co., Ltd., a company listed on the Shenzhen Stock Exchange (Stock Code: 000166) and the Hong Kong Stock Exchange (Stock Code: 06806), and Shenwan Hongyuan Securities Co., Ltd., the general manager of Shenwan Hongyuan Group Co., Ltd., and an executive director of Shenwan Hongyuan Securities (Western) Co., Ltd., from December 2014 to May 2019, served as the secretary of the Party Committee of Shenwan Hongyuan Securities (Western) Co., Ltd., from August 2015 to May 2019, and successively served as the president, vice chairman and chairman of the board of directors of China Galaxy Securities Co., Ltd., a company listed on the Shanghai Stock Exchange (Stock Code: 601881) and the Hong Kong Stock Exchange (Stock Code: 06881), from June 2019 to October 2023. Mr. Chen graduated from Xinjiang University majoring in mathematics (bachelor's degree) in July 1989, and obtained an EMBA degree from Fudan University in January 2016.

**Ms. Zhang Wei (張薇)**, born in October 1981, has been appointed as a Director of the Company since June 2023 and has been serving as the designated director (managing director) of Huijin Company. Ms. Zhang joined Huijin Company in July 2006, and successively served as the manager of the Capital Market Department, manager of the Non-bank Department, senior deputy manager of the Securities Institution Management Department/Insurance Institution Management Department, and director of the Office of Direct-managed Corporation Leading Group/the Second Department of Equity Management of Huijin Company, during which Ms. Zhang also served as the non-executive director of CSC Financial Co., Ltd., a company listed on the Shanghai Stock Exchange (Stock Code: 601066) and the Hong Kong Stock Exchange (Stock Code: 06066). Ms. Zhang obtained a bachelor's degree in law from China University of Political Science and Law in June 2003, a master's degree in international law from China University of Political Science and Law in June 2006, and a doctoral degree in international law from China University of Political Science and Law in December 2017.

**Mr. Kong Lingyan (孔令岩)**, born in February 1977, has been appointed as a Director of the Company since June 2023 and has been serving as the designated director (managing director) of Huijin Company. Mr. Kong has worked in Industrial and Commercial Bank of China Limited (hereinafter referred to as “ICBC”), a company listed on the Shanghai Stock Exchange (Stock Code: 601398) and the Hong Kong Stock Exchange (Stock Code: 01398), from July 1999 to November 2011, and successively served as the deputy director of the Foreign Exchange Management Division of the International Banking Department, the deputy director of the Foreign Exchange Management Division of the Asset and Liability Management Department, and the deputy director and director of the Overseas Institutions and Subsidiaries Financial Management Division of the Finance & Accounting Department. Mr. Kong served as the Vice General Manager of ICBC (London) PLC from November 2011 to April 2016 and concurrently served as the Vice General Manager of ICBC London Branch from September 2014 to April 2016, and successively served as the General Manager of the Capital Operation Department and the General Manager of the Margin Financing and Securities Lending Department of Huatai Securities Co., Ltd., a company listed on the Shanghai Stock Exchange (Stock Code: 601688) and the Hong Kong Stock Exchange (Stock Code: 06886), from May 2016 to August 2022. Mr. Kong obtained a bachelor’s degree in economics from Central University of Finance and Economics in July 1999, and a master’s degree in business administration from Tsinghua University in January 2005.

**Mr. Duan Wenwu (段文務)**, born in June 1969, a senior accountant, has been appointed as a Director of the Company since February 2020. Mr. Duan has served as the Chairman of SDIC Capital Co., Ltd., a company listed on the Shanghai Stock Exchange (Stock Code: 600061) from April 2023, has performed duty in place of the General Manager of SDIC Capital Co., Ltd. since June 2023, and has served as the Chairman of Essence Securities Co., Ltd. (later renamed as “SDIC Securities Co., Ltd.”) since November 2023. Mr. Duan served as an assistant to the director of Finance and Accounting Department of State Development & Investment Corporation (later renamed as State Development & Investment Corp., Ltd.) from May 2008 to November 2008, Deputy General Manager of SDIC Finance Co., Ltd. from November 2008 to August 2010, Deputy Director of Finance and Accounting Department of State Development & Investment Corporation from August 2010 to August 2014, Director and Deputy General Manager of China National Complete Plant Import and Export Group Corporation Limited from March 2013 to August 2014, Director of Finance and Accounting Department of State Development & Investment Corporation (renamed as Finance Department in August 2016) from August 2014 to May 2017, General Manager of SDIC Essence Co., Ltd. (renamed as SDIC Capital Co., Ltd. in December 2017), from May 2017 to March 2018, Director of Essence Securities Co., Ltd. from December 2017 to January 2019, Chairman of SDIC Finance Co., Ltd. from March 2018 to April 2019, General Manager of I&G (NEEQ: 834777) from April 2019 to November 2021 and Chairman of I&G from May 2020 to June 2023. Mr. Duan obtained a bachelor’s degree in economics from Xiamen University in July 1990, and a master’s degree in business administration from Jiangxi University of Finance and Economics in January 2003.

**Mr. Ng Kong Ping Albert (吳港平)**, born in September 1957, has been appointed as a Director of the Company since June 2022. He is a member of the Hong Kong Institute of Certified Public Accountants (HKICPA), Chartered Accountants of Australia and New Zealand (CAANZ), CPA Australia (CPAA) and Association of Chartered Certified Accountants (ACCA). Mr. Ng is the retired chairman of Ernst & Young China, the managing partner of Ernst & Young in Greater China and a member of Ernst & Young's Global Executive Committee. He has over 30 years of professional experience in accounting in Hong Kong and Chinese mainland. Prior to joining Ernst & Young, Mr. Ng successively served as the partner-in-charge of Arthur Andersen LLP in Greater China, the partner-in-charge of China business of PricewaterhouseCoopers and the managing director of Citigroup China Investment Banking. Mr. Ng has been an independent non-executive director of Beijing Airdoc Technology Co., Ltd., a company listed on the Hong Kong Stock Exchange (Stock Code: 02251), since April 2021, an independent non-executive director of Ping An Insurance (Group) Company of China, Ltd., a company listed on the Shanghai Stock Exchange (Stock Code: 601318) and the Hong Kong Stock Exchange (Stock Code: 02318), since August 2021, an independent director of Alibaba Group Holding Limited, a company listed on the Hong Kong Stock Exchange (Stock Code: 09988) and the New York Stock Exchange (Stock Code: BABA), since August 2022, and an independent non-executive director of Shui On Land Limited, a company listed on the Hong Kong Stock Exchange (Stock Code: 00272), since October 2022. Mr. Ng was the president of the second session of the Hong Kong China Chamber of Commerce. He served as a member of the First and Second Consulting Committee of Corporate Accounting Standards of the Ministry of Finance of the PRC, and serves as an honorary advisor of the Hong Kong Business Accountants Association and a member of the Advisory Board of the MBA courses and School of Accountancy of The Chinese University of Hong Kong. Mr. Ng is also a member of the Audit Committee of The Chinese University of Hong Kong, Shenzhen, a council member of the Education Foundation of The Chinese University of Hong Kong, Shenzhen, and a member of the Standing Committee on Company Law Reform of Hong Kong. Mr. Ng obtained a bachelor's degree in business administration from The Chinese University of Hong Kong in December 1981 and a master's degree in business administration from The Chinese University of Hong Kong in October 1988.

**Mr. Lu Zhengfei (陸正飛)**, born in November 1963, has been appointed as a Director of the Company since June 2022. Mr. Lu has been a professor and doctoral supervisor of the Accounting Department of Guanghua School of Management of Peking University since November 1999, and he successively served as deputy director, director and deputy dean of Accounting Department of Guanghua School of Management of Peking University. From July 1988 to October 1999, he successively served as an assistant, lecturer, associate professor, professor, deputy director and director of the Accounting Department of the International Business School of Nanjing University. Mr. Lu currently serves as an independent non-executive director of China Cinda Asset Management Co., Ltd. (a company listed on the Hong Kong Stock Exchange (Stock Code: 01359)), an independent non-executive director of Sino Biopharmaceutical Limited (a company listed on the Hong Kong Stock Exchange (Stock Code: 01177)), and an independent director of Xinjiang Tianshan Cement Co., Ltd. (a company listed on the Shenzhen Stock Exchange (Stock Code: 000877)). Mr. Lu once served as an independent non-executive director of Bank of China Limited (a company listed on the Shanghai Stock Exchange (Stock Code: 601988) and the Hong Kong Stock Exchange (Stock Code: 03988)) from July 2013 to August 2019, an independent director of China Nuclear Engineering & Construction Corporation Limited (a company listed on the Shanghai Stock Exchange (Stock Code: 601611)) from November 2018 to November 2019, and an independent supervisor of PICC Property and Casualty Company Limited (a company listed on the Hong Kong Stock Exchange (Stock Code: 02328)) from January 2011 to August 2023. Mr. Lu obtained a bachelor's degree in economics from Zhejiang Gongshang University in July 1985, a master's degree in economics from Renmin University of China in June 1988 and a doctorate degree in economics from Business School of Nanjing University in June 1997. From September 1997 to September 1999, he was engaged in post-doctoral research at Renmin University of China.

**Mr. Peter Hugh Nolan (彼得·諾蘭)**, born in April 1949, recipient of the Commander of the Most Excellent Order of the British Empire, has been appointed as a Director of the Company since February 2020. He has served as an independent non-executive director of China Everbright Group since January 2019 and the director of China Forum, Jesus College at University of Cambridge since October 2018. He has also served as the director of the China Executive Leadership Programme (CELP) since July 2005. Professor Nolan was a lecturer of Faculty of Economics and Politics at University of Cambridge from October 1979 to September 1997 and Sinyi Professor of Chinese Management at Cambridge Judge Business School at University of Cambridge from October 1997 to September 2012. He was the director and Chong Hua Professor of Chinese Development in the Centre of Development Studies at University of Cambridge from October 2012 to September 2016 and the founding director and Chong Hua Professor of Chinese Development (Emeritus) since October 2019. Professor Nolan also served as an independent non-executive director of Bank of Communications Co., Ltd. (a company listed on the Shanghai Stock Exchange (Stock Code: 601328) and the Hong Kong Stock Exchange (Stock Code: 03328)) from November 2010 to November 2017. Professor Nolan obtained his doctoral degree in economics from University of London in September 1981.

**Mr. Zhou Yu (周禹)**, born in February 1981, has been appointed as a Director of the Company since June 2023 and currently serves as the professor and doctoral supervisor of the Organization and Human Resources Department of the Business School of Renmin University of China. Mr. Zhou has taught in the Business School of Renmin University of China since May 2009 and successively served as the assistant and associate professor in the Organization and Human Resources Department, and he was appointed as one of the distinguished professors in education since August 2016. He was a Wertheim Research Fellow at Harvard Law School and a visiting fellow at the National Bureau of Economic Research from September 2013 to September 2014. At present, Mr. Zhou also serves as the secretary-general of China Human Resources Theory and Practice Alliance, the secretary-general of the Human Resources Branch of the China Enterprise Reform and Development Society and a research fellow of the Research Center for State-owned Enterprise Reform and Development of the Business School of Renmin University of China. Mr. Zhou obtained a bachelor's degree in human resources management from Renmin University of China in July 2003 and a master's degree in labor economics (human resources development and management) from Renmin University of China in July 2005. He was sponsored by China Scholarship Council in joint doctoral education program in Rutgers University from September 2007 to September 2008, and obtained a doctoral degree in labor economics (human resources development and management) from Renmin University of China in January 2009.

## Supervisors

**Mr. Gao Tao (高濤)**, born in January 1965, has been elected as the employee representative Supervisor and appointed as the Chairman of the Supervisory Committee of the Company since June 2017. He served as the Secretary of the Party Committee of the Company from August 2019 to August 2020, and has been appointed as the Deputy Secretary of the Party Committee of the Company since August 2020. Mr. Gao currently serves as the Deputy Secretary of the Party Committee and the Chairman of the Supervisory Committee of the Company. He has been the secretary of the Party Committee and the chairman of the board of directors of CICC Wealth Management (formerly known as "CISC") since October 2015. From June 1991 to May 2005, he held several positions in China Construction Bank including general manager of the department of human resources and the director of the Party Committee Organization Department of Anhui Branch, and the secretary of the Party Committee and the president of Huainan Branch. From May 2005 to September 2005, he served as a member of the Securities Restructuring Committee of China Jianyin Investment Limited. From September 2005 to September 2006, he held several positions in CISC including general manager of the department of human resources, the director of the Party Committee Organization Department, a member of the Party Committee and the vice president. From September 2006 to September 2012, he held several positions in Hongyuan Securities Co., Ltd., including vice general manager, board secretary, the vice chairman and the secretary of the Party Committee. From September 2012 to August 2015, he served as a member of the Party Committee and vice president of China Jianyin Investment Limited. Mr. Gao graduated with a bachelor's degree from Anhui Agricultural University (formerly known as "Anhui Agricultural College") in July 1986, and an executive master of business administration degree from Renmin University of China in January 2009.

**Mr. Jin Lizuo (金立佐)**, born in June 1957, has been appointed as a Supervisor of the Company since May 2015. He participated in the establishment of the Company from 1994 to 1995. Mr. Jin serves as an independent non-executive director of Beijing Enterprises Environment Group Limited, a company listed on the Hong Kong Stock Exchange (Stock Code: 00154), since September 2004 and an independent non-executive director of Dadi International Group Limited, a company listed on the Hong Kong Stock Exchange (Stock Code: 08130), since February 2020. Mr. Jin obtained a bachelor's degree in economics from Peking University in January 1982 and a doctoral degree in economics from the University of Oxford, the United Kingdom, in November 1993. He is the founding president of the Chinese Economic Association (CEA) UK.

**Mr. Cui Zheng (崔錚)**, born in December 1980, has been appointed as a Supervisor of the Company since February 2020. He has been serving as head of Legal Compliance Division of the General Management Department of Huijin since February 2020. Mr. Cui joined Huijin in July 2011, successively served as the manager of the General Department, the manager and senior deputy manager of the General Management Department/Banking Institution Department II, head of Legal Compliance Division of the General Management Department/Banking Institution Department II, etc. From July 2003 to July 2011, Mr. Cui successively served as a business director, business executive and senior business executive of Corporate Strategy Department (Legal Department) of China Telecommunications Corporation (中國電信集團公司). Mr. Cui received a bachelor's degree in law and a bachelor's degree in economics from Peking University in July 2003, a master's degree in law from Peking University in July 2009 and a master's degree in business administration from Peking University in July 2010.

### Senior Management

**Mr. Chen Liang (陳亮)**, the Chairman of the Board, an executive Director and Chairman of the Management Committee of the Company. See "Directors" in this section for his profile.

**Mr. Wu Bo (吳波)**, born in June 1977, has been appointed as a member of the Management Committee of the Company since April 2018, served as the Head of Wealth Management Department of the Company from February 2017 to September 2023 and the President of CICC Wealth Management Securities from November 2020 to September 2023, and the Head of Equities Department & Securities Investment Department of the Company since June 2022, the CFO of the Company since September 2023, and served as the President of the Company since November 2023. He joined the Group in May 2004 and held several positions, including the Head of the Sponsor Business Department, Deputy Head of the Growth Enterprise Investment Banking Department and Secretary to the Board of Directors. Prior to joining the Group, Mr. Wu served as (including but not limited to) an Auditor of Arthur Andersen Huaqiang Certified Public Accountants from July 1999 to June 2002 and a Senior Auditor of PricewaterhouseCoopers Zhong Tian LLP from July 2002 to April 2004. Mr. Wu obtained a bachelor's degree in economics from Peking University in July 1998, and an EMBA degree from Guanghua School of Management of Peking University and Kellogg School of Management of Northwestern University in July 2018.



**Mr. Zhang Kejun (張克均)**, born in February 1966, has been appointed as a member of the Management Committee of the Company since October 2021 and a member of the Party Committee and Secretary of Discipline Inspection Commission of the Company since August 2021. Prior to joining the Group, he took several roles at Shenwan Hongyuan Securities Co., Ltd. (including its predecessor, Shenyin & Wanguo Securities Co., Ltd.) from April 1994 to August 2021, including general manager of its branch, general manager of divisions in headquarters and assistant president of the company, during which period he also acted as the member of the CPC Committee and Secretary of Discipline Inspection Commission for Shenwan Hongyuan Group Co., Ltd. and Shenwan Hongyuan Securities Co., Ltd. from May 2020 to August 2021. He worked at Xiamen Branch of Industrial Bank in Fujian from April 1990 to April 1994, as department manager of the branch and assistant subbranch manager successively. Mr. Zhang gained his master's degree in computer software from National University of Defense Technology in April 1990.

**Mr. Xu Yicheng (徐翌成)**, born in October 1974, has been appointed as a member of the Management Committee of the Company since January 2023 and a member of the Party Committee of the Company since November 2019. Mr. Xu joined Investment Banking Department of the Company in January 2000, and became Managing Director in January 2008, and held several positions, including Assistant President, Secretary to the Board of Directors and Head of Strategic Development Department, Firm Office and Asset Management Department of the Company. As one of China's first batch of mergers and acquisitions (M&A) professionals, Mr. Xu founded and led the CICC's M&A business in 2005. Mr. Xu was responsible for and closed a large number of landmark M&A transactions with a total value of more than USD150 billion. He led the team to top the China M&A leaderboard for five consecutive years from 2006 to 2010. In recent years, Mr. Xu assisted in formulating CICC's medium and long-term strategic planning, including wealth management business strategy, asset management business strategy, among others, and took the lead in completing important capital market operations such as the acquisition of CISC and the introduction of Tencent as a strategic investor. Mr. Xu obtained a bachelor's degree in arts from Beijing Foreign Studies University in 1997 and a master's degree in economics from the Graduate School of the PBOC in 2000.

**Mr. Wang Jianli (王健力)**, born in August 1971, has been appointed as a member of the Management Committee of the Company since January 2023, a member of the Party Committee of the Company since December 2022 and the director of the Executive Committee and the president of China CICC Wealth Management Securities Company Limited (formally known as China Investment Securities Company Limited (中國中投證券有限責任公司), hereinafter referred to as “CICC Wealth Management Securities”) since September 2023. Mr. Wang once served as General Manager, Head of Customer Group Development, Assistant President, General Manager of Trading Operation Department, General Manager of Brokerage Business Headquarter, General Manager of Marketing Service Headquarter, General Manager of Marketing Department, General Manager of Product Center and General Manager of Wealth Management Department and other positions of CICC Wealth Management Securities Guangzhou Branch; Vice General Manager of Brokerage Business Headquarter, General Manager of Marketing Department, General Manager of Guangzhou Shuiyin Road Business Office and other positions of China Jianyin Investment Securities Co., Ltd. (中國建銀投資證券有限責任公司, predecessor of China Investment Securities Company Limited); and Vice General Manager of Guangzhou and Jinan Management Headquarter, Assistant President of Human Resource Department and other positions of China Southern Securities Joint Stock Co., Ltd. (南方證券股份有限公司, predecessor of China Investment Securities Company Limited). Mr. Wang obtained a bachelor’s degree in economics from Renmin University of China in 1992 and an EMBA degree from Peking University in 2003.

**Mr. Wang Shuguang (王曙光)**, born in November 1974, has been appointed as a member of the Management Committee of the Company since January 2023, a member of the Party Committee of the Company since December 2022 and Head of Investment Banking Department since July 2022. Mr. Wang joined the Investment Banking Department of the Company in 1998 and became a Managing Director in January 2010, and held various positions, including Head of the Growth Enterprise Investment Banking Department of the Company and Joint Head of CICC Capital. Mr. Wang obtained a bachelor’s degree in science and a bachelor’s degree in economics from Tsinghua University in 1996 and a master’s degree in engineering from Tsinghua University in 1998.

**Mr. Du Pengfei (杜鵬飛)**, born in July 1974, has been appointed as a member of the Party Committee, a member of the Management Committee, the director of the Party Committee Organization Department and the Head of the Human Resources Department of the Company since April 2023. He has concurrently served as the Dean of CICC Institute since September 2023. He successively served as the director of the Party Committee Organization Department, General Manager of the Human Resources Department of China Jianyin Investment Limited, a member of the Party Committee and Chairman of the Supervisory Committee of Jiantou Holding Co., Ltd., the Secretary of the Party Committee, Chairman of Jiantou Huawen Investment Co., Ltd. (建投華文投資有限責任公司), the Secretary of the Party Committee and Chairman of JIC Investment Co., Ltd., a member of the Executive Committee of China Jianyin Investment Limited, a member of the Executive Committee, Business Director, Secretary to the Board, Director of the Party Committee Organization Department, General Manager of Human Resources Department and Office Director of the Party School of China Galaxy Securities Co., Ltd. (a company listed on the Shanghai Stock Exchange (Stock Code: 601881) and the Hong Kong Stock Exchange (Stock Code: 06881)), and the Chairman of Galaxy Jinhui Securities Assets Management Co., Ltd. (銀河金匯證券資產管理有限公司). Mr. Du obtained a bachelor’s degree in economics from South Western University of Finance and Economics in July 1998 and a master’s degree in economics from University of International Business and Economics in June 2011.

**Mr. Hu Changsheng (胡長生)**, born in March 1966, has been appointed as a member of the Management Committee since June 2017. From December 1998 to December 2005, he has successively served as the Deputy Director of the General Division of the Policy Research Office, member (at cadre level) of the Planning and Development Committee, Consultant of the Institution Supervision Division, and Commissioner of the Shenzhen Commissioner's Office under the CSRC. From December 2005 to January 2008, he has served as the Deputy Director and then Director of the capital market department of Huijin. From January 2008 to November 2011, he has acted as the Senior Business Head and Director of Capital Market Division of the non-bank department of Huijin. From December 2005 to April 2010, he successively held the position as Director, Vice Chairman of the board of directors and Acting President of China Galaxy Securities Co. Ltd., a company listed on the Hong Kong Stock Exchange (Stock Code: 06881) and Shanghai Stock Exchange (Stock Code: 601881). From January 2007 to September 2010, he served as Director of China Galaxy Financial Holdings Company Limited. From November 2007 to January 2010, he acted as a Director of China Everbright Industry Group Ltd. He also served as the Vice Chairman of the board of directors of China Securities Co., Ltd. from March 2011 to November 2012. He was the Chairman of CISC Changchun Venture Capital Fund Management Co., Ltd. from November 2012 to August 2015. He also served as the Vice Chairman of the Executive Committee of CICC Wealth Management Securities from March 2012 to November 2019. He acted as the Chairman of CISC LuckyStone Investment Management Co. Ltd. from November 2011 to April 2020. He served as the Director and the Vice Chairman of CICC Wealth Management Securities from November 2011 to November 2020, and the President of CICC Wealth Management Securities from December 2011 to November 2020 and the Chairman of the Executive Committee of CICC Wealth Management Securities from November 2019 to December 2020. He served as the Chairman of CICC Fund Management Co., Ltd. from December 2020 to January 2024. Mr. Hu graduated with a doctor's degree in economics from the Graduate Division of Beijing Public Finance Science Research Institute of Ministry of Finance in June 1997.

**Mr. Sun Nan (孫男)**, born in September 1979, has been appointed as a member of the Management Committee of the Company since January 2024, Chairman of the Supervisory Committee of China CICC Wealth Management Securities Company Limited since December 2023 and Secretary to the Board of Directors of the Company since May 2020. Mr. Sun Nan currently serves as the Head of Strategic Development Department and the Head of Asset Management Department. Mr. Sun joined the Investment Banking Department of the Company in July 2003, and served as the Head of Global M&A Business of Investment Banking, the Head of Sponsor Business of Investment Banking, the member of the Investment Banking Business Committee, the member of operations team of the Investment Banking Department, the Head of Strategic Research Department, Firm Office and Office of the Supervisory Committee, etc. Mr. Sun obtained a bachelor's degree in economics from Tsinghua University in 2001 and a master's degree in management from Tsinghua University in 2003.

**Mr. Zhang Fengwei (張逢偉)**, born in December 1967, has been appointed as the Chief Risk Officer and the Head of the Risk Management Department of the Company since June 2017. He joined the Group in April 2004 and held several positions, including Senior Associate of the Operations Department, Vice President, Managing Director and Deputy Head of the Risk Management Department. From March 2011 to February 2015, he served as the Chief Risk Officer of Zheshangjinhui Trust Co., Ltd., an associated company of the Group. Prior to joining our Group, he served as a Programmer and Network Engineer of STONE Group from July 1991 to March 1996, and Assistant Vice President of Bank One N.A. Beijing Branch from April 1996 to March 2004. Mr. Zhang obtained a bachelor's degree in Applied Mathematics from Tsinghua University in July 1991 and a master's degree in Economics from Peking University in July 1997.

**Mr. Cheng Long (程龍)**, born in March 1976, has been appointed as the Chief Information Officer of the Company since October 2021 and the Head of Information Technology Department of the Company since March 2021. Prior to joining the Group, Mr. Cheng was the Chief Information Officer, Director of Financial Technology Committee, Deputy Director of Wealth Management Committee and General Manager of Internet Finance Department of Zhongtai Securities Co., Ltd. from September 2018 to March 2021. Mr. Cheng served as the Chief Information Officer of Dongxing Securities Co., Ltd. from February 2016 to September 2018, and prior to this, he served as the Chief Technical Architect, Information Technology Director, and Head of PMO Center in CITIC Securities Co., Ltd. from July 2010 to February 2016. Mr. Cheng also directed financial market solutions department and worked in IBM SOA-China Development Center and IBM Research-China as a senior researcher from July 2003 to July 2010. Mr. Cheng obtained a double bachelor's degree in computer science and business management from Nankai University in July 1998 and a PhD in computer science from Nankai University in July 2003.

**Mr. Zhou Jiaxing (周佳興)**, born in August 1972, has been appointed as the Chief Compliance Officer of the Company since December 2021 and the Head of Legal and Compliance Department of the Company since November 2021. He joined the Legal Department of the Group in June 2009, became the Managing Director in January 2016, and has been appointed as the Head for Legal Matters in Hong Kong of China International Capital Corporation (Hong Kong) Limited since October 2017. Prior to joining the Group, Mr. Zhou had served in several law firms engaging in legal affairs: He has served as a lawyer at White & Case (Hong Kong Office) from August 2008 to March 2009, and as a lawyer at Slaughter and May (Hong Kong Office) from September 2004 to July 2008. Mr. Zhou obtained a bachelor's degree in English teaching from Nanjing Institute of International Relations in July 1993 and a master's degree in law (LLM) from University of Southampton in July 2000.

### III. POSITIONS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

#### (i) Position held in shareholder entities

Name	Name of shareholder entities	Position	Commencement time of tenure for the session	Ending time of tenure for the session
Zhang Wei	Central Huijin Investment Ltd.	Designated Director (Managing Director)	March 2023	Up to now
		Director of the Office of Direct-managed Corporation Leading Group/Second Department of Equity Management	March 2020	March 2023
Kong Lingyan	Central Huijin Investment Ltd.	Designated Director (Managing Director)	July 2023	Up to now
Duan Wenwu	China National Investment and Guaranty Corporation	Chairman	May 2020	June 2023
Cui Zheng	Central Huijin Investment Ltd.	Head of Legal Compliance Division of the General Management Department	February 2020	Up to now

**(ii) Position held in other entities**

<b>Name</b>	<b>Name of entities</b>	<b>Position</b>	<b>Commencement time of tenure for the session</b>	<b>Ending time of tenure for the session</b>
Duan Wenwu	I&G Enriching Asset Management (Beijing) Co., Ltd.	Chairman	July 2019	April 2023
	China Insurance Technology Financing Guarantee Co., Ltd	Chairman	April 2020	August 2023
Ng Kong Ping Albert	Shanghai Cheng'an M&A Equity Investment Management Co., Ltd. (上海承安併購股權投資管理有限公司)	Chairman/General Manager	July 2020	Up to now
Lu Zhengfei	Shenwan Hongyuan Securities Co., Ltd.	Independent Director	May 2018	Up to now
	Zhejiang Tailong Commercial Bank Co., Ltd. (浙江泰隆商業銀行股份有限公司)	Independent Supervisor	July 2022	Up to now
	CMB International Capital Corporation Limited	Independent Director	January 2020	April 2023
Zhou Yu	Yellow River Property & Casualty Insurance Co., Ltd.	Independent Director	October 2019	Up to now
Jin Lizuo	Shanghai Yongjia Xinfeng Management Co., Ltd.	Supervisor	January 2001	June 2023
	NetBrain Technologies Inc.	Non-executive Director	August 2012	Up to now
Wu Bo	Putai Aspect Investment Management Co., Ltd. (浦泰寬立投資管理有限公司)	Vice Chairman	March 2017	September 2023
Wang Shuguang	Caixin Zhongjin (Hunan) Private Equity Investment Management Co., Ltd. (財信中金(湖南)私募股權投資管理有限公司)	Director	July 2021	March 2023
Zhang Fengwei	Zheshang Jinhui Trust Co., Ltd. (浙商金匯信託股份有限公司)	Supervisor	August 2020	Up to now
Other issues	For other major positions, please refer to the "Biographies of Directors, Supervisors and Senior Management" of this section in this report			

#### IV. REMUNERATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

##### (i) **Procedures for determining the remuneration of Directors, Supervisors and senior management**

The Remuneration Committee, established by the Board of the Company, is responsible for developing and implementing a performance evaluation system that is adaptive to the changing market, a competitive remuneration policy, reward and punishment measures that are linked to the operation and performance of our Company and a deferred remuneration distribution mechanism in compliance with regulatory requirements, according to the characteristics of the financial and securities industries, the main scopes, duties and importance of the positions of Directors and members of senior management, and the remuneration levels of the relevant positions in comparable companies. The Remuneration Committee reviews and approves the management's remuneration proposals with reference to the corporate goals and objectives formulated by the Board of Directors and makes recommendations to the Board of Directors on our Company's policy and structure for remuneration of all Directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policy. The Remuneration Committee reviews the performance of duties of the Directors and senior management, carries out annual performance appraisals and makes recommendations to the Board of Directors on the remuneration packages of Directors and senior management (including non-monetary benefits, pension rights and compensation payments (including any compensation payable for loss or termination of their office or appointment)). The Remuneration Committee shall consider factors such as characteristics of the financial and securities industries, salaries paid by comparable companies, time commitment and responsibilities of the Directors and senior management, individual performance, employment conditions elsewhere in our Company when considering remuneration packages. For the performance of duties and meetings of the Remuneration Committee during the Reporting Period, please refer to "Corporate Governance Report -Board Committees and Performance of Duties" in this report.

The remuneration of the Directors and Supervisors is subject to approval by the Shareholders at Shareholders' General Meetings, whereas the remuneration of members of senior management is subject to approval by the Board of Directors. Each of the Directors or any of his/her proxies shall be abstained from voting on the relevant resolution in respect of his/her own remuneration at the Board meeting.

**(ii) Basis for determining the remuneration of Directors, Supervisors and senior management**

When determining the remuneration of Directors, Supervisors and senior management, we will consider factors such as characteristics of the financial and securities industries, salaries paid by comparable companies, time commitment and responsibilities of the Directors and senior management, individual performance, employment conditions elsewhere in our Company.

**(iii) Actual payment of remuneration of senior management**

In 2023, the annual remuneration of the members of the senior management of the Company by band is set out below:

<b>Band of remuneration</b>	<b>Number of individuals</b>
RMB1 to RMB1,000,000	1
RMB1,000,001 to RMB2,000,000	12
RMB2,000,001 to RMB3,000,000	3

*Note:* The annual remuneration of the members of the senior management of the Company is the remuneration accrued and distributed for 2023 earned by who served as senior management of the Company during the Reporting Period.



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

### (i) Change in Directors and Supervisors

Name	Changes	Position
Chen Liang	Elected	Executive Director
Zhang Wei	Elected	Non-executive Director
Kong Lingyan	Elected	Non-executive Director
Zhou Yu	Elected	Independent Non-executive Director
Shen Rujun	Resigned	Non-executive Director
Huang Zhaohui	Resigned	Executive Director
Tan Lixia	Resigned	Non-executive Director
Liu Li	Resigned	Independent Non-executive Director

#### Description of changes:

- With the approval of the Shareholders' General Meeting, Ms. Zhang Wei and Mr. Kong Lingyan were appointed as non-executive Directors of the Company and Mr. Zhou Yu was appointed as an independent non-executive Director of the Company; After consideration and approval by the Board, Ms. Zhang Wei was appointed as a member of each of the Strategy and ESG Committee, Remuneration Committee and Risk Management Committee under the Board; Mr. Kong Lingyan was appointed as a member of each of the Strategy and ESG Committee, Audit Committee and Risk Management Committee under the Board; Mr. Zhou Yu was appointed as the chairman of the Nomination and Corporate Governance Committee and a member of each of the Strategy and ESG Committee, Remuneration Committee and Audit Committee under the Board; Mr. Lu Zhengfei was appointed as a member of the Related-Party Transaction Control Committee under the Board. Mr. Liu Li has resigned from the office of independent non-executive Director and positions of the chairman of the Nomination and Corporate Governance Committee and the member of each of the Audit Committee, Risk Management Committee and Related-Party Transaction Control Committee under the Board, after serving for six consecutive years. The foregoing changes have taken effect from June 30, 2023.
- Due to work arrangement, Mr. Shen Rujun has resigned from positions of the Chairman of the Board, non-executive Director, the chairman of the Strategy and ESG Committee and the member of the Nomination and Corporate Governance Committee under the Board of the Company, with effect from October 22, 2023.
- Due to his age, Mr. Huang Zhaohui has resigned from the office of executive Director and positions of the member of the Strategy and ESG Committee and the Risk Management Committee under the Board of the Company, with effect from October 22, 2023.
- With the approval of the Shareholders' General Meeting, Mr. Chen Liang was appointed as an executive Director of the Company; After consideration and approval by the Board, Mr. Chen Liang was appointed as Chairman of the Board of the Company, the chairman of the Strategy and ESG Committee, and a member of the Nomination and Corporate Governance Committee under the Board of the Company. Ms. Tan Lixia has resigned from the office of non-executive Director and positions of the member of the Strategy and ESG Committee and Remuneration Committee under the Board of the Company due to work arrangement. The foregoing changes have taken effect from November 10, 2023.
- The term of office of the second session of the Board and the Supervisory Committee of the Company have expired. The Company is actively promoting the re-election of the Board and the Supervisory Committee. For details, please refer to the relevant announcements of the Company disclosed on the SSE and the Stock Exchange.

**(iii) Changes in Senior Management**

<b>Name</b>	<b>Changes</b>	<b>Position</b>
Chen Liang	Appointed	Chairman of the Management Committee
Wu Bo	Appointed	President
	Appointed	Chief Financial Officer
Xu Yicheng	Appointed	Member of the Management Committee
	Resigned	Assistant President
Wang Jianli	Appointed	Member of the Management Committee
Wang Shuguang	Appointed	Member of the Management Committee
Du Pengfei	Appointed	Member of the Management Committee
Sun Nan	Appointed	Member of the Management Committee
Huang Zhaohui	Resigned	President
	Resigned	Chairman of the Management Committee
Chu Gang	Resigned	Chief Operating Officer
	Resigned	Member of the Management Committee
Wong King Fung	Resigned	Chief Financial Officer
	Resigned	Member of the Management Committee
Ma Kui	Resigned	Financial Controller

*Description of changes:*

- After consideration and approval by the Board of the Company, Mr. Chen Liang was appointed as the Chairman of the Management Committee of the Company; Mr. Huang Zhaohui ceased to serve as the President and Chairman of the Management Committee of the Company due to his age; Mr. Wu Bo performed duties in place of the President of the Company until a new President is appointed by the Company. The aforesaid changes have taken effect from October 22, 2023.
- After consideration and approval by the Board of the Company, Mr. Wu Bo was appointed as the President of the Company, with effect from November 10, 2023.
- After consideration and approval by the Board of the Company, Mr. Xu Yicheng, Mr. Wang Jianli and Mr. Wang Shuguang were appointed as members of the Management Committee of the Company, with effect from January 13, 2023. Mr. Xu Yicheng ceased to serve as the Assistant President since the same date.
- After consideration and approval by the Board of the Company, Mr. Du Pengfei was appointed as a member of the Management Committee of the Company, with effect from April 28, 2023.
- After consideration and approval by the Board of the Company, Mr. Sun Nan was appointed as a member of the Management Committee of the Company, with effect from January 17, 2024.
- After consideration and approval by the Board of the Company, Mr. Wong King Fung ceased to serve as the Chief Financial Officer and a member of the Management Committee of the Company due to personal reasons; Mr. Wu Bo was appointed as the Chief Financial Officer of the Company. The aforesaid changes have taken effect from September 20, 2023.

7. After consideration and approval by the Board of the Company, Mr. Chu Gang ceased to serve as a member of the Management Committee and the Chief Operating Officer of the Company due to reaching statutory retirement age, with effect from February 7, 2024.
8. Ms. Ma Kui resigned from the position of the Financial Controller of the Company due to other work engagements, with effect from February 7, 2024.

Save from the above-mentioned changes, there was no other change in Directors, Supervisors and senior management of our Company as of the Latest Practicable Date.

## VI. PENALTIES IMPOSED ON DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT BY SECURITIES REGULATORY AUTHORITIES DURING RECENT THREE YEARS

As of the end of the Reporting Period, no current or resigned Directors, Supervisors or senior management of the Company were subject to any penalties imposed by securities regulatory authorities in recent three years.

## VII. EMPLOYEES AND REMUNERATION

### (I) Number and Composition of Employees

As of the end of the Reporting Period, the Group had 15,327 employees<sup>10</sup>, a net increase of 159 compared with December 31, 2022. The Group has been actively creating job opportunities for outstanding talents. Among our employees, 14,188 were based in the Chinese mainland and 1,139 were based in Hong Kong SAR, Singapore, the United States, the United Kingdom, Japan, Germany and other places, representing 93% and 7%, respectively, of the total number of our Group's employees. Approximately 42% and 56% of our Group's employees had obtained bachelor's degrees or master's degrees and above, respectively. Moreover, approximately 34% of our Group's employees and 44% of our managing directors had overseas education or working experience. The breakdown details are as follows:

Number of staff employed by the parent company	6,479
Number of staff employed by major subsidiaries	8,848
Total number of staff employed	15,327
Number of retired employees for whom the parent company and major subsidiaries should bear costs	–

<sup>10</sup> The number of employees includes the number of employees under the labor contract and the number of employees under the labor dispatch, which were 15,227 and 100, respectively.

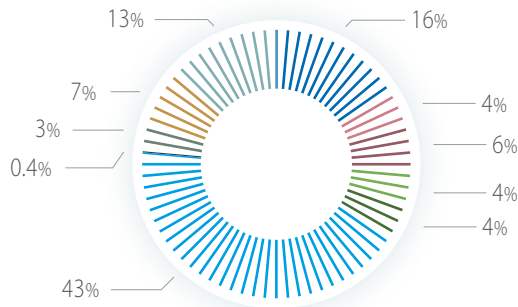
<b>Business segments and departments</b>	<b>Number of person</b>	<b>Percentage of total (%)</b>
Investment banking	2,370	16
Equities business	669	4
FICC	854	6
Asset management	553	4
Private Equity	603	4
Wealth management	6,574	43
CICC International <sup>1</sup>	62	0
Research	522	3
Information Technology Department <sup>2</sup>	1,062	7
Middle and back offices	2,058	13
Total	15,327	100

<b>Educational background</b>	<b>Number of person</b>	<b>Percentage of total (%)</b>
Doctors or above	240	2
Masters	8,362	54
Bachelors	6,389	42
Associate degree and below	336	2
Total	15,327	100

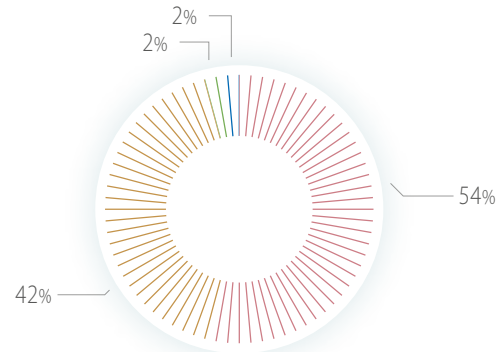
*Note 1:* CICC implements matrix management for international business, where CICC International refers to the dedicated team that drives international business development.

*Note 2:* CICC adopts a federation-based organizational structure for information technology, with the staff of the Information Technology Department an important part of the federal structure.

### Profession Structure of Employees



### Educational Background of Employees



- Investment banking
- Equities business
- FICC
- Asset management
- Private equity
- Wealth management
- CICC International
- Research
- Information Technology Department
- Middle and back offices
- Doctors or above
- Masters
- Bachelors
- Associate degree and below

Our Company considers that an outstanding and motivated team is the foundation for our Company's sustainable growth, and our Company has made significant investment in human resources development. Our Company recruits and cultivates professionals through a range of human resources management tools, including a strict recruitment and selection process, a competitive remuneration structure, an efficient performance evaluation system and long-term employee development schemes.

As of the end of the Reporting Period, the proportion of male employees and female employees (including senior management) is 46% and 54% respectively, which has achieved the goal of maintaining a relatively balanced gender ratio. The Group fully respects individual differences in talent and is committed to providing equal opportunities for its employees. The Group expects to maintain a reasonable level of gender diversity at the employee level. No factors or circumstances have been found that would make gender diversity more challenging or less relevant for all employees.

## **(II) Talent Management Mechanism**

Our Company attaches great importance to the organization and development of talents, and continues to enhance the assessment system in line with the Company's strategy. We optimize performance appraisal, separate and implement the indicators and targets, and design customized assessment plans for different groups. We establish a scientific management system for the management personnel, design a diversified talent review plan, and strengthen the construction of talent echelon in an all-round manner to enhance our organizational capabilities. We also strengthen the construction of incentive mechanism and pay attention to the long-term consistency between the interests of employees and those of the Company. Meanwhile, we further strengthen the construction of corporate culture, continue to publicize and implement corporate cultural content, and explore the relationship among culture, organization, and talents to promote the implementation of culture.

## **(III) Remuneration Policy**

Consistent with market practice, the remuneration structure of our Company's employees consists of basic salary, which is determined according to the particular position, requirements of qualifications, working experience and market demand, and a bonus which is determined according to the employee's performance. As of the end of 2023, the Group had a total of 15,327 employees, including the number of employees under the labor contract and the number of employees under the labor dispatch, which were 15,227 and 100, respectively. In 2023, the total amount of salaries, bonus, allowance and subsidies provided by the Company to employees under the labor contract was RMB8,166,930,920. Our Company provides employees with statutory benefits such as social insurance in accordance with laws and regulations, and provides employees with supplementary benefits such as corporate annuities in light of the Company's actual condition. A small portion of our Company's supporting employees are contracted through third-party employment agencies and our Company pays salaries and statutory social welfare contributions for these employees. Our Company provides employees of overseas offices with benefits in compliance with local laws and regulations.

#### **(IV) Training Plans**

Our Company has built an internal training system with diverse contents and forms for employees, and continuously enriches our training resources to improve the study experience of employees, with an aim to simultaneously promote the career development of employees and the business development of the Company. During the Reporting Period, our Company provides various types of training programs for employees, including new employee orientation, professional skills training, management skills training and an executive development training program to improve their general and professional skills. In addition, our Company also organized a number of thematic trainings for specific target audience to promote the culture of risk management awareness, enhance employees' understanding of and compliance with applicable laws, regulations, regulatory guidelines and internal policies.

#### **(V) Relationship with Employees**

During the Reporting Period and up to the Latest Practicable Date, our Company had not experienced any labor strikes or other material labor disputes of our employees that affected our Company's operations. Our Company has maintained a good relationship with our employees.

#### **(VI) Client Solicitation and Client Services by the Brokers Entrusted by the Company**

As of the end of the Reporting Period, the Company had 11 securities brokers.

The Company has established a sound management system to manage brokers in a unified manner, which covers qualification management, training management, performance appraisal, code of conduct, certificate management, compliance risk management and other aspects. All branches of the Company are required to strictly implement relevant regulations in the daily management of marketing personnel.

#### **(VII) Labor Outsourcing: Not applicable**

# CORPORATE GOVERNANCE REPORT

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## I. OVERVIEW OF CORPORATE GOVERNANCE

As a leading investment bank with Chinese roots and international reach, and a company registered in China and listed on the SSE as well as the Hong Kong Stock Exchange, the Company operates in strict accordance with the laws, regulations and normative documents issued in Chinese mainland and Hong Kong, and has established a sound and complete corporate governance structure composed of the Shareholders' General Meeting, the Board of Directors, the Supervisory Committee and the management of the Company in accordance with the requirements of the *Company Law*, the *Securities Law*, the *Rules on Supervision over Securities Companies*, the *Code of Corporate Governance for Securities Companies* and other laws, regulations and normative documents, contributing to the establishment of a complete corporate governance system of deliberation, decision-making, authorization and implementation with clear authority and responsibility, standardized operation, mutual coordination and checks and balances among the organ of power, the organ of decision-making, the organ of supervision and the management.

In accordance with the relevant laws, regulations and normative documents, the Company has formulated the *Articles of Association*, the *Rules of Procedures of Shareholders' General Meeting*, the *Rules of Procedures of the Meeting of Board of Directors*, the *Rules of Procedures of the Meeting of Supervisory Committee*, the *Rules of Procedures of Management Committee* and other corporate governance policies. The scope of authority and responsibility and work procedures of the Shareholder's General Meeting, the Board of Directors, the Supervisory Committee and the management of the Company are further clarified, which provides institutional guarantee for the standardized operation of the Company. Meanwhile, the Board established the Strategy and ESG Committee, the Remuneration Committee, the Nomination and Corporate Governance Committee, the Audit Committee, the Risk Management Committee and the Related-Party Transaction Control Committee, and also developed rules of procedures for these committees and clearly defined their respective duties and powers and rules of procedures.

The Company believes that adhering to a high level of corporate governance distinguishes our Company from other companies and helps us establish a healthy and stable relationship with Shareholders. The Shareholder's General Meetings, meetings of the Board of Directors and meetings of the Supervisory Committee of the Company are held in accordance with the *Articles of Association* and relevant rules of procedures. During the Reporting Period, there was no material difference between the actual situation of the Company's corporate governance and laws, administrative regulations and the requirements of the CSRC on the governance of listed companies. Our Company strictly complied with the *Corporate Governance Code*, followed all code provisions and met the requirements of part of the recommended best practices set out in the *Corporate Governance Code*.

The Company has always adhered to the mission of "by the People and for the Nation, Chinese Roots and International Reach". At CICC, our mission is to promote economic growth and enrich people's lives with exceptional financial services. CICC has long served as a bridge connecting China with global capital markets. As China further opens up its economy, we stand ready with our global experience and local insights to provide solutions to the most important problems. At a new historical juncture, CICC will expand its global footprint by assembling an international talent pool to ensure strong performance in all markets while continuing to invest in domestic market development. With innovative ideas for global customers, we will facilitate global capital integration, shape a brighter financial future.



Our vision is to be a first-class investment bank with international competitiveness. As China's global investment bank, we hold ourselves to the highest global standards. We work to win respect, grow trust, build global influence and become the undisputable leader in investment banking. We are inspired by new trends and innovate to drive growth. We harness the power of technology and drive better management and business results with digital technology. We embrace changes and work with our partners to build stronger ecosystems. We build innovation and reinvention into our organization to stay bright and dynamic. We partner with global capital market players to make the world a better place.

For details on corporate culture and culture construction of the Company during the Reporting Period, please refer to "Message from Our Chairman", "Message from Our President" and "Management Discussion and Analysis" of this report, as well as the *2023 Social Responsibility and Environment, Society and Governance Report of China International Capital Corporation Limited* disclosed on the SSE website ([www.sse.com.cn](http://www.sse.com.cn)), HKEXnews website ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company's website ([www.cicc.com](http://www.cicc.com)).

The organization chart of our Company is set out in "Company Profile – Other Information of the Company – Organizational Structure of the Company" in this report.

## II. SPECIFIC MEASURES TAKEN BY THE CONTROLLING SHAREHOLDER AND ACTUAL CONTROLLER OF THE COMPANY TO ENSURE THE INDEPENDENCE OF THE COMPANY'S ASSETS, PERSONNEL, FINANCE, ORGANIZATION AND BUSINESS, AS WELL AS SOLUTIONS, PROGRESS AND SUBSEQUENT PLAN AGAINST THE EFFECT TOWARDS THE COMPANY'S INDEPENDENCE

The Company operates in strict accordance with relevant provisions of the *Company Law* and the *Articles of Association*. We have established and improved our corporate governance structure to ensure the independence of our assets, personnel, finance, organization and business from the controlling shareholder and other companies controlled by it. The Company has a complete business system and the ability to operate independently in the market, and the independence of the Company has not been affected by the controlling shareholder. The basic information of Central Huijin, the Company's controlling shareholder, and controlling interests and investments in other major companies are set out in "Changes in Shares and Information of Shareholders– Controlling Shareholder and Actual Controller – Controlling Shareholder" in this report.

### **Businesses of the controlling shareholder, actual controller and other entities under their control that are the same or similar businesses as the Company, as well as the impact, solutions, and measures taken, progress and subsequent plan in relation to any peer competition or any major changes thereof**

Not applicable. The Company has no peer competition with Central Huijin. Central Huijin has also made undertakings to avoid peer competition with the Company in connection with the A Share Offering and Listing of the Company.

### III. SHAREHOLDERS AND SHAREHOLDERS' GENERAL MEETINGS

#### (i) Rights of Shareholders' General Meetings and Shareholders

The Shareholders' General Meeting is the body exercising the highest authority of our Company and shall exercise the powers and duties in accordance with the laws, the *Articles of Association* and the *Rules of Procedures of the Shareholders' General Meeting*. Our Company convened and held the Shareholders' General Meetings in strict compliance with the *Articles of Association*, the *Rules of Procedures of the Shareholders' General Meeting* and relevant rules and procedures such that all Shareholders are treated equally and can exercise their rights comprehensively, transparently and fully.

The Shareholders' General Meeting provides opportunities for constructive communications between our Company and its Shareholders. Our Company welcomes Shareholders to attend Shareholders' General Meetings and makes appropriate arrangements for the Shareholders' General Meetings to encourage Shareholders' participation. Our Company's Directors, Supervisors and senior management will attend the Shareholders' General Meetings, and shall also ensure that the external auditors will attend annual general meetings to answer the relevant questions raised by the Shareholders. If Shareholders fail to attend such meetings, they can appoint proxies to attend and vote at the meetings for and on their behalves. Our Company highly values the opinions, suggestions and concerns of the Shareholders and has assigned dedicated persons to proactively carry out various types of investor relation activities to keep in contact with the Shareholders and timely meet their reasonable demands.

Our Company's website ([www.cicc.com](http://www.cicc.com)) provides the Shareholders with Group information, such as major business activities and the latest developments of the Group, the Group's corporate governance, the structure and functions of the Board and the Board committees of our Company. To serve as a channel promoting effective communication with the Shareholders, our Company's website also publishes announcements, circulars, notices of the Shareholders' General Meeting, financial data and other information of our Company required to be disclosed under the Listing Rules from time to time through the "Investor Relations" section. Our Company encouraged Shareholders to make enquiries by phone or email or write directly to the office address of our Company, which will be dealt with appropriately in a timely manner. Please refer to "Company Profile" in this report for the contact details.

The Shareholders may propose to convene an extraordinary general meeting or shareholders' class meeting and put forward proposals at the meetings pursuant to the *Articles of Association*. The Shareholders may attend and vote at the Shareholders' General Meetings in person or by proxy. The resolutions of the meetings and the attendance records signed by the attending Shareholders and instruments of proxy shall be kept at our Company's principal address. The Shareholders may inspect the copy of the resolutions of the meetings during our Company's business hours free of charge. The *Articles of Association* is set out on the websites of our Company, the HKEX and the SSE.

Our Company shall arrange the Directors, Supervisors and senior management to answer the questions raised by the Shareholders during the 2023 Annual General Meeting. Detailed procedures of voting and proposals will be contained in the information or circular of the Shareholders' General Meetings.

## (ii) Overviews of Shareholders' General Meetings

During the Reporting Period, the Company convened 2 Shareholders' General Meetings, the details and resolutions of which are as follows:

Meeting	Meeting Date	Resolutions Considered and Approved
2022 Annual General Meeting	2023/6/30	<i>Resolution on the Amendments to the Articles of Association</i> <i>Resolution on the Amendments to the Rules of Procedures of the Meeting of Board of Directors</i> <i>Resolution on the 2022 Work Report of the Board of Directors</i> <i>Resolution on the 2022 Work Report of the Supervisory Committee</i> <i>Resolution on the 2022 Annual Report</i> <i>Resolution on the 2022 Profit Distribution Plan</i> <i>Resolution on the Re-appointment of the Accounting Firms</i> <i>Resolution on the 2023 Annual Estimation for Daily Related-party Transactions</i> <i>Resolution on the 2022 Annual Work Report of Independent Non-executive Directors</i> <i>Resolution on the Election of Ms. Zhang Wei as a Non-executive Director</i> <i>Resolution on the Election of Mr. Kong Lingyan as a Non-executive Director</i> <i>Resolution on the Election of Mr. Zhou Yu as an Independent Non-executive Director</i>
2023 First Extraordinary General Meeting	2023/11/10	<i>Resolution on the Election of Mr. Chen Liang as an Executive Director</i>

Announcements on the resolutions of the above Shareholders' General Meetings were also published on HKEXnews website ([www.hkexnews.hk](http://www.hkexnews.hk)), SSE website ([www.sse.com.cn](http://www.sse.com.cn)) and the Company's website ([www.cicc.com](http://www.cicc.com)) on the date or the next day of the meeting.

## IV. BOARD OF DIRECTORS AND PERFORMANCE OF DUTIES

### (i) Duties of the Board of Directors and the Management

The Board exercises the powers and duties set out in the *Articles of Association*, and shall be accountable to the Shareholders' General Meeting. The duties of the Board include but are not limited to being responsible for convening the Shareholders' General Meetings and reporting its work thereto; implementing resolutions adopted at the Shareholders' General Meetings; deciding the business plans and investment programs of our Company; formulating profit distribution plans and loss recovery plans of our Company; making decisions on the establishment of our Company's internal management bodies; appointing or dismissing the senior management of our Company and deciding on matters concerning the remuneration of the senior management; and other functions and powers prescribed by the relevant laws, regulations, securities regulatory rules of the place where the Company's shares are listed or the *Articles of Association* and authorized by the Shareholders' General Meeting. The management of our Company is responsible for carrying out the resolutions or decisions of the Board and other duties specified in the *Articles of Association*.

## **(ii) Composition of the Board of Directors**

Our Company strictly complies with the requirements under the *Articles of Association* and relevant rules in respect of the appointment of the Directors. Directors are elected by the Shareholders' General Meeting to serve a term of 3 years and are eligible for re-election upon the expiration of the term. The Board meetings were convened in accordance with the *Articles of Association* and the *Rules of Procedures of the Board of Directors*.

As of the Latest Practicable Date, the Board of the Company comprises 8 Directors, including 1 executive Director (Mr. Chen Liang), 3 non-executive Directors (Ms. Zhang Wei, Mr. Kong Lingyan and Mr. Duan Wenwu) and 4 independent non-executive Directors (Mr. Ng Kong Ping Albert, Mr. Lu Zhengfei, Mr. Peter Hugh Nolan and Mr. Zhou Yu). None of the Directors, Supervisors and senior management is related to other Directors, Supervisors and members of the senior management of our Company. For details on changes in Directors, please refer to "Directors, Supervisors, Senior Management and Employees – Changes in Directors, Supervisors and Senior Management" in this report.

The biographies of all Directors are set out in "Directors, Supervisors, Senior Management and Employees – Biographies of Directors, Supervisors and Senior Management" in this report.

## **(iii) Board of Directors Diversity Policy**

The Nomination and Corporate Governance Committee under the Board has adopted a Board of Directors Diversity Policy concerning the diversity of Board members pursuant to Rule 13.92 of the *Listing Rules of the Stock Exchange*. Our Company considers increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and sustainable development. In designing the composition of the Board, diversity of the Board members has been considered from a number of aspects, including but not limited to gender, age, cultural, educational background, professional experience and other factors. All appointments of the Board will be based on meritocracy, and candidates will be considered against objective criteria with due regard for the benefits of diversity on the Board. Selection of candidates will be based on a range of diversity perspectives, the ultimate decision will be made based on meritocracy and contribution that the selected candidates can bring to the Board. The composition of the Board will be disclosed in the *Corporate Governance Report* annually. For further details about the Board of Directors Diversity Policy, please refer to Appendix I to the *Terms of Reference of the Nomination and Corporate Governance Committee of the Board of Directors* of our Company, which has been published on the websites of our Company, the Hong Kong Stock Exchange and the SSE.

The Nomination and Corporate Governance Committee annually reviews and monitors the implementation of the Board of Directors Diversity Policy to ensure its effectiveness. The Nomination and Corporate Governance Committee heard and discussed about the *Report on the Composition of the Board and the Diversity of the Board Members* of the Company on October 30, 2023 and no revision was needed out of the diversity considerations.

As of the Latest Practicable Date, the diversity analysis of the Board of the Company is as follows:

Item	Type	As a percentage of	
		Number	Board members
Gender	Male	7	87.5%
	Female	1	12.5%
Age	55 or below	4	50.0%
	55-60	2	25.0%
	60 or above	2	25.0%
Position	Executive Director	1	12.5%
	Non-executive Director	3	37.5%
	Independent non-executive Director	4	50.0%
Educational background	Doctoral degree	4	50.0%
	Master's degree	4	50.0%

The Board of Directors consists of professionals from different professional backgrounds, such as economics, finance, accounting, management, with different genders and ages, of which female Directors account for 12.5% of the total number of the Board of Directors. The composition of the Board of Directors is in line with the requirements relating to gender diversity of the members of the Board of Directors specified in the *Listing Rules of the Stock Exchange*, and in line with the diversification policy formulated by the Company. The Board has achieved the goal of gender diversity. The Company will continue to strive to achieve an appropriate balance of gender diversity at the Board level, taking into account shareholders' expectations and industry practice. The Company values the importance and benefits of gender diversity of the members of the Board of Directors, and the Company's nomination policy ensures that the Board of Directors will have a potential successor to continue the existing gender diversity of the Board of Directors.

#### (iv) Independent Views and Input in the Board of Directors

The Board of Directors has established relevant mechanisms to ensure that the Board of Directors obtain independent views and input. According to the *Articles of Association* and the *Policy on the Work of Independent Directors*, the number of independent non-executive Directors in the Board of Directors of the Company shall be no less than 3 and shall constitute no less than one third of the Board of Directors.

Our Company has also formulated the *Policy on the Work of Independent Directors*, which stipulates the qualifications and duties of independent non-executive Directors, and clarifies that the Company shall provide necessary conditions for independent non-executive Directors to effectively exercise their functions and powers. In accordance with the *Listing Rules of the Stock Exchange*, the *Measures for the Administration of Independent Directors of the Listed Companies* and other relevant requirements, the incumbent independent non-executive Directors of the Company have conducted self-examination on their independence and issued confirmation letters, and the Board of Directors of the Company has evaluated their independence and issued special opinions based on the self-examination materials submitted by the incumbent independent non-executive Directors. Our Company believes that each of the incumbent independent non-executive Directors is independent as specified in the Listing Rules. Independent non-executive Directors are able to exercise independent and objective judgments and protect the interests of minority shareholders.

According to the *Articles of Association*, the *Policy on the Work of Independent Directors* and relevant requirements, with the consent of more than half of the independent non-executive Directors, the independent non-executive Directors may exercise the following special functions and powers: propose to convene an extraordinary general meeting; propose to convene a Board meeting, etc.; when necessary, engage external auditor firms and consulting firms in an independent manner to audit and consult on the Company's specific matters, etc.

During the Reporting Period, the Company fully complied with the above regulations, and implemented effective mechanisms to ensure that there were strong and sufficient independent elements on the Board of Directors. The independent non-executive Directors of the Company shall also submit an annual work report to the annual general meeting.

As equity-based remuneration with performance-related elements may lead to biased decision-making and affect objectivity and independence, the Company does not grant such remuneration to independent non-executive Directors. Upon consideration and approval by the Shareholders' General Meeting of the Company, the remuneration plan for the independent non-executive Directors of the Company is: fees of RMB600,000 (tax inclusive) per year, an increase of RMB25,000 (tax inclusive) per year for each member of each special committee of the Board, and RMB50,000 (tax inclusive) per year for each chairman of the committee. The Company will pay a meeting fee of RMB5,000 (tax inclusive) per person for each meeting to the Directors attending the relevant meetings. The fees and conference fee shall be paid by the Company on a monthly basis, and the individual income tax shall be withheld. For details of the specific amount of remuneration received by independent non-executive Directors from the Company during the Reporting Period, please refer to "Directors, Supervisors, Senior Management and Employees – Basic Information, Changes in Shareholdings and Remunerations of Directors, Supervisors and Senior Management".

**(v) Convening of the Board meetings**

During the Reporting Period, the Board of Directors convened 10 meetings (including 4 meetings held by way of written resolution and written ballots, and 6 meetings held by way of onsite meeting, teleconference and video conference), and the details and resolutions of which are as follows:

<b>Meeting</b>	<b>Meeting Date</b>	<b>Resolutions Considered and Approved</b>
Twenty-eighth meeting of the second session of the Board	2023/1/13	<i>Resolution on the Appointment of Xu Yicheng, Wang Jianli and Wang Shuguang as Members of the Management Committee</i>
Twenty-ninth meeting of the second session of the Board	2023/3/31	<i>Resolution on the 2022 Compensation Distribution Plan for the Senior Management</i> <i>Resolution on the 2022 Work Report of the Board of Directors</i> <i>Resolution on the 2022 Annual Report</i> <i>Resolution on the 2022 Social Responsibility and Environmental, Social and Governance Report</i> <i>Resolution on the 2022 Profit Distribution Plan</i> <i>Resolution on the 2022 Annual Compliance Report</i> <i>Resolution on the 2022 Risk Assessment Report</i> <i>Resolution on the 2022 Internal Control Assessment Report</i> <i>Resolution on the 2022 IT Efficiency and Effect Assessment Report</i> <i>Resolution on the 2023 Annual Estimation for Daily Related-party Transactions</i> <i>Resolution on the 2023 Total Amount of External Donations</i> <i>Resolution on the Amendments to the Articles of Association</i> <i>Resolution on the Amendments to Other Corporate Governance Internal Systems</i> <i>Resolution on the Amendments to the Risk Appetite Statement</i> <i>Resolution on the 2022 Annual Work Report of Independent Non-executive Directors</i> <i>Resolution on the Request to Convene the 2022 Annual General Meeting</i>
Thirtieth meeting of the second session of the Board	2023/4/28	<i>Resolution on the 2023 First Quarterly Report</i> <i>Resolution on the Election of Directors</i> <i>Resolution on the Adjustments to the Composition of the Special Committees of the Board of Directors</i> <i>Resolution on the Appointment of Du Pengfei as a Member of the Management Committee</i> <i>Resolution on the Re-appointment of the Accounting Firms</i> <i>Resolution on the Amendments to the Articles of Association</i>

<b>Meeting</b>	<b>Meeting Date</b>	<b>Resolutions Considered and Approved</b>
Thirty-first meeting of the second session of the Board	2023/5/31	<i>Resolution on the Election of Independent Non-executive Directors</i> <i>Resolution on the Adjustments to the Composition of the Special Committees of the Board of Directors</i>
Thirty-second meeting of the second session of the Board	2023/7/28	<i>Resolution on the 2023 Operating Plan</i> <i>Resolution on the Formulation of Internal Systems related to Remuneration Assessment</i>
Thirty-third meeting of the second session of the Board	2023/8/30	<i>Resolution on the 2023 Interim Report</i>
Thirty-fourth meeting of the second session of the Board	2023/9/20	<i>Resolution on the Adjustments to Senior Management</i>
Thirty-fifth meeting of the second session of the Board	2023/10/22	<i>Resolution on the Election of Chen Liang as the Executive Director, Chairman of the Board of Directors, Legal Representative and Members of relevant Special Committees of the Board of Directors</i> <i>Resolution on the Adjustments to Senior Management</i> <i>Resolution on the Request to Convene the 2023 First Extraordinary General Meeting</i>
Thirty-sixth meeting of the second session of the Board	2023/10/30	<i>Resolution on the 2023 Third Quarterly Report</i> <i>Resolution on the Amendments to the Reputational Risk Management System</i>
Thirty-seventh meeting of the second session of the Board	2023/11/10	<i>Resolution on the Election of Wu Bo as the Executive Director</i> <i>Resolution on the Election of Wu Bo as the Vice Chairman</i> <i>Resolution on the Appointment of Wu Bo as the President</i> <i>Resolution on the Request to Convene the Extraordinary General Meeting</i>



**(vi) Performance of Directors****1. Attendance at Board meetings and Shareholders' General Meetings**

Name	Independent Director or not	Attendance at Board meetings			Attendance at Shareholders' General Meetings	
		Required attendance at meetings	Actual attendance at meetings in person	Actual attendance at meetings by proxy	Required attendance at meetings	Actual attendance at meetings
Chen Liang	No	1	1	–	–	–
Zhang Wei	No	6	6	–	1	1
Kong Lingyan	No	6	6	–	1	1
Duan Wenwu	No	10	8	2	2	–
Ng Kong Ping Albert	Yes	10	10	–	2	2
Lu Zhengfei	Yes	10	10	–	2	2
Peter Hugh Nolan	Yes	10	8	2	2	2
Zhou Yu	Yes	6	6	–	1	1
Shen Rujun (resigned)	No	8	7	1	1	1
Huang Zhaohui (resigned)	No	8	8	–	1	1
Tan Lixia (resigned)	No	10	9	1	2	2
Liu Li (resigned)	Yes	4	4	–	1	1

*Notes:*

- The attendance at meetings listed in the above table refer to the attendance at meetings of each incumbent Director during the Reporting Period. "Actual attendance at meetings in person" includes on-site attendance and participation in the meetings by way of teleconference, video conference and written ballots.
- There was no case that any Director did not attend two consecutive Board meetings in person during his/her tenure of office.

## **2. Directors' objections to relevant matters of the Company**

During the Reporting Period, the Directors had no objections to relevant matters of the Company, and all the Directors voted for the proposals considered by the Board, with no waiver or opposition.

## **3. Training**

The training and continuous professional development of Directors plays an important role in ensuring that Directors are kept abreast of the latest developments of the Company and understand their responsibilities under the relevant laws and regulations and the Company's business and governance policies, so as to assist them in performing their duties as Directors. Our Company provided trainings for all Directors in a variety of ways such as providing online training and written and video training materials, information on the Company's operation and industry information. In the meantime, we also proactively coordinated and supported Directors to participate in external trainings organized by the SSE, the CSRC and its branches, the China Association for Public Companies and other organizations. The trainings covered a broad range of topics including the information disclosure, insider dealing under the Listing Rules, corporate governance, the code of conduct of directors, supervisors and senior management and anti-money laundering regulatory requirements, and recent regulatory developments and rule updates.

### **(vii) Chairman and President**

Currently, Mr. Chen Liang and Mr. Wu Bo serve as the Chairman of the Board and the President of the Company, respectively, and their powers and duties are clearly divided and specified in the *Articles of Association*. The Chairman of the Board is also the legal representative of the Company. During the Reporting Period, the roles of the Chairman of the Board and the President are separate and are taken by different persons. A clear division of the management of the Board and the day-to-day management of the Company ensures a balance of power and authority, guarantees the independence of their duties and avoids excessive concentration of power in any individual.

The Chairman is responsible for overseeing the overall operations of the Group and formulating business and corporate development strategies, providing leadership for the Board, ensuring that the Board works effectively and performs its duties. The Chairman also ensures that good corporate governance practices and procedures are established and complied with and that the Board acts in the best interests of the Company and all Shareholders.

The President is in charge of the operation and management of the Group, organizing the implementation of the resolutions of the Board and reporting to the Board.

### **(viii) Implementation of Relevant Resolutions of the Shareholders' General Meeting by the Board**

The implementation of relevant resolutions of the Shareholders' General Meeting by the Board during the Reporting Period is as follows:

1. On June 30, 2023, the 2022 Annual General Meeting considered and approved the *Resolution on Amendments to the Articles of Association*. The amendments to the *Articles of Association* became effective on the date when they were considered and approved at the Shareholders' General Meeting. The Company has completed the relevant filing matters.
2. On June 30, 2023, the 2022 Annual General Meeting considered and approved the *Resolution on the 2022 Profit Distribution Plan*. The profit distribution of the Company for 2022 was in the form of cash dividends. A total cash dividend of RMB868,906,236.24 (tax inclusive) was distributed, which was paid on August 18, 2023.
3. On June 30, 2023, the 2022 Annual General Meeting considered and approved the *Resolution on the Re-appointment of the Accounting Firms*. Deloitte Touche Tohmatsu Certified Public Accountants LLP and Deloitte Touche Tohmatsu have completed the audit of the Company for 2023.
4. On June 30, 2023, the 2022 Annual General Meeting considered and approved the *Resolution on 2023 Annual Estimation for Daily Related-party Transactions*. The actual implementation of the Company's daily related-party transactions during the Reporting Period is detailed in the "Significant Events – Material Related Party/Connected Transactions" in this report.

## **V. BOARD COMMITTEES AND PERFORMANCE OF DUTIES**

### **(i) Composition of Board Committees**

In accordance with the relevant PRC laws and regulations, the *Articles of Association* and the corporate governance practice prescribed in the Listing Rules, our Company has established six Board Committees, namely, the Strategy and ESG Committee, the Remuneration Committee, the Nomination and Corporate Governance Committee, the Audit Committee, the Risk Management Committee and the Related-Party Transaction Control Committee, to each of which certain responsibilities are delegated, so as to assist the Board in performing its duties from various aspects.

As at the Latest Practicable Date, the composition of each of Board Committees is listed as follows. For details about the changes in composition of Board Committees during the Reporting Period and up to the Latest Practicable Date, please refer to the section headed “Directors, Supervisors, Senior Management and Employees – Changes in Directors, Supervisors and Senior Management” in this report:

<b>Name of Committee</b>	<b>Members of Committee</b>
Strategy and ESG Committee	Chen Liang (Chairman), Zhang Wei, Kong Lingyan, Duan Wenwu and Zhou Yu
Remuneration Committee	Peter Hugh Nolan (Chairman), Zhang Wei, Ng Kong Ping Albert and Zhou Yu
Nomination and Corporate Governance Committee	Zhou Yu (Chairman), Chen Liang, Lu Zhengfei and Peter Hugh Nolan
Audit Committee	Ng Kong Ping Albert (Chairman), Kong Lingyan, Lu Zhengfei and Zhou Yu
Risk Management Committee	Lu Zhengfei (Chairman), Zhang Wei, Kong Lingyan, Duan Wenwu and Ng Kong Ping Albert
Related-Party Transaction Control Committee	Ng Kong Ping Albert (Chairman), Lu Zhengfei and Peter Hugh Nolan

## **(ii) Board Committees and Performance of Duties**

### **1. Strategy and ESG Committee**

#### *(1) Functions of the Committee*

The primary duties of the Strategy and ESG Committee include, but are not limited to, the following: 1) conducting research on our Company’s short, medium and long-term development strategies or other relevant issues; 2) providing suggestions for our Company’s long-term development strategies, major investments, reforms and other major decisions; 3) analyzing and understanding ESG related policies; advising on ESG governance related decisions of the Company; reviewing ESG reports of the Company and making recommendations to the board of directors; supervising the Company to strengthen communication with stakeholders on important ESG matters; paying attention to significant ESG related risks; supervising the Company to implement the national goal of “Carbon Peaking and Carbon Neutrality” and to keep track of the progress; and 4) performing other duties stipulated in laws, regulations and the Listing Rules and authorized by the Board.

(2) *Work Summaries and Meetings of the Committee*

During the Reporting Period, the Strategy and ESG Committee has convened 1 meeting, the details of which are as follows:

Meeting Date	Meeting	Resolution Considered and Approved
2023/3/31	2023 first meeting	Resolution on the 2022 Social Responsibility and Environmental, Social and Governance Report

During the Reporting Period, the Strategy and ESG Committee convened meeting and performed its duties in accordance with the provisions and requirements of the *Articles of Association* and *Terms of Reference of the Strategy and ESG Committee of the Board of Directors*, agreed to each resolution and put forward opinions and suggestions for related work, and played a positive and important role in facilitating the scientific decision-making of the Board of Directors.

(3) *Attendance of Members of the Committee*

Name	Required attendance at meetings	Actual attendance at meetings
Chen Liang	–	–
Zhang Wei	–	–
Kong Lingyan	–	–
Duan Wenwu	1	1
Zhou Yu	–	–
Shen Rujun (Resigned)	1	1
Huang Zhaohui (Resigned)	1	1
Tan Lixia (Resigned)	1	1

## 2. Remuneration Committee

(1) *Functions of the Committee*

The primary duties of the Remuneration Committee include, but are not limited to, the following: 1) deliberating on the appraisal and remuneration management system for Directors and members of senior management and giving opinions; 2) conducting appraisal of Directors and members of senior management and making recommendations; and 3) performing other duties stipulated in laws, regulations and the Listing Rules and authorized by the Board. For details, please refer to the *Terms of Reference of the Remuneration Committee of the Board of Directors* of the Company available on the websites of our Company, the Hong Kong Stock Exchange and SSE.

*(2) Work Summaries and Meetings of the Committee*

During the Reporting Period, the Remuneration Committee has convened 2 meetings, the details of which are as follows:

<b>Meeting Date</b>	<b>Meeting</b>	<b>Resolutions Considered and Approved</b>
2023/3/30	2023 first meeting	<i>Resolution on the 2022 Compensation Distribution Plan for Senior Management</i>
2023/6/29	2023 second meeting	<i>Resolution on the Formulation of Internal Systems related to Remuneration Assessment</i>

During the Reporting Period, the Remuneration Committee convened meetings and performed its duties in accordance with the provisions and requirements of the *Articles of Association* and *Terms of Reference of the Remuneration Committee of the Board of Directors*, agreed to each resolution and put forward opinions and suggestions for related work, and played a positive and important role in facilitating the scientific decision-making of the Board of Directors.

For further details about the procedures and basis for determining the remuneration of Directors, Supervisors and senior management, please refer to “Directors, Supervisors, Senior Management and Employees – Remuneration of Directors, Supervisors and Senior Management” of this report.

*(3) Attendance of Members of the Committee*

<b>Name</b>	<b>Required attendance at meetings</b>	<b>Actual attendance at meetings</b>
Peter Hugh Nolan	2	2
Zhang Wei	–	–
Ng Kong Ping Albert	2	2
Zhou Yu	–	–
Tan Lixia (Resigned)	2	2

### 3. Nomination and Corporate Governance Committee

#### (1) Functions of the Committee

The primary duties of the Nomination and Corporate Governance Committee include, but are not limited to, the following: 1) deliberating on selection and appointment standards and procedures of Directors and members of senior management and giving opinions, searching for qualified candidates of Directors and members of senior management and reviewing the qualification criteria of the candidates for Directors and members of senior management and making recommendations; 2) developing policies and practices in relation to corporate governance, and promoting the formulation and enhancement of the corporate governance standards; 3) conducting appraisal of corporate governance structure and governance standards and making recommendations; 4) reviewing and monitoring the training and continuous professional development of Directors and senior management; 5) reviewing the Company's policies and practices with regard to compliance with legal and regulatory requirements; 6) developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and Directors; 7) reviewing the Company's compliance with the *Corporate Governance Code* and information disclosure in the *Corporate Governance Report*; and 8) performing other duties stipulated in laws, regulations and the Listing Rules and authorized by the Board. For details, please refer to the *Terms of Reference of the Nomination and Corporate Governance Committee under the Board of Directors* of the Company available on the websites of our Company, the Hong Kong Stock Exchange and SSE.

With respect to nomination for new Directors and re-election of Directors, our Company follows a considered and transparent nomination policy. Under the nomination policy for Directors, the Nomination and Corporate Governance Committee shall nominate suitable candidates to the Board for consideration and make recommendations to the Shareholders regarding election and re-election of Directors. The nomination of Directors shall be made in accordance with the nomination policy for Directors and all appointments of Directors will be merit-based with due regard for the objective criteria (including gender, age, cultural and educational background, relevant or professional experience, ethnicity, skills, knowledge, etc.) as set out under the Board of Directors Diversity Policy. The ultimate decision will be made based on meritocracy and contribution that the selected candidates can bring to the Company and the Board.

The factors used as reference by the Nomination and Corporate Governance Committee in assessing the suitability of a proposed candidate include, but are not limited to, integrity and character; accomplishment and experience in the financial services industry; professional qualifications, skills and knowledge that are relevant to our Company's business and corporate strategy; commitment in respect of available time; diversity; independent criteria as required under the Listing Rules for candidates for independent non-executive Directors, etc. These factors are not meant to be exhaustive and decisive. The Nomination and Corporate Governance Committee has the discretion to nominate any person, as it considers appropriate.

Proposed candidates will be asked to submit the necessary personal information, together with their written consent to be appointed as a Director and to the public disclosure of their personal data on any documents or the relevant websites for the purpose of their standing for election as a Director. The Nomination and Corporate Governance Committee will review such information of the potential candidates and may request candidates to provide additional information and documents if it considers necessary. A meeting of Nomination and Corporate Governance Committee will be called for the members to discuss the credentials of the proposed candidates and assess their qualifications based on the factors set out above. The Nomination and Corporate Governance Committee may also invite nominations of suitable candidates (if any) from the Board members for consideration by the Nomination and Corporate Governance Committee prior to its meeting. For filling a casual vacancy, the Nomination and Corporate Governance Committee shall make recommendations for the Board's consideration and approval. For proposing candidates to stand for election and re-election at a general meeting, the Nomination and Corporate Governance Committee shall make nominations to the Board for its consideration and recommendation.

(2) *Work Summaries and Meetings of the Committee*

During the Reporting Period, the Nomination and Corporate Governance Committee has convened 7 meetings, the details of which are as follows:

<b>Meeting Date</b>	<b>Meeting</b>	<b>Resolutions Considered and Approved</b>
2023/1/13	2023 first meeting	<i>Resolution on the Appointment of Xu Yicheng, Wang Jianli and Wang Shuguang as Members of the Management Committee</i>
2023/4/28	2023 second meeting	<i>Resolution on the Election of Directors Resolution on the Appointment of Du Pengfei as a Member of the Management Committee</i>
2023/5/31	2023 third meeting	<i>Resolution on the Election of Independent Non-executive Directors</i>
2023/9/20	2023 fourth meeting	<i>Resolution on the Adjustments to Senior Management</i>
2023/10/22	2023 fifth meeting	<i>Resolution on the Election of Chen Liang as the Executive Director Resolution on the Adjustments to Senior Management</i>
2023/10/30	2023 sixth meeting	No resolution involved, and the report on the composition of the Board and the diversity of the Board members was heard
2023/11/10	2023 seventh meeting	<i>Resolution on the Election of Wu Bo as the Executive Director Resolution on the Appointment of Wu Bo as the President</i>



During the Reporting Period, the Nomination and Corporate Governance Committee convened meetings and performed its duties in accordance with the provisions and requirements of the *Articles of Association* and *Terms of Reference of the Nomination and Corporate Governance Committee of the Board of Directors*, agreed to each resolution and put forward opinions and suggestions for related work, and played a positive and important role in facilitating the scientific decision-making of the Board of Directors.

(3) *Attendance of Members of the Committee*

Name	Required attendance at meetings	Actual attendance at meetings
Zhou Yu	4	4
Chen Liang	1	1
Lu Zhengfei	7	7
Peter Hugh Nolan	7	7
Shen Rujun (Resigned)	5	5
Liu Li (Resigned)	3	3

#### 4. Audit Committee

(1) *Functions of the Committee*

The primary duties of the Audit Committee include, but are not limited to, the following: 1) supervising annual audit work, making judgment on the truthfulness, accuracy and completeness of audited financial information and submitting the same to our Board for consideration; 2) proposing engagement or replacement of external audit firm and supervising the practice of external audit firm; 3) being responsible for communication between internal and external auditors; and 4) performing other duties stipulated in laws, regulations and the Listing Rules and authorized by the Board. For details, please refer to the *Terms of Reference of the Audit Committee of the Board of Directors* of the Company available on the websites of our Company, the Hong Kong Stock Exchange and SSE.

*(2) Work Summaries and Meetings of the Committee*

During the Reporting Period, the Audit Committee has convened 6 meetings, the details of which are as follows:

<b>Meeting Date</b>	<b>Meeting</b>	<b>Resolutions Considered and Approved</b>
2023/3/28	2023 first meeting	<i>Resolution on the 2022 Annual Report</i> <i>Resolution on the 2022 Audit Report</i> <i>Resolution on the 2022 Internal Control Assessment Report</i> <i>Resolution on the 2022 Report on the Effectiveness Evaluation of the Internal Control, Comprehensive Risk Management, Compliance Management and IT Management</i> <i>Resolution on the 2022 Anti-Money Laundering Audit Report</i> <i>Resolution on the 2022 Internal Audit Work Report</i> <i>Resolution on the 2023 Annual Internal Audit Work Plan</i> <i>Resolution on the 2022 Annual Work Report of the Audit Committee of the Board of Directors</i>
2023/4/25	2023 second meeting	<i>Resolution on the 2023 First Quarterly Report</i> <i>Resolution on the Review Plan on 2023 Interim Financial Statements</i> <i>Resolution on the Re-appointment of the Accounting Firms</i> <i>Resolution on the Mechanism of Independent Assessment of Non-assurance Business Undertaken by the Annual Report Auditors</i>
2023/6/30	2023 third meeting	<i>Resolution on the Formulation of the Administrative Measures on Accounting Firms Management</i> <i>Resolution on the Initiation of the Selection and Engagement of the Accounting Firms and Related Work Plan</i>
2023/8/30	2023 fourth meeting	<i>Resolution on the 2023 Interim Report</i> <i>Resolution on the Bidding Documents for Procurement Program for Annual Report Auditors</i>
2023/9/20	2023 fifth meeting	<i>Resolution on the Adjustments to Senior Management</i>
2023/10/25	2023 sixth meeting	<i>Resolution on the 2023 Third Quarterly Report</i> <i>Resolution on the 2023 Annual Audit Plan</i>

During the Reporting Period, the Audit Committee convened meetings and performed its duties in accordance with the provisions and requirements of the *Articles of Association* and *Terms of Reference of the Audit Committee of the Board of Directors*, agreed to each resolution and put forward opinions and suggestions for related work, and played a positive and important role in facilitating the scientific decision-making of the Board of Directors.

(3) *Attendance of Members of the Committee*

Name	Required attendance at meetings	Actual attendance at meetings
Ng Kong Ping Albert	6	6
Kong Lingyan	4	4
Lu Zhengfei	6	6
Zhou Yu	4	4
Liu Li (Resigned)	2	2

## 5. Risk Management Committee

(1) *Functions of the Committee*

The primary duties of the Risk Management Committee include, but are not limited to, the following: 1) considering and making recommendations on the overall goals and policies for compliance management and risk management; 2) considering and making recommendations on the establishment and duties of compliance management and risk management organizations; 3) evaluating and making recommendations on the risks of important decisions and solutions for significant risks requiring consideration of the Board; 4) reviewing and making recommendations on compliance reports and risk assessment reports requiring consideration of the Board; and 5) performing other duties stipulated in laws, regulations and the Listing Rules and authorized by the Board. For details, please refer to the *Terms of Reference of the Risk Management Committee of the Board of Directors* of the Company available on the websites of our Company, the Hong Kong Stock Exchange and SSE.

*(2) Work Summaries and Meetings of the Committee*

During the Reporting Period, the Risk Management Committee has convened 4 meetings, the details of which are as follows:

<b>Meeting Date</b>	<b>Meeting</b>	<b>Resolutions Considered and Approved</b>
2023/3/28	2023 first meeting	<i>Resolution on the 2022 Annual Compliance Report</i> <i>Resolution on the 2022 Risk Assessment Report</i> <i>Resolution on the Amendments to the Risk Appetite Statement</i>
2023/4/25	2023 second meeting	<i>Resolution on the 2023 First Quarterly Compliance Management Report</i> <i>Resolution on the 2023 First Quarterly Risk Assessment Report</i>
2023/8/29	2023 third meeting	<i>Resolution on the 2023 Interim Compliance Management Report</i> <i>Resolution on the 2023 Interim Risk Assessment Report</i>
2023/10/25	2023 fourth meeting	<i>Resolution on the 2023 Third Quarterly Compliance Management Report</i> <i>Resolution on the 2023 Third Quarterly Risk Assessment Report</i> <i>Resolution on the Amendments to the Reputational Risk Management System</i>

During the Reporting Period, the Risk Management Committee convened meetings and performed its duties in accordance with the provisions and requirements of the *Articles of Association* and *Terms of Reference of the Risk Management Committee of the Board of Directors*, agreed to each resolution and put forward opinions and suggestions for related work, and played a positive and important role in facilitating the scientific decision-making of the Board of Directors.

*(3) Attendance of Members of the Committee*

<b>Name</b>	<b>Required attendance at meetings</b>	<b>Actual attendance at meetings</b>
Lu Zhengfei	4	4
Zhang Wei	2	2
Kong Lingyan	2	2
Duan Wenwu	4	4
Ng Kong Ping Albert	4	4
Huang Zhaohui (Resigned)	3	3
Liu Li (Resigned)	2	2

**6. Related-Party Transaction Control Committee***(1) Functions of the Committee*

The primary duties of the Related-Party Transaction Control Committee include, but are not limited to, the following: 1) to design and revise the Policy on Management of Related Party Transactions of the Company, and to supervise its implementation; 2) to obtain the list of related (connected) persons of the Company and report to the Board of Directors and the Supervisory Committee; 3) to review related (connected) transactions to be approved by the Company's Board of Directors or Shareholders' General Meeting, form written opinions, submit them to the Board of Directors for consideration, and report to the Supervisory Committee; and 4) to perform other duties stipulated in laws, regulations and provisions of securities regulators and stock exchanges in the places where the Company's shares are listed and as authorized by the Board of Directors.

*(2) Work Summaries and Meetings of the Committee*

During the Reporting Period, the Related-Party Transaction Control Committee has convened 2 meetings, the details of which are as follows:

<b>Meeting Date</b>	<b>Meeting</b>	<b>Resolution Considered and Approved</b>
2023/3/28	2023 first meeting	<i>Resolution on the 2023 Annual Estimation for Daily Related-party Transactions</i>
2023/8/30	2023 second meeting	No resolution involved, and report on the work relating to the management of related-party transactions was heard

During the Reporting Period, the Related-Party transaction Control Committee convened meetings and performed its duties in accordance with the provisions and requirements of the *Articles of Association* and *Terms of Reference of the Related-Party Transactions Control Committee of the Board of Directors*, agreed to each resolution and put forward opinions and suggestions for related work, and played a positive and important role in facilitating the scientific decision-making of the Board of Directors.

*(3) Attendance of Members of the Committee*

<b>Name</b>	<b>Required attendance at meetings</b>	<b>Actual attendance at meetings</b>
Ng Kong Ping Albert	2	2
Lu Zhengfei	1	1
Peter Hugh Nolan	2	2
Liu Li (Resigned)	1	1

**(iii) Details of Matters Subject to Objection**

During the Reporting Period, no objection has been raised at meetings of the Special Committees of the Board by its member, and all members voted for the resolutions considered by the Special Committees, with no waiver and opposition.

## VI. SUPERVISORY COMMITTEE AND PERFORMANCE OF DUTIES

### (i) Powers and Duties of the Supervisory Committee

The Supervisory Committee is the supervisory body of our Company and is accountable to the Shareholders' General Meeting. The powers and duties of the Supervisory Committee include but are not limited to: examining the financial affairs of our Company; supervising the performance of duties by the Directors and senior management; reviewing financial reports and profits distribution plans to be submitted by the Board at the Shareholders' General Meeting; and other duties and powers prescribed by relevant regulations and the *Articles of Association* or authorized by Shareholders' General Meetings. The Supervisory Committee is entitled to engage professional institutions such as accounting firms and law firms to assist its work when necessary.

The Supervisory Committee strictly complied with the relevant laws and regulations and the *Articles of Association*, lawfully and diligently performed its duties, observed the relevant procedures. During the Reporting Period, members of the Supervisory Committee attended all on-site Board meetings, Shareholders' General Meetings and most of the regular meetings of the management and on-site meetings of the special committees of the Board of the Company held.

### (ii) Composition of the Supervisory Committee

Our Company strictly complied with the *Articles of Association* and relevant rules in respect of the appointment of the Supervisors. The meetings of the Supervisory Committee shall be held in accordance with the *Articles of Association* and the *Rules of Procedures of the Supervisory Committee*. Our Company's Supervisory Committee comprised three Supervisors, including one employee representative Supervisor (Mr. Gao Tao) and two non-employee representative Supervisors (Mr. Jin Lizuo and Mr. Cui Zheng).

For the biographies of all the existing Supervisors, please refer to "Directors, Supervisors, Senior Management and Employees – Biographies of Directors, Supervisors and Senior Management" in this report.

**(iii) Meetings of the Supervisory Committee**

During the Reporting Period, the Supervisory Committee has convened 5 meetings, the details and resolutions of which are set out as follows:

<b>Meeting Date</b>	<b>Meeting</b>	<b>Resolutions Considered and Approved</b>
2023/1/18	Twentieth meeting of the second session of the Supervisory Committee	No resolution involved, and reports such as the <i>Report on 2022 Performance Evaluation of the Supervisory Committee</i> were heard
2023/3/31	Twenty-first meeting of the second session of the Supervisory Committee	<i>Resolution on the Report on 2022 Performance Evaluation of Directors by the Supervisory Committee</i> <i>Resolution on the Report on 2022 Performance Evaluation of Senior Management by the Supervisory Committee</i> <i>Resolution on the 2022 Work Report of the Supervisory Committee</i> <i>Resolution on the 2022 Annual Report</i> <i>Resolution on the 2022 Social Responsibility and Environmental, Social and Governance Report</i> <i>Resolution on the 2022 Profit Distribution Plan</i> <i>Resolution on the 2022 Annual Compliance Report</i> <i>Resolution on the 2022 Risk Assessment Report</i> <i>Resolution on the 2022 Internal Control Assessment Report</i>
2023/4/28	Twenty-second meeting of the second session of the Supervisory Committee	<i>Resolution on the 2023 First Quarterly Report</i>
2023/8/30	Twenty-third meeting of the second session of the Supervisory Committee	<i>Resolution on the 2023 Interim Report</i>
2023/10/30	Twenty-fourth meeting of the second session of the Supervisory Committee	<i>Resolution on the 2023 Third Quarterly Report</i>



**(iv) Attendance of Supervisors at meetings of the Supervisory Committee**

<b>Name</b>	<b>Required attendance at meetings</b>	<b>Actual attendance at meetings</b>
Gao Tao	5	5
Jin Lizuo	5	5
Cui Zheng	5	5

**(v) Description of the Company's risks identified by the Supervisory Committee**

During the Reporting period, the Supervisory Committee has no dissenting view over the supervisory matters, and all Supervisors voted for the resolutions considered by the Supervisory Committee, with no waiver or opposition.

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

During the Reporting Period, the Company did not implement any share incentive scheme, employee stock ownership plan or other employee incentives, and therefore, none of the Directors, Supervisors or senior management of the Company have been granted stock options or restricted Shares.

During the Reporting Period, the Company evaluated the performance of duties and overall performance of the senior management on an annual basis, focusing on financial performances, customer and market performance, internal operation management, and completion of annual key tasks in their respective responsible sectors, as well as taking into account the senior management's leadership skills, internal management and practices of corporate culture. In addition, the Company conducted specialized evaluations of the senior management's own risk compliance and that of their respective responsible sectors. The incentives of the senior management were closely linked to the Company's overall operating performance.

During the Reporting Period, the senior management of the Company conscientiously performed their duties, obtained good overall performance, completed the tasks assigned to them by the Board, further promoted the optimization and adjustment of the customer-centered organizational structure, strengthened the Company's professional service capabilities, and improved the internal control system of compliance and risk management during their terms. Under the guidance of the Board, the senior management closely followed the transformation opportunities of the industry, based on the principle of stable operation, continuously optimized the business and talent structure, promoted the effective integration and coordination of business resources, and comprehensively deepened the implementation of the Company's strategies.

## VIII. MANAGEMENT AND CONTROL OF SUBSIDIARIES

Adhered to the risk appetite commitment of “prudent and steady business operations”, the Company continuously strengthened its management and control of subsidiaries and established a whole-process vertical management system with full coverage, so as to ensure the steady and orderly operation of subsidiaries and prevent any potential unauthorized operation, uncontrolled budget or moral risks during the operation and management of subsidiaries. The Company strictly abides by laws and regulations applicable to subsidiaries of securities firms, and has no conflicts of interest or peer competition with subsidiaries. The reasonable and necessary separation system has been established to prevent any possible risk transmission or conflicts of interest.

## IX. ESTABLISHMENT AND IMPLEMENTATION OF INTERNAL CONTROL SYSTEM

### (i) Establishment of the Internal Control System

Our Company has been emphasizing building a corporate internal control system since its establishment. Our Company's corporate internal control system has been gradually taking shape and enhanced in compliance with the requirements of the *Guidelines for Internal Control of Securities Companies* and the *Basic Norms of Internal Control for Enterprises*, and has incorporated the development of internal control into the operational development of our Company.

As of the end of the Reporting Period, our Company has established an internal control system suitable for our business nature, scale and complexity, and has achieved results in ensuring the legality and compliance of operations, the safety of assets and the authenticity and completeness of financial reports and relevant information, and improving operational efficiency and effectiveness.

## (ii) Major Characteristics of the Internal Control System

Our Company has established a reasonable, effective and balanced internal control system, with clear division of work among the Board of Directors, the Supervisory Committee, the management, functional departments, business departments and their branches within the structure of the entire internal control system, and their duties and responsibilities are as follows:

- The Board of Directors is responsible for the sound establishment and effective implementation of internal control. The Board has established the Audit Committee which is responsible for reviewing the internal control of our Company, supervising the effective implementation of internal control and self-evaluation on internal control, coordinating internal control audits and other relevant matters.
- The Supervisory Committee supervises the establishment and implementation of internal control by the Board.
- The management is responsible for organizing and steering the daily operation of the internal control of our Company.
- Each of the business departments and their branches formulates and implements its business policies, internal process and control. Our Company requires all employees who participate in business operations to comply with the policies and processes in the ordinary course of business. Each of the business departments conducts self-evaluation and assessment on the specific internal control procedures and measures for its scope of business, and is responsible for reporting deficiencies of the internal control procedures to the management of our Company.
- The Internal Audit Department is independent of the business departments of our Company and reports directly to the Audit Committee of the Board. The Internal Audit Department conducts reviews, appraisals, reports and recommendations, independently and objectively, on the overall internal control environment, the design and implementation of the internal control measures and risk assessment measures in each business department of our Company on a regular basis, in order to prevent risks, enhance the internal control levels and utilize resources properly and effectively.
- The functional departments participating in internal control include the Risk Management Department, Legal and Compliance Department and other middle and back office departments, which actively manage market risk, credit risk, operational risk, liquidity risk, compliance risk, legal risk, reputational risk, etc. faced by our Company's businesses and identify risks in the implementation of internal control and make recommendations to improve internal control deficiencies.

**(iii) Procedures for Evaluating the Effectiveness of the Internal Monitoring System and Rectifying Material Internal Control Deficiencies**

Our Company has established the Internal Audit Department which is independent of other departments in our Company and reports directly to the Audit Committee of the Board. The Internal Audit Department conducts reviews, appraisals, and provides reports and recommendations independently on risk management, the adequacy of the design and the effectiveness of the implementation of internal control for each business line. For issues discovered during internal audits, the Internal Audit Department formulates improvement measures jointly with various departments and assist the management in following up on the issues discovered in the audits and the rectification progress on a regular basis. As for the management of related-party (connected) transactions of the Company, the Company implements a complete series of internal control measures to ensure legal compliance, while the Internal Audit Department also conducts regular reviews of relevant internal control measures over the management of related-party (connected) transactions.

By reviewing the work and audit results of the Internal Audit Department on a regular basis, the Audit Committee appraises the effectiveness of risk management and internal control system on a regular basis on behalf of the Board.

**(iv) Procedures for Processing and Releasing Inside Information**

With approval from the Board and pursuant to the requirements of domestic and foreign laws and regulations, the Listing Rules and the *Articles of Association* as well as the practical conditions of our Company, the *Policy on Information Disclosure Management* has been formulated by our Company to determine the segregation of duties and responsibilities on information disclosure, the procedures for processing and releasing inside information and other information required to be disclosed. Pursuant to this policy, our Company must, as soon as any inside information comes to its knowledge or a false market may be established, disclose the information to the public to the reasonable and practicable extent.

During the Reporting Period, our Company has truthfully, accurately, legally and timely disclosed information in strict compliance with the requirements of domestic and foreign laws and regulations, the Listing Rules, the *Articles of Association* and the *Policy on Information Disclosure Management* without any false statements, misleading statements or material omissions, to ensure that all investors receive the disclosed information fairly, timely and effectively. During the Reporting Period, the *Policy on Information Disclosure Management* has not been amended.

## (v) Appraisal of Internal Control

The Board and the management of our Company are jointly responsible for the establishment, the effective implementation and improvement of sound internal control system. The objectives of internal control of our Company are: guaranteeing the legality of operations of our Company and the execution of internal regulatory system, protecting against operational risk and moral risk, securing the safety and completeness of the assets of the clients and our Company, ensuring the reliability, completeness and timeliness of business records, financial information and other information of our Company and improving the operational efficiency and effectiveness of our Company.

As internal control has inherent restrictions, we can only reasonably guarantee the achievement of the above objectives. Furthermore, the effectiveness of internal control may also change according to our Company's internal and external environment and operating conditions. Our Company has set up an inspection and supervision mechanism through which our Company can take measures to rectify deficiencies in internal control once identified.

The Board concluded that, pursuant to the requirements of relevant laws, regulations and regulatory rules such as the *Guidelines for Internal Control for Securities Companies* and with reference to the requirements of the *Basic Norms of Internal Control for Enterprises* and the provisions of its ancillary guidelines, an appraisal on internal control of the Group was conducted as at the reference date (as of December 31, 2023) of the *2023 Internal Control Assessment Report of China International Capital Corporation Limited*, and the Group was not aware of any material defect in internal control of the Group. The Board is of the view that the Group has established an effective internal control system, which helps to achieve our objectives of internal control and is free of material defect and significant defect.

Deloitte Touche Tohmatsu Certified Public Accountants LLP performed audits on the effectiveness of internal control over financial statements of the Company as at December 31, 2023 in accordance with the *Guidelines on Internal Control Audit for Enterprises* and relevant requirements of the Practice Standards for Certified Public Accountants of China, and had issued the *Internal Control Audit Report of China International Capital Corporation Limited* with standard unqualified opinion. Based on the above understanding, testing and evaluation of internal control during the audit, Deloitte Touche Tohmatsu Certified Public Accountants LLP believed that the Company has maintained effective internal control over financial statements in all material aspects in accordance with the *Basic Norms of Internal Control for Enterprises* and relevant requirements as at December 31, 2023. There was no inconsistency between the *2023 Internal Control Assessment Report of China International Capital Corporation Limited* issued by the Company and the *Internal Control Audit Report of China International Capital Corporation Limited*.

For details, please refer to the *2023 Internal Control Assessment Report of China International Capital Corporation Limited* and the *Internal Control Audit Report of China International Capital Corporation Limited* published by the Company on the website of the Company, the Hong Kong Stock Exchange and the SSE.

## X. ESTABLISHMENT OF COMPLIANCE MANAGEMENT SYSTEM, AND INSPECTIONS AND SUPERVISION CONDUCTED BY THE COMPLIANCE AND INTERNAL AUDIT DEPARTMENT

### (i) Establishment of Compliance System

The Company has established an organizational structure for compliance management that meets regulatory requirements and the compliance management needs of the Company. According to the *Articles of Association* and the *Compliance Management Policy*, the Board determines the compliance management objectives of the Company, assumes responsibility for the effectiveness of compliance management, and performs compliance duties under relevant policies. The Supervisory Committee is responsible for supervising the performance of compliance management duties by Directors and senior management, and for proposing the removal of Directors and senior management who undertakes main and leadership responsibility for major compliance risks. The management is responsible for implementing objectives of compliance management and for compliant operations. The heads of departments and subordinate bodies are responsible for implementing their respective compliance management objectives and for supervising and managing the compliant practices of their respective employees, and assume responsibility for the effectiveness of their respective compliance management.

The Chief Compliance Officer is responsible for the compliance management of the Company, and conducts reviews, supervision and inspections on the business management and practices of the Company and its employees. The Legal and Compliance Department is responsible for the daily management of compliance work of the Company, and for assisting the Chief Compliance Officer in performing compliance management responsibilities stipulated by laws and regulations, regulatory authorities, and the *Articles of Association* of the Company.

In order to promote the rule-based compliance management, the Company has established and improved the compliance policies, compliance guidelines, compliance notices and compliance reminders based on the *Compliance Management Policy* at the company level, including the *Employee Code of Conduct*, the *Information Barrier Walls Policy* (《信息隔離牆政策》), the *Policy on the Management of All Employee Transactions, Private Investments and External Activities* (《全球員工交易、私人投資和外部活動政策》), the *Policy on the Management of Incorruptible Working for Employees*<sup>11</sup> (《工作人員廉潔從業管理制度》), the *Policy on the Management of Money-Laundering and Terrorism Financing Risks* (《洗錢和恐怖融資風險管理制度》), the *Seal Management Policy* (《印章管理政策》) and the *Policy on the Management of Employees' Conflict of Interest* (《員工利益衝突管理政策》), as well as the compliance management system based on specific polices provided in compliance manuals of relevant departments/branches.

<sup>11</sup> It has been updated into the *Policy on the Management of Incorruptible Working* (《廉潔從業管理制度》) and the *Implementation Rules for the Management of Incorruptible Working* (《廉潔從業管理實施細則》) in February 2024

The Company has established a unified system for the compliance management of subsidiaries at all levels and a work mechanism that all subsidiaries to report the compliance management to the parent company on a regular basis. Meantime, the Company reviews the compliance management system of subsidiaries, and supervises and monitors the compliance performance of operation and management of subsidiaries, so as to ensure that the compliance management of subsidiaries complies with relevant requirements of the Company.

## **(ii) Internal Audit**

The Internal Audit Department is independent of the business departments of our Company and reports directly to the Audit Committee of the Board. During the Reporting Period, the Internal Audit Department conducts reviews, appraisals, makes reports and recommendations, independently and objectively, on the overall internal control environment, the design and implementation of the internal control measures and risk assessment measures in each business department of our Company on a regular basis, in order to prevent risks, enhance the internal control standards and utilize resources properly and effectively.

During the Reporting Period, the Group's Internal Audit Department initiated and conducted 243 internal audits in total. The Internal Audit Department actively implemented the requirements of the Board of Directors and China Investment Corporation on strengthening internal audit. It cooperated with the Company's strategy under the goal of full coverage of the Group's business and preventing financial risks, fulfilled the responsibility of internal audit in an earnest manner and carried out audit work on the key businesses as well as financial management, compliance management, human resources management, information technology management, and other main middle and back-end office support functions following the principle of coverage maximization and strict implementation of audit, correcting malpractices, and promoting management. In addition to carrying out special audits on key issues and business areas, it conducted comprehensive audits and follow-up audits on national policy implementation and economic responsibility audit, highlighting problem-oriented, risk-oriented, goal-oriented and result-oriented approaches, so as to achieve full audit coverage. Besides, during the audit, the Internal Audit Department attached importance to risk points relating to integrity practice, inspected the check and balance of key positions and the separation of positions and responsibilities, carried out inspections around business-related risk points relating to integrity practice, and paid attention to the check and balance of the exercise of power. According to the relevant audit results of the Internal Audit Department, no material abnormalities or material deficiencies in the internal control system have been discovered.

According to relevant audit results, the Internal Audit Department has inspected and assessed the effectiveness of internal control, comprehensive risk management, compliance management and management of information technology of the Company, and disclosed major risks, which proactively enhanced the risk prevention awareness and risk management capacities of all departments, subsidiaries and branches.

## XI. SELF-EXAMINATION AND RECTIFICATIONS IN THE SPECIAL CAMPAIGN TO IMPROVE THE GOVERNANCE OF LISTED COMPANIES

According to the *Announcement on Launching a Special Campaign to Improve the Governance of Listed Companies* issued by the CSRC, the companies listed before June 30, 2020 (inclusive) shall complete relevant special self-examinations. The Company completed the listing of A Shares on November 2, 2020, not falling into the scope of such self-examinations.

## XII. OTHERS

### (i) Compliance with the *Model Code for Securities Transactions*

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

### (ii) Responsibilities of Directors for the Financial Statements

The following responsibility statement of Directors regarding the financial statements shall be read in conjunction with the responsibility statement of the auditor included in the auditor's report. Each responsibility statement shall be interpreted separately.

All Directors acknowledge and confirm their responsibilities of preparing the financial statements which truly reflect the business and operating results of our Company for each financial year. To the best knowledge of all Directors, there are no events or situations which may cause any material adverse impact on the ongoing operations of our Company.



**(iii) Appointment and Remuneration of the Accounting Firms**

Name of domestic accounting firm	Deloitte Touche Tohmatsu Certified Public Accountants LLP
Number of years of audit by domestic accounting firm	5 years
Name of certified public accountants of the domestic accounting firm	Ma Hing Fai, Ma Qianlu
Accumulated term of auditing service of certified public accountants of domestic accounting firm	Ma Hing Fai 2 years, Ma Qianlu 2 years
Name of overseas accounting firm	Deloitte Touche Tohmatsu
Number of years of audit by overseas accounting firm	5 years
Total remuneration for domestic and overseas accounting firms	RMB5.54 million

*Note:* The above is the audit fee (tax inclusive) in respect of the 2023 financial statements of the Company, which does not include the audit fees in respect of the consolidated subsidiaries of the Company.

The description of the appointment of accounting firms:

On June 30, 2023, after consideration and approval by the 2022 Annual General Meeting, the Company re-appointed Deloitte Touche Tohmatsu Certified Public Accountants LLP and Deloitte Touche Tohmatsu as the domestic and overseas accounting firm for 2023, respectively, responsible for providing the relevant statutory financial statements audit, interim financial statements review and agreed-upon procedure services of quarterly financial statements to the Company, and re-appointed Deloitte Touche Tohmatsu Certified Public Accountants LLP as the internal control audit institution of the Company in 2023. The term of both re-appointments shall be one year.

Our Company paid RMB7.54 million (tax inclusive) to Deloitte Touche Tohmatsu Certified Public Accountants LLP and Deloitte Touche Tohmatsu as fees for auditing the statutory financial statements, the reviewing of the interim financial statements and performing the agreed-upon procedures over quarterly financial statements for 2023, and paid RMB1.50 million (tax inclusive) to Deloitte Touche Tohmatsu Certified Public Accountants LLP for the auditing of 2023 internal control.

During the Reporting Period, our Company has paid RMB3.13 million (tax inclusive) to Deloitte Touche Tohmatsu Certified Public Accountants LLP and Deloitte Touche Tohmatsu and its network member institutions for other service fees arising from the special audit, tax compliance, debt instruments issuance, consulting, etc.

#### **(iv) Review by the Audit Committee**

The Audit Committee has reviewed the annual results of the Company for the year ended December 31, 2023.

#### **(v) Joint Company Secretaries**

Mr. Sun Nan, the Secretary to the Board and the Joint Company Secretary of our Company, is responsible for making recommendations and proposals to the Board on issues related to corporate governance, and ensuring that Board policies and procedures as well as applicable laws, rules and regulations are strictly followed. In order to maintain sound corporate governance and to ensure compliance with the Listing Rules and applicable Hong Kong laws, Mr. Zhou Jiaying, the Chief Compliance Officer of our Company, has previously been appointed, and will continue to be the other Joint Company Secretary, to assist Mr. Sun Nan in discharging the duties of a company secretary.

Both of Mr. Sun Nan and Mr. Zhou Jiaying have confirmed that they had received not less than 15 hours of relevant professional training during the Reporting Period.

#### **(vi) Investor Relations**

In order to strengthen the communication between the Company and investors and potential investors, establish an effective communication channel between the Company and investors and promote harmonious relations between the Company and investors, the Company has formulated the *Investor Relations Management Measures* which specifies the content and manner, organization and implementation and other matters for conducting investor relations work.

According to *Investor Relations Management Measures*, the Company's investor relations work followed the basic principles of full compliance of information disclosure, equal opportunity for investors, honesty and credibility, high efficiency and labor-saving and interactive communication. Our Company has actively performed the duties of a listed company. We have formed an investor relations service team led by the Secretary to the Board of Directors, which focuses on safeguarding the rights and interests of investors and communicates with investors through multi-channels and multi-levels in a way that as convenient as possible, to ensure the faithful, effective and timely communication of corporate information to investors, and made efforts to provide comprehensive and effective investor relations services. These practices include: issuing interim announcements and periodic reports; providing convenient conditions for Shareholders to attend Shareholders' General Meetings; setting up a hotline and mailbox for investor relations service; setting up an investor relations section on the official website of our Company; organizing analyst meetings, performance presentations and roadshows; one-to-one communication; mailing materials.

The contents of the communication between the Company and investors in investor relations work mainly include: the Company's development strategy; statutory information disclosure and its description; corporate culture construction; the Company's operation and management information and other significant matters that can be disclosed according to the law.

With the implementation of the following measures, the Company believes that it has effectively implemented the *Investor Relations Management Measures* of the Company:

In 2023, our Company warmly received visits from domestic and overseas institutional investors and analysts, organized various forms of investors and analyst exchanges, communicated with investors and analysts for nearly 500 person times, and participated in more than 80 times of the group/one-to-one telephone/video conference with investors and analysts, effectively enhancing the investors' understanding of our Group's strategic roadmap and growth prospects.

On June 30, 2023, the Company held the 2022 Annual General Meeting. On November 10, 2023, the Company held the 2023 First Extraordinary General Meeting. The Company's Directors, Supervisors and the management attended each of the Shareholders' General Meetings and answered investors' questions on the spot. Along with the disclosure of annual results, the Company held the 2022 annual results presentation, attracting more than 200 investors and research analysts. After the disclosure of annual, interim and quarterly results, we held online results briefing sessions to have full communication with investors about the Company's strategies and business performance.

### **(vii) Amendments to the *Articles of Association***

According to the *Constitution of the Communist Party of China*, *Working Rules for the Grassroot Organizations of the State-owned Enterprises of the Communist Party of China (Trial)*, the *Guidelines regarding Incorporating Party Building Work into the Articles of Association of Central Financial Enterprises*, *Company Law*, *Rules on Supervision over Securities Companies*, *Code of Corporate Governance for Securities Companies*, *Guidelines for the Articles of Association of Listed Companies* and other relevant requirements, in order to follow and reinforce the leadership of the Party, continue to optimize the corporate governance structure, and taking into account the relevant requirements of the *Approval relating to the Qualification of Market-making Transactions in Listed Securities Business of China International Capital Corporation Limited* (Zheng Jian Xu Ke [2023] No. 795) issued by the CSRC, the Company has amended the *Articles of Association* based on the actual situation of the Company. The amendments have been considered and approved at the 2022 Annual General Meeting of the Company, with effect from June 30, 2023.

### **(viii) Employee Diversity**

For details on the composition and diversity of the Group's workforce, please refer to the section headed "Directors, Supervisors, Senior Management and Employees – EMPLOYEES AND REMUNERATION – Number and Composition of Employees" in this report.

## I. ENVIRONMENTAL INFORMATION

Always adhering to the concept of sustainable development, CICC has actively responded to the call of the country, leveraged its industry attributes and its own development advantages to empower the green development strategy, and worked with stakeholders at all levels of management, operation and practice to contribute the strength of CICC to achieving the “Carbon Peaking and Carbon Neutrality” goals. During the Reporting Period, the Company invested a total of RMB5.65 million in environmental protection.

**In terms of risk management**, the Company has incorporated climate risk into its comprehensive risk management system, and has established a climate risk management system that is commensurate with the strategic objectives and complexity of climate-related risk of the Company. Meanwhile, the Company has formulated and released the *Climate Risk Management Policy of China International Capital Corporation Limited* to clarify the organizational structure and mechanism of climate risk management, and has actively promoted climate risk identification and assessment, scenario analysis and risk measurement, etc.

During the Reporting Period, the Company carried out the implementation of the climate risk management mechanism in an orderly manner, promoted the identification and assessment of climate risks, explored the construction of climate risk scenarios and risk measurement models, gradually built a risk transmission framework, improved the climate risk management system, and comprehensively enhanced the Company’s climate risk management and quantification capabilities. In addition, the Company has paid sustained attention to environmental risks involved in the conduct of business. For example, we attach great importance to risk management and control in the “high pollution and high energy consumption” sectors (hereinafter referred to as “Two Highs”), exercise strict investment, and focus on whether the relevant investment and financing business involves the “Two Highs” projects and the financial risks of green and low-carbon transition in our daily business control.

**In terms of sustainable operation**, the Company has strictly complied with laws, regulations and policies, including the *Environmental Protection Law of the People’s Republic of China*, the *Energy Conservation Law of the People’s Republic of China* and the *Law of the People’s Republic of China on the Prevention and Control of Environment Pollution by Solid Waste*, and has formulated the institutional documents including the *Office Environment Management Regulations* to regulate energy consumption, water use, waste management and other aspects in office, procurement, travel and other aspects. During the Reporting Period, the Company steadily promoted sustainable operation and actively practiced energy conservation and emission reduction from the two dimensions of green operation and green building. In terms of green operation, the Company continued to implement co-working to improve the utilization rate of office space resources. In the new travel system, the Company recommended flights with the lowest-carbon emission to employees. The Company also promoted an online worksheet system to reduce paper usage. In terms of green construction, the Company continued to promote the prefabricated construction model. In 2023, the Company realized the reduction of over 474 tons of Chinese Certified Emission Reduction and obtained 5 carbon neutrality certificates. In addition, the Company has enhanced the environmental awareness of employees through training and publicity. CO<sub>2</sub> equivalent emission reduction during the Reporting Period: not applicable.

The Company is a financial company, which is not in the list of the key pollutant discharge units or their major subsidiaries published by the environmental protection authority. During the Reporting Period, the Company did not have any lawsuits or related penalties caused by environmental issues.

## II. SOCIAL RESPONSIBILITIES

Always adhering to the original aspiration of “By the People and For the Nation”, the Company has given full play to the advantages of “investment + investment banking + research + public welfare” to earnestly fulfil social responsibilities. The Company actively participates in public welfare undertakings, and carries out public welfare projects in education, medical care, environmental protection and other fields, so as to contribute to improving people’s livelihood and well-being. During the Reporting Period, the Group donated over RMB48.5 million to support public welfare and assistance programs, benefiting approximately 320,000 people in total.

**In terms of public welfare**, CICC, through its public welfare platform – CICC Charity Foundation, has long focused on five aspects: equitable development of education, rural revitalization, ecological and environmental protection, disaster relief and development of public welfare culture, and has organized various public welfare projects and volunteer service activities. Its public welfare footprint has spread to 18 provinces (autonomous regions and municipalities directly under the central government) across China. The Company promoted branded public welfare projects such as “China Reach” program, “CICC-Joyoung Charity Kitchen” and “CICC Charity First Class of School” (中金公益開學第一課) and activities to help the early development of children’s education in underdeveloped areas, and promote the rural education equity. The Company actively took disaster relief actions to support flood control and disaster relief as well as post-disaster reconstruction in Hebei and Beijing, and support post-earthquake reconstruction in Gansu Province, demonstrating its social responsibilities. At the same time, the Company focused on environmental sustainability and actively responded to the “Carbon Peaking and Carbon Neutrality” goals, continuously advancing the “CICC Public Welfare Ecological Carbon Neutrality Forest” project, achieving the organic integration of economic, social and ecological benefits.

**In terms of sustainable finance**, CICC consistently leverages its core strengths in a commitment to supporting the real economy. With a focus on key areas such as green finance, inclusive finance and responsible investment, the Company strategically develops various business models encompassing equities, bonds, mergers and acquisitions and funds. CICC has emerged as a market leader in the issuance of green bonds, and in 2023, received a no-objection letter from the CSRC for carbon trading and actively participated in relevant business. Through diverse financing services and tools, we supported small and medium-sized enterprises as well as private enterprises in overcoming challenges related to “difficulty in financing” and “high financing costs”, thereby promoting the high-quality development of inclusive finance. We enhanced our responsible investment mechanism, continuously refining and upgrading the distinctive CICC ESG rating system and management system.

**In terms of research support**, CICC actively provided insights and recommendations for industry development, contributing its expertise. CICC Research, in association with CGI, expanded existing ESG research areas to encompass a wide range of fields including green economy, carbon markets/finance, green bonds, green financial products, corporate social responsibility and philanthropy, rolling out a number of in-depth reports such as the *CICC ESG Handbook*, *Carbon Strategies for China* (《「碳」策中國》) and *New Supply Economics of Scale Effect and Green Transformation* (《規模效應和綠色轉型的新供給經濟學》).

**In terms of transformation of scientific and technological achievements**, during the Reporting Period, the Capital Healthtech Incubation Engineering Foundation (首都醫療科技成果轉化公益基金會) (hereinafter referred to as the “CHIF”) launched and established by the Company continued to build a diversified research funding mechanism and a support system for the transformation of medical achievements, to help solve the pain points and difficulties in the process of transformation of scientific and technological achievements, and facilitate the transformation of medical scientific and technological achievements and the exploration of innovative models. In 2023, the CHIF donated a total of RMB33 million to eight transformation projects.

### III. DETAILS ON CONSOLIDATING AND EXPANDING THE ACHIEVEMENTS OF POVERTY ALLEVIATION, RURAL REVITALIZATION AND OTHER WORK

The Company resolutely implemented the decisions and arrangements of the CPC Central Committee and the State Council regarding strengthening the effective connection between the achievements of poverty alleviation and the rural revitalization. The Company continued to improve the targeted assistance and paired assistance system and mechanism, and worked on rural revitalization in targeted assistance county (Huining County, Gansu Province) and four paired assistance counties (Guzhang County in Hunan Province, Yuexi County in Anhui Province, Kaizhou District in Chongqing, and Fengjie County in Chongqing) through assistance measures in industrial assistance, consumption assistance, education assistance and livelihood assistance. The Company gave full play to its financial advantages and supported the development of agriculture and people’s livelihood industries by assisting the issuance of rural revitalization themed bonds and providing “insurance + futures” services. During the Reporting Period, the total donation of CICC in assistance projects and rural revitalization projects was approximately RMB35.6 million, benefiting approximately 190,000 people in total. The investment banking segment completed rural revitalization-related projects with a transaction amount of over RMB120.0 billion.

**Focusing on industrial assistance.** During the Reporting Period, our Company helped Huining County in Gansu Province to build a reputation of “the hometown of China’s mutton sheep”, and cooperated with the county government to construct a mutton sheep trading market in western China. We’ve also implemented a standardized mutton sheep breeding incentive plan, incentivizing all 284 administrative villages in Huining County to achieve standardization in their breeding industry parks through reward policies. Furthermore, leveraging the resource endowment of Huining County, we’ve selected enterprises involved in new materials development, agricultural product processing and sales along the industrial chain. We’ve conducted research trips to Huining County, engaging in discussions and negotiations to facilitate investment attraction and cooperation.

**Focusing on consumption assistance.** During the Reporting Period, our Company has procured agricultural specialty products from poverty-alleviation areas and counties such as Huining County and Jingning County in Gansu Province, as well as Xunhua County in Qinghai Province. We’ve collaborated with both online and offline sales platforms to expand the sales channels for products from these supported counties. Additionally, we participated in the first China Specialised Agriculture Development Summit and opened CICC Huinong Pavilion, providing a platform for exchange, display and cooperation in the development of specialty industries. In addition, the Company purchased 8,500 catties of rice from Guzhang County, Hunan Province and 18,000 catties of rice from Yuexi County, Anhui Province, and donated them to 3,639 students from 23 schools in Huining County, Gansu Province. The Company purchased 2,300 boxes of brown sugar from Kaizhou District, Chongqing and donated them to women and children in Tibet. The Company purchased 1,140 boxes of navel oranges from Fengjie County, Chongqing and donated them to Dandelion School in Daxing District, Beijing, to help students grow healthily.

**Focusing on education support.** During the Reporting Period, our Company continued the construction of 16 “CICC-Joyoung Charity Kitchen” in Huining County, Gansu Province, improving the kitchen facilities in rural schools, enhancing the capacity to prepare nutritious meals, benefiting over ten thousand teachers and students. We also innovatively implemented the “Class on Dream for Sports” project, providing 12 types of sports equipment totaling 7,680 items to 48 primary and secondary schools, enriching the daily forms of physical education teaching. In addition, 1,600 books were purchased and donated to Donghua Junior High School in Kaizhou District, Chongqing, benefiting 1,086 students; and 1,230 books were purchased and donated to Yong’an Middle School in Fengjie, Chongqing, benefiting 8,550 students.

**Focusing on livelihood support.** During the Reporting Period, we provided insurance for forestalling reemergence of poverty for impoverished households, three categories of vulnerable households (those at risk of falling back into poverty, those on the verge of poverty, and those facing sudden severe difficulties), and households relying on subsistence allowance and with orphans in Huining County, Gansu Province. This initiative constructed a risk barrier against four major categories: natural disasters, accidental incidents, diseases, and infectious diseases, covering 12 subcategories. We also launched the “Angel Empowerment” medical assistance project, offering skill training and equipping digital diagnostic tools for 56 village doctors across 28 townships, comprehensively enhancing the professional and service levels of rural doctors. Meanwhile, the Company donated to the People’s Government of Guzhang County, Hunan Province the medical relief fund for the prevention of returning to poverty due to illness, and funds for the development of women and children’s undertakings and the protection of their rights and interests. The Company donated to the People’s Government of Yuexi County, Anhui Province funds for the prevention of returning to poverty due to illness, funds for student assistance, funds for village (community) “emergency relief” mutual aid cooperatives, and funds for the construction of the rescue information system.

In addition, the Company has made continued efforts to carry out special research and dissemination on rural revitalization, continuously expanded the scope of rural research, and discovered the pain points of rural development and the difficulties of poverty alleviation. We have better grasped the actual situation through special research, and are committed to offering services and products that are more tailored to local conditions. The Company has carried out rural revitalization research for the third consecutive year, and has compiled and released the 2023 rural revitalization special research report named *Dreams Coming True in China’s Rural Revitalization* (《心歸田野夢歸鄉》).

For details of our performance of environmental and social responsibilities, please refer to the *2023 Social Responsibility, and Environmental, Social and Governance Report of China International Capital Corporation Limited* disclosed by the Company on the website of the SSE ([www.sse.com.cn](http://www.sse.com.cn)), the website of the HKEXnews ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.cicc.com](http://www.cicc.com)).

# SIGNIFICANT EVENTS

## I. PERFORMANCE OF UNDERTAKINGS

All the undertakings of relevant covenantors during or subsisting in the Reporting Period were undertakings in relation to initial public offering, issued in the course of the Company's A share offering and listing, fulfilled in a timely and strict manner, and there was no failure in timely fulfillment. The details are as follows:

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



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

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

## III. NON-COMPLIANT GUARANTEES

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

## IV. EXPLANATION ON "NON-STANDARD AUDITORS' REPORT" ISSUED BY THE ACCOUNTING FIRMS

Not applicable. The accounting firms have issued "auditors' report with unqualified opinions" for the Company.

## V. ANALYSIS AND EXPLANATION ON REASONS FOR AND IMPACTS OF CHANGES IN ACCOUNTING POLICIES, ACCOUNTING ESTIMATES OR CORRECTION OF MATERIAL ACCOUNTING ERRORS

During the Reporting Period, the Group has no significant changes in accounting policies or accounting estimates. For information on the Group's accounting policies, please refer to "Notes to the Consolidated Financial Statements – 3.2 Material accounting policy information".

During the Reporting Period, the Company had no correction of material accounting errors.

## VI. THE RISKS OF DELISTING, BANKRUPTCY OR RESTRUCTURING

The Company was not exposed to the risks of delisting, bankruptcy or restructuring.

## VII. MATERIAL LITIGATION AND ARBITRATION

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

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

During the Reporting Period and up to the Latest Practicable Date, the Company had complied with the laws and regulations and regulatory requirements of the places where the Company operates in all material respects. The Company was not suspected of a crime and therefore subject to any investigation; none of the controlling shareholder, the Directors, Supervisors or senior management of the Company was suspected of a crime and therefore subject to mandatory measures in accordance with the law; none of the Company or the controlling shareholder, the Directors, Supervisors, senior management of the Company was subject to any criminal penalty, suspected violation of the law or regulation and therefore subject to any investigation initiated or administrative penalties imposed by the CSRC, or subject to any major administrative penalties imposed by other competent authorities; none of the controlling shareholder, the Directors, Supervisors or senior management of the Company was suspected of a serious violation of law or disciplinary offences, or job-related crimes and therefore subject to detention measures by the discipline inspection and supervision authority, affecting the performance of the duties; none of the Directors, Supervisors or senior management of the Company was suspected of a violation of the law or regulation and therefore subject to mandatory measures by other competent authorities, affecting the performance of the duties; none of the Company or its controlling shareholder, Directors, Supervisors or members of senior management were subject to any disciplinary action by the stock exchange.

During the Reporting Period, the Company was subject to the following administrative regulatory measures by the CSRC and its delegated institutions and disciplinary actions by the Asset Management Association of China:

### 1. The administrative regulatory measure of regulatory interview against CICC by CSRC Guangdong Bureau

On November 10, 2023, the CSRC Guangdong Bureau imposed an administrative regulatory measure on CICC due to its failure to exercise due diligence as the trustee of a bond, which caused a large market impact and violated the relevant provisions of the *Administrative Measures for the Issuance and Trading of Corporate Bonds*.

In response to this administrative regulatory measure, CICC actively implemented rectification, comprehensively strengthened the quality control of investment banking practice, formulated and issued management requirements for improving the quality of documents in response to material quality issues to eliminate management loopholes. We continued to improve the internal control mechanism of the “three lines of defense”, and focused on the cultivation of comprehensive quality of practice to improve due diligence, information disclosure, continuous supervision and other aspects of investment banking in a standard manner. We fulfilled the responsibilities of each link of the three lines of defense, improved the evaluation mechanism for the practice quality of business personnel, and submitted a rectification report to the regulatory authority.

## 2. The disciplinary action of public reprimand against CICC-Qianhai by the Asset Management Association of China

On January 30, 2023, the Asset Management Association of China imposed a disciplinary action of public reprimand against CICC Qianhai Private Equity Fund Management Co., Ltd. ("CICC-Qianhai"), a subsidiary of CICC, for violating the relevant provisions of the *Administrative Measures of Private Equity Funds* (《私募基金管理辦法》) by making disguised promises to investors to guarantee principal and returns.

In response to the disciplinary action, CICC set up a special working group to promote the rectification of CICC-Qianhai, actively implemented the rectification matters, and reported the rectification progress to the regulatory authority in a timely manner.

## 3. The administrative regulatory measure of issuing a warning letter against CICC Futures by CSRC Qinghai Bureau

On September 27, 2023, the CSRC Qinghai Bureau took the administrative regulatory measure of issuing a warning letter to CICC Futures, a subsidiary of CICC, due to non-compliance with the staffing requirements of CICC Futures, and a cybersecurity incident, which violated the relevant provisions of the *Rules Governing the Private Asset Management Business of Securities and Futures Operators* (《證券期貨經營機構私募資產管理業務管理辦法》) and the *Administrative Measures for the Network and Information Security of the Securities and Futures Industry* (《證券期貨業網絡和信息安全管理辦法》).

In response to this administrative regulatory measure, CICC Futures has actively implemented rectification, strengthened staffing, information technology governance and system monitoring capabilities, and further improved its ability to respond to and deal with cybersecurity incidents. CICC Futures has submitted a rectification report to the regulatory authority.

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

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

## X. MATERIAL RELATED PARTY/CONNECTED TRANSACTIONS

The Group conducts related party (connected) transactions in strict compliance with the requirements of the relevant laws and regulations, the Listing Rules, the regulatory authorities and the internal management system. The Group's related party (connected) transactions are conducted based on the principles of equity, openness and fairness, and the relevant transaction agreements are entered into based on the principles of equality, voluntariness, equivalence and compensation.

During the Reporting Period, the Group did not conduct any non-exempt connected transactions or continuing connected transactions in accordance with the *Listing Rules of the Stock Exchange*.

During the Reporting Period, the daily related-party transactions of the Company (as defined in the *Listing Rules of the SSE*) were implemented in accordance with the resolutions considered and approved at the Shareholders' General Meeting. When relevant related-party transactions occur in daily operations, the Company shall determine the transaction price with related-parties strictly in accordance with the principle of fair price, with reference to market price levels, industry practices and third-party pricing, and there is no significant difference between the actual transaction price and the market price. The specific implementation is as follows, which may be different from the "Related Party Relationships and Transactions" set out in the note to the Financial Statements prepared in accordance with CASs:

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

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

Unit: RMB in ten thousand

Transaction type	Transaction contents	Related party	Brief description of business or item	Estimated amount	Actual amount incurred	
Securities and financial products services	Income from service charges and commissions	Caixin Zhongjin (Hunan) Private Equity Investment Management Co., Ltd. (財信中金(湖南)私募股權投資管理有限公司)	Providing investment consulting services	Due to the uncertainty of occurrence and scale of business, the amount shall be calculated at actual amount incurred	148.75	
		Global Bridge Capital Management, LLC	Providing investment consulting services		109.37	
		Haier Group (Qingdao) Jinying Holding Co., Ltd.	Providing securities brokerage services		19.91	
			Providing investment consulting services		31.49	
		Haier Financial Factoring (Chongqing) Co., Ltd.	Providing asset management services		11.47	
			Providing asset management services		118.49	
		Bank of Qingdao Co., Ltd.	Providing securities underwriting services		9.82	
			Providing securities brokerage services		33.47	
		Expenses from service charges and commissions	China National Investment and Guaranty Corporation		Providing fund management services	61.00
			Bank of China Limited (Zhejiang Branch)		Receiving asset custody services	2.23
	Interest expenses	Bank of Qingdao Co., Ltd.	Receiving asset custody services	3.50		
		China National Investment and Guaranty Corporation	Interest expenses on settlement funds of client transactions	3.41		
		Haier Group (Qingdao) Jinying Holding Co., Ltd.		1.55		
		Capital Healthtech Incubation Engineering Foundation		0.0005		
Securities and financial products transactions	Joint investment	China National Investment and Guaranty Corporation	Balance of joint investment in funds with related party	381.09		
		Bank of Qingdao Co., Ltd.		5.52		
	Investment income	SDIC Capital Co., Ltd.	Investment income from purchasing financial assets issued by related party	0.34		
		China National Investment and Guaranty Corporation		10.60		
	Financial products transactions	SDIC Securities Co., Ltd.	Purchasing financial products from related party	2,194.76		
		China National Investment and Guaranty Corporation	Selling financial products to related party	2,999.65		
Purchasing assets, goods or services from related-party	Purchasing services from related-party	SDIC Securities Co., Ltd.	Purchasing investment research services	25.47		

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

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

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

During the Reporting Period, none of the related party transactions set out in the section headed “Financial Report” constituted discloseable connected transactions or continuing connected transactions under the *Listing Rules of the Stock Exchange*.

## XI. MATERIAL CONTRACTS AND PERFORMANCE

### (I) Guarantees

Unit: RMB in 100 million

<b>External guarantees of the Company (excluding guarantees for its subsidiaries)</b>	
Total amount of guarantees provided during the Reporting Period (excluding guarantees for subsidiaries)	–
Total balance of guarantees at the end of the Reporting Period (A) (excluding guarantees for subsidiaries)	–
<b>Guarantees provided by the Company and its subsidiaries for subsidiaries</b>	
Total amount of guarantees provided for subsidiaries during the Reporting Period	141.89
Total balance of guarantees provided for subsidiaries at the end of the Reporting Period (B)	368.13
<b>Total amount of guarantees provided by the Company (including those provided for subsidiaries)</b>	
Total amount of guarantees (A+B)	368.13
Percentage of total amount of guarantees over net assets of the Company (%)	35.19%
Including:	
Amount of guarantees provided for shareholders, actual controller and their related parties (C)	–
Amount of debt guarantees directly or indirectly provided for parties with asset-liability ratio exceeding 70% (D)	360.83
Amount of total guarantees exceeding 50% of net assets (E)	–
Total amount of above three types of guarantees (C+D+E)	360.83
Explanations on unexpired guarantees subject to joint liabilities	–

Notes:

- The net assets in the above table refer to the total equity attributable to shareholders of the parent company in the consolidated financial statements of the Company as of the end of the Reporting Period.
- The exchange rates involved in the above table refer to the exchange rate of RMB against USD, and RMB against HKD on December 31, 2023.

During the Reporting Period, the new and existing guarantees of the Company and its holding subsidiaries were all guarantees provided by CICC International, a direct wholly-owned subsidiary of the Company, to its subordinate wholly-owned subsidiaries, i.e. indirectly wholly-owned subsidiaries of the Company, specifically:

1. CICC International providing guarantees for its subordinate wholly-owned subsidiaries in connection with the issuance of medium-term notes

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

During the Reporting Period, CICC Hong Kong Finance 2016 MTN Limited completed two issuances under the medium-term note programme, with an aggregate principal amount of US\$1.75 billion, both of which are 3-year notes. As of the end of the Reporting Period, the amount of the guarantee provided by CICC International for CICC Hong Kong Finance 2016 MTN Limited in connection with the repayment obligations under the above issuance was approximately RMB14,189 million.

Save for the new guarantees during the Reporting Period as disclosed above, as of the end of the Reporting Period, other outstanding issuances and relevant guarantees under the medium-term note programme are as follows: In 2021, CICC Hong Kong Finance 2016 MTN Limited completed two issuances under the medium-term note programme, with an aggregate principal amount of US\$1,500 million, including a 3-year note of US\$1,000 million and a 5-year note of US\$500 million. In 2022, CICC Hong Kong Finance 2016 MTN Limited completed two issuances under the medium-term note programme, with an aggregate principal amount of US\$1.25 billion, both of which are 3-year notes. As of the end of the Reporting Period, the balance of the guarantees provided by CICC International for CICC Hong Kong Finance 2016 MTN Limited in connection with the repayment obligations under the above issuances was approximately RMB20,394 million.

2. CICC International providing guarantees for its subordinate wholly-owned subsidiaries in connection with overseas bank loans

There was no new guarantee in 2023. As of the end of 2023, the balance of guarantees was approximately RMB2,230 million.

In addition, a net capital guarantee commitment of no more than RMB3 billion (inclusive) in connection with a wholly-owned asset management subsidiary to be established by the Company has not been implemented.

## **(II) Other material contracts**

During the Reporting Period, the Company had no material custody, contracting or leasing.

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

## **XII. EXPLANATION ON PROCESS IN USE OF PROCEEDS**

For details on the use of proceeds and usage progress of the Company, please refer to “Directors’ Report - Issuance of Shares, Use of Proceeds and Usage Progress” of this report.

## **XIII. MATERIAL ACQUISITIONS AND DISPOSALS**

During the Reporting Period, the Group did not have material acquisitions, disposals, swaps or asset reorganizations relating to its subsidiaries, associates, joint operations or joint ventures during the Reporting Period.

## **XIV. MATERIAL SUBSEQUENT EVENTS OF THE BALANCE SHEET**

Please refer to “Notes to the Consolidated Financial Statements – 63. Subsequent Events” for information on issuance and redemption of debt securities and 2023 profit distribution of the Group as of the Latest Practicable Date.

## **XV. MAIN OFF-BALANCE SHEET ITEMS THAT MAY AFFECT THE COMPANY’S FINANCIAL POSITION AND OPERATING RESULTS**

Please refer to “Significant Events – Material contracts and performance” of this section in this report.

## **XVI. DESCRIPTION OF OTHER MAJOR EVENTS THAT MAY HAVE A SIGNIFICANT IMPACT ON THE VALUE JUDGMENTS AND INVESTMENT DECISIONS OF INVESTORS**

During the Reporting Period, except for being disclosed in this report, the Company has no other major events that may have a significant impact on the value judgments and investment decisions of investors.



## I. OVERVIEW OF INTEREST-BEARING DEBT

### (I) Organizational Structure

As of the beginning and the end of the Reporting Period, the outstanding balance of the Company's interest-bearing debt amounted to RMB160,184 million and RMB162,921 million, respectively, representing an increase of 1.71%.

Unit: RMB in 100 million

Types of interest-bearing debt	Overdue	Time to maturity <sup>12</sup>			Total	The proportion of the amount to the interest-bearing debt
		Within 6 months (inclusive)	6 months (exclusive) to 1 year (inclusive)	More than 1 year (exclusive)		
Short-term debt securities issued	–	70.15	25.01	–	95.16	5.84%
Placements from financial institutions	–	233.85	–	–	233.85	14.35%
REPOs	–	392.35	–	–	392.35	24.08%
Corporate credit bonds <sup>13</sup>	–	128.77	95.45	682.37	906.58	55.65%
Long-term beneficiary certificates	–	–	–	1.27	1.27	0.08%
Total	–	825.12	120.46	683.64	1,629.21	100.00%

As of the end of the Reporting Period, among the corporate credit bonds issued by the Company, the outstanding balance of corporate bonds was RMB74,258 million and the outstanding balance of perpetual subordinated bonds was RMB16,400 million, of which a total of RMB9,545 million of corporate credit bonds will mature or can be sold back in May to December 2024.

<sup>12</sup> The calculation of the remaining life is based on the exercise date of the early redemption/sell-back option, and the debt securities with clauses which allow such securities to be terminated at any time are classified as less than 6 months (inclusive)

<sup>13</sup> Including perpetual subordinated bonds accounted as equity instruments

## (II) Interest-bearing Debts and Their Changes

- (1) As of the beginning and the end of the Reporting Period, the outstanding balance of the Group's interest-bearing debt amounted to RMB290,939 million and RMB292,298 million, respectively, representing an increase of 0.47%.

Unit: RMB in 100 million

Types of interest-bearing debt	Overdue	Time to maturity <sup>14</sup>			Total	The proportion of the amount to the interest-bearing debt
		Within 6 months (inclusive)	6 months (exclusive) to 1 year (inclusive)	More than 1 year (exclusive)		
Beneficiary certificates	–	111.67	27.87	1.27	140.81	4.82%
Structured notes	–	1.23	1.64	–	2.87	0.10%
Placements from financial institutions	–	449.74	–	–	449.74	15.39%
REPOs	–	648.99	–	–	648.99	22.20%
Corporate credit bonds <sup>15</sup>	–	251.67	125.48	980.98	1,358.13	46.46%
Medium-term notes	–	71.32	–	251.12	322.43	11.03%
Total	–	1,534.62	154.99	1,233.37	2,922.98	100.00%

As of the end of the Reporting Period, among the corporate credit bonds issued by the Group, the outstanding balance of corporate bonds was RMB119,413 million and the outstanding balance of perpetual subordinated bonds was RMB16,400 million, of which a total of RMB15,594 million of corporate credit bonds will mature or can be sold back in May to December 2024.

- (2) As of the end of the Reporting Period, the outstanding balance of the medium-term notes issued overseas by the Group was RMB32,243 million; the outstanding balance of the structured notes issued overseas by the Group was RMB287 million, of which a total of RMB202 million of structured notes will mature in May to December 2024.

## II. BOND ISSUANCE AND DURATION

### (I) Enterprise bonds

During the Reporting Period, the Company had no enterprise bonds.

<sup>14</sup> The calculation of the remaining life is based on the exercise date of the early redemption/sell-back option, and the debt securities with clauses which allow such securities to be terminated at any time are classified as less than 6 months (inclusive)

<sup>15</sup> Including perpetual subordinated bonds accounted as equity instruments

**(II) Corporate bonds****1. Basic information of corporate bonds<sup>16</sup>**

Unit: RMB in 100 million

Name of bond	Abbreviation	Code	Issuing date	Interest commencement date	Latest resale date after March 29, 2024	Maturity date	Balance	Reporting Period (%)	Principal and interest payment method	Place for trading	Lead underwriter	Trust manager	Arrangement to ensure the suitability of investors	Whether there is any risk of delisting or public tender and countermeasures	
															Applicable trading mechanism
2021 Corporate Bonds of China International Capital Corporation Limited Non-publicly Issued to Professional Institutional Investors (Third Tranche) (Type II)	21CCCCF6	1783325H	2021/4/12	2021/4/13	2024/4/13	2026/4/13	35	3.70	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last instalment shall be paid together with the principal.	SSE	Huatai United Securities and China Securities	Huatai United Securities Institutional investors	Professional institutional investors	One-click order, price-enquiry, bidding and agreement trading	No
2021 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Third Tranche) (Type I)	21CCCCG5	1865755H	2021/8/13	2021/8/16	2024/8/16	2026/8/16	10	3.04	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last instalment shall be paid together with the principal.	SSE	Huatai United Securities and Industrial Securities	Huatai United Securities	Professional investors	Matching one-click order, price-enquiry, bidding and agreement trading	No
2019 Subordinated Bonds of China International Capital Corporation Limited Non-publicly Issued (Second Tranche)	19CCCC3	1622735H	2019/10/11	2019/10/14	-	2024/10/14	15	4.09	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last instalment shall be paid together with the principal.	SSE	CTIC Securities and Soochow Securities	CTIC Securities	Qualified investors	One-click order, price-enquiry, bidding and agreement trading	No

<sup>16</sup>

Presented in chronological order of future exercise (including maturity and resale)

Name of bond	Abbreviation	Code	Issuing date	Interest commencement date	Latest resale date after March 29, 2024	Maturity date	Balance	Reporting Period (%)	Principal and interest payment method	Place for trading	Lead underwriter	Trust manager	Arrangement to ensure the suitability of investors	Applicable trading mechanism	Whether there is any risk of delisting or public tender and countermeasures
2019 Subordinated Bonds of China International Capital Corporation Limited Non-publicly Issued (Third Tranche)	19-CCC C4	163470SH	2019/11/8	2019/11/11	-	2024/11/11	15	4.12	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last instalment shall be paid together with the principal	SSE	CITIC Securities and Soobow Securities	CITC Securities	Qualified investors	One-click order, price-enquiry, bidding and agreement trading	No
2019 Subordinated Bonds of China International Capital Corporation Limited Non-publicly Issued (Fourth Tranche)	19-CCC C5	163645SH	2019/12/4	2019/12/5	-	2024/12/5	20	4.20	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last instalment shall be paid together with the principal	SSE	CITC Securities and Soobow Securities	CITC Securities	Qualified investors	One-click order, price-enquiry, bidding and agreement trading	No
2021 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Fourth Tranche) (Type I)	21-CCC C7	185897SH	2021/12/7	2021/12/8	-	2024/12/8	25	2.97	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last instalment shall be paid together with the principal	SSE	Huatai United Securities and Industrial Securities	Huatai United Securities	Professional investors	Matching, one-click order, price-enquiry, bidding and agreement trading	No

Name of bond	Abbreviation	Code	Issuing date	Interest commencement date	Latest resale date after March 29, 2024	Maturity date	Balance	Reporting Period (%)	Principal and interest payment method	Place for trading	Lead underwriter	Trust manager	Arrangement to ensure the suitability of investors	Applicable trading mechanism	Whether there is any risk of delisting or public tender and countermeasures
2022 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Second Tranche) (Type I)	22CCCCG3	1360355SH	2022/12/15	2022/12/16	2024/12/16	2025/12/16	10	3.36	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last instalment shall be paid together with the principal	SSE	Huatai United Securities and Industrial Securities	Huatai United Securities	Professional institutional investors	Matching one-click-order, price-enquiry, bidding and agreement trading	No
2023 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (First Tranche) (Type I)	23CCCCG1	136841SH	2023/1/16	2023/1/17	2025/1/17	2026/1/17	10	3.00	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last instalment shall be paid together with the principal	SSE	Huatai United Securities and Industrial Securities	Huatai United Securities	Professional institutional investors	Matching one-click-order, price-enquiry, bidding and agreement trading	No
2020 Subordinated Bonds of China International Capital Corporation Limited Non-publicly Issued (First Tranche)	20CCCCC1	1660655SH	2020/2/14	2020/2/17	-	2025/2/17	15	3.85	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last instalment shall be paid together with the principal	SSE	CITIC Securities and Socrow Securities	CITIC Securities	Qualified investors	One-click-order, price-enquiry, bidding and agreement trading	No

Name of bond	Abbreviation	Code	Issuing date	Interest commencement date	Latest resale date after March 29, 2024	Maturity date	Balance	Reporting Period (%)	Principal and interest payment method	Place for trading	Lead underwriter	Trust manager	Arrangement to ensure the suitability of investors	Applicable trading mechanism	Whether there is any risk of delisting or public tender and countermeasures
2020 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Qualified Investors (First Tranche) (Type II)	20CCCQ2	163362SH	2020/4/2	2020/4/3	2025/4/3	2027/4/3	10	3.25	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last instalment shall be paid together with the principal	SSE	CITIC Securities and China Securities	CITC Securities	Qualified investors	Matching one-click-order, price-enquiry, bidding and agreement trading	No
2020 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Qualified Investors (Second Tranche) (Type II)	20CCCQ4	163514SH	2020/4/30	2020/5/6	2025/5/6	2027/5/6	7	2.88	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last instalment shall be paid together with the principal	SSE	CITC Securities and China Securities	CITC Securities	Qualified investors	Matching one-click-order, price-enquiry, bidding and agreement trading	No
2020 Perpetual Subordinated Bonds of China International Capital Corporation Limited Publicly Issued to Professional Institutional Investors (First Tranche)	20CCC11	175055SH	2020/8/27	2020/8/28	-	50	4.64	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last instalment shall be paid together with the principal	SSE	Huatai United Securities	Huatai United Securities	Professional institutional investors	Matching one-click-order, price-enquiry, bidding and agreement trading	No	

Name of bond	Abbreviation	Code	Issuing date	Interest commencement date	Latest resale date after March 29, 2024	Maturity date	Balance	Reporting Period (%)	Principal and interest payment method	Place for trading	Lead underwriter	Trust manager	Arrangement to ensure the suitability of investors	Applicable trading mechanism	Whether there is any risk of delisting or public tender and countermeasures
2023 Corporate Bonds of China International Capital Corporation Limited Non-publicly Issued to Professional Investors (Second Tranche) (Type I)	23CCCCB3	2523795SH	2023/9/15	2023/9/18	2025/9/18	20	2.89	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last instalment shall be paid together with the principal	SSE	Huatai United Securities	Huatai United Securities	Professional institutional investors	One-click order, price-enquiry, bidding and agreement trading	No	
2020 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Sixth Tranche) (Type II)	20CCCC12	1753655SH	2020/10/16	2020/10/19	2025/10/19	25	2.95	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last instalment shall be paid together with the principal	SSE	CITIC Securities and Huatai United Securities	CITIC Securities	Professional investors	Matching one-click order, price-enquiry, bidding and agreement trading	No	
2020 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Seventh Tranche) (Type II)	20CCCC14	1753265SH	2020/10/27	2020/10/28	2025/10/28	24,602	2.90	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last instalment shall be paid together with the principal	SSE	CITIC Securities and Huatai United Securities	CITIC Securities	Professional investors	Matching one-click order, price-enquiry, bidding and agreement trading	No	

Name of bond	Abbreviation	Code	Issuing date	Interest commencement date	Latest resale date after March 29, 2024	Maturity date	Balance	Reporting Period (%)	Principal and interest payment method	Place for trading	Lead underwriter	Trust manager	Arrangement to ensure the suitability of investors	Applicable trading mechanism	Whether there is any risk of delisting or public tender and countermeasures
2022 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (First Tranche) (Type I)	22CCC G1	138665SH	2022/11/28	2022/11/29	2025/11/29	2027/11/29	25	2.94	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last instalment shall be paid together with the principal	SSE	Huatai United Securities and Industrial Securities	Huatai United Securities	Professional institutional investors	Matching one-click-order, price-enquiry, bidding and agreement trading	No
2023 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (First Tranche) (Type II)	23CCC G2	138845SH	2023/11/16	2023/11/17	2026/11/17	2028/11/17	30	3.18	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last instalment shall be paid together with the principal	SSE	Huatai United Securities and Industrial Securities	Huatai United Securities	Professional institutional investors	Matching one-click-order, price-enquiry, bidding and agreement trading	No
2021 Perpetual Subordinated Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (First Tranche)	21CCC Y1	175720SH	2021/11/28	2021/11/29	-	-	15	4.68	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last instalment shall be paid together with the principal	SSE	CTIC Securities and Huatai United Securities	CTIC Securities	Professional investors	Matching one-click-order, price-enquiry, bidding and agreement trading	No



Name of bond	Abbreviation	Code	Issuing date	Interest commencement date	Latest resale date after March 29, 2024	Maturity date	Balance	Reporting Period (%)	Principal and interest payment method	Place for trading	Lead underwriter	Trust manager	Arrangement to ensure the suitability of investors	Applicable trading mechanism	Whether there is any risk of delisting or public tender and countermeasures
2021 Subordinated Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (First Tranche) (Type II)	21CCC C2	175750SH	2021/2/5	2021/2/8	-	2026/2/8	10	4.49	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last instalment shall be paid together with the principal	SSE	CITC Securities and Huatai United Securities	CITC Securities	Professional investors	Matching one-click-order, price-enquiry, bidding and agreement trading	No
2024 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Institutional Investor (First Tranche) (Type I)	24CCC G1	24062LSH	2024/2/29	2024/3/4	2026/3/4	2028/3/4	25	2.39	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last instalment shall be paid together with the principal	SSE	CITC Securities, China Galaxy Securities and Industrial Securities	CITC Securities	Professional institutional investors	Matching one-click-order, price-enquiry, bidding and agreement trading	No
2021 Perpetual Subordinated Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Second Tranche)	21CCC Y2	18056LSH	2021/4/23	2021/4/26	-	-	20	4.20	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last instalment shall be paid together with the principal	SSE	CITC Securities and Huatai United Securities	CITC Securities	Professional investors	Matching one-click-order, price-enquiry, bidding and agreement trading	No

Name of bond	Abbreviation	Code	Issuing date	Interest commencement date	Latest resale date after March 29, 2024	Maturity date	Balance	Reporting Period (%)	Principal and interest payment method	Place for trading	Lead underwriter	Trust manager	Arrangement to ensure the suitability of investors	Applicable trading mechanism	Whether there is any risk of delisting or public tender and countermeasures
2023 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Institutional Investors (Second Tranche) (Type II)	23 CCC G3	115448SH	2023/6/5	2023/6/6	2026/6/6	2028/6/6	50	2.87	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last instalment shall be paid together with the principal	SSE	Huatai United Securities and Industrial Securities	Huatai United Securities	Professional Institutional investors	Matching one-click-order, price-enquiry, bidding and agreement trading	No
2023 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Institutional Investors (Third Tranche) (Type I)	23 CCC G5	115690SH	2023/7/21	2023/7/24	2026/7/24	2028/7/24	30	2.69	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last instalment shall be paid together with the principal	SSE	Huatai United Securities and Industrial Securities	Huatai United Securities	Professional Institutional investors	Matching one-click-order, price-enquiry, bidding and agreement trading	No
2021 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Institutional Investors (Third Tranche) (Type II)	21 CCC G6	186576SH	2021/8/13	2021/8/16	2026/8/16	2028/8/16	15	3.59	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last instalment shall be paid together with the principal	SSE	Huatai United Securities and Industrial Securities	Huatai United Securities	Professional investors	Matching one-click-order, price-enquiry, bidding and agreement trading	No

Name of bond	Abbreviation	Code	Issuing date	Interest commencement date	Latest resale date after March 29, 2024	Maturity date	Balance	Reporting Period (%)	Principal and interest payment method	Place for trading	Lead underwriter	Trust manager	Arrangement to ensure the suitability of investors	Applicable trading mechanism	Whether there is any risk of delisting or public tender and countermeasures
2023 Corporate Bonds of China International Capital Corporation Limited Non-publicly Issued to Professional Investors (First Tranche) (Type I)	23 CCC F1	251586SH	2023/8/25	2023/8/28	2026/8/28	2023/8/28	10	2.80	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last instalment shall be paid together with the principal	SSE	Huatai United Securities	Huatai United Securities	Professional institutional investors	One-click-order, price-enquiry, bidding and agreement trading	No
2023 Corporate Bonds of China International Capital Corporation Limited Non-publicly Issued to Professional Investors (Second Tranche) (Type II)	23 CCC F4	252880SH	2023/9/15	2023/9/18	2026/9/18	2023/9/18	30	2.99	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last instalment shall be paid together with the principal	SSE	Huatai United Securities	Huatai United Securities	Professional institutional investors	One-click-order, price-enquiry, bidding and agreement trading	No
2023 Subordinated Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (First Tranche) (Type I)	23 CCC C1	240947SH	2023/12/16	2023/12/27	-	2026/12/27	5	3.18	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last instalment shall be paid together with the principal	SSE	CITIC Securities	CITIC Securities	Professional institutional investors	Matching one-click-order, price-enquiry, bidding and agreement trading	No

Name of bond	Abbreviation	Code	Issuing date	Interest commencement date	Latest resale date after March 29, 2024	Maturity date	Balance	Reporting Period (%)	Principal and interest payment method	Place for trading	Lead underwriter	Trust manager	Arrangement to ensure the suitability of investors	Applicable trading mechanism	Whether there is any risk of delisting or public tender and countermeasures
2023 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Institutional Investors (Fourth Tranche) (Type I)	23-CCC G7	240416SH	2023/12/20	2023/12/21	2026/12/21	2028/12/21	30	2.85	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last instalment shall be paid together with the principal	SSE	CITIC Securities, China Galaxy Securities and Industrial Securities	CITIC Securities	Professional institutional investors	Matching one-click-order, price-enquiry, bidding and agreement trading	No
2022 Perpetual Subordinated Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (First Tranche)	22-CCC Y1	185245SH	2022/11/12	2022/11/13	-	-	39	3.60	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last instalment shall be paid together with the principal	SSE	CITIC Securities and Huatai United Securities	CITIC Securities	Professional investors	Matching one-click-order, price-enquiry, bidding and agreement trading	No
2024 Subordinated Bonds of China International Capital Corporation Limited Publicly Issued to Professional Institutional Investors (First Tranche) (Type I)	24-CCC C1	240514SH	2024/1/17	2024/1/18	-	2027/1/18	5	2.87	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last instalment shall be paid together with the principal	SSE	CITIC Securities, China Securities and China Galaxy Securities	CITIC Securities	Professional institutional investors	Matching one-click-order, price-enquiry, bidding and agreement trading	No

Name of bond	Abbreviation	Code	Issuing date	Interest commencement date	Latest resale date after March 29, 2024	Maturity date	Balance	Reporting Period (%)	Principal and interest payment method	Place for trading	Lead underwriter	Trust manager	Arrangement to ensure the suitability of investors	Applicable trading mechanism	Whether there is any risk of delisting or public tender and countermeasures
2024 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Institutional Investor (First Tranche) (Type II)	24-CCC G2	240635.SH	2024/2/29	2024/3/4	2027/3/4	2029/3/4	15	2.44	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last instalment shall be paid together with the principal	SSE	CITC Securities, China Galaxy Securities and Industrial Securities	CITC Securities	Professional institutional investors	Matching one-click-order, price-enquiry, bidding and agreement trading	No
2022 Perpetual Subordinated Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Second Tranche)	22-CCC Y2	137871.SH	2022/9/30	2022/10/10	-	-	40	3.55	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last instalment shall be paid together with the principal	SSE	CITC Securities and Huatai United Securities	CITC Securities	Professional investors	Matching one-click-order, price-enquiry, bidding and agreement trading	No
2023 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Institutional Investors (Third Tranche) (Type II)	23-CCC G6	115691.SH	2023/7/21	2023/7/24	2028/7/24	2030/7/24	20	3.03	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last instalment shall be paid together with the principal	SSE	Huatai United Securities and Industrial Securities	Huatai United Securities	Professional institutional investors	Matching one-click-order, price-enquiry, bidding and agreement trading	No

Name of bond	Abbreviation	Code	Issuing date	Interest commencement date	Latest resale date after March 29, 2024	Maturity date	Balance	Reporting Period (%)	Principal and interest payment method	Place for trading	Lead underwriter	Trust manager	Arrangement to ensure the suitability of investors	Applicable trading mechanism	Whether there is any risk of delisting or public tender and countermeasures
2023 Corporate Bonds of China International Capital Corporation Limited Non-publicly issued to Professional Investors (First Tranche) (Type II)	23-CCC F2	252195SH	2023/8/25	2023/8/28	2028/8/28	2029/8/28	40	3.06	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last instalment shall be paid together with the principal	SSE	Huatai United Securities	Huatai United Securities	Professional institutional investors	One-click order, price-enquiry bidding and agreement trading	No
2023 Subordinated Bonds of China International Capital Corporation Limited Publicly Issued to Professional Institutional Investors (First Tranche) (Type II)	23-CCC C2	240946SH	2023/12/6	2023/12/7	-	2028/12/7	20	3.35	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last instalment shall be paid together with the principal	SSE	CTIC Securities China Securities and China Galaxy Securities	CTIC Securities	Professional institutional investors	Matching one-click order, price-enquiry bidding and agreement trading	No
2023 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Institutional Investors (Fourth Tranche) (Type II)	23-CCC C8	244175SH	2023/12/20	2023/12/21	2028/12/21	2029/12/21	10	3.03	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last instalment shall be paid together with the principal	SSE	CTIC Securities China Galaxy Securities and Industrial Securities	CTIC Securities	Professional institutional investors	Matching one-click order, price-enquiry bidding and agreement trading	No

Name of bond	Abbreviation	Code	Issuing date	Interest commencement date	Latest resale date after March 29, 2024	Maturity date	Balance	Reporting Period (%)	Principal and interest payment method	Place for trading	Lead underwriter	Trust manager	Arrangement to ensure the suitability of investors	Applicable trading mechanism	Whether there is any risk of delisting or public tender and countermeasures
2024 Subordinated Bonds of China International Capital Corporation Limited Publicly Issued to Professional Institutional Investors (First Tranche) (Type II)	24-CCCC2	240515SH	2024/1/17	2024/1/18	-	2029/1/18	10	3.05	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last instalment shall be paid together with the principal	SSE	CITIC Securities, China Securities and China Galaxy Securities	CITIC Securities	Professional institutional investors	Matching one-click-order, price-enquiry, bidding and agreement trading	No
2021 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (First Tranche) (Type II)	21-CCCC2	173857SH	2021/3/15	2021/3/16	-	2025/3/16	20	4.10	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last instalment shall be paid together with the principal	SSE	Huatai United Securities and Industrial Securities	Huatai United Securities	Professional investors	Matching one-click-order, price-enquiry, bidding and agreement trading	No
2021 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Second Tranche) (Type II)	21-CCCC4	173906SH	2021/3/24	2021/3/25	-	2025/3/25	25	4.07	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last instalment shall be paid together with the principal	SSE	Huatai United Securities and Industrial Securities	Huatai United Securities	Professional investors	Matching one-click-order, price-enquiry, bidding and agreement trading	No

Name of bond	Abbreviation	Code	Issuing date	Interest commencement date	Latest resale date after March 29, 2024	Maturity date	Balance	Reporting Period (%)	Principal and interest payment method	Place for trading	Lead underwriter	Trust manager	Arrangement to ensure the suitability of investors	Applicable trading mechanism	Whether there is any risk of delisting or public tender and countermeasures
2021 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Fourth Tranche) (Type II)	21-CCCGB	183091SH	2021/12/17	2021/12/18	-	2023/11/28	10	3.68	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last instalment shall be paid together with the principal	SSE	Huatai United Securities and Industrial Securities	Huatai United Securities	Professional investors	Matching one-click-order, price-enquiry, bidding and agreement trading	No
2022 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (First Tranche) (Type II)	22-CCCGB	136665SH	2022/11/18	2022/11/29	-	2023/11/29	20	3.52	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last instalment shall be paid together with the principal	SSE	Huatai United Securities and Industrial Securities	Huatai United Securities	Professional institutional investors	Matching one-click-order, price-enquiry, bidding and agreement trading	No
2024 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (First Tranche) (Type III)	24-CCCGB	246665SH	2024/2/29	2024/3/14	-	2024/3/14	10	2.70	The interest shall be paid annually and the principal shall be repaid in a lump sum upon maturity. The interest of the last instalment shall be paid together with the principal	SSE	CTIC Securities, China Galaxy Securities and Industrial Securities	CTIC Securities	Professional institutional investors	Matching one-click-order, price-enquiry, bidding and agreement trading	No

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



Interest payment for and redemption of bonds during the Reporting Period:

Name of Bond	Interest payment and redemption
2021 Corporate Bonds of China International Capital Corporation Limited Non-publicly Issued to Professional Institutional Investors (Third Tranche) (Type I)	Paid in full as scheduled
2021 Corporate Bonds of China International Capital Corporation Limited Non-publicly Issued to Professional Institutional Investors (Second Tranche) (Type I)	Paid in full as scheduled
2021 Corporate Bonds of China International Capital Corporation Limited Non-publicly Issued to Professional Institutional Investors (First Tranche) (Type I)	Paid in full as scheduled
2020 Corporate Bonds of China International Capital Corporation Limited Non-publicly Issued to Professional Institutional Investors (Fourth Tranche) (Type II)	Paid in full as scheduled
2020 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Fifth Tranche) (Type I)	Paid in full as scheduled
2020 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Fourth Tranche) (Type I)	Paid in full as scheduled
2020 Corporate Bonds of China International Capital Corporation Limited Non-publicly Issued (Third Tranche)	Paid in full as scheduled
2020 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Qualified Investors (Third Tranche) (Type I)	Paid in full as scheduled
2020 Corporate Bonds of China International Capital Corporation Limited Non-publicly Issued (Second Tranche)	Paid in full as scheduled
2020 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Qualified Investors (Second Tranche) (Type I)	Paid in full as scheduled
2020 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Qualified Investors (First Tranche) (Type I)	Paid in full as scheduled
2020 Corporate Bonds of China International Capital Corporation Limited Non-publicly Issued (First Tranche) (Epidemic Prevention and Control Bond)	Paid in full as scheduled
2018 Subordinated Bonds of China International Capital Corporation Limited Non-publicly Issued (First Tranche)	Paid in full as scheduled
2020 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Seventh Tranche) (Type II)	Payment of interest in full as scheduled
2020 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Sixth Tranche) (Type II)	Payment of interest in full as scheduled
2022 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Second Tranche) (Type I)	Payment of interest in full as scheduled
2022 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (First Tranche) (Type II)	Payment of interest in full as scheduled
2022 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (First Tranche) (Type I)	Payment of interest in full as scheduled

Name of Bond	Interest payment and redemption
2022 Perpetual Subordinated Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Second Tranche)	Payment of interest in full as scheduled
2022 Perpetual Subordinated Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (First Tranche)	Payment of interest in full as scheduled
2021 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Fourth Tranche) (Type I)	Payment of interest in full as scheduled
2021 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Fourth Tranche) (Type II)	Payment of interest in full as scheduled
2021 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Third Tranche) (Type I)	Payment of interest in full as scheduled
2021 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Third Tranche) (Type II)	Payment of interest in full as scheduled
2021 Perpetual Subordinated Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Second Tranche)	Payment of interest in full as scheduled
2021 Corporate Bonds of China International Capital Corporation Limited Non-publicly Issued to Professional Institutional Investors (Third Tranche) (Type II)	Payment of interest in full as scheduled
2021 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Second Tranche) (Type I)	Payment of interest in full as scheduled
2021 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Second Tranche) (Type II)	Payment of interest in full as scheduled
2021 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (First Tranche) (Type I)	Payment of interest in full as scheduled
2021 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (First Tranche) (Type II)	Payment of interest in full as scheduled
2021 Corporate Bonds of China International Capital Corporation Limited Non-publicly Issued to Professional Institutional Investors (Second Tranche) (Type II)	Payment of interest in full as scheduled
2021 Subordinated Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (First Tranche) (Type I)	Payment of interest in full as scheduled
2021 Subordinated Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (First Tranche) (Type II)	Payment of interest in full as scheduled
2021 Perpetual Subordinated Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (First Tranche)	Payment of interest in full as scheduled
2021 Corporate Bonds of China International Capital Corporation Limited Non-publicly Issued to Professional Institutional Investors (First Tranche) (Type II)	Payment of interest in full as scheduled
2020 Perpetual Subordinated Bonds of China International Capital Corporation Limited Publicly Issued to Professional Institutional Investors (First Tranche)	Payment of interest in full as scheduled

Name of Bond	Interest payment and redemption
2020 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Qualified Investors (Second Tranche) (Type II)	Payment of interest in full as scheduled
2020 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Qualified Investors (First Tranche) (Type II)	Payment of interest in full as scheduled
2020 Subordinated Bonds of China International Capital Corporation Limited Non-publicly Issued (First Tranche)	Payment of interest in full as scheduled
2019 Subordinated Bonds of China International Capital Corporation Limited Non-publicly Issued (Fourth Tranche)	Payment of interest in full as scheduled
2019 Subordinated Bonds of China International Capital Corporation Limited Non-publicly Issued (Third Tranche)	Payment of interest in full as scheduled
2019 Subordinated Bonds of China International Capital Corporation Limited Non-publicly Issued (Second Tranche)	Payment of interest in full as scheduled

2020 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Sixth Tranche) (Type II) and 2020 Corporate Bonds of China International Capital Corporation Limited Publicly Issued to Professional Investors (Seventh Tranche) (Type II) were partially resold in 2023, and the principal amount of the resold parts has been repaid in full. Please refer to “Triggering and implementation of the corporate bonds with option clauses” for details.

## 2. Triggering and implementation of the corporate bonds with option clauses

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

Bond Code: 178339.SH, 188575.SH, 138735.SH, 138841.SH, 163362.SH, 163514.SH, 252379.SH, 138664.SH, 138842.SH, 240632.SH, 115448.SH, 115690.SH, 188576.SH, 252158.SH, 252380.SH, 240416.SH, 115691.SH, 252159.SH, 240417.SH, 178338.SH, 178000.SH, 177614.SH, 177386.SH, 175326.SH, 175263.SH, 175190.SH, 175122.SH, 167287.SH, 163610.SH, 166857.SH, 163513.SH, 163361.SH, 166132.SH

Bond Abbreviation: 21 CICC F6, 21 CICC G5, 22 CICC G3, 23 CICC G1, 20 CICC G2, 20 CICC G4, 23 CICC F3, 22 CICC G1, 23 CICC G2, 24 CICC G1, 23 CICC G3, 23 CICC G5, 21 CICC G6, 23 CICC F1, 23 CICC F4, 23 CICC G7, 24 CICC G2, 23 CICC G6, 23 CICC F2, 23 CICC G8, 21 CICC F5, 21CICC F3, 21CICC F1, 20 CICC F5, 20 CICC 14, 20 CICC 12, 20 CICC 09, 20 CICC 07, 20 CICC F3, 20 CICC G5, 20 CICC F2, 20 CICC G3, 20 CICC G1 and 20 CICC F1

Triggering and implementation of the option clauses during the Reporting Period:

21 CICC F5: The Company has the right to decide to adjust the coupon rate for the subsequent maturities of the bonds at the end of the second year of the life of the bonds, and holders of the bonds have the option to register during the announced investor resale registration period so as to sell back all or part of their bonds to the Company at par value. The Company announced on March 15, 2023 that the coupon rate would be adjusted at 1.60% on April 13, 2023. Investors of the bonds choose to redeem all of them to the Company via the auction trading system or the integrated electronic platform for fixed income securities of the Shanghai Stock Exchange within the resale registration period, and the Company does not resell the "21 CICC F5" redeemed, with the redemption amount of RMB1,000,000,000.00. Implementation of the option clauses has no impact on investors' rights and interests.

21 CICC F3: The Company has the right to decide to adjust the coupon rate for the subsequent maturities of the bonds at the end of the second year of the life of the bonds, and holders of the bonds have the option to register during the announced investor resale registration period so as to sell back all or part of their bonds to the Company at par value. The Company announced on February 6, 2023 that the coupon rate would be adjusted at 1.50% on March 4, 2023. Investors of the bonds choose to redeem all of them to the Company via the auction trading system or the integrated electronic platform for fixed income securities of the Shanghai Stock Exchange within the resale registration period, and the Company does not resell the "21 CICC F3" redeemed, with the redemption amount of RMB1,500,000,000.00. Implementation of the option clauses has no impact on investors' rights and interests.

21 CICC F1: The Company has the right to decide to adjust the coupon rate for the subsequent maturities of the bonds at the end of the second year of the life of the bonds, and holders of the bonds have the option to register during the announced investor resale registration period so as to sell back all or part of their bonds to the Company at par value. The Company announced on December 20, 2022 that the coupon rate would be adjusted at 1.80% on January 18, 2023. Investors of the bonds choose to redeem all of them to the Company via the auction trading system or the integrated electronic platform for fixed income securities of the Shanghai Stock Exchange within the resale registration period, and the Company does not resell the "21 CICC F1" redeemed, with the redemption amount of RMB2,500,000,000.00. Implementation of the option clauses has no impact on investors' rights and interests.

20 CICC F5: The Company has the right to decide to adjust the coupon rate for the subsequent maturities of the bonds at the end of the third year of the life of the bonds, and holders of the bonds have the option to register during the announced investor resale registration period so as to sell back all or part of their bonds to the Company at par value. The Company announced on November 16, 2023 that the coupon rate would be adjusted at 1.60% on December 14, 2023. Investors of the bonds choose to redeem all of them to the Company via the auction trading system or the integrated electronic platform for fixed income securities of the Shanghai Stock Exchange within the resale registration period, and the Company does not resell the "20 CICC F5" redeemed, with the redemption amount of RMB2,500,000,000.00. Implementation of the option clauses has no impact on investors' rights and interests.

20 CICC 14: The Company has the right to decide to adjust the coupon rate for the subsequent maturities of the bonds at the end of the third year of the life of the bonds, and holders of the bonds have the option to register during the announced investor resale registration period so as to sell back all or part of their bonds to the Company at par value. The Company announced on September 22, 2023 that the coupon rate would be adjusted at 2.90% on October 28, 2023. Investors of the bonds choose to sell back all or part of them to the Company via the auction trading system or the integrated electronic platform for fixed income securities of the Shanghai Stock Exchange within the resale registration period, and the Company choose to resell the "20 CICC 14" redeemed, with the redemption amount of RMB989,800,000.00. An amount of RMB450,000,000.00 "20 CICC 14" were resold, and the remaining unsold amount of RMB539,800,000.00 corporate bonds were cancelled. Implementation of the option clauses has no impact on investors' rights and interests.

20 CICC 12: The Company has the right to decide to adjust the coupon rate for the subsequent maturities of the bonds at the end of the third year of the life of the bonds, and holders of the bonds have the option to register during the announced investor resale registration period so as to sell back all or part of their bonds to the Company at par value. The Company announced on September 13, 2023 that the coupon rate would be adjusted at 2.95% on October 19, 2023. Investors of the bonds choose to sell back all or part of them to the Company via the auction trading system or the integrated electronic platform for fixed income securities of the Shanghai Stock Exchange within the resale registration period, and the Company choose to resell the "20 CICC 12" redeemed, with the redemption amount of RMB929,500,000.00. An amount of RMB929,500,000.00 "20 CICC 12" were resold, and the remaining unsold amount of RMB0 corporate bonds were cancelled. Implementation of the option clauses has no impact on investors' rights and interests.

20 CICC 09: The Company has the right to decide to adjust the coupon rate for the subsequent maturities of the bonds at the end of the third year of the life of the bonds, and holders of the bonds have the option to register during the announced investor resale registration period so as to sell back all or part of their bonds to the Company at par value. The Company announced on August 28, 2023 that the coupon rate would be adjusted at 1.60% on September 23, 2023. Investors of the bonds choose to sell back all of them to the Company via the auction trading system or the integrated electronic platform for fixed income securities of the Shanghai Stock Exchange within the resale registration period, and the Company does not resell the "20 CICC 09" redeemed, with the redemption amount of RMB5,000,000,000.00. Implementation of the option clauses has no impact on investors' rights and interests.

20 CICC 07: The Company has the right to decide to adjust the coupon rate for the subsequent maturities of the bonds at the end of the third year of the life of the bonds, and holders of the bonds have the option to register during the announced investor resale registration period so as to sell back all or part of their bonds to the Company at par value. The Company announced on August 14, 2023 that the coupon rate would be adjusted at 1.60% on September 10, 2023. Investors of the bonds choose to sell back all of them to the Company via the auction trading system or the integrated electronic platform for fixed income securities of the Shanghai Stock Exchange within the resale registration period, and the Company does not resell the "20 CICC 07" redeemed, with the redemption amount of RMB5,000,000,000.00. Implementation of the option clauses has no impact on investors' rights and interests.

20 CICC F3: The Company has the right to decide to adjust the coupon rate for the subsequent maturities of the bonds at the end of the third year of the life of the bonds, and holders of the bonds have the option to register during the announced investor resale registration period so as to sell back all or part of their bonds to the Company at par value. The Company announced on June 26, 2023 that the coupon rate would be adjusted at 1.70% on July 24, 2023. Investors of the bonds choose to sell back all of them to the Company via the auction trading system or the integrated electronic platform for fixed income securities of the Shanghai Stock Exchange within the resale registration period, and the Company does not resell the "20 CICC F3" redeemed, with the redemption amount of RMB3,000,000,000.00. Implementation of the option clauses has no impact on investors' rights and interests.

20 CICC G5: The Company has the right to decide to adjust the coupon rate for the subsequent maturities of the bonds at the end of the third year of the life of the bonds, and holders of the bonds have the option to register during the announced investor resale registration period so as to sell back all or part of their bonds to the Company at par value. The Company announced on May 25, 2023 that the coupon rate would be adjusted at 1.70% on June 22, 2023. Investors of the bonds choose to sell back all of them to the Company via the auction trading system or the integrated electronic platform for fixed income securities of the Shanghai Stock Exchange within the resale registration period, and the Company does not resell the "20 CICC G5" redeemed, with the redemption amount of RMB1,500,000,000.00. Implementation of the option clauses has no impact on investors' rights and interests.

20 CICC F2: The Company has the right to decide to adjust the coupon rate for the subsequent maturities of the bonds at the end of the third year of the life of the bonds, and holders of the bonds have the option to register during the announced investor resale registration period so as to sell back all or part of their bonds to the Company at par value. The Company announced on April 26, 2023 that the coupon rate would be adjusted at 1.70% on May 28, 2023. Investors of the bonds choose to sell back all of them to the Company via the auction trading system or the integrated electronic platform for fixed income securities of the Shanghai Stock Exchange within the resale registration period, and the Company does not resell the "20 CICC F2" redeemed, with the redemption amount of RMB3,000,000,000.00. Implementation of the option clauses has no impact on investors' rights and interests.

20 CICC G3: The Company has the right to decide to adjust the coupon rate for the subsequent maturities of the bonds at the end of the third year of the life of the bonds, and holders of the bonds have the option to register during the announced investor resale registration period so as to sell back all or part of their bonds to the Company at par value. The Company announced on April 4, 2023 that the coupon rate would be adjusted at 1.80% on May 6, 2023. Investors of the bonds choose to sell back all of them to the Company via the auction trading system or the integrated electronic platform for fixed income securities of the Shanghai Stock Exchange within the resale registration period, and the Company does not resell the "20 CICC G3" redeemed, with the redemption amount of RMB3,300,000,000.00. Implementation of the option clauses has no impact on investors' rights and interests.

20 CICC G1: The Company has the right to decide to adjust the coupon rate for the subsequent maturities of the bonds at the end of the third year of the life of the bonds, and holders of the bonds have the option to register during the announced investor resale registration period so as to sell back all or part of their bonds to the Company at par value. The Company announced on March 6, 2023 that the coupon rate would be adjusted at 1.80% on April 3, 2023. Investors of the bonds choose to sell back all of them to the Company via the auction trading system or the integrated electronic platform for fixed income securities of the Shanghai Stock Exchange within the resale registration period, and the Company does not resell the "20 CICC G1" redeemed, with the redemption amount of RMB1,500,000,000.00. Implementation of the option clauses has no impact on investors' rights and interests.

20 CICC F1: The Company has the right to decide to adjust the coupon rate for the subsequent maturities of the bonds at the end of the third year of the life of the bonds, and holders of the bonds have the option to register during the announced investor resale registration period so as to sell back all or part of their bonds to the Company at par value. The Company announced on January 30, 2023 that the coupon rate would be adjusted at 1.80% on February 26, 2023. Investors of the bonds choose to sell back all of them to the Company via the auction trading system or the integrated electronic platform for fixed income securities of the Shanghai Stock Exchange within the resale registration period, and the Company does not resell the "20 CICC F1" redeemed, with the redemption amount of RMB4,000,000,000.00. Implementation of the option clauses has no impact on investors' rights and interests.

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

Bond Code: 175075.SH, 175720.SH, 188054.SH, 185245.SH, 137871.SH

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

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

### **3. Triggering and implementation of the corporate bonds with investor protection clauses**

Bond Code:185097.SH, 185091.SH, 185245.SH, 137871.SH, 138664.SH, 138665.SH, 138735.SH, 138841.SH, 138842.SH, 115448.SH, 115690.SH, 115691.SH, 252158.SH, 252159.SH, 252379.SH, 252380.SH, 240347.SH, 240348.SH, 240416.SH, 240417.SH, 240514.SH, 240515.SH, 240632.SH, 240635.SH, 240636.SH

Bond Abbreviation: 21 CICC G7, 21 CICC G8, 22 CICC Y1, 22 CICC Y2, 22 CICC G1, 22 CICC G2, 22 CICC G3, 23 CICC G1, 23 CICC G2, 23 CICC G3, 23 CICC G5, 23 CICC G6, 23 CICC F1, 23 CICC F2, 23 CICC F3, 23 CICC F4, 23 CICC C1, 23 CICC C2, 23 CICC G7, 23 CICC G8, 24 CICC C1, 24 CICC C2, 24 CICC G1, 24 CICC G2 and 24 CICC G3

Investor Protection Clauses Agreed in the Bonds:

#### *(I) Credit maintenance commitment*

The issuer undertakes that the following circumstances will not occur during the duration of the bonds:

1. The issuer has reduced its capital by more than 20% of the original registered capital within a natural year, or has been separated or ordered to cease production and operations.
2. In the event the issuer violates the credit maintenance commitment stipulated in Article 1 above during the duration of the bonds, the issuer will take timely measures to restore relevant requirements of the commitment within half a year.
3. When the issuer violates the credit maintenance commitment or it occurs or is expected to occur related matters that will affect the solvency, the issuer will notify the trustee within 2 trading days and perform the obligation of information disclosure.
4. In the event the issuer violates the credit maintenance commitment and fails to restore the commitment within the time limit specified in Article 2 above, the holder is entitled to request the issuer to take negative matter relief measures in accordance with the relief measures.



*(II) Relief measures*

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

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

**4. Intermediaries providing services for bond issuance and on-going business***(I) Accounting Firms Issuing the Auditor's Report*

Name	Deloitte Touche Tohmatsu Certified Public Accountants LLP
Office address	30/F, No. 222 East Yan'an Road, Huangpu District, Shanghai
Contact person	Ma Hing Fai (signing certified public accountant), Ma Qianlu (signing certified public accountant)
Contact number	010-85207788
Name	KPMG Huazhen LLP
Office address	8/F, Tower E2, Oriental Plaza, 1 East Chang'an Avenue, Dongcheng District, Beijing
Contact person	Cheng Hailiang (signing certified public accountant), Xi Xia (signing certified public accountant)
Contact number	010-85085000

*(II) Trustee/Debt Agency*

Bond Code	178339.SH, 188575.SH, 185097.SH, 138735.SH, 138841.SH, 175075.SH, 252379.SH, 138664.SH, 138842.SH, 115448.SH, 115690.SH, 188576.SH, 252158.SH, 252380.SH, 115691.SH, 252159.SH, 175857.SH, 175906.SH, 185091.SH, 138665.SH
Bond Abbreviation	21 CICC F6, 21 CICC G5, 21 CICC G7, 22 CICC G3, 23 CICC G1, 20 CICC Y1, 23 CICC F3, 22 CICC G1, 23 CICC G2, 23 CICC G3, 23 CICC G5, 21 CICC G6, 23 CICC F1, 23 CICC F4, 23 CICC G6, 23 CICC F2, 21 CICC G2, 21 CICC G4, 21 CICC G8, 22 CICC G2
Name	Huatai United Securities Co., Ltd.
Office address	Room 401, Block B7, Qianhai Shenzhen-Hong Kong Fund Town, No. 128 Guiwan 5th Road, Nanshan Sub-district, Qianhai Shenzhen-Hong Kong Cooperation Zone, Shenzhen
Contact person	Wang Chengcheng
Contact number	025-83389257
Bond Code	162273.SH, 162470.SH, 162645.SH, 166069.SH, 163362.SH, 163514.SH, 175263.SH, 175326.SH, 175720.SH, 175750.SH, 240632.SH, 188054.SH, 240347.SH, 240416.SH, 185245.SH, 240514.SH, 240635.SH, 137871.SH, 240348.SH, 240417.SH, 240515.SH, 240636.SH
Bond Abbreviation	19 CICC C3, 19 CICC C4, 19 CICC C5, 20 CICC C1, 20 CICC G2, 20 CICC G4, 20 CICC 12, 20 CICC 14, 21 CICC Y1, 21 CICC C2, 24 CICC G1, 21 CICC Y2, 23 CICC C1, 23 CICC G7, 22 CICC Y1, 24 CICC C1, 24 CICC G2, 22 CICC Y2, 23 CICC C2, 23 CICC G8, 24 CICC C2, 24 CICC G3
Name	CITIC Securities Company Limited
Office address	CITIC Securities Tower, No. 48 Liangmaqiao Road, Chaoyang District, Beijing
Contact person	Qi Jihua, Hu Fujie
Contact number	010-60838888

*(III) Credit Rating Agency*

Bond Code	188575.SH, 185097.SH, 138735.SH, 138841.SH, 163362.SH, 163514.SH, 175075.SH, 175263.SH, 175326.SH, 138664.SH, 138842.SH, 175720.SH, 175750.SH, 240632.SH, 188054.SH, 115448.SH, 115690.SH, 188576.SH, 240347.SH, 240416.SH, 185245.SH, 240514.SH, 240635.SH, 137871.SH, 115691.SH, 240348.SH, 240417.SH, 240515.SH, 175857.SH, 175906.SH, 185091.SH, 138665.SH, 240636.SH
Bond Abbreviation	21 CICC G5, 21 CICC G7, 22 CICC G3, 23 CICC G1, 20 CICC G2, 20 CICC G4, 20 CICC Y1, 20 CICC 12, 20 CICC 14, 22 CICC G1, 23 CICC G2, 21 CICC Y1, 21 CICC C2, 24 CICC G1, 21 CICC Y2, 23 CICC G3, 23 CICC G5, 21 CICC G6, 23 CICC C1, 23 CICC G7, 22 CICC Y1, 24 CICC C1, 24 CICC G2, 22 CICC Y2, 23 CICC G6, 23 CICC C2, 23 CICC G8, 24 CICC C2, 21 CICC G2, 21 CICC G4, 21 CICC G8, 22 CICC G2, 24 CICC G3
Name	China Chengxin International Credit Rating Co., Ltd.
Office address	Building 5, Galaxy SOHO, No.2 Nanzhugan Hutong, Chaoyangmennei Street, Dongcheng District, Beijing
Contact person	Zheng Yaozong (鄭耀宗), Bairu (白茹), Fan Qiaojing
Contact number	010-66428877

*(IV) Underwriter*

Bond Code	178339.SH, 188575.SH, 185097.SH, 138735.SH, 138841.SH, 175075.SH, 252379.SH, 175263.SH, 175326.SH, 138664.SH, 138842.SH, 175720.SH, 175750.SH, 188054.SH, 115448.SH, 115690.SH, 188576.SH, 252158.SH, 252380.SH, 185245.SH, 137871.SH, 115691.SH, 252159.SH, 175857.SH, 175906.SH, 185091.SH, 138665.SH
Bond Abbreviation	21 CICC F6, 21 CICC G5, 21 CICC G7, 22 CICC G3, 23 CICC G1, 20 CICC Y1, 23 CICC F3, 20 CICC 12, 20 CICC 14, 22 CICC G1, 23 CICC G2, 21 CICC Y1, 21 CICC C2, 21 CICC Y2, 23 CICC G3, 23 CICC G5, 21 CICC G6, 23 CICC F1, 23 CICC F4, 22 CICC Y1, 22 CICC Y2, 23 CICC G6, 23 CICC F2, 21 CICC G2, 21 CICC G4, 21 CICC G8, 22 CICC G2
Name	Huatai United Securities Co., Ltd.
Office address	Room 401, Block B7, Qianhai Shenzhen-Hong Kong Fund Town, No. 128 Guiwan 5th Road, Nanshan Sub-district, Qianhai Shenzhen-Hong Kong Cooperation Zone, Shenzhen
Contact person	Wang Chengcheng
Contact number	025-83389257

Bond Code	162273.SH, 162470.SH, 162645.SH, 166069.SH, 163362.SH, 163514.SH, 175263.SH, 175326.SH, 175720.SH, 175750.SH, 240632.SH, 188054.SH, 240347.SH, 240416.SH, 185245.SH, 240514.SH, 240635.SH, 137871.SH, 240348.SH, 240417.SH, 240515.SH, 240636.SH
Bond Abbreviation	19 CICC C3, 19 CICC C4, 19 CICC C5, 20 CICC C1, 20 CICC G2, 20 CICC G4, 20 CICC 12, 20 CICC 14, 21 CICC Y1, 21 CICC C2, 24 CICC G1, 21 CICC Y2, 23 CICC C1, 23 CICC G7, 22 CICC Y1, 24 CICC C1, 24 CICC G2, 22 CICC Y2, 23 CICC C2, 23 CICC G8, 24 CICC C2, 24 CICC G3
Name	CITIC Securities Company Limited
Office address	CITIC Securities Tower, No. 48 Liangmaqiao Road, Chaoyang District, Beijing
Contact person	Qi Jihua, Hu Fujie
Contact number	010-60838888
Bond Code	188575.SH, 185097.SH, 138735.SH, 138841.SH, 138664.SH, 138842.SH, 240632.SH, 115448.SH, 115690.SH, 188576.SH, 240416.SH, 240635.SH, 115691.SH, 240417.SH, 175857.SH, 175906.SH, 185091.SH, 138665.SH, 240636.SH
Bond Abbreviation	21 CICC G5, 21 CICC G7, 22 CICC G3, 23 CICC G1, 22 CICC G1, 23 CICC G2, 24 CICC G1, 23 CICC G3, 23 CICC G5, 21 CICC G6, 23 CICC G7, 24 CICC G2, 23 CICC G6, 23 CICC G8, 21 CICC G2, 21 CICC G4, 21 CICC G8, 22 CICC G2, 24 CICC G3
Name	Industrial Securities Co., Ltd.
Office address	6th Floor, Industrial Securities Building, No.36 Changliu Road, Pudong New District, Shanghai
Contact person	Yang Lingshan
Contact number	021-38565614
Bond Code	162273.SH, 162470.SH, 162645.SH, 166069.SH
Bond Abbreviation	19 CICC C3, 19 CICC C4, 19 CICC C5, 20 CICC C1
Name	Soochow Securities Co., Ltd.
Office address	No. 5 Xingyang Street, Suzhou Industrial Park Zone
Contact person	Hu Junhua
Contact number	0512-62938667

Bond Code	178339.SH, 163362.SH, 163514.SH, 240347.SH, 240514.SH, 240348.SH, 240515.SH
Bond Abbreviation	21 CICC F6, 20 CICC G2, 20 CICC G4, 23 CICC C1, 24 CICC C1, 23 CICC C2, 24 CICC C2
Name	CSC Financial Co., Ltd.
Office address	Building No.4, No.66 Anli Road, Chaoyang District, Beijing
Contact person	Wang Sen
Contact number	010-56051876

Bond Code	240632.SH, 240347.SH, 240416.SH, 240514.SH, 240635.SH, 240348.SH, 240417.SH, 240515.SH, 240636.SH
Bond Abbreviation	24 CICC G1, 23 CICC C1, 23 CICC G7, 24 CICC C1, 24 CICC G2, 23 CICC C2, 23 CICC G8, 24 CICC C2, 24 CICC G3
Name	China Galaxy Securities Co., Ltd.
Office address	11/F, Qinghai Finance Building, Building No. 1, No. 8 Xiying Street, Fengtai District, Beijing
Contact person	Chen Qu (陳曲), Deng Xiaoxia (鄧小霞)
Contact number	010-80927231, 010-80927268

(V) *Law firm*

Bond Code	178339.SH, 188575.SH, 162273.SH, 162470.SH, 162645.SH, 185097.SH, 138735.SH, 138841.SH, 166069.SH, 163362.SH, 163514.SH, 175075.SH, 252379.SH, 175263.SH, 175326.SH, 138664.SH, 138842.SH, 175720.SH, 175750.SH, 240632.SH, 188054.SH, 115448.SH, 115690.SH, 188576.SH, 252158.SH, 252380.SH, 240347.SH, 240416.SH, 185245.SH, 240514.SH, 240635.SH, 137871.SH, 115691.SH, 252159.SH, 240348.SH, 240417.SH, 240515.SH, 175857.SH, 175906.SH, 185091.SH, 138665.SH, 240636.SH
Bond Abbreviation	21 CICC F6, 21 CICC G5, 19 CICC C3, 19 CICC C4, 19 CICC C5, 21 CICC G7, 22 CICC G3, 23 CICC G1, 20 CICC C1, 20 CICC G2, 20 CICC G4, 20 CICC Y1, 23 CICC F3, 20 CICC 12, 20 CICC 14, 22 CICC G1, 23 CICC G2, 21 CICC Y1, 21 CICC C2, 24 CICC G1, 21 CICC Y2, 23 CICC G3, 23 CICC G5, 21 CICC G6, 23 CICC F1, 23 CICC F4, 23 CICC C1, 23 CICC G7, 22 CICC Y1, 24 CICC C1, 24 CICC G2, 22 CICC Y2, 23 CICC G6, 23 CICC F2, 23 CICC C2, 23 CICC G8, 24 CICC C2, 21 CICC G2, 21 CICC G4, 21 CICC G8, 22 CICC G2, 24 CICC G3
Name	Haiwen & Partners
Office address	20/F, Fortune Financial Center, 5 Dong San Huan Central Road, Chaoyang District, Beijing
Contact person	Gao Wei, Wei Shuangjuan
Contact number	010-85606888

During the Reporting Period, no change has been made in the above-mentioned intermediary agencies of the Company.

Unit: RMB in 100 million

5. The use of proceeds

The use of funds raised with corporate bonds during the Reporting Period is as follows:

Bond code	Bond abbreviation	Bond name	Whether it is one of the types of corporate bonds	The specific type of special types of corporate bonds	Whether the type of special types of corporate bonds	Balance of proceeds at the end of the Reporting Period	Balance of account for proceeds at the end of the Reporting Period	Special account for proceeds at the end of the Reporting Period	Whether the actual use is consistent with the agreed use	Operation of specialized accounts	Whether the change and adjustment of proceeds adjust the use of proceeds	Whether the procedure conforms to the provisions of the use of information and disclosure	The change and adjustment of the use of information and disclosure	Use of proceeds during the Reporting Period and its legal compliance	Actual amount of proceeds used during the Reporting Period	1.1.Amount to repay interest-bearing debt (excluding corporate bonds)	1.2.Repayment of interest-bearing debt (excluding corporate bonds)	2.1.Amount to repay corporate bonds	2.2.Repayment of corporate bonds	3.1.Amount to replenish the working capital (excluding temporary replenishment)	3.2.Replenishment of the working capital (excluding temporary replenishment)	
13801SH	23CCC G1	2023 Corporate Bonds of China International Capital Corporation Limited(Publicly Issued to Professional Investors (First Tranche)) (Type I)	No	N/A	No	0	0	0	Yes	Normal	No	N/A	N/A	N/A	10	0	N/A	0	N/A	10	0	On January 17, 2023, the Company used 10 billion of proceeds to replenish the Company's working capital.
13802SH	23CCC G2	2023 Corporate Bonds of China International Capital Corporation Limited(Publicly Issued to Professional Investors (First Tranche)) (Type I)	No	N/A	No	30	0	0	Yes	Normal	No	N/A	N/A	N/A	30	0	N/A	0	N/A	30	0	On January 17, 2023, the Company used 30 billion of proceeds to replenish the Company's working capital.
13946SH	23CCC G3	2023 Corporate Bonds of China International Capital Corporation Limited(Publicly Issued to Professional Investors (Second Tranche)) (Type I)	No	N/A	No	50	0	0	Yes	Normal	No	N/A	N/A	N/A	50	0	N/A	50	0	0	N/A	On June 6, 2023, the Company used 15 billion of proceeds to repay 20 CCC G1 redit on April 13, 2023; 10 billion of proceeds to repay 21 CCC F5 redit on April 13, 2023; 1.0 billion of proceeds to repay 18 CCC G1 matured on April 20, 2023; 15 billion of proceeds to repay 20 CCC G1 redit on May 6, 2023.
13950SH	23CCC G5	2023 Corporate Bonds of China International Capital Corporation Limited(Publicly Issued to Professional Investors (Third Tranche)) (Type I)	No	N/A	No	30	0	0	Yes	Normal	No	N/A	N/A	N/A	30	0	N/A	30	0	0	N/A	On July 24, 2023, the Company used 18 billion of proceeds to repay 20 CCC G3 redit on May 6, 2023; 2 billion of proceeds to repay 20 CCC F2 redit on May 28, 2023; 10 billion of proceeds to repay 20 CCC G5 redit on June 22, 2023.
13950SH	23CCC G6	2023 Corporate Bonds of China International Capital Corporation Limited(Publicly Issued to Professional Investors (Third Tranche)) (Type I)	No	N/A	No	20	0	0	Yes	Normal	No	N/A	N/A	N/A	20	0	N/A	20	0	0	N/A	On July 24, 2023, the Company used 13 billion of proceeds to repay 20 CCC G5 redit on May 6, 2023; 10 billion of proceeds to repay 20 CCC F2 redit on May 28, 2023; 10 billion of proceeds to repay 20 CCC G5 redit on June 22, 2023.

Bond code	Bond abbreviation	Bond name	Whether it is one of special types of corporate bonds	The specific type of corporate bonds	Whether the special proceeds assist the end of the Reporting Period	Balance of special proceeds at the end of the Reporting Period	Total Reporting Period	Whether the actual use is consistent with the agreed use	Operation of specialized accounts	Whether the change and adjustment of proceeds adjust the use of prospectus	Whether the procedure conforms to the provisions of the use of proceeds	The information on change and adjustment of use of proceeds and disclosure	Actual amount of interest-bearing debt (excluding corporate bonds)	1.1 Amount to repay interest-bearing debt (excluding corporate bonds)	1.2 Repayment of interest-bearing debt (excluding corporate bonds)	2.1 Amount to repay corporate bonds	2.2 Repayment of corporate bonds	3.1 Amount to replenish the working capital (excluding temporary replenishment)	3.2 Replenishment of working capital (excluding temporary replenishment)			
																				Use of proceeds as the end of the Reporting Period (including actual use and temporary replenishment)	Whether to adjust the use of proceeds	Whether the actual use is consistent with the agreed use
252183H	23 CCCC F1	2023 Corporate Bonds of China International Capital Corporation Limited (Non-publicly issued) to Professional Investors (Frs Tranche) (Type I)	No	N/A	0	0	0	Yes	Normal	No	N/A	N/A	10	0	N/A	0	N/A	10	0	N/A	10	On August 28, 2023, the Company used 10 billion of proceeds to replenish the Company's working capital.
252195H	23 CCCC F2	2023 Corporate Bonds of China International Capital Corporation Limited (Non-publicly issued) to Professional Investors (Frs Tranche) (Type II)	No	N/A	0	0	0	Yes	Normal	No	N/A	N/A	40	0	N/A	0	N/A	40	0	N/A	40	On August 28, 2023, the Company used 40 billion of proceeds to replenish the Company's working capital.
252205H	23 CCCC F3	2023 Corporate Bonds of China International Capital Corporation Limited (Non-publicly issued) to Professional Investors (Frs Tranche) (Type II)	No	N/A	0	0	0	Yes	Normal	No	N/A	N/A	20	0	N/A	0	N/A	20	0	N/A	20	On September 18, 2023, the Company used 20 billion of proceeds to replenish the Company's working capital.
252280H	23 CCCC F4	2023 Corporate Bonds of China International Capital Corporation Limited (Non-publicly issued) to Professional Investors (Second Tranche) (Type I)	No	N/A	0	0	0	Yes	Normal	No	N/A	N/A	30	0	N/A	0	N/A	30	0	N/A	30	On September 18, 2023, the Company used 30 billion of proceeds to replenish the Company's working capital.
240475H	23 CCCC C1	2023 Subordinated Bonds of China International Capital Corporation Limited (Publicly issued) to Professional Investors (Second Tranche) (Type II)	No	N/A	0	0	0	Yes	Normal	No	N/A	N/A	5	0	N/A	0	N/A	5	0	N/A	5	On December 7, 2023, the Company used 5 billion of proceeds to replenish the Company's working capital.
240485H	23 CCCC C2	2023 Subordinated Bonds of China International Capital Corporation Limited (Publicly issued) to Professional Investors (First Tranche) (Type I)	No	N/A	0	0	0	Yes	Normal	No	N/A	N/A	20	0	N/A	0	N/A	20	0	N/A	20	On December 7, 2023, the Company used 20 billion of proceeds to replenish the Company's working capital.
240465H	23 CCCC G7	2023 Corporate Bonds of China International Capital Corporation Limited (Publicly issued) to Professional Investors (Fourth Tranche) (Type I)	No	N/A	0	0	0	Yes	Normal	No	N/A	N/A	30	0	N/A	30	0	N/A	30	0	N/A	On December 21, 2023, the Company used 30 billion of proceeds to replace 20 CCCC 09 resolved on September 21, 2023.
240475H	23 CCCC C3	2023 Corporate Bonds of China International Capital Corporation Limited (Publicly issued) to Professional Investors (Fourth Tranche) (Type II)	No	N/A	0	0	0	Yes	Normal	No	N/A	N/A	10	0	N/A	10	0	N/A	10	0	N/A	On December 21, 2023, the Company used 10 billion of proceeds to replace 20 CCCC 09 resolved on September 21, 2023.

# Particulars of Bonds

Bond code	abreviation	Bond name	Amount of equity investments	51 Amount of equity investments, debt 6.1	4.3 Amount of investment in fixed assets	4.2 Other or asset purpose acquisitions	6.2 Other or asset purpose acquisitions	Progress of the projects	Operational benefits of the projects	Projects collaboration or playing (if any)	Reporting Period	Changes in projects	Changes in projects (if any)	Procedural changes in projects	Impact of changes in the use gains of the projects on the issuer's liquidity and investor equity disclosure etc.	Whether the proceeds raised were used for temporary replacement of the working capital during the reporting period	Whether information on temporary replacement, including but not limited to the purpose of temporary replacement, and exclusion time periods Reporting Period	Whether there was non- compliance of proceeds during the Reporting Period	Whether the use of proceeds was in line with the debt provisions of the local government (if any)	Whether the use of proceeds was in line with the debt provisions of the local government (if any)
13843H	21.0CC.G	210 Corporate bonds of China International Capital Corporation Limited Publicly Issuable Professional Investor First Tranche (Type I)	0	N/A	0	N/A	N/A	No	N/A	N/A	N/A	No	N/A	N/A	N/A	No	N/A	NA	NA	
13862SH	21.0CC.Q	210 Corporate bonds of China International Capital Corporation Limited Publicly Issuable Professional Investor First Tranche (Type I)	0	N/A	0	N/A	N/A	No	N/A	N/A	N/A	No	N/A	N/A	N/A	No	N/A	NA	NA	
115483H	21.0CC.G	210 Corporate bonds of China International Capital Corporation Limited Publicly Issuable Professional Investor First Tranche (Type I)	0	N/A	0	N/A	N/A	No	N/A	N/A	N/A	No	N/A	N/A	N/A	No	N/A	NA	NA	
115683H	21.0CC.G	210 Corporate bonds of China International Capital Corporation Limited Publicly Issuable Professional Institutional Investors (Secured Tranche) (Type I)	0	N/A	0	N/A	N/A	No	N/A	N/A	N/A	No	N/A	N/A	N/A	No	N/A	NA	NA	
115683H	21.0CC.G	210 Corporate bonds of China International Capital Corporation Limited Publicly Issuable Professional Institutional Investors (Unsecured Tranche) (Type I)	0	N/A	0	N/A	N/A	No	N/A	N/A	N/A	No	N/A	N/A	N/A	No	N/A	NA	NA	
201393SH	21.0CC.F1	210 Corporate bonds of China International Capital Corporation Limited Nonpublicly Issuable Professional Investor First Tranche (Type I)	0	N/A	0	N/A	N/A	No	N/A	N/A	N/A	No	N/A	N/A	N/A	No	N/A	NA	NA	
201393SH	21.0CC.F2	210 Corporate bonds of China International Capital Corporation Limited Nonpublicly Issuable Professional Investor First Tranche (Type I)	0	N/A	0	N/A	N/A	No	N/A	N/A	N/A	No	N/A	N/A	N/A	No	N/A	NA	NA	



Bond code	Bond abbreviation	Bond name	Amount of investment in fixed assets	4.1 Investment in fixed assets	4.2 Investment in fixed assets	5.1 Amount of equity investments, debt investments or asset acquisitions	6.1 Amount of debt investments or asset acquisitions	Whether the proceeds will be used for investment in fixed asset or other specific projects such as equity investments, debt investments or asset acquisitions	Whether there were any significant changes in projects or whether they may affect the plan for use of proceeds during the Reporting Period	Changes in the use of proceeds after the Reporting Period that may affect the actual operation of the projects	Impact of change in the use of proceeds on the issuer's solvency and liquidity, etc.	Whether the proceeds raised were used for temporary replacement of the working capital during the Reporting Period	Whether the proceeds raised were used for temporary replacement of the working capital during the Reporting Period	Whether the use of proceeds has been completed and information on the completion of proceeds	Whether the use of proceeds has been completed and information on the completion of proceeds	Whether the use of proceeds has been completed and information on the completion of proceeds	Whether the use of proceeds has been completed and information on the completion of proceeds
233735H	23 0CC F3	2023 Corporate Bonds of China International Capital Corporation Limited (Non-publi	0	N/A	N/A	0	N/A	No	No	N/A	N/A	No	N/A	N/A	N/A	N/A	N/A
233835H	23 0CC F4	2023 Corporate Bonds of China International Capital Corporation Limited (Non-publi	0	N/A	N/A	0	N/A	No	No	N/A	N/A	No	N/A	N/A	N/A	N/A	N/A
240435H	24 0CC C1	2024 Subordinated Bonds of China International Capital Corporation Limited (Publi	0	N/A	N/A	0	N/A	No	No	N/A	N/A	No	N/A	N/A	N/A	N/A	N/A
240435H	24 0CC C2	2024 Subordinated Bonds of China International Capital Corporation Limited (Publi	0	N/A	N/A	0	N/A	No	No	N/A	N/A	No	N/A	N/A	N/A	N/A	N/A
240435H	24 0CC G7	2024 Corporate Bonds of China International Capital Corporation Limited (Publi	0	N/A	N/A	0	N/A	No	No	N/A	N/A	No	N/A	N/A	N/A	N/A	N/A
240435H	24 0CC G8	2024 Corporate Bonds of China International Capital Corporation Limited (Publi	0	N/A	N/A	0	N/A	No	No	N/A	N/A	No	N/A	N/A	N/A	N/A	N/A

As of the end of the Reporting Period, the use of proceeds raised from other outstanding bonds was as follows:

Unit: RMB in 100 million

<b>Bond abbreviation</b>	<b>Total proceeds</b>	<b>Utilized proceeds</b>	<b>Unutilized proceeds</b>	<b>The operating condition of the special account for the proceeds</b>	<b>Correction of non-compliance with the use of proceeds</b>	<b>Whether the use of proceeds is in compliance with the use, utilization plan and other agreements in the prospectus</b>
19 CICC C3	15	15	0	Normal	N/A	Yes
19 CICC C4	15	15	0	Normal	N/A	Yes
19 CICC C5	20	20	0	Normal	N/A	Yes
20 CICC C1	15	15	0	Normal	N/A	Yes
20 CICC G2	10	10	0	Normal	N/A	Yes
20 CICC G4	7	7	0	Normal	N/A	Yes
20 CICC Y1	50	50	0	Normal	N/A	Yes
20 CICC 12	25	25	0	Normal	N/A	Yes
20 CICC 14	30	30	0	Normal	N/A	Yes
21 CICC F2	25	25	0	Normal	N/A	Yes
21 CICC Y1	15	15	0	Normal	N/A	Yes
21 CICC C1	10	10	0	Normal	N/A	Yes
21 CICC C2	10	10	0	Normal	N/A	Yes
21 CICC F4	20	20	0	Normal	N/A	Yes
21 CICC G1	20	20	0	Normal	N/A	Yes
21 CICC G2	20	20	0	Normal	N/A	Yes
21 CICC G3	15	15	0	Normal	N/A	Yes
21 CICC G4	25	25	0	Normal	N/A	Yes
21 CICC F6	35	35	0	Normal	N/A	Yes
21 CICC Y2	20	20	0	Normal	N/A	Yes
21 CICC G5	10	10	0	Normal	N/A	Yes
21 CICC G6	15	15	0	Normal	N/A	Yes
21 CICC G7	25	25	0	Normal	N/A	Yes
21 CICC G8	10	10	0	Normal	N/A	Yes
22 CICC Y1	39	39	0	Normal	N/A	Yes
22 CICC Y2	40	40	0	Normal	N/A	Yes
22 CICC G1	25	25	0	Normal	N/A	Yes
22 CICC G2	20	20	0	Normal	N/A	Yes
22 CICC G3	10	10	0	Normal	N/A	Yes

No change has been made in the use of proceeds raised from the above-mentioned bonds of the Company, and there was no use for construction project, fixed asset investment, equity investment, debt investment and other specific projects. None of the net gains of the reported projects of the Company decreased by more than 50% compared to that disclosed in the prospectus and other documents as at the end of the Reporting Period.

- 6. During the Reporting Period, the credit rating against the Company by rating companies has not been adjusted**
- 7. Implementation, changes and their impacts of credit enhancement mechanism, debt repayment plan and other debt repayment guarantee measures during the Reporting Period**

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

### **(III) Debt financing instruments of non-financial institutions in the inter-bank bond market**

During the Reporting Period, the Company had no debt financing instruments of non-financial institutions in the inter-bank bond market.

### **(IV) Other matters to be disclosed in respect of certain types of bonds**

1. The Company has not issued exchangeable bonds
2. The Company is a listed company and has not issued convertible bonds
3. The Company has not issued green bonds

4. As of the approval date of the periodic report, the Company has the following perpetual subordinated bonds

Unit: RMB in 100 million

Bond code	Bond abbreviation	Balance of bond	Renewal	Interest step-up	Interest deferral	Enforcement of interest payment	Whether they are still included in equity and corresponding accounting treatment or not	Other
175075.SH	20 CICC Y1	50	Nil	Nil	Nil	Nil	Yes	Nil
175720.SH	21 CICC Y1	15	Nil	Nil	Nil	Nil	Yes	Nil
188054.SH	21 CICC Y2	20	Nil	Nil	Nil	Nil	Yes	Nil
185245.SH	22 CICC Y1	39	Nil	Nil	Nil	Nil	Yes	Nil
137871.SH	22 CICC Y2	40	Nil	Nil	Nil	Nil	Yes	Nil

5. The Company has not issued poverty alleviation bonds
6. The Company has not issued rural revitalization bonds
7. The Company has not issued Belt and Road bonds
8. The Company has not issued science and technology innovation bonds or innovation and entrepreneurship corporate bonds
9. The Company has not issued low-carbon transition-linked corporate bonds
10. The Company has not issued bailout corporate bonds
11. The Company has not issued micro, small and medium-sized enterprise support bonds

#### (V) Other description

During the Reporting Period, the Company had no convertible corporate bonds.

On the date of approval of the periodic report, the Company does not have bonds for ordinary investors.

During the Reporting Period, the Company had no loss representing more than 10% of net assets as at the end of last year on a consolidated basis and had no overdue interest-bearing debt, and did not violate any provisions of laws and regulations, self-regulatory rules, the *Articles of Association* and the *Policy on Information Disclosure Management*, nor any agreements or undertakings under the bond prospectus.

### III. MAJOR ACCOUNTING DATA AND FINANCIAL INDICATORS FOR THE LAST TWO YEARS

Unit: RMB in million

Major indicators	December 31, 2023	December 31, 2022	% of change
Current ratio	1.9	1.8	3.5%
Quick ratio	1.9	1.8	3.5%
Gearing ratio	80.6%	82.1%	Decreased by 1.5 percentage points

Major indicators	2023	2022	% of change
Earnings before interest, tax, depreciation and amortization (EBITDA)	18,968.1	19,545.6	(3.0%)
EBITDA to total debts ratio	6.8%	7.1%	Decreased by 0.3 percentage point
Interest coverage ratio	1.7	2.0	(18.1%)
Cash interest coverage ratio	(0.3)	6.0	N/A
EBITDA interest coverage ratio	1.8	2.2	(17.3%)
Loan repayment ratio	100.0%	100.0%	–
Interest repayment ratio	100.0%	100.0%	–

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

### IV. DESCRIPTION OF OTHER FINANCING ACTIVITIES

In 2023, the Group completed 2,941 issuances of beneficiary certificates, with an aggregate principal amount of RMB48,386 million. As of December 31, 2023, the aggregate principal of the Group's outstanding beneficiary certificates amounted to RMB16,063 million.

In 2023, the Group completed 54 issuances of financing notes, with an aggregate principal amount of US\$215 million, RMB148.90 million, JPY149.99 million and HK\$40.49 million. As of December 31, 2023, the aggregate principals of the Group's outstanding financing notes in USD were US\$40 million.

As of December 31, 2023, the balance of bank borrowings of the Group's Hong Kong subsidiaries amounted to US\$2,333 million, and the overdraft amounted to US\$796,978.60.

# INFORMATION DISCLOSURE OF SECURITIES COMPANIES

## MAJOR ADMINISTRATIVE APPROVALS OF THE COMPANY

No.	Recipient of approval	Name of approval document/ business license	No. of approval document/ certificate	Approval agency	Date of approval
1	China International Capital Corporation Limited	Approval relating to the Registration of Perpetual Subordinated Corporate Bonds Publicly Issued to Professional Investors of China International Capital Corporation Limited	Zheng Jian Xu Ke [2023] No. 193	CSRC	2023/1/30
2	China International Capital Corporation Limited	Approval relating to the Qualification of Market-making Transactions in Listed Securities Business of China International Capital Corporation Limited	Zheng Jian Xu Ke [2023] No. 795	CSRC	2023/4/14
3	China International Capital Corporation Limited	Approval relating to the Registration of Subordinated Corporate Bonds Publicly Issued to Professional Investors of China International Capital Corporation Limited	Zheng Jian Xu Ke [2023] No. 862	CSRC	2023/4/20
4	China International Capital Corporation Limited	Approval relating to the Registration of Corporate Bonds Publicly Issued to Professional Investors of China International Capital Corporation Limited	Zheng Jian Xu Ke [2023] No. 973	CSRC	2023/4/25
5	China International Capital Corporation Limited	Certificate of Examination and Registration of Foreign Debt Borrowed by Enterprises	Fa Gai Ban Wai Zhai [2023] No. 86	NDRC	2023/5/17
6	China International Capital Corporation Limited	Approval relating to the Registration of Corporate Bonds Publicly Issued to Professional Investors of China International Capital Corporation Limited	Zheng Jian Xu Ke [2023] No. 2429	CSRC	2023/10/24

Note: The "Date of approval" in the above table is the date of signing of the respective approval or certification, which may differ from the actual date of receipt by the Company.

## **To the Shareholders of China International Capital Corporation Limited**

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

### **OPINION**

We have audited the consolidated financial statements of China International Capital Corporation Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 259 to 436, which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### **BASIS FOR OPINION**

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **KEY AUDIT MATTERS**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**KEY AUDIT MATTERS** *(continued)*

Key Audit Matter	How our audit addressed the key audit matter
<i>Valuation of financial instruments measured at Level III fair value</i>	
<p>We identified the valuation of financial instruments measured at Level III fair value as a key audit matter.</p> <p>As at 31 December 2023, the Group's financial instruments contained those financial instruments measured at Level III fair value, which were mainly private fund investments, unlisted equity investments, restricted stocks, etc. The Group measured the fair value using valuation techniques that involve significant unobservable inputs, including liquidity discount, volatility, market multiplier, etc.</p> <p>For the valuation of these financial instruments measured at Level III fair value, the selection of valuation techniques, the key assumptions and unobservable inputs used in the valuation techniques involve significant estimation of management as disclosed in Note 4(a) and Note 56. We identified the valuation of financial instruments measured at Level III fair value as a key audit matter because the impact of financial instruments measured at Level III fair value on the consolidated financial statement could be significant and it involves significant estimation and judgement of management in determining the valuation of financial instruments measured at Level III fair value.</p> <p>As at 31 December 2023, the Group held financial assets of RMB13,939 million and financial liabilities of RMB12,020 million measured at Level III fair values as disclosed in Note 56.</p>	<p>Our procedures in relation to valuation of financial instruments measured at Level III fair value included:</p> <ul style="list-style-type: none"> <li>• Understanding the Group's valuation models for financial instruments at Level III fair value and key controls over selection of valuation methods and determining the valuation of such financial instruments;</li> <li>• Involving our internal valuation specialists and selecting financial instruments measured at Level III fair value on a sample basis to perform the following procedures: <ul style="list-style-type: none"> <li>– Reviewing the investment agreements to understand the relevant investment terms and identifying any conditions that were relevant to the valuation of the selected financial instruments;</li> <li>– Evaluating the appropriateness of the model adopted by management for the valuation of the selected financial instruments, based on our knowledge of current industry practice;</li> <li>– Evaluating the appropriateness of the unobservable and observable inputs used by management for measuring the fair value of the selected financial instruments with reference to relevant market data;</li> </ul> </li> <li>• For the samples selected in above procedures, involving our internal valuation specialists to develop expected fair values and perform sensitivity analysis of the selected financial instruments, and investigating if the expected fair values are significantly deviated from the corresponding fair value adopted by the Group.</li> </ul>



**KEY AUDIT MATTERS** *(continued)*

Key Audit Matter	How our audit addressed the key audit matter
<i>Consolidation of structured entities</i>	
<p>We identified the consolidation of structured entities as a key audit matter.</p> <p>The Group issues, manages and/or acquires various structured entities including asset management schemes, trust products, mutual funds, private equity funds, etc.</p> <p>As disclosed in Note 4(b) to the consolidated financial statements, in accordance with the principle of control in IFRS 10 <i>Consolidated Financial Statements</i>, to determine whether a structured entity should be consolidated, a combination of factors needs to be assessed by management to make a comprehensive judgment on whether the Group has controlled the structured entity based on the terms of the related contracts, including the purpose of establishment, the Group's power over the structured entity, all variable returns obtained including investment income and management remuneration, the ability to use power over the investees to affect the amount of returns, whether the Group is a principal or an agent, etc. We identified the consolidation of structured entities as a key audit matter because the impact of consolidating a structured entity on the consolidated financial statement could be significant and it involves significant estimation and judgement of management in determining whether a structured entity is required to be consolidated by the Group.</p> <p>As disclosed in Note 53 to the consolidated financial statements, as at 31 December 2023, the carrying amount of interests held by the Group amounted to RMB23,705 million. As at 31 December 2023, the carrying amount of interests held by the Group in structured entities sponsored by third party and sponsored by the Group but not consolidated amounted to RMB89,074 million and RMB10,194 million respectively.</p>	<p>Our procedures in relation to consolidation of structured entities included:</p> <ul style="list-style-type: none"> <li>• Evaluating the design and implementation of management's key controls over determining the consolidation of structured entities;</li> <li>• Reviewing, on a sample basis for each key product type of structured entity, the related investment contracts and service agreements of investments in structured entities to assess whether management has appropriately considered the following factors in determining the consolidation of structured entities: <ul style="list-style-type: none"> <li>– The purpose of establishment, the major activities and decision-making process of these structured entities;</li> <li>– All variable returns entitled, primarily investment income, management remuneration, etc., by the Group;</li> <li>– The Group's substantive power over these structured entities and how it can affect the variable returns; and</li> <li>– Whether the Group makes investment decision as the principal.</li> </ul> </li> <li>• Checking and evaluating, on a sample basis, management's quantitative analysis on the Group's exposure or right to variable returns with its economic interests in the structured entity and examining the data used in these calculations by reference to the related contracts.</li> </ul>

## **OTHER INFORMATION**

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS**

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

## **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS** *(continued)*

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in the independent auditor's report is Mr. Ma Hing Fai.

### **Deloitte Touche Tohmatsu**

*Certified Public Accountants*

Hong Kong, China

28 March 2024

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

China International Capital Corporation Limited | 2023 Annual Report

For the year ended 31 December 2023 (Expressed in Renminbi ("RMB"), unless otherwise stated)

	Notes	Year ended 31 December	
		2023	2022
Revenue:			
Fee and commission income	7	<b>13,830,255,155</b>	18,063,316,508
Interest income	8	<b>9,405,375,584</b>	8,153,338,967
Investment income	9	<b>10,555,881,387</b>	10,607,882,267
Total revenue		<b>33,791,512,126</b>	36,824,537,742
Other income, net	10	<b>1,654,665,669</b>	573,650,866
Total revenue and other income		<b>35,446,177,795</b>	37,398,188,608
Expenses:			
Fee and commission expenses	11	<b>1,741,866,598</b>	2,120,267,826
Interest expenses	12	<b>10,740,147,165</b>	9,176,520,147
Staff costs	13	<b>10,685,480,045</b>	11,927,245,245
Depreciation and amortisation expenses	16	<b>1,771,697,988</b>	1,645,116,754
Tax and surcharges		<b>87,173,151</b>	122,683,087
Other operating expenses and costs	17	<b>3,626,366,100</b>	3,367,838,687
Provision for/(reversal of) impairment losses under expected credit loss ("ECL") model	18	<b>5,031,083</b>	(20,928,922)
Total expenses		<b>28,657,762,130</b>	28,338,742,824
Operating profit		<b>6,788,415,665</b>	9,059,445,784
Share of profits/(losses) of associates and joint ventures		<b>34,571,822</b>	(3,467,784)
Profit before income tax		<b>6,822,987,487</b>	9,055,978,000
Less: Income tax expense	19	<b>659,347,133</b>	1,461,102,711
Profit for the year		<b>6,163,640,354</b>	7,594,875,289
Attributable to:			
Shareholders of the Company		<b>6,156,130,774</b>	7,597,501,992
Non-controlling interests		<b>7,509,580</b>	(2,626,703)
Basic earnings per share (in RMB per share)	20	<b>1.14</b>	1.46

The notes on pages 269 to 436 form part of these financial statements.

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023 (Expressed in RMB, unless otherwise stated)

	Year ended 31 December	
	2023	2022
Profit for the year	<b>6,163,640,354</b>	7,594,875,289
Other comprehensive income for the year		
Items that may be reclassified to profit or loss in subsequent periods:		
Financial assets at fair value through other comprehensive income:		
– Net gains/(losses) from changes in fair value	<b>381,806,287</b>	(512,651,397)
– (Reversal of)/provision for impairment losses under ECL model	<b>(2,320,309)</b>	53,343,535
– Tax effect	<b>(106,364,047)</b>	69,755,236
– Net losses transferred to profit or loss on disposals	<b>132,345,961</b>	117,261,499
Exchange differences on translating foreign operations	<b>383,337,630</b>	1,527,838,124
Others	<b>(237,512)</b>	4,383,791
Total other comprehensive income for the year, net of income tax	<b>788,568,010</b>	1,259,930,788
Total comprehensive income for the year	<b>6,952,208,364</b>	8,854,806,077
Attributable to:		
Shareholders of the Company	<b>6,944,698,784</b>	8,857,432,780
Non-controlling interests	<b>7,509,580</b>	(2,626,703)

The notes on pages 269 to 436 form part of these financial statements.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

China International Capital Corporation Limited | 2023 Annual Report

As at 31 December 2023 (Expressed in RMB, unless otherwise stated)

	Notes	As at 31 December	
		2023	2022
Non-current assets:			
Property and equipment	21	2,111,952,465	1,560,431,199
Right-of-use assets	22	5,307,465,340	3,357,130,462
Investment properties		16,954,681	–
Goodwill	23	1,622,663,283	1,622,663,283
Intangible assets	24	1,091,923,558	803,866,789
Interests in associates and joint ventures	25	1,076,105,418	1,015,580,116
Financial assets at fair value through profit or loss	26	10,458,603,897	10,211,296,407
Financial assets held under resale agreements (“reverse REPOs”)	27	–	3,497,861
Refundable deposits	28	9,567,292,642	12,600,106,686
Deferred tax assets	29	2,882,886,608	2,750,188,301
Other non-current assets	30	554,853,838	414,160,654
<b>Total non-current assets</b>		<b>34,690,701,730</b>	34,338,921,758
Current assets:			
Accounts receivable	31	34,009,494,100	41,769,493,225
Receivable from margin clients	32	35,809,567,751	31,626,190,461
Financial assets at fair value through other comprehensive income	33	65,619,113,753	66,689,432,031
Financial assets at fair value through profit or loss	26	274,222,650,543	259,185,685,152
Reverse REPOs	27	19,921,400,809	27,132,304,186
Derivative financial assets	34	12,005,392,524	17,791,355,263
Cash held on behalf of clients	35	74,851,006,586	83,016,936,855
Cash and bank balances	36	72,135,760,946	85,789,257,629
Other current assets		1,041,497,942	1,424,462,876
<b>Total current assets</b>		<b>589,615,884,954</b>	614,425,117,678
<b>Total assets</b>		<b>624,306,586,684</b>	648,764,039,436

## Consolidated Statement of Financial Position

As at 31 December 2023 (Expressed in RMB, unless otherwise stated)

	Notes	As at 31 December	
		2023	2022
Current liabilities:			
Financial liabilities at fair value through profit or loss	39	<b>40,511,113,214</b>	45,203,291,777
Derivative financial liabilities	34	<b>9,546,642,036</b>	11,348,127,497
Accounts payable to brokerage clients	40	<b>82,311,014,432</b>	92,099,956,329
Placements from financial institutions	41	<b>44,974,394,819</b>	60,846,018,714
Short-term debt securities issued	42	<b>17,286,796,558</b>	18,551,991,957
Financial assets sold under repurchase agreements ("REPOs")	43	<b>64,899,065,724</b>	43,156,698,548
Employee benefits payable	44	<b>4,993,391,031</b>	7,976,579,342
Income tax payable		<b>387,829,520</b>	1,204,786,936
Long-term debt securities issued due within one year	46	<b>41,800,648,501</b>	64,710,844,840
Lease liabilities	47	<b>945,487,671</b>	933,215,663
Contract liabilities	48	<b>411,274,527</b>	407,792,261
Other current liabilities	45	<b>99,093,700,197</b>	112,290,341,815
<b>Total current liabilities</b>		<b>407,161,358,230</b>	458,729,645,679
<b>Net current assets</b>		<b>182,454,526,724</b>	155,695,471,999
<b>Total assets less current liabilities</b>		<b>217,145,228,454</b>	190,034,393,757
Non-current liabilities:			
Non-current employee benefits payable	44	<b>897,025,885</b>	729,690,666
Long-term debt securities issued	46	<b>106,936,985,625</b>	87,273,120,622
Deferred tax liabilities	29	<b>582,690,484</b>	718,765,065
Lease liabilities	47	<b>3,482,376,639</b>	1,489,613,185
Other non-current liabilities	49	<b>348,751,870</b>	348,508,396
<b>Total non-current liabilities</b>		<b>112,247,830,503</b>	90,559,697,934
<b>Net assets</b>		<b>104,897,397,951</b>	99,474,695,823



## As at 31 December

	Notes	2023	2022
Equity:			
Share capital	50(a)	<b>4,827,256,868</b>	4,827,256,868
Other equity instruments	51	<b>16,400,000,000</b>	16,400,000,000
Reserves	50(b)	<b>50,552,108,799</b>	48,608,020,887
Retained profits		<b>32,823,934,064</b>	29,352,829,428
Total equity attributable to shareholders of the Company		<b>104,603,299,731</b>	99,188,107,183
Non-controlling interests		<b>294,098,220</b>	286,588,640
Total equity		<b>104,897,397,951</b>	99,474,695,823

The notes on pages 269 to 436 form part of these financial statements.

The consolidated financial statements on pages 259 to 436 were approved and authorised for issue by the board of directors on 28 March 2024.

**Chen Liang**  
Chairman of Board

**Ng Kong Ping Albert**  
Director

Company chop

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023 (Expressed in RMB, unless otherwise stated)

	Attributable to shareholders of the Company											
	Reserves										Non-controlling interests	Total equity
	Share capital (Note 50(a))	Other equity instruments (Note 51)	Capital reserve (Note 50(b)(i))	Surplus reserve (Note 50(b)(ii))	General reserves (Note 50(b)(iii))	Investment revaluation reserve (Note 50(b)(iv))	Foreign currency translation reserve (Note 50(b)(v))	Other reserve (Note 50(b)(vi))	Retained profits	Subtotal		
At 1 January 2023	4,827,256,868	16,400,000,000	39,515,216,714	1,856,673,123	6,804,641,319	(142,544,705)	572,324,743	1,709,693	29,352,829,428	99,188,107,183	286,588,640	99,474,695,823
Changes in equity for the year												
Profit for the year	-	-	-	-	-	-	-	-	6,156,130,774	6,156,130,774	7,509,580	6,163,640,354
Other comprehensive income for the year	-	-	-	-	-	405,467,892	383,337,630	(237,512)	-	788,568,010	-	788,568,010
Total comprehensive income for the year	-	-	-	-	-	405,467,892	383,337,630	(237,512)	6,156,130,774	6,944,698,784	7,509,580	6,952,208,364
Appropriation to surplus reserve	-	-	-	243,030,903	-	-	-	-	(243,030,903)	-	-	-
Appropriation to general reserves	-	-	-	-	912,488,999	-	-	-	(912,488,999)	-	-	-
Distributions to holders of perpetual subordinated bonds	-	-	-	-	-	-	-	-	(660,600,000)	(660,600,000)	-	(660,600,000)
Dividends to shareholders	-	-	-	-	-	-	-	-	(868,906,236)	(868,906,236)	-	(868,906,236)
At 31 December 2023	4,827,256,868	16,400,000,000	39,515,216,714	2,099,704,026	7,717,130,318	262,923,187	955,662,373	1,472,181	32,823,934,064	104,603,299,731	294,098,220	104,897,397,951

	Attributable to shareholders of the Company												
	Reserves											Non-controlling interests	Total equity
	Share capital (Note 50(a))	Other equity instruments (Note 51)	Capital reserve (Note 50(b)(i))	Surplus reserve (Note 50(b)(iii))	General reserves (Note 50(b)(iii))	Investment revaluation reserve (Note 50(b)(iv))	Foreign currency translation reserve (Note 50(b)(v))	Other reserve (Note 50(b)(vii))	Retained profits	Subtotal			
At 1 January 2022	4,827,256,868	8,500,000,000	39,531,886,525	1,392,448,797	5,470,061,175	129,746,422	(955,513,381)	(2,674,098)	25,528,908,966	84,422,121,274	308,715,153	84,730,836,427	
Changes in equity for the year													
Profit for the year	-	-	-	-	-	-	-	-	7,597,501,992	7,597,501,992	(2,626,703)	7,594,875,289	
Other comprehensive income for the year	-	-	-	-	-	(272,291,127)	1,527,838,124	4,383,791	-	1,259,930,788	-	1,259,930,788	
Total comprehensive income for the year	-	-	-	-	-	(272,291,127)	1,527,838,124	4,383,791	7,597,501,992	8,857,432,780	(2,626,703)	8,854,806,077	
Appropriation to surplus reserve	-	-	-	464,224,326	-	-	-	-	(464,224,326)	-	-	-	
Appropriation to general reserves	-	-	-	-	1,334,580,144	-	-	-	(1,334,580,144)	-	-	-	
Distributions to holders of perpetual subordinated bonds	-	-	-	-	-	-	-	-	(526,600,000)	(526,600,000)	-	(526,600,000)	
Issuance of perpetual subordinated bonds	-	7,900,000,000	(16,669,811)	-	-	-	-	-	-	7,883,330,189	-	7,883,330,189	
Dividends to shareholders	-	-	-	-	-	-	-	-	(1,448,177,060)	(1,448,177,060)	(19,500,000)	(1,467,677,060)	
Contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	-	190	190	
At 31 December 2022	4,827,256,868	16,400,000,000	39,515,216,714	1,856,673,123	6,804,641,319	(142,544,705)	572,324,743	1,709,693	29,352,829,428	99,188,107,183	286,588,640	99,474,695,823	

The notes on pages 269 to 436 form part of these financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2023 (Expressed in RMB, unless otherwise stated)

	Year ended 31 December	
	2023	2022
Cash flows from operating activities:		
Profit before income tax	<b>6,822,987,487</b>	9,055,978,000
Adjustments for:		
Net financing interest expenses	<b>5,622,282,564</b>	5,846,948,958
Depreciation and amortisation expenses	<b>1,772,380,661</b>	1,645,116,754
Provision for/(reversal of) impairment losses under ECL model	<b>5,031,083</b>	(20,928,922)
Net losses/(gains) on disposal of property, equipment and other long-term assets	<b>12,862,946</b>	(4,429,999)
Foreign exchange losses from derivatives and from others	<b>291,712,053</b>	857,112,136
Losses on changes in fair value of financial instruments at fair value through profit or loss	<b>4,493,152,472</b>	253,169,842
Interest income from financial assets at fair value through other comprehensive income	<b>(1,700,825,939)</b>	(1,432,341,079)
Dividend income from investments in financial assets and share of profits of associates and joint ventures	<b>(159,094,623)</b>	(318,291,597)
Net gains on disposal of investments	<b>(176,923,817)</b>	(221,272,314)
Operating cash flows before movements in working capital	<b>16,983,564,887</b>	15,661,061,779
(Increase)/decrease in receivable from margin clients	<b>(3,908,114,474)</b>	7,878,389,844
Decrease in accounts receivable, other receivables and prepayments	<b>7,657,751,003</b>	6,585,294,861
Decrease/(increase) in reverse REPOs	<b>7,192,818,724</b>	(1,318,980,558)
(Increase)/decrease in financial instruments at fair value through profit or loss	<b>(19,373,492,438)</b>	30,999,910,955
Decrease in cash held on behalf of clients	<b>8,162,127,165</b>	8,018,747,490
Increase in restricted bank deposits	<b>(120,248,050)</b>	(122,658,005)
Decrease in refundable deposits	<b>3,032,530,253</b>	31,558,087
Decrease in accounts payable to brokerage clients	<b>(9,785,138,793)</b>	(1,343,503,010)
Increase in REPOs	<b>21,746,933,627</b>	26,721,536,188
Decrease in other liabilities	<b>(32,160,354,386)</b>	(33,156,008,783)
Cash (used in)/generated from operating activities, before income tax	<b>(571,622,482)</b>	59,955,348,848
Income tax paid	<b>(1,850,637,381)</b>	(1,994,460,008)
Net cash (used in)/generated from operating activities	<b>(2,422,259,863)</b>	57,960,888,840

## Year ended 31 December

	2023	2022
Cash flows from investing activities:		
Cash receipts from disposal of investments	<b>121,056,782,616</b>	109,602,237,964
Cash receipts of investment returns	<b>1,904,482,372</b>	1,844,869,628
Proceeds from disposal of property, equipment and other long-term assets	<b>4,983,665</b>	5,474,554
Net cash inflows on disposal of subsidiaries	–	18,292,800
Purchase of investments	<b>(119,424,602,513)</b>	(133,322,360,226)
Purchase of property, equipment and other long-term assets	<b>(1,459,777,324)</b>	(1,585,965,391)
Net cash generated from/(used in) investing activities	<b>2,081,868,816</b>	(23,437,450,671)
Cash flows from financing activities:		
Proceeds from issuance of beneficiary certificates	<b>42,105,835,395</b>	77,677,628,455
Proceeds from issuance of corporate bonds	<b>37,000,000,000</b>	15,500,000,000
Proceeds from issuance of medium-term notes (“MTNs”)	<b>12,247,650,000</b>	8,478,975,000
Proceeds from issuance of subordinated bonds	<b>8,500,000,000</b>	2,000,000,000
Proceeds from issuance of structured notes	<b>1,703,467,246</b>	1,564,681,228
Proceeds from issuance of perpetual subordinated bonds	–	7,900,000,000
Capital contribution from non-controlling interests	–	190
Redemption of beneficiary certificates	<b>(44,329,863,363)</b>	(76,261,310,729)
Redemption of corporate bonds	<b>(49,043,800,000)</b>	(20,500,000,000)
Redemption of subordinated bonds	<b>(1,000,000,000)</b>	(9,900,000,000)
Redemption of MTNs	<b>(10,443,100,000)</b>	(6,567,200,000)
Redemption of structured notes	<b>(2,221,655,366)</b>	(2,652,600,909)
Redemption of financial bonds	–	(2,500,000,000)
Redemption of commercial papers	–	(1,000,000,000)
Cash paid for interest	<b>(5,664,405,052)</b>	(5,981,969,940)
Dividends paid to shareholders of the Company	<b>(868,906,236)</b>	(1,448,177,060)
Dividends paid to non-controlling interests	–	(83,447,434)
Repayment of lease liabilities	<b>(969,428,916)</b>	(880,537,910)
Distributions to holders of perpetual subordinated bonds	<b>(660,600,000)</b>	(386,200,000)
Cash outflows associated with other financing activities	<b>(66,651,860)</b>	(87,195,952)
Net cash used in financing activities	<b>(13,711,458,152)</b>	(15,127,355,061)

## Consolidated Statement of Cash Flows

For the year ended 31 December 2023 (Expressed in RMB, unless otherwise stated)

	Notes	Year ended 31 December	
		2023	2022
Net (decrease)/increase in cash and cash equivalents		<b>(14,051,849,199)</b>	19,396,083,108
Cash and cash equivalents at the beginning of the year		<b>84,678,251,394</b>	65,192,946,724
Effect of exchange rate changes		<b>303,763,424</b>	89,221,562
Cash and cash equivalents at the end of the year	37	<b>70,930,165,619</b>	84,678,251,394
Net cash used in operating activities including:			
Interest received		<b>7,227,090,581</b>	10,980,377,204
Interest paid		<b>(5,229,751,974)</b>	(3,250,654,221)

The notes on pages 269 to 436 form part of these financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

China International Capital Corporation Limited | 2023 Annual Report

(Expressed in RMB, unless otherwise stated)

## 1. GENERAL INFORMATION

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

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

The Company’s unified social credit code is 91110000625909986U, and the registered address of the Company is the 27th and 28th Floor, China World Trade Centre 2, 1 Jian Guo Men Wai Avenue, Chaoyang District, Beijing, the PRC. As at 31 December 2023, the Company has 1 securities business office and 11 branches. Please refer to Note 61 for details of subsidiaries of the Company.

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

## 2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”)

### 2.1 New and Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to IFRSs issued by the International Accounting Standards (the “IASs”) Board (the “IASB”), for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2023 for the preparation of the consolidated financial statements:

IFRS 17 (including the June 2020 and December 2021 Amendments to IFRS 17)	<i>Insurance Contracts</i>
Amendments to IAS 8	<i>Definition of Accounting Estimates</i>
Amendments to IAS 28	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to IAS 12	<i>International Tax Reform-Pillar Two model Rules</i>
Amendments to IAS 1 and IFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i>

Except for the amendments to IFRSs mentioned below, the application of all other amendments to IFRSs in the current year has had no material effect on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

## 2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (continued)

### 2.1 New and Amendments to IFRSs that are mandatorily effective for the current year (continued)

#### **Impacts on application of Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies**

The Group has applied the amendments for the first time in the current year. IAS 1 is amended to replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

IFRS Practice Statement 2 Making Materiality Judgements (the “Practice Statement”) is also amended to illustrate how an entity applies the “four-step materiality process” to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments has had no material impact on the financial position or performance of the Group but has affected the disclosures of the Group’s accounting policies set out in Note 3.

#### **Impacts on application of Amendments to IAS 12 Income Taxes International Tax Reform- Pillar Two model Rules**

IAS 12 is amended to include an exception to recognise and disclose information about deferred tax assets and liabilities that are related to tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (the “Pillar Two legislation”). The Group applies the temporary exception immediately upon the issue of the amendments. The amendments also require entities to disclose the qualitative and quantitative information about their exposure to Pillar Two income taxes jurisdictions in which the Pillar Two legislation is enacted or substantially enacted but not yet in effect. To the extent information is not known or reasonably estimable, an entity shall instead disclose a statement to that effect and disclose information about the entity’s progress in assessing its exposure.



## 2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (continued)

### 2.1 New and Amendments to IFRSs that are mandatorily effective for the current year (continued)

#### Impacts on application of Amendments to IAS 12 Income Taxes International Tax Reform- Pillar Two model Rules (continued)

The Group has applied the amendments to IAS 12 on Pillar Two legislation. Therefore, the Group shall neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two legislation.

As at 31 December 2023, some of the jurisdictions where the Group’s overseas operating institutions are located, including the UK, Japan, Germany and Luxembourg, have enacted Pillar Two legislation which will be effective from 1 January 2024 or later. Therefore, the Pillar Two legislation in the aforementioned jurisdictions has no significant impact on the financial position or performance of the Group for the year 2023. According to the rules of Pillar Two legislation, low-tax jurisdictions with effective tax rate below 15% may have a Top-up Tax impact since 2024. There are differences in the computation of effective tax rate between Pillar Two legislation and IFRSs. The Group is continuing to assess the impact of the Pillar Two legislation on the future financial performance.

### 2.2 Amendments to IFRSs in issue but not yet effective

The Group has not early applied the following amendments to IFRSs that have been issued but are not yet effective:

Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture<sup>i</sup></i>
Amendments to IFRS 16	<i>Lease Liability in a Sale and Leaseback<sup>ii</sup></i>
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current<sup>ii</sup></i>
Amendments to IAS 1	<i>Non-current Liabilities with Covenants<sup>ii</sup></i>
Amendments to IAS 7 and IFRS 7	<i>Supplier Finance Arrangements<sup>ii</sup></i>
Amendments to IAS 21	<i>Lack of Exchangeability<sup>iii</sup></i>

- (i) Effective for annual periods beginning on or after a date to be determined.
- (ii) Effective for annual periods beginning on or after 1 January 2024.
- (iii) Effective for annual periods beginning on or after 1 January 2025.

The directors of the Company anticipate that the application of all amendments to IFRSs mentioned above will have no material impact on the consolidated financial statements in the foreseeable future.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

#### 3.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with IFRSs issued by the IASB. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosure provisions of the Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

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

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 *Share-based Payment*, leasing transactions that are accounted for in accordance with IFRS 16 *Leases* ("IFRS 16"), and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 *Inventories* or value in use in IAS 36 *Impairment of Assets*.

For financial instruments which are transacted at fair value and for which a valuation technique with unobservable inputs is to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equal the transaction price or investment cost.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

#### 3.1 Basis of preparation of consolidated financial statements *(continued)*

In addition, for financial reporting purposes, fair value measurements are categorised into Level I, II or III based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level I inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level II inputs are inputs, other than quoted prices included within Level I, that are observable for the asset or liability, either directly or indirectly; and
- Level III inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

#### 3.2 Material accounting policy information

##### (a) Basis of consolidation

###### (i) *Business combinations*

In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

Acquisitions of businesses, other than business combination under common control are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred, except if related to the issue of debt or equity securities.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

#### 3.2 Material accounting policy information *(continued)*

##### (a) Basis of consolidation *(continued)*

##### (i) **Business combinations** *(continued)*

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 *Income Taxes* and IAS 19 *Employee Benefits* respectively;
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard; and
- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in IFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

#### 3.2 Material accounting policy information *(continued)*

##### (a) Basis of consolidation *(continued)*

##### (ii) *Subsidiaries and non-controlling interests*

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised gains arising from intra-group transactions are eliminated in full when preparing the financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Group, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between holders of non-controlling interests and shareholders of the Company.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised. Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

#### 3.2 Material accounting policy information *(continued)*

##### (a) Basis of consolidation *(continued)*

##### (ii) *Subsidiaries and non-controlling interests* *(continued)*

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary. Any gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owner of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see Note 3.2(e)) or, when appropriate, the cost on initial recognition of an investment in an associate or a joint venture (see Note 3.2(a)(iii)).

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see Note 3.2(l)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

##### (iii) *Associates and joint ventures*

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

#### 3.2 Material accounting policy information *(continued)*

##### (a) Basis of consolidation *(continued)*

##### (iii) Associates and joint ventures *(continued)*

An investment in an associate or a joint venture is accounted for in the consolidated financial statements using the equity method of accounting, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

Unrealised profits and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

In all other cases, when the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence or joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see Note 3.2(e)).

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

#### 3.2 Material accounting policy information *(continued)*

##### (b) Goodwill

Goodwill represents the excess of:

- (i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over
- (ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("CGU"), or a group of CGUs, that is expected to benefit from the synergies of the combination, which represents the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A CGU (or a group of CGUs) to which goodwill has been allocated is tested for impairment annually or more frequently when there is an indication that the unit may be impaired.

On disposal of the relevant CGU, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal.



### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

#### 3.2 Material accounting policy information *(continued)*

##### (c) Foreign currency

###### (i) *Translation of foreign currencies*

The financial statements are presented in RMB, which is the Company's functional and presentation currency.

When the Group receives capital in foreign currencies from investors, the capital is translated to RMB at the spot exchange rates ruling at the date of receipt. Other foreign currency transactions are, on initial recognition, translated to the respective functional currencies of the entities at the exchange rates that approximate the spot exchange rate ruling at the transaction dates.

A spot exchange rate is quoted by the PBOC, the State Administration of Foreign Exchange, or a cross rate determined based on quoted exchange rates. A rate that approximates the spot exchange rate is determined by a systematic and rational method, normally the average exchange rate of the current period.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currencies at the spot exchange rates ruling at the end of the year. Exchange gains and losses are recognised in profit or loss, except those arising from foreign currency used to hedge a net investment in a foreign operation that are recognised in other comprehensive income.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated to the functional currencies using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the functional currencies using the foreign exchange rates ruling at the dates the fair value is measured.

When a fair value gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is also recognised in profit or loss. When a fair value gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is also recognised in other comprehensive income.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

#### 3.2 Material accounting policy information *(continued)*

##### (c) Foreign currency *(continued)*

###### (ii) Foreign operations

The results of foreign operations are translated to RMB at the exchange rates approximating the spot exchange rate ruling at the transaction dates. Statement of financial position items are translated to RMB at the closing foreign exchange rates at the end of the year. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the foreign currency translation reserve.

Upon disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

##### (d) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, and short-term and highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value.

##### (e) Financial instruments

###### (i) Recognition and initial measurement

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

#### 3.2 Material accounting policy information *(continued)*

##### (e) Financial instruments *(continued)*

##### (i) Recognition and initial measurement *(continued)*

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. When calculating the effective interest rate, the Group considers all contractual terms of the financial instrument (for example, prepayment, call and similar options) to estimate cash flows.

For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost on initial recognition.

##### (ii) Classification and subsequent measurement

##### (1) Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("FVTOCI") (including debt investment and equity investment); or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding ("SPPI").

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

#### 3.2 Material accounting policy information *(continued)*

##### (e) Financial instruments *(continued)*

##### (ii) Classification and subsequent measurement *(continued)*

##### (1) Financial assets *(continued)*

A debt investment is measured at FVTOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (“SPPI”).

On initial recognition of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 *Business Combinations* applies, the Group may irrevocably elect to present subsequent changes in the investment’s fair value in other comprehensive income (OCI). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

#### 3.2 Material accounting policy information *(continued)*

##### (e) Financial instruments *(continued)*

##### (ii) Classification and subsequent measurement *(continued)*

##### (1) Financial assets *(continued)*

##### *Financial assets – Business model assessment*

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

#### 3.2 Material accounting policy information *(continued)*

##### (e) Financial instruments *(continued)*

##### (ii) Classification and subsequent measurement *(continued)*

###### (1) Financial assets *(continued)*

###### *Financial assets – The “SPPI” assessment*

For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group’s claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

#### 3.2 Material accounting policy information *(continued)*

##### (e) Financial instruments *(continued)*

##### (ii) Classification and subsequent measurement *(continued)*

###### (1) Financial assets *(continued)*

###### *Financial assets – Subsequent measurement and gains and losses*

###### **Financial assets classified as at FVTPL**

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

###### **Financial assets classified as at amortised cost**

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss. For purchased or originated credit-impaired financial assets, the Group recognises interest by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

###### **Debt investments classified as at FVTOCI**

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

###### **Equity investments classified as at FVTOCI**

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

#### 3.2 Material accounting policy information *(continued)*

##### (e) Financial instruments *(continued)*

##### (ii) Classification and subsequent measurement *(continued)*

##### (2) Impairment of financial assets

The Group performs impairment assessment under ECL model and correspondingly recognises loss allowances on the following items:

- financial assets measured at amortised cost (including cash and cash equivalents, receivable from margin clients, reverse REPOs, accounts receivable in accordance with IFRS 15 Revenue from contracts with customers (“IFRS 15”) and loans to associates and joint ventures);
- debt investment measured at FVTOCI; and
- contract assets in accordance with IFRS 15.

The Group measures the loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

The Group always recognises lifetime ECL for trade receivable and contract assets that result from transactions that are within the scope of IFRS 15, and that do not contain a significant financing component in accordance with IFRS 15 (or when the group applies the practical expedient in accordance with IFRS 15). The ECL on these assets are assessed individually for debtors with significant balances and/or collectively using a provision matrix with appropriate groupings.

The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.



### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

#### 3.2 Material accounting policy information *(continued)*

##### (e) Financial instruments *(continued)*

##### (ii) Classification and subsequent measurement *(continued)*

##### (2) Impairment of financial assets *(continued)*

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- significant changes in external market indicators of credit risk for a particular financial instruments or similar financial instruments with the same expected life;
- an actual or expected significant deterioration in the financial instrument's external or internal (if available) credit rating;
- an actual or expected internal credit rating downgrade for the borrower;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations;
- significant deterioration in the value of the collateral supporting the obligation or the quality of third-party guarantees or credit enhancements;
- an actual or expected significant deterioration in the quality of credit enhancement;
- significant changes in the expected performance and behavior of the borrower.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

#### 3.2 Material accounting policy information *(continued)*

##### (e) Financial instruments *(continued)*

##### (ii) Classification and subsequent measurement *(continued)*

##### (2) Impairment of financial assets *(continued)*

Depending on the nature of the financial instruments, the Group identifies significant changes in credit risk on individual financial instruments or a group or sub-group of financial instruments. For purpose of determining significant increases in credit risk on a collective basis, the Group groups financial instruments on the basis of shared credit risk characteristics, which may include, past-due status and credit risk ratings.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

##### *Measurement of ECLs*

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

#### 3.2 Material accounting policy information *(continued)*

##### (e) Financial instruments *(continued)*

##### (ii) Classification and subsequent measurement *(continued)*

##### (2) Impairment of financial assets *(continued)*

##### *Credit-impaired financial assets*

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVTOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being overdue;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for a security because of financial difficulties;
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

##### *Presentation of allowance for ECL in the statement of financial position*

The allowances for ECL for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVTOCI, the allowance for ECL is charged to profit or loss and is recognised in OCI.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

#### 3.2 Material accounting policy information *(continued)*

##### (e) Financial instruments *(continued)*

##### (ii) Classification and subsequent measurement *(continued)*

##### (2) Impairment of financial assets *(continued)*

###### *Write-off policy*

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

##### (3) Financial liabilities and equity – Classification, subsequent measurement and gains and losses

###### *Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Perpetual instruments, which include no contractual obligation for the Group to deliver cash or other financial assets or of which the Group has the sole discretion to indefinitely defer payment for distribution or redemption are classified as equity instruments.

Repurchase of the Group's own equity instruments is recognised in and deducted directly from equity. No gain or loss is recognised in profit or loss for the purchase, sale, issue or cancellation of the Group's own equity instruments.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

#### 3.2 Material accounting policy information *(continued)*

##### (e) Financial instruments *(continued)*

##### (ii) Classification and subsequent measurement *(continued)*

##### (3) Financial liabilities and equity – Classification, subsequent measurement and gains and losses *(continued)*

##### *Financial liabilities*

Financial liabilities are classified as measured at FVTPL or amortised cost.

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. For financial liabilities that are designated as at FVTPL, the amount of changes in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained profits upon derecognition of the financial liability.

Financial liabilities at amortised cost are subsequently measured at amortised cost using the effective interest method.

##### (iii) Derecognition

##### *Financial assets*

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows of the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

#### 3.2 Material accounting policy information *(continued)*

##### (e) Financial instruments *(continued)*

##### (iii) Derecognition *(continued)*

###### *Financial liabilities*

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled, or expired. The Group also derecognises a financial liability when the terms of the financial liability are substantially modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

##### (iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

##### (v) Fair value measurement principles

If there is an active market for a financial asset or financial liability, the quoted market price without adjusting for transaction costs that may be incurred upon future disposal or settlement is used to establish the fair value of the financial asset or financial liability. For a financial asset held or a financial liability to be assumed, the quoted price is the current bid price. For a financial asset to be acquired or a financial liability assumed, the quoted price is the current asking price. Quoted prices from an active market are prices that are readily and regularly available from an exchange, dealer, broker, industry group or pricing service agency, and represent actual and regularly occurring market transactions on an arm's length basis.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

#### 3.2 Material accounting policy information *(continued)*

##### (e) Financial instruments *(continued)*

##### (v) Fair value measurement principles *(continued)*

If no active market exists for a financial instrument, a valuation technique is used to establish the fair value. Valuation techniques include using recent arm's length market transactions between knowledgeable willing parties, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. Where discounted cash flow technique is used, future cash flows are estimated based on management's best estimates and the discount rate used is the prevailing market rate applicable for instrument with similar terms and conditions at the end of the year. Where other pricing models are used, inputs are based on market data at the end of the year.

In estimating the fair value of a financial asset or financial liability, the Group considers all factors including, but not limited to, risk-free interest rate, credit risk, foreign exchange rate and market volatility, that are likely to affect the fair value of the financial asset or financial liability.

The Group obtains market data from the same market where the financial instrument was originated or purchased.

##### (vi) Derivative financial instruments and hedge accounting

##### (1) Derivative financial instruments

Derivative financial instruments are initially measured at fair value at the date a derivative contract is entered into and are subsequently measured at fair value. Changes in fair value of these derivative financial instruments other than those designated as hedging instrument are recognised in profit or loss. Fair values are obtained from quoted market prices in active market or are determined using valuation techniques, including discounted cash flow model and options pricing model as appropriate.

A derivative instrument is recognised as an asset when the fair value is positive and as a liability when the fair value is negative.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

#### 3.2 Material accounting policy information *(continued)*

##### (e) Financial instruments *(continued)*

##### (vi) Derivative financial instruments and hedge accounting *(continued)*

###### (1) Derivative financial instruments *(continued)*

Derivatives embedded in hybrid contracts that contain financial asset hosts within the scope of IFRS 9 are not separated. The entire hybrid contract is classified and subsequently measured in its entirety as either amortised cost or fair value as appropriate.

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of IFRS 9 are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

###### (2) Hedge accounting

The Group designates certain derivatives as hedging instruments for fair value hedges or hedges of net investments in foreign operations.

At the inception of the hedging relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group assesses whether the hedging instrument is highly effective in offsetting changes in fair values of the hedged item attributable to the hedged risk.

Certain derivative transactions, while providing effective economic hedges under the Group's risk management positions, do not qualify for hedge accounting and are therefore treated as derivatives held for trading with fair value gains or losses recognised in profit or loss.



### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

#### 3.2 Material accounting policy information *(continued)*

##### (e) Financial instruments *(continued)*

##### (vi) Derivative financial instruments and hedge accounting *(continued)*

###### (2) Hedge accounting *(continued)*

###### *Assessment of hedging relationship and effectiveness*

For hedge effectiveness assessment, the Group considers whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

Hedges which meet the strict criteria for hedge accounting are accounted for in accordance with the Group's accounting policy as set out below.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

#### 3.2 Material accounting policy information *(continued)*

##### (e) Financial instruments *(continued)*

##### (vi) **Derivative financial instruments and hedge accounting** *(continued)*

###### (3) *Fair value hedges*

Fair value hedges are hedges of the Group's exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment, or an identified portion of such an asset, liability or unrecognised firm commitment, that is attributable to a particular risk and could affect the profit or loss. For fair value hedges, the carrying amount of the hedged item is adjusted for gains and losses attributable to the risk being hedged, the derivative is remeasured at fair value and the gains and losses from both are taken to profit or loss. For hedged items recorded at amortised cost, the difference between the carrying value of the hedged item and the face value is amortised over the remaining term of the original hedge using the effective interest rate method.

The Group discontinues fair value hedge accounting if the hedging instrument expires or is sold, terminated or exercised, the hedge no longer meets the criteria for hedge accounting. If the hedged items are derecognised, the unamortised fair value is recorded in profit or loss.

###### (4) *Hedges of net investments in foreign operations*

Hedges of net investments in foreign operations are hedges of the foreign currency risk of net investments in foreign operations. The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income. The ineffective portion is recognised immediately in profit or loss and included in the statement of profit or loss. The cumulative gain or loss on the hedging instrument relating to the effective portion of the hedge that has been accumulated in equity are reclassified to profit or loss on the disposal or partial disposal of the foreign operation.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

#### 3.2 Material accounting policy information *(continued)*

**(f) Financial assets held under resale agreements and financial assets sold under repurchase agreements**

Financial assets purchased under agreements to resell are reported not as purchases of the assets but as receivables and are carried in the statement of financial position at amortised cost.

Financial assets sold subject to a simultaneous agreement to repurchase these assets are retained in the statement of financial position and measured in accordance with their original measurement principles. The proceeds from the sale are reported as liabilities and are carried at amortised cost.

Interest earned on resale agreements and interest incurred on repurchase agreements are recognised respectively as interest income and interest expenses over the life of each agreement using the effective interest method.

**(g) Property and equipment**

**(i) Recognition and measurement**

Items of property and equipment are stated at cost less accumulated depreciation and impairment losses (Note 3.2(l)). Property and equipment under construction is stated at cost less impairment losses (Note 3.2(l)).

The cost of a purchased property and equipment asset comprises the purchase price, related taxes, and any expenditure directly attributable to bringing the asset into working condition for its intended use.

Costs of construction in progress include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing whether the related assets are functioning properly and, for qualifying assets, borrowing costs eligible for capitalisation.

**(ii) Subsequent costs**

The subsequent costs including the cost of replacing part of an item of property or equipment are recognised in the carrying amount of the item if the recognition criteria are satisfied, and the carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

#### 3.2 Material accounting policy information *(continued)*

##### (g) Property and equipment *(continued)*

##### (iii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of property and equipment. Where the individual component parts of an item of property and equipment have different useful lives or provide benefits to the Group in different patterns, each part is depreciated separately. The estimated useful lives and the rate of net residual values of each class of property and equipment are as follows:

	<b>Estimated useful life</b>	<b>Estimated rate of net residual value</b>
Buildings	20 – 35 years	3% – 5%
Office equipment	2 – 5 years	0% – 10%
Furniture and fixtures	3 – 15 years	0% – 10%
Motor vehicles	3 – 5 years	0% – 10%
Leasehold improvements	Benefit period	Nil

No depreciation is provided in respect of property and equipment under construction.

Depreciation methods, useful lives and net residual values are reassessed at the end of the reporting period. In the current year, the Group has adjusted the estimated useful lives of certain property and equipment as a result of the periodic reassessment. The change in accounting estimates has had no material impact on the consolidated financial statements.

##### (iv) Gains or losses from the retirement or disposal

Gains or losses arising from the retirement or disposal of property and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss on the date of disposal or retirement.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

#### 3.2 Material accounting policy information *(continued)*

##### (h) Leases

###### (i) Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

###### (ii) The Group as a lessee

###### *Allocation of consideration to components of a contract*

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group also applies practical expedient not to separate non-lease components from lease component, and instead to account for the lease component and any associated non-lease components as a single lease component.

###### *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date (i.e. the date the underlying asset is available for use) and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

###### *Right-of-use assets*

Except for short-term leases and leases of low value assets, the Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

#### 3.2 Material accounting policy information *(continued)*

##### (h) Leases *(continued)*

##### (ii) *The Group as a lessee* *(continued)*

##### *Right-of-use assets* *(continued)*

The cost of right-of-use assets includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

##### *Lease liabilities*

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

#### 3.2 Material accounting policy information *(continued)*

##### (h) Leases *(continued)*

##### (ii) *The Group as a lessee* *(continued)*

##### *Lease liabilities* *(continued)*

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise the options; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in an index or a change in expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

#### 3.2 Material accounting policy information *(continued)*

##### (h) Leases *(continued)*

##### (ii) **The Group as a lessee** *(continued)*

###### *Lease modifications*

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, less any lease incentives receivable, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use assets. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

###### *Taxation*

For the purposes of measuring deferred tax arising from the recognition of right-of-use assets and related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities. Temporary differences associated with right-of-use assets and lease liabilities are not recognised when the Group initially recognising the assets and liabilities and over the lease terms as a result of applying the initial recognition exemption of deferred tax under IAS 12 *Income Taxes*.



### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

#### 3.2 Material accounting policy information *(continued)*

##### (i) Investment properties

Investment properties comprise real estate properties for the purpose of earning rental income and/or for capital appreciation. The Group's investment properties are accounted for using the cost model, which are stated in the financial statements at cost less accumulated depreciation and impairment losses (see Note 3.2(l)). Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

An investment property shall be derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. When an investment property is sold, transferred, retired or damaged, the Group recognises the amount of any proceeds on disposal, net of the carrying amount and related expenses in the consolidated statement of profit or loss.

The estimated useful lives and the estimated rate of net residual values of investment properties are as follows:

	<b>Estimated useful life</b>	<b>Estimated rate of net residual value</b>
Investment properties	30 years	3%

##### (j) Intangible assets

Intangible assets are stated in the statement of financial position at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (Note 3.2(l)).

Useful lives of intangible assets are determined as the period that the assets are expected to generate economic benefits for the Group, and when there is no foreseeable limit on the period of time over which the asset is expected to generate economic benefits for the Group, the intangible assets are regarded as having indefinite useful life.

Amortisation of an intangible asset with finite useful life is charged to profit or loss on a straight-line basis over its estimated useful life. Both the period and method of amortisation are reviewed annually. In the current year, the Group has adjusted the estimated useful lives of certain intangible assets as a result of the periodic reassessment. The change in accounting estimates has had no material impact on the consolidated financial statements.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

#### 3.2 Material accounting policy information *(continued)*

##### (j) Intangible assets *(continued)*

Intangible assets are not amortised while their useful lives are assessed to be indefinite. Any conclusion that the useful life of an intangible asset is indefinite is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for prospectively from the date of change and in accordance with the policy for amortisation of intangible assets with finite lives as set out above.

The self-developed software and software acquired from third party shall be amortised over 5 to 10 years. The trade mark right and the securities trading seat rights in Chinese mainland shall be amortised over 10 years.

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

#### 3.2 Material accounting policy information *(continued)*

##### **(k) Contract assets and contract liabilities**

A contract asset is recognised when the Group recognises revenue (see Note 3.2(p)) before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for ECLs in accordance with the policy set out in Note 3.2(e)(ii)(2) and are reclassified to receivables when the right to the consideration has become unconditional.

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue (see Note 3.2(p)). A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised.

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis. When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method.

##### **(l) Impairment of non-financial assets**

Internal and external sources of information are reviewed at the end of year to identify indications that the following assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased:

- property and equipment (other than properties carried at revalued amounts);
- investment properties;
- intangible assets;
- right-of-use assets;
- investments in subsidiaries, associates and joint ventures; and
- goodwill.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

#### 3.2 Material accounting policy information *(continued)*

##### (I) Impairment of non-financial assets *(continued)*

If any impairment indication exists, the asset's recoverable amount is estimated. In addition, for goodwill and intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amounts are estimated annually whether or not there is any indication of impairment.

– Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a CGU).

– Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the CGU to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of CGU are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

– Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

#### 3.2 Material accounting policy information *(continued)*

##### **(m) Provisions and contingent liabilities**

Provisions are recognised when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

A contingent liability is a present obligation arising from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Where the Group is jointly and severally liable for an obligation, the part of the obligation that is expected to be met by other parties is treated as a contingent liability and it is not recognised in the consolidated financial statements.

The Group assesses continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the consolidated financial statements in the reporting period in which the change in probability occurs, except in the extremely rare circumstances where no reliable estimate can be made.

##### **(n) Employee benefits**

###### ***(i) Short-term employee benefits and contributions to defined contribution retirement plans***

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the period in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

Pursuant to the relevant laws and regulations in the PRC, the Group participated in the social pension schemes for employees arranged by local government labour and security authorities. The Group makes contributions to the retirement schemes at the applicable rates based on the amount stipulated by the government. The contributions are charged to profit or loss on an accrual basis. When employees retire, the local labour and security authorities are responsible for the payment of the basic retirement benefits to the retired employees.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

#### 3.2 Material accounting policy information *(continued)*

##### (n) Employee benefits *(continued)*

##### (i) Short-term employee benefits and contributions to defined contribution retirement plans *(continued)*

The Group also participates in the Mandatory Provident Fund Scheme (the "MPF Scheme") for its employees in Hong Kong under the *Mandatory Provident Fund Scheme Ordinance* and there are no forfeited contributions that may be used by the Group to reduce the existing level of contributions.

##### (ii) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

##### (iii) Termination benefits

A liability for a termination benefit is recognised at the earlier of when the Group can no longer withdraw the offer of the termination benefit and when it recognises any related restructuring costs.

##### (o) Offsetting

Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions such as in the Group's trading activity.

##### (p) Revenue recognition

Revenue from contracts with customers is recognised when control of the services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a service (or a bundle of services) that is distinct or a series of distinct services that are substantially the same and have the same pattern of transfer to the clients.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

#### 3.2 Material accounting policy information *(continued)*

##### (p) Revenue recognition *(continued)*

The Group accounts for a contract with a client only when all of the following criteria are met:

- the parties to the contract have approved the contract and are committed to perform their respective obligations;
- each party's rights regarding the services to be transferred can be identified;
- the payment terms for the services to be transferred can be identified;
- the contract has commercial substance; and
- it is probable that the consideration to which the Group is entitled in exchange for the services to be transferred to the clients will be collected.

When a contract with a client does not meet the criteria stated above and the Group receives consideration from the client, the Group recognises the consideration received as revenue only when the Group has no remaining obligations to transfer services to the client and all, or substantially all, of the consideration promised by the client has been received by the Group is non-refundable, or the contract has been terminated and the consideration received from the client is non-refundable and the consideration received from a client will be recognised as a contract liability.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the client simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the client controls as the Group performs;  
or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

#### 3.2 Material accounting policy information *(continued)*

##### (p) Revenue recognition *(continued)*

Otherwise, revenue is recognised at a point in time when the client obtains control of the distinct service.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the promised services to the client. The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group updates the estimated transaction price to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

When another party is involved in providing services to a client, the Group determines whether the nature of its promise is a performance obligation to provide the specified services itself as a principal or to arrange, as an agent, for the other party to provide those services.

The Group is a principal if it controls the specified service before that service is transferred to a client.

The Group is an agent if its performance obligation is to arrange for the provision of the specified service by another party. In this case, the Group does not control the specified service provided by another party before that service is transferred to the client. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the other party to provide the specified services.

Where the contract contains a financing component which provides a significant financing benefit to the client for more than 12 months, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction with the client, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method. The Group takes advantage of the practical expedient in IFRS 15 and does not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.



### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

#### 3.2 Material accounting policy information *(continued)*

##### **(p) Revenue recognition** *(continued)*

Further details of the Group's revenue and other income recognition policies are as follows:

##### **(i) Underwriting and sponsoring fees, financial advisory fees and investment advisory fees**

Underwriting and sponsoring fees are recognised when the Group has fulfilled its obligations under the underwriting and sponsoring contract.

Depending on the nature of the services and the contract terms, financial advisory fees and investment advisory fees are recognised in profit or loss over time using a method that depicts the Group's performance, or at a point in time when the service is completed.

##### **(ii) Asset management fees**

Asset management fees include periodic management fees calculated based on assets under management and performance-based fee. The fees are recognised progressively over time using a method that depicts the Group's performance, to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

##### **(iii) Brokerage commission income**

Brokerage commission income includes commission income from brokerage trading of securities and leasing out trading seats. Commission income from brokerage trading of securities is recognised on the trade date basis when the relevant transactions are executed. Commission income from leasing out trading seats is recognised when the related services are rendered.

##### **(iv) Dividend income**

Dividend income from investments is recognised when the rights to receive payment have been established.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

#### 3.2 Material accounting policy information *(continued)*

##### (q) Expenses recognition

###### (i) Interest expenses

Interest expenses are accrued on a time proportion basis with reference to the amortised cost and the applicable effective interest rate.

###### (ii) Fee and commission expenses

Fee and commission expenses are charged to profit or loss on an accrual basis.

###### (iii) Other expenses

Other expenses are recognised on an accrual basis.

##### (r) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

##### (s) Income tax

Income tax expense comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amount of tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of year, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

#### 3.2 Material accounting policy information *(continued)*

##### (s) Income tax *(continued)*

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss related to the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination) and at the time of the transaction does not give rise to equal taxable and deductible temporary differences, and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The carrying amount of a deferred tax asset is reviewed at the end of year and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

#### 3.2 Material accounting policy information *(continued)*

**(s) Income tax** *(continued)*

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
  - the same taxable entity; or
  - different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

**(t) Dividends appropriated to investors**

Dividends or distributions of profits proposed in the profit appropriation plan which will be authorised and declared after the end of the year are not recognised as a liability at the end of the year but disclosed separately in the notes to the consolidated financial statements.

**(u) Government grants**

Government grants are recognised in the consolidated statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them.

Government grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Government grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

#### 3.2 Material accounting policy information *(continued)*

##### (v) Related parties

**(i) A person, or a close member of that person's family, is related to the Group if that person:**

- (1) has control or joint control over the Group;
- (2) has significant influence over the Group; or
- (3) is a member of the key management personnel of the Group or the Group's parent.

**(ii) An entity is related to the Group if any of the following conditions applies:**

- (1) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (2) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (3) Both entities are joint ventures of the same third party;
- (4) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (5) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- (6) The entity is controlled or jointly controlled by a person identified in Note 3.2(v)(i);
- (7) A person identified in Note 3.2(v)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

### **3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION** *(continued)*

#### **3.2 Material accounting policy information** *(continued)*

##### **(w) Segment reporting**

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial statements provided regularly to the Group's senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various business lines and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of clients, the methods used to distribute the products or provide the services, and the nature of the regulatory environment.

### **4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Group's accounting policies, which are described in Note 3.2, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

##### **(a) Fair value of financial instruments**

Financial instruments without quotes from an active market require the use of valuation techniques to determine their fair values. Valuation techniques include the use of the latest market transaction information, reference to the current fair values of similar financial instruments, discounted cash flow method and option pricing model. Valuation techniques are subject to validation and adjustment before use to ensure that the valuation results reflect actual market conditions. The valuation models developed by the Group use market information as much as possible and information specific to the Group as little as possible. It should be noted that some of the information used in the valuation models requires management to make estimates (e.g. counterparty risk, risk correlation factors, etc.). The Group regularly reviews these estimates and assumptions and makes adjustments as necessary. Whilst the Group considers these valuations are the best estimates, inflationary environment and interest rates hike have resulted in greater market volatility and may affect the investees' or issuers' businesses, which have led to higher degree of uncertainties in respect of the valuations in the current and prior year.

#### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(continued)*

##### **(b) Determination of consolidation scope**

All facts and circumstances must be taken into consideration in the assessment of whether the Group, as an investor, controls the investee. The principle of control includes three elements: (i) power over the investee; (ii) exposure, or rights, to variable returns from involvement with the investee; and (iii) the ability to use power over the investee to affect the amount of investor's returns. The Group reassesses whether it controls an investee when relevant facts and circumstances change to such an extent that there is a change in one or more of the three elements of control listed above.

For structured entities, the Group assesses whether the combination of investments it holds, if any, together with its remuneration creates exposure to variability of returns from the activities of the structured entities that is of such significance indicating that the Group is a principal. The structured entities shall be consolidated if the Group acts in the role of principal.

##### **(c) Impairment of goodwill**

The Group assesses the recoverable amount of the goodwill at the end of year and performs impairment test no matter whether there is indication that the unit may be impaired or not.

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the CGU (or the group of CGUs) to which goodwill has been allocated, which is the higher of the value in use or fair value less costs of disposal. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the CGU (or the group of CGUs) and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash flows or upward revision of discount rate, a material impairment loss or further impairment loss may arise. Furthermore, the estimated cash flows and discount rate are subject to higher degree of estimation uncertainties due to uncertainty on how the volatility in financial or foreign currency markets may progress and evolve.

#### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(continued)*

##### (d) Measurement and recognition of ECLs

The measurement of the ECL allowance for debt investments measured at amortised cost and FVTOCI is an area that requires the use of models and assumptions about future economic conditions and credit behavior of the client (such as the likelihood of clients defaulting and the resulting losses). A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Determining the number and relative weightings of forward-looking scenarios for the ECL of each type of product/market.

See Note 58(a) for more details on ECL.

##### (e) Income tax

Determining income tax provisions involves judgement on the future tax treatment of certain transactions. The Group carefully evaluates tax implications of transactions and tax provisions are made accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all tax legislations. Deferred tax assets are recognised for tax losses not yet used and temporary deductible differences. As disclosed in Note 29(b), the recognition of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future, which is a key source of estimation uncertainty especially the uncertainty on how the volatility in financial or foreign currency markets may progress and evolve. Management's assessment is constantly reviewed and additional deferred tax assets are recognised if it becomes probable that future taxable profits will allow the deferred tax assets to be recovered.



## 5. TAXATION

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

The applicable tax rate is 6% for the years ended 31 December 2023 and 2022. The urban maintenance and construction tax, education surcharge and local education surcharge are charged at 7%, 3% and 2% of VAT respectively for the years ended 31 December 2023 and 2022.

### (b) Income tax

The income tax rate applicable to the Company and its subsidiaries in Chinese mainland is 25% for the years ended 31 December 2023 and 2022.

The profits tax rate applicable to the subsidiaries in Hong Kong Special Administrative Region (“Hong Kong SAR”) is 16.5% for the years ended 31 December 2023 and 2022. Taxes of other overseas subsidiaries are charged at the relevant local rates.

## 6. SEGMENT REPORTING

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

- that engages in business activities from which it may earn revenues and incur expenses;
- whose operating results are regularly reviewed by the Group’s management for the purposes of resources allocation and performance evaluation; and
- for which discrete financial information is available.

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

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

### 6. SEGMENT REPORTING *(continued)*

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

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

## 6. SEGMENT REPORTING *(continued)*

### (a) Segment results

	Year ended 31 December 2023								
	Investment		FICC	Asset		Wealth		Others	Total
	Banking	Equities		Management	Private Equity	Management			
Segment revenue									
- Fee and commission income (Note 1)	3,199,442,321	1,741,880,645	860,013,527	1,176,208,584	1,762,308,738	5,313,843,423	(223,442,083)	13,830,255,155	
- Interest income	9,975,932	1,598,453,999	1,795,928,880	27,103,565	186,718	3,955,496,244	2,018,230,246	9,405,375,584	
- Investment income/(losses)	446,688,327	5,374,667,499	3,342,075,554	(7,740,408)	277,246,121	310,105,413	812,838,881	10,555,881,387	
- Other income, net	8,689,617	1,352,290,571	3,987,605	8,170,418	69,931,769	134,693,228	76,902,461	1,654,665,669	
Segment revenue and other income	3,664,796,197	10,067,292,714	6,002,005,566	1,203,742,159	2,109,673,346	9,714,138,308	2,684,529,505	35,446,177,795	
Segment expenses	3,473,301,716	6,230,206,014	4,472,438,531	1,047,033,992	1,254,362,688	7,611,647,727	4,568,771,462	28,657,762,130	
Segment operating profit/(loss)	191,494,481	3,837,086,700	1,529,567,035	156,708,167	855,310,658	2,102,490,581	(1,884,241,957)	6,788,415,665	
Share of profits/(losses) of associates and joint ventures	-	-	-	1,006,377	71,673,752	(38,030,987)	(77,320)	34,571,822	
Profit/(loss) before income tax	191,494,481	3,837,086,700	1,529,567,035	157,714,544	926,984,410	2,064,459,594	(1,884,319,277)	6,822,987,487	
Segment assets	6,260,987,401	211,034,148,489	154,128,515,271	2,985,356,461	8,304,877,372	127,308,734,683	111,401,080,399	621,423,700,076	
Deferred tax assets								2,882,886,608	
Total assets								624,306,586,684	
Segment liabilities	5,827,453,174	191,483,599,907	133,354,109,953	2,097,018,583	3,428,793,411	109,169,335,471	73,466,187,750	518,826,498,249	
Deferred tax liabilities								582,690,484	
Total liabilities								519,409,188,733	
Other segment information:									
Interest expenses (Note 2)	244,819,653	4,537,801,679	3,343,481,840	134,565,427	257,082,478	1,927,257,856	295,138,232	10,740,147,165	
Depreciation and amortisation expenses	114,497,463	128,019,739	151,570,784	66,168,170	68,666,594	610,800,278	631,974,960	1,771,697,988	
Provision for/(reversal of) impairment losses under ECL model	37,599,625	(30,218,348)	8,111,251	225,264	(20,869,385)	11,601,619	(1,418,943)	5,031,083	

## Notes to the Consolidated Financial Statements

(Expressed in RMB, unless otherwise stated)

### 6. SEGMENT REPORTING (continued)

#### (a) Segment results (continued)

	Year ended 31 December 2022							Total
	Investment Banking	Equities	FICC	Asset Management	Private Equity	Wealth Management	Others	
Segment revenue								
– Fee and commission income (Note 1)	6,051,374,722	2,688,102,268	1,017,686,417	1,367,980,758	1,569,122,311	5,532,081,618	(163,031,586)	18,063,316,508
– Interest income	35,059,151	1,029,587,167	1,436,533,851	52,421,522	6,566,179	4,092,996,479	1,500,174,618	8,153,338,967
– Investment (losses)/income	(39,769,095)	5,617,889,462	3,159,787,413	(55,241,701)	906,728,303	408,716,116	609,771,769	10,607,882,267
– Other income/(losses), net	2,413,845	(696,502,656)	648,277,772	9,992,533	36,589,873	106,716,665	466,162,834	573,650,866
Segment revenue and other income	6,049,078,623	8,639,076,241	6,262,285,453	1,375,153,112	2,519,006,666	10,140,510,878	2,413,077,635	37,398,188,608
Segment expenses	4,256,288,764	3,925,649,505	4,257,633,708	1,087,691,347	1,317,245,409	8,095,892,993	5,398,341,098	28,338,742,824
Segment operating profit/(loss)	1,792,789,859	4,713,426,736	2,004,651,745	287,461,765	1,201,761,257	2,044,617,885	(2,985,263,463)	9,059,445,784
Share of profits/(losses) of associates and joint ventures	–	–	–	21,303,617	33,332,398	(58,000,022)	(103,777)	(3,467,784)
Profit/(loss) before income tax	1,792,789,859	4,713,426,736	2,004,651,745	308,765,382	1,235,093,655	1,986,617,863	(2,985,367,240)	9,055,978,000
Segment assets	7,200,091,313	219,498,996,220	144,434,182,269	4,090,150,174	7,514,083,760	129,582,769,986	133,693,577,413	646,013,851,135
Deferred tax assets								2,750,188,301
Total assets								648,764,039,436
Segment liabilities	7,499,827,908	210,544,219,911	125,828,236,895	3,376,219,112	3,536,880,438	112,722,403,694	85,062,790,590	548,570,578,548
Deferred tax liabilities								718,765,065
Total liabilities								549,289,343,613
Other segment information:								
Interest expenses (Note 2)	320,916,435	2,245,183,373	3,067,365,123	158,310,723	269,022,546	2,089,123,190	1,026,598,757	9,176,520,147
Depreciation and amortisation expenses	110,833,453	115,050,532	108,935,557	67,549,605	63,839,292	581,440,397	597,467,918	1,645,116,754
(Reversal of)/provision for impairment losses under ECL model	(4,381,847)	(82,989,935)	66,336,617	10,719,709	18,367,650	(29,715,804)	734,688	(20,928,922)

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

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

## 6. SEGMENT REPORTING *(continued)*

### (b) Geographical information

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

	<b>Revenue and other income from external clients</b>	
	<b>Year ended 31 December</b>	
	<b>2023</b>	2022
Chinese mainland	<b>25,395,386,627</b>	30,155,072,095
Outside Chinese mainland	<b>10,050,791,168</b>	7,243,116,513
Total	<b>35,446,177,795</b>	37,398,188,608

	<b>Non-current assets</b>	
	<b>As at 31 December</b>	
	<b>2023</b>	2022
Chinese mainland	<b>10,739,988,763</b>	7,817,387,171
Outside Chinese mainland	<b>1,041,929,820</b>	956,445,332
Total	<b>11,781,918,583</b>	8,773,832,503

Reconciliation of segment non-current assets:

	<b>Non-current assets</b>	
	<b>As at 31 December</b>	
	<b>2023</b>	2022
Total non-current assets for segments	<b>41,038,697,097</b>	38,030,611,017
Elimination of inter-segment non-current assets	<b>(29,256,778,514)</b>	(29,256,778,514)
Total	<b>11,781,918,583</b>	8,773,832,503

**6. SEGMENT REPORTING** *(continued)***(c) Major clients**

The Group's client base is diversified and there was no case in which the revenue recognised from a single client exceeded 10% of the Group's revenue for the years ended 31 December 2023 and 2022.

**7. FEE AND COMMISSION INCOME**

	<b>Year ended 31 December</b>	
	<b>2023</b>	2022
Brokerage commission income	<b>5,685,419,957</b>	6,724,619,393
Asset management fees	<b>3,267,002,807</b>	3,200,602,010
Underwriting and sponsoring fees	<b>3,212,686,666</b>	6,401,818,894
Financial advisory fees	<b>746,536,067</b>	945,633,406
Investment advisory fees	<b>685,372,784</b>	599,897,044
Others	<b>233,236,874</b>	190,745,761
<b>Total</b>	<b>13,830,255,155</b>	18,063,316,508

The remaining performance obligation is recognised as contract liabilities as at 31 December 2023 and 2022, and disclosed in Note 48. Except as stated in Note 48, there is no significant remaining performance obligation.

**8. INTEREST INCOME**

	<b>Year ended 31 December</b>	
	<b>2023</b>	2022
Interest income from financial institutions	<b>3,419,929,443</b>	2,845,497,853
Interest income from margin financing and securities lending	<b>2,743,723,293</b>	2,672,473,426
Interest income from financial assets at fair value through other comprehensive income	<b>1,700,825,939</b>	1,432,341,079
Interest income from reverse REPOs	<b>773,132,114</b>	885,366,459
Others	<b>767,764,795</b>	317,660,150
<b>Total</b>	<b>9,405,375,584</b>	8,153,338,967

## 9. INVESTMENT INCOME

	Year ended 31 December	
	2023	2022
Net losses from disposal of financial assets at fair value through other comprehensive income	<b>(132,345,961)</b>	(117,261,499)
Net gains/(losses) from financial instruments at fair value through profit or loss	<b>10,425,228,893</b>	(9,447,532,252)
Net gains from derivative financial instruments	<b>262,996,693</b>	20,170,066,615
Others	<b>1,762</b>	2,609,403
<b>Total</b>	<b>10,555,881,387</b>	10,607,882,267

## 10. OTHER INCOME, NET

	Year ended 31 December	
	2023	2022
Foreign exchange gains from derivatives	<b>1,903,804,766</b>	706,044,802
Government grants	<b>138,928,635</b>	85,966,731
Refund for tax withholding and remittance	<b>71,084,930</b>	96,147,298
Others (Note)	<b>(459,152,662)</b>	(314,507,965)
<b>Total</b>	<b>1,654,665,669</b>	573,650,866

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

## 11. FEE AND COMMISSION EXPENSES

	Year ended 31 December	
	2023	2022
Brokerage commission expenses	<b>1,155,562,422</b>	1,492,387,777
Asset management expenses	<b>298,225,543</b>	286,334,365
Underwriting and sponsoring expenses	<b>256,942,453</b>	341,426,448
Investment advisory expenses	<b>28,950</b>	119,236
Others	<b>31,107,230</b>	–
<b>Total</b>	<b>1,741,866,598</b>	2,120,267,826

*(Expressed in RMB, unless otherwise stated)***12. INTEREST EXPENSES**

	<b>Year ended 31 December</b>	
	<b>2023</b>	2022
Interest expenses on:		
– Corporate bonds	<b>3,230,828,003</b>	3,787,039,946
– Placements from financial institutions	<b>2,204,859,339</b>	1,527,271,593
– REPOs	<b>1,358,431,990</b>	925,847,737
– MTNs	<b>1,167,194,769</b>	624,195,135
– Subordinated bonds	<b>852,959,991</b>	953,046,486
– Accounts payable to brokerage clients	<b>366,748,864</b>	332,042,032
– Beneficiary certificates	<b>242,479,438</b>	290,616,325
– Lease liabilities	<b>88,433,857</b>	75,437,642
– Structured notes	<b>18,675,031</b>	16,949,947
– Financial bonds	–	53,868,493
– Commercial papers	–	3,912,329
– Others	<b>1,209,535,883</b>	586,292,482
<b>Total</b>	<b>10,740,147,165</b>	9,176,520,147

**13. STAFF COSTS**

	<b>Year ended 31 December</b>	
	<b>2023</b>	2022
Salaries, bonus and allowance	<b>8,166,930,920</b>	9,820,082,362
Retirement scheme contributions	<b>889,482,440</b>	767,242,688
Other social welfare	<b>1,082,360,829</b>	967,597,246
Other benefits	<b>546,705,856</b>	372,322,949
<b>Total</b>	<b>10,685,480,045</b>	11,927,245,245

The Group is required to participate in pension schemes in Chinese mainland, Hong Kong SAR and other jurisdictions whereby the Group pays annual contributions for its employees at certain ratios of salaries. The Group also provides annuity schemes for employees in Chinese mainland beyond the annual contributions described above. The contributions for annuity schemes are calculated based on a certain percentage of employees' salaries.



## 14. DIRECTORS' AND SUPERVISORS' REMUNERATION

Directors' and supervisors' remuneration is as follows:

Name	Year ended 31 December 2023				Total
	Fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	
<b>Executive Director</b>					
Chen Liang (ii) (xi)	-	260,418	-	22,653	283,071
Huang Zhaohui (ii) (x)	-	1,418,134	-	118,100	1,536,234
<b>Non-executive Director</b>					
Shen Rujun (x)	-	-	-	-	-
Zhang Wei (viii)	-	-	-	-	-
Tan Lixia (xii)	-	-	-	-	-
Duan Wenwu	-	-	-	-	-
Kong Lingyan (viii)	-	-	-	-	-
<b>Independent Non-executive Director</b>					
Liu Li (ix)	402,500	-	-	-	402,500
Zhou Yu (viii)	404,313	-	-	-	404,313
Ng Kong Ping Albert (vii)	840,000	-	-	-	840,000
Lu Zhengfei (vii)	802,563	-	-	-	802,563
Peter Hugh Nolan (iv)	740,000	-	-	-	740,000
<b>Supervisor</b>					
Gao Tao (ii)	-	1,545,336	-	111,144	1,656,480
Jin Lizuo	385,000	-	-	-	385,000
Cui Zheng	-	-	-	-	-
Total	3,574,376	3,223,888	-	251,897	7,050,161

**14. DIRECTORS' AND SUPERVISORS' REMUNERATION** (continued)

Directors' and supervisors' remuneration is as follows: (continued)

Name	Year ended 31 December 2022				Total
	Fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	
<b>Executive Director</b>					
Huang Zhaohui (ii) (x)	–	1,706,470	1,638,734	138,957	3,484,161
<b>Non-executive Director</b>					
Shen Rujun (x)	–	–	–	–	–
Zhu Hailin (v)	–	–	–	–	–
Tan Lixia (xii)	–	–	–	–	–
Duan Wenwu	–	–	–	–	–
<b>Independent Non-executive Director</b>					
Liu Li (ix)	825,000	–	–	–	825,000
Siu Wai Keung (vi)	405,625	–	–	–	405,625
Ben Shenglin (vi)	398,604	–	–	–	398,604
Ng Kong Ping Albert (vii)	436,875	–	–	–	436,875
Lu Zhengfei (vii)	410,750	–	–	–	410,750
Peter Hugh Nolan (iv)	745,000	–	–	–	745,000
<b>Supervisor</b>					
Gao Tao (ii)	–	1,536,199	–	105,701	1,641,900
Jin Lizuo	395,000	–	–	–	395,000
Cui Zheng	–	–	–	–	–
<b>Total</b>	<b>3,616,854</b>	<b>3,242,669</b>	<b>1,638,734</b>	<b>244,658</b>	<b>8,742,915</b>

## 14. DIRECTORS' AND SUPERVISORS' REMUNERATION *(continued)*

Directors' and supervisors' remuneration is as follows: *(continued)*

- (i) The amounts disclosed above in respect of the remuneration of directors and supervisors were accrued and confirmed to be distributed by the Company during the reporting period and presented before income tax.
- (ii) The remuneration of Mr. Chen Liang and Mr. Huang Zhaohui include the compensation for the services provided by them acting as the senior management of the Company. There is no compensation for Mr. Chen Liang and Mr. Huang Zhaohui for the performance of the duties as a Director. The remuneration of Mr. Gao Tao includes the compensation for the services provided in China CICC Wealth Management Securities Company Limited ("CICC Wealth Management", "CISC", "WMS" or "CICC Wealth Management Securities"). There is no compensation for Mr. Gao Tao for the performance of the duties as a Supervisor.
- (iii) In addition to disclosed above, the pre-tax remuneration of Mr. Huang Zhaohui during his tenure, attributable to previous years and deferred to 2023 and 2022 amounted to RMB946 thousand and RMB556 thousand respectively. The pre-tax remuneration of Mr. Gao Tao during his tenure, attributable to previous years and deferred to 2023 and 2022 amounted to RMB3,070 thousand and RMB2,703 thousand respectively.
- (iv) Mr. Peter Hugh Nolan donated a total of RMB180 thousand to CICC Charity Foundation in 2023 (Year ended 31 December 2022: RMB180 thousand).
- (v) Appointed as non-executive Director in September 2021 and resigned as non-executive Director in July 2022.
- (vi) Resigned as independent non-executive Director in June 2022.
- (vii) Appointed as independent non-executive Director in June 2022.
- (viii) Appointed as non-executive Director or independent non-executive Director in June 2023.
- (ix) Resigned as independent non-executive Director in June 2023.
- (x) Resigned as executive Director or non-executive Director in October 2023.
- (xi) Appointed as executive Director in November 2023.
- (xii) Resigned as non-executive Director in November 2023.

There were no amounts paid during the year to the directors and supervisors in connection with their retirement from employment or as compensation for loss of office with the Group, or as inducement to join. There was no other arrangement under which a director or a supervisor waived or agreed to waive any remuneration during the year.

**15. INDIVIDUALS WITH HIGHEST EMOLUMENTS**

None of the five individuals with the highest emoluments in 2023 and 2022 are directors or supervisors of the Company. The aggregate of the emoluments are as follows:

	<b>Year ended 31 December</b>	
	<b>2023</b>	2022
Salaries and other emoluments	<b>12,503,593</b>	9,844,656
Discretionary bonuses	<b>47,901,742</b>	54,238,921
Retirement scheme contributions	<b>538,523</b>	686,660
Total	<b>60,943,858</b>	64,770,237

The emoluments of these individuals with the highest emoluments are within the following bands:

	<b>Number of individuals</b>	
	<b>2023</b>	2022
From RMB11,500,001 to RMB12,000,000	<b>2</b>	–
From RMB12,000,001 to RMB12,500,000	<b>2</b>	–
From RMB12,500,001 to RMB13,000,000	<b>1</b>	3
From RMB13,000,001 to RMB13,500,000	–	2

No emoluments are paid or payable to these individuals in connection with their retirement from employment or as compensation for loss of office or inducement to join during the year.

**16. DEPRECIATION AND AMORTISATION EXPENSES**

	<b>Year ended 31 December</b>	
	<b>2023</b>	2022
Depreciation of right-of-use assets	<b>1,016,428,135</b>	880,550,974
Depreciation of property and equipment	<b>488,088,662</b>	491,762,005
Amortisation of intangible assets	<b>264,096,885</b>	270,837,451
Others	<b>3,084,306</b>	1,966,324
<b>Total</b>	<b>1,771,697,988</b>	1,645,116,754

**17. OTHER OPERATING EXPENSES AND COSTS**

	<b>Year ended 31 December</b>	
	<b>2023</b>	2022
Business development expenses	<b>1,098,409,433</b>	1,102,900,944
Electronic equipment operating expenses	<b>790,436,670</b>	669,978,914
Travelling and transportation expenses	<b>432,473,037</b>	230,909,036
Professional service fees	<b>222,787,889</b>	337,017,774
Utilities and maintenance	<b>175,184,017</b>	160,351,593
Information technology expenses	<b>150,992,907</b>	244,460,723
Securities and futures investor protection funds	<b>76,192,888</b>	96,236,836
Auditors' remuneration	<b>16,232,110</b>	15,141,086
Others	<b>663,657,149</b>	510,841,781
<b>Total</b>	<b>3,626,366,100</b>	3,367,838,687

**18. PROVISION FOR/(REVERSAL OF) IMPAIRMENT LOSSES UNDER ECL MODEL**

	<b>Year ended 31 December</b>	
	<b>2023</b>	2022
Impairment losses (reversed)/provided for:		
Accounts receivable and other assets	<b>(7,777,833)</b>	(41,632,694)
Receivable from margin clients	<b>17,964,995</b>	(20,238,152)
Reverse REPOs	<b>(2,742,820)</b>	(12,905,647)
Financial assets at fair value through other comprehensive income	<b>(2,320,309)</b>	53,017,651
Cash and bank balances	<b>(92,950)</b>	829,920
<b>Total</b>	<b>5,031,083</b>	(20,928,922)

**19. INCOME TAX EXPENSE****(a) Taxation in the consolidated statement of profit or loss:**

	<b>Year ended 31 December</b>	
	<b>2023</b>	2022
Current tax		
– Chinese mainland income tax	<b>463,413,516</b>	1,700,343,925
– Outside Chinese mainland profits tax	<b>570,266,449</b>	519,199,227
Subtotal	<b>1,033,679,965</b>	2,219,543,152
Deferred tax	<b>(374,332,832)</b>	(758,440,441)
Total	<b>659,347,133</b>	1,461,102,711

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

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

	<b>Year ended 31 December</b>	
	<b>2023</b>	2022
Profit before income tax	<b>6,822,987,487</b>	9,055,978,000
Income tax calculated at the PRC statutory income tax rate	<b>1,705,746,872</b>	2,263,994,500
Effect of non-deductible expenses	<b>44,040,283</b>	41,538,441
Effect of non-taxable income	<b>(646,007,678)</b>	(548,102,163)
Effect of different applicable tax rates of the subsidiaries	<b>(312,373,225)</b>	(203,172,845)
Effect of deductible temporary differences or unused tax losses with no deferred tax asset recognised during the year	<b>54,663,710</b>	7,702,440
Effect of utilisation of the deductible temporary differences or unused tax losses with no deferred tax asset recognised in previous periods	<b>(10,143,355)</b>	(35,374,916)
Others	<b>(176,579,474)</b>	(65,482,746)
Total income tax expense	<b>659,347,133</b>	1,461,102,711

## 20. BASIC EARNINGS PER SHARE

	Year ended 31 December	
	2023	2022
Profit attributable to shareholders of the Company	<b>6,156,130,774</b>	7,597,501,992
Interest for holders of perpetual subordinated bonds for the year	<b>(660,600,000)</b>	(552,455,342)
Total	<b>5,495,530,774</b>	7,045,046,650
Weighted average number of ordinary shares in issue	<b>4,827,256,868</b>	4,827,256,868
Basic earnings per share (in RMB per share)	<b>1.14</b>	1.46

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

No diluted earnings per share has been presented for the years ended 31 December 2023 and 2022 as the Company had no potential ordinary shares in issue during the periods.

(Expressed in RMB, unless otherwise stated)

**21. PROPERTY AND EQUIPMENT**

	Buildings	Office equipment	Furniture and fixtures	Motor vehicles	Leasehold improvements	Construction in progress	Total
<b>Cost</b>							
As at 31 December 2022	92,721,687	2,228,424,294	161,083,507	9,787,009	1,054,355,566	363,432,440	3,909,804,503
Additions and transfer-in	-	432,425,822	62,475,159	-	327,892,427	260,647,035	1,083,440,443
Transfer-out	-	-	-	-	-	(12,085,169)	(12,085,169)
Disposals	(54,755,477)	(183,108,538)	(8,205,449)	(608,447)	(124,662,501)	-	(371,340,412)
Effect of changes in exchange rates	-	8,803,856	525,520	-	4,819,033	-	14,148,409
As at 31 December 2023	37,966,210	2,486,545,434	215,878,737	9,178,562	1,262,404,525	611,994,306	4,623,967,774
<b>Accumulated depreciation</b>							
As at 31 December 2022	(50,386,480)	(1,469,486,642)	(93,448,925)	(8,045,786)	(728,005,471)	-	(2,349,373,304)
Additions	(3,718,260)	(220,904,277)	(37,854,017)	(124,925)	(225,487,183)	-	(488,088,662)
Disposals	35,200,966	167,953,258	7,397,136	480,150	122,540,620	-	333,572,130
Effect of changes in exchange rates	-	(3,763,253)	(461,335)	-	(3,900,885)	-	(8,125,473)
As at 31 December 2023	(18,903,774)	(1,526,200,914)	(124,367,141)	(7,690,561)	(834,852,919)	-	(2,512,015,309)
<b>Carrying amount</b>							
As at 31 December 2023	19,062,436	960,344,520	91,511,596	1,488,001	427,551,606	611,994,306	2,111,952,465
As at 31 December 2022	42,335,207	758,937,652	67,634,582	1,741,223	326,350,095	363,432,440	1,560,431,199



**21. PROPERTY AND EQUIPMENT** *(continued)*

	Buildings	Office equipment	Furniture and fixtures	Motor vehicles	Leasehold improvements	Construction in progress	Total
<b>Cost</b>							
As at 31 December 2021	92,721,687	1,890,744,489	123,413,502	10,395,805	895,039,173	189,436,852	3,201,751,508
Additions and transfer-in	-	471,054,492	52,813,399	-	232,486,012	261,573,016	1,017,926,919
Transfer-out	-	-	-	-	-	(87,577,428)	(87,577,428)
Disposals	-	(147,010,147)	(16,347,995)	(608,796)	(87,216,833)	-	(251,183,771)
Effect of changes in exchange rates	-	13,635,460	1,204,601	-	14,047,214	-	28,887,275
As at 31 December 2022	92,721,687	2,228,424,294	161,083,507	9,787,009	1,054,355,566	363,432,440	3,909,804,503
<b>Accumulated depreciation</b>							
As at 31 December 2021	(45,935,909)	(1,297,117,466)	(85,368,599)	(8,380,397)	(633,081,614)	-	(2,069,883,985)
Additions	(4,450,571)	(297,556,006)	(21,781,162)	(256,329)	(167,717,937)	-	(491,762,005)
Disposals	-	137,386,707	14,860,617	590,940	82,792,403	-	235,630,667
Effect of changes in exchange rates	-	(12,199,877)	(1,159,781)	-	(9,998,323)	-	(23,357,981)
As at 31 December 2022	(50,386,480)	(1,469,486,642)	(93,448,925)	(8,045,786)	(728,005,471)	-	(2,349,373,304)
<b>Carrying amount</b>							
As at 31 December 2022	42,335,207	758,937,652	67,634,582	1,741,223	326,350,095	363,432,440	1,560,431,199
As at 31 December 2021	46,785,778	593,627,023	38,044,903	2,015,408	261,957,559	189,436,852	1,131,867,523

**22. RIGHT-OF-USE ASSETS**

	Leasehold			
	Buildings	land	Equipment	Total
<b>Cost</b>				
As at 31 December 2022	4,173,036,184	1,266,558,879	791,276	5,440,386,339
Increases	3,093,572,890	-	43,672	3,093,616,562
Decreases	(340,042,873)	-	(674,421)	(340,717,294)
Effect of changes in exchange rates	16,638,299	-	13,417	16,651,716
As at 31 December 2023	6,943,204,500	1,266,558,879	173,944	8,209,937,323
<b>Accumulated depreciation</b>				
As at 31 December 2022	(1,832,040,448)	(250,643,102)	(572,327)	(2,083,255,877)
Increases	(1,016,314,900)	(32,910,658)	(163,878)	(1,049,389,436)
Decreases	237,800,252	-	674,421	238,474,673
Effect of changes in exchange rates	(8,291,638)	-	(9,705)	(8,301,343)
As at 31 December 2023	(2,618,846,734)	(283,553,760)	(71,489)	(2,902,471,983)
<b>Carrying amount</b>				
As at 31 December 2023	4,324,357,766	983,005,119	102,455	5,307,465,340
As at 31 December 2022	2,340,995,736	1,015,915,777	218,949	3,357,130,462
Expense relating to leases of low-value assets and short-term leases				89,178,022
Total cash outflow for leases for the year				1,142,756,892

**22. RIGHT-OF-USE ASSETS** *(continued)*

	Buildings	Leasehold land	Equipment	Total
<b>Cost</b>				
As at 31 December 2021	3,232,138,927	1,266,558,879	854,845	4,499,552,651
Increases	1,376,882,442	–	128,101	1,377,010,543
Decreases	(495,264,978)	–	(241,634)	(495,506,612)
Effect of changes in exchange rates	59,279,793	–	49,964	59,329,757
As at 31 December 2022	4,173,036,184	1,266,558,879	791,276	5,440,386,339
<b>Accumulated depreciation</b>				
As at 31 December 2021	(1,286,581,192)	(217,732,444)	(596,472)	(1,504,910,108)
Increases	(880,413,297)	(32,910,658)	(191,347)	(913,515,302)
Decreases	351,142,211	–	241,596	351,383,807
Effect of changes in exchange rates	(16,188,170)	–	(26,104)	(16,214,274)
As at 31 December 2022	(1,832,040,448)	(250,643,102)	(572,327)	(2,083,255,877)
<b>Carrying amount</b>				
As at 31 December 2022	2,340,995,736	1,015,915,777	218,949	3,357,130,462
As at 31 December 2021	1,945,557,735	1,048,826,435	258,373	2,994,642,543
Expense relating to leases of low-value assets and short-term leases				147,155,680
Total cash outflow for leases for the year				1,103,522,889

## 23. GOODWILL

### (a) Changes in goodwill

Subsidiaries	As at	Additions	Disposals	As at	Less: Impairment loss allowance
	31 December 2022			31 December 2023	
CICC Wealth Management (Note 1)	1,582,678,646	-	-	1,582,678,646	-
Science & Technology Innovation (Note 2)	39,984,637	-	-	39,984,637	-
Total	1,622,663,283	-	-	1,622,663,283	-

Subsidiaries	As at	Additions	Disposals	As at	Less: Impairment loss allowance
	31 December 2021			31 December 2022	
CICC Wealth Management (Note 1)	1,582,678,646	-	-	1,582,678,646	-
Science & Technology Innovation (Note 2)	39,984,637	-	-	39,984,637	-
Total	1,622,663,283	-	-	1,622,663,283	-

Note 1: The Company acquired CICC Wealth Management in 2017 and paid, as the cost of the acquisition, the consideration of RMB16,700,695,000 in the form of share issuance. The difference between the consideration and the fair value of the identifiable net assets attributable to the Company amounted to RMB1,582,678,646 and was recognised as goodwill related to the CGU of Wealth Management.

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

### (b) Impairment test

The recoverable amount of the CGU in respect of Wealth Management is determined based on the present value of expected future cash flows, which was determined based on the financial budgets (including budgeted income and profit margins based on the CGU's past performance and management's expectations for market development) approved by management covering a certain period from 2024 to 2028, cash flows beyond the certain period are extrapolated using an estimated long-term growth rate of 3.00% (Year ended 31 December 2022: 3.00%). Pre-tax discount rates used by the Group was 13.28% (31 December 2022: 11.84%). As the goodwill arising from the acquisition of Science and Technology Innovation is not material, the details of the impairment analysis are not disclosed.

As at 31 December 2023 and 2022, the Group performed annual goodwill impairment tests. There was no impairment recognised for the goodwill related to the aforesaid CGUs since the recoverable amounts were greater than its carrying amounts individually.

## 24. INTANGIBLE ASSETS

	Securities trading		Total
	seat rights	Others (Note)	
<b>Cost</b>			
As at 31 December 2022	163,112,847	1,514,718,874	1,677,831,721
Additions	–	552,086,690	552,086,690
Disposals	–	(2,929,634)	(2,929,634)
Effect of changes in exchange rates	–	239,602	239,602
As at 31 December 2023	163,112,847	2,064,115,532	2,227,228,379
<b>Accumulated amortisation</b>			
As at 31 December 2022	(126,647,844)	(747,317,088)	(873,964,932)
Additions	(8,580,000)	(255,516,885)	(264,096,885)
Disposals	–	2,885,128	2,885,128
Effect of changes in exchange rates	–	(128,132)	(128,132)
As at 31 December 2023	(135,227,844)	(1,000,076,977)	(1,135,304,821)
<b>Carrying amount</b>			
As at 31 December 2023	27,885,003	1,064,038,555	1,091,923,558
As at 31 December 2022	36,465,003	767,401,786	803,866,789

**24. INTANGIBLE ASSETS** *(continued)*

	Securities trading seat rights	Others (Note)	Total
<b>Cost</b>			
As at 31 December 2021	163,100,827	874,188,395	1,037,289,222
Additions	–	641,437,163	641,437,163
Disposals	–	(1,655,445)	(1,655,445)
Effect of changes in exchange rates	12,020	748,761	760,781
As at 31 December 2022	163,112,847	1,514,718,874	1,677,831,721
<b>Accumulated amortisation</b>			
As at 31 December 2021	(118,067,844)	(486,478,666)	(604,546,510)
Additions	(8,580,000)	(262,257,451)	(270,837,451)
Disposals	–	1,610,378	1,610,378
Effect of changes in exchange rates	–	(191,349)	(191,349)
As at 31 December 2022	(126,647,844)	(747,317,088)	(873,964,932)
<b>Carrying amount</b>			
As at 31 December 2022	36,465,003	767,401,786	803,866,789
As at 31 December 2021	45,032,983	387,709,729	432,742,712

Note: As at 31 December 2023 and 2022, others mainly included computer software used by the Group.

## 25. INTERESTS IN ASSOCIATES AND JOINT VENTURES

	As at 31 December	
	2023	2022
Share of net assets		
– Associates	531,965,248	515,367,663
– Joint ventures	544,140,170	500,212,453
Total	1,076,105,418	1,015,580,116

The following list contains only the particulars of the major associate and joint venture which are unlisted corporate entities of which quoted market prices are not available:

Name of an associate	Form of business structure	Place of incorporation operation	Particulars of issued and paid-in capital	Proportion of ownership interest			Principal activity
				Group's effective interest	Held by the Company	Held by a subsidiary	
Zheshang Jinhui Trust Co., Ltd. ("Zheshang Jinhui") (Note 1)	Incorporated	Hangzhou, PRC	RMB2,880,000,000	10.33%	10.33%	–	Trust business

Name of a joint venture	Form of business structure	Place of incorporation operation	Particulars of issued and paid-in capital	Proportion of ownership interest			Principal activity
				Group's effective interest	Held by the Company	Held by a subsidiary	
Jinteng Technology Information (Shenzhen) Co., Ltd. ("Jinteng Technology") (Note 2)	Incorporated	Shenzhen, PRC	RMB500,000,000	51.00%	51.00%	–	Information technology services

Note 1: The Company holds 10.33% equity interest of Zheshang Jinhui but has significant influence over Zheshang Jinhui as it can appoint members in Zheshang Jinhui's Board of Directors. Zheshang Jinhui is accounted for as an associate of the Company.

Note 2: The Company holds 51.00% equity interest of Jinteng Technology and jointly controls Jinteng Technology with a third party according to the contractual arrangement. Jinteng Technology is accounted for as a joint venture of the Company.

A summary of financial information of the Group's associates and joint ventures is presented below:

**25. INTERESTS IN ASSOCIATES AND JOINT VENTURES** *(continued)***(a) Zheshang Jinhui**

	<b>Year ended 31 December</b>	
	<b>2023</b>	2022
Financial information of the associate		
– Assets	<b>4,628,369,379</b>	4,545,314,257
– Liabilities	<b>186,945,615</b>	218,661,007
– Net assets	<b>4,441,423,764</b>	4,326,653,250
– Operating income	<b>439,921,146</b>	565,687,869
– Net profit	<b>159,193,291</b>	198,743,534
Reconciled to the Group's interests in the associate:		
Group's effective interest	<b>10.33%</b>	10.33%
Group's share of net assets of the associate	<b>458,792,906</b>	446,937,271
Carrying amount in the consolidated financial statements	<b>458,792,906</b>	446,937,271

**(b) Jinteng Technology**

	<b>Year ended 31 December</b>	
	<b>2023</b>	2022
Financial information of the joint venture		
– Assets	<b>191,954,195</b>	183,794,037
– Liabilities	<b>82,208,903</b>	99,401,605
– Net assets	<b>109,745,292</b>	84,392,432
– Operating income	<b>75,315,640</b>	73,208,162
– Net loss	<b>(74,647,140)</b>	(112,312,684)
Reconciled to the Group's interests in the joint venture:		
Group's effective interest	<b>51.00%</b>	51.00%
Group's share of net assets of the joint venture	<b>55,970,099</b>	43,040,140
Carrying amount in the consolidated financial statements	<b>55,970,099</b>	43,040,140



**25. INTERESTS IN ASSOCIATES AND JOINT VENTURES** *(continued)***(c) Other associates and joint ventures:**

	<b>Year ended 31 December</b>	
	<b>2023</b>	2022
Aggregate carrying amount of Group's interests in other associates and joint ventures in the consolidated financial statements	<b>561,342,413</b>	525,602,705
Aggregate amounts of the Group's share of profit or loss and other comprehensive income of those associates and joint ventures		
– Profit for the year	<b>56,290,129</b>	33,281,754
– Total comprehensive income	<b>56,290,129</b>	33,281,754

**26. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS****Non-current**

	<b>As at 31 December</b>	
	<b>2023</b>	2022
Equity securities	<b>10,418,334,787</b>	10,151,094,560
Funds and other investments	<b>40,269,110</b>	60,201,847
Total	<b>10,458,603,897</b>	10,211,296,407

**Current**

	<b>As at 31 December</b>	
	<b>2023</b>	2022
Equity securities	<b>129,686,168,299</b>	114,998,892,630
Debt securities (Note)	<b>90,143,565,665</b>	81,519,145,732
Funds and other investments	<b>54,392,916,579</b>	62,667,646,790
Total	<b>274,222,650,543</b>	259,185,685,152

Note: As at 31 December 2023, the perpetual bonds included in debt securities amounted to RMB17,969,489,041 (31 December 2022: RMB9,344,567,046).

**27. FINANCIAL ASSETS HELD UNDER RESALE AGREEMENTS (“REVERSE REPOS”)****(a) Analysed by collateral type:****Non-current**

	<b>As at 31 December</b>	
	<b>2023</b>	2022
Stocks	–	3,347,199
Accrued interests	–	150,662
<b>Total</b>	<b>–</b>	<b>3,497,861</b>

**Current**

	<b>As at 31 December</b>	
	<b>2023</b>	2022
Stocks	<b>4,961,857,932</b>	5,406,022,435
Debt securities	<b>14,891,553,457</b>	21,636,860,479
<b>Subtotal</b>	<b>19,853,411,389</b>	27,042,882,914
Accrued interests	<b>121,794,302</b>	145,968,974
Less: Impairment loss allowance	<b>(53,804,882)</b>	(56,547,702)
<b>Total</b>	<b>19,921,400,809</b>	27,132,304,186

**27. FINANCIAL ASSETS HELD UNDER RESALE AGREEMENTS (“REVERSE REPOS”)** *(continued)***(b) Analysed by market:****Non-current**

	<b>As at 31 December</b>	
	<b>2023</b>	2022
Over-the-counter market	–	3,497,861

**Current**

	<b>As at 31 December</b>	
	<b>2023</b>	2022
Stock exchanges	<b>9,727,175,359</b>	14,161,084,252
Inter-bank market	<b>5,689,338,009</b>	8,113,368,183
Over-the-counter market	<b>4,504,887,441</b>	4,857,851,751
Total	<b>19,921,400,809</b>	27,132,304,186

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

As at 31 December 2023, the collaterals received by the Group in connection with reverse REPO business amounted to RMB29,245,180,528 (31 December 2022: RMB40,832,263,654).

**28. REFUNDABLE DEPOSITS**

	<b>As at 31 December</b>	
	<b>2023</b>	2022
Trading deposits	<b>8,658,008,686</b>	12,199,625,163
Performance bonds	<b>853,688,456</b>	332,141,692
Credit deposits	<b>55,491,207</b>	67,951,747
Subtotal	<b>9,567,188,349</b>	12,599,718,602
Accrued interests	<b>104,293</b>	388,084
Total	<b>9,567,292,642</b>	12,600,106,686

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

## 29. DEFERRED TAX ASSETS/(LIABILITIES)

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

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

	As at 31 December 2023						
	As at 31 December 2022	(Charged)/ credited to profit or loss	Charged to equity	Effect of changes in exchange rates	Deferred tax, net	Deferred tax assets	Deferred tax liabilities
Deferred tax assets/(liabilities) before set-off:							
Staff cost	1,616,035,470	(400,474,844)	-	796,231	1,216,356,857	1,216,356,857	-
Unused tax losses	30,012,969	1,193,954,202	-	61,935	1,224,029,106	1,224,029,106	-
Depreciation and amortisation	(93,305,632)	(55,554,892)	-	(67,586)	(148,928,110)	78,300	(149,006,410)
Changes in fair values of financial instruments at fair value through profit or loss	73,654,451	(434,068,908)	-	-	(360,414,457)	158,486,494	(518,900,951)
Changes in fair values of financial assets at fair value through other comprehensive income	40,555,022	-	(105,102,948)	(106,454)	(64,654,380)	4,003,779	(68,658,159)
Impairment loss allowance	107,968,258	(8,963,218)	(1,261,099)	123,435	97,867,376	97,867,376	-
Fair value adjustment arising from acquisition of subsidiaries	(161,230,995)	2,734,432	-	-	(158,496,563)	-	(158,496,563)
Others	417,733,693	76,706,060	-	(3,458)	494,436,295	494,436,295	-
Subtotal	2,031,423,236	374,332,832	(106,364,047)	804,103	2,300,196,124	3,195,258,207	(895,062,083)
Set off						(312,371,599)	312,371,599
Deferred tax assets/(liabilities) recognised in the consolidated statement of financial position						2,882,886,608	(582,690,484)

**29. DEFERRED TAX ASSETS/(LIABILITIES)** *(continued)***(a) Deferred tax assets and liabilities recognised** *(continued)*

	As at 31 December 2022						
	As at 31 December 2021	(Charged)/ credited to profit or loss	Credited/ (charged) to equity	Effect of changes in exchange rates	Deferred tax, net	Deferred tax assets	Deferred tax liabilities
Deferred tax assets/(liabilities) before set-off:							
Staff cost	1,761,498,689	(146,312,878)	–	849,659	1,616,035,470	1,616,035,470	–
Unused tax losses	23,774,576	6,304,335	–	(65,942)	30,012,969	30,012,969	–
Depreciation and amortisation	(64,417,337)	(28,929,843)	–	41,548	(93,305,632)	151,618	(93,457,250)
Changes in fair values of financial instruments at fair value through profit or loss	(795,536,477)	869,388,792	–	(197,864)	73,654,451	744,313,835	(670,659,384)
Changes in fair values of financial assets at fair value through other comprehensive income	(46,804,645)	–	82,123,963	5,235,704	40,555,022	54,909,885	(14,354,863)
Impairment loss allowance	121,941,266	(1,977,063)	(12,368,727)	372,782	107,968,258	107,968,258	–
Fair value adjustment arising from acquisition of subsidiaries	(163,989,062)	2,758,067	–	–	(161,230,995)	–	(161,230,995)
Others	360,517,148	57,209,031	–	7,514	417,733,693	417,928,052	(194,359)
Subtotal	1,196,984,158	758,440,441	69,755,236	6,243,401	2,031,423,236	2,971,320,087	(939,896,851)
Set off						(221,131,786)	221,131,786
Deferred tax assets/(liabilities) recognised in the consolidated statement of financial position						2,750,188,301	(718,765,065)

**29. DEFERRED TAX ASSETS/(LIABILITIES)** *(continued)***(b) Deferred tax assets not recognised**

As at 31 December 2023, the accumulated deductible temporary differences and unused tax losses with no deferred tax asset recognised of the Group amounted to RMB2,073 million (31 December 2022: RMB1,498 million).

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

Deferred tax asset arising from unused tax losses is recognised only to the extent that an entity has sufficient taxable temporary differences or there is other convincing evidence that sufficient taxable profit will be available against which the unused tax losses can be utilised by the entity, when the entity has a history of recent losses. The directors of the Company review the financial performance of these overseas subsidiaries at the end of year to determine whether there is sufficient taxable profit to be available against the unused tax losses, and they are of the opinion that it is probable that sufficient future taxable profits against which the losses can be utilised may not be available in these overseas entities in the foreseeable future, given the current market conditions, and that further expenditures of these overseas subsidiaries are considered necessary for expanding the Group's foreign operations based on its business strategies.

**30. OTHER NON-CURRENT ASSETS**

	<b>As at 31 December</b>	
	<b>2023</b>	2022
Rental and other deposits	<b>314,103,610</b>	323,390,154
Others	<b>240,750,228</b>	90,770,500
Total	<b>554,853,838</b>	414,160,654

**31. ACCOUNTS RECEIVABLE****(a) Analysed by nature:**

	<b>As at 31 December</b>	
	<b>2023</b>	2022
Trade receivable (Note)	<b>31,697,972,769</b>	39,443,210,298
Asset management fees receivable	<b>1,289,659,820</b>	1,175,179,962
Underwriting and advisory fees receivable	<b>1,125,045,669</b>	1,198,056,753
Trading seat rental fees receivable	<b>246,344,096</b>	257,940,035
Others	<b>168,053,570</b>	217,430,264
Subtotal	<b>34,527,075,924</b>	42,291,817,312
Less: Impairment loss allowance	<b>(517,581,824)</b>	(522,324,087)
Total	<b>34,009,494,100</b>	41,769,493,225

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



**31. ACCOUNTS RECEIVABLE** *(continued)***(b) Analysed by aging:**

	As at 31 December 2023			
	Gross amount		Impairment loss allowance	
	Amount	%	Amount	%
Within 1 year (inclusive)	<b>33,483,308,450</b>	<b>96.98%</b>	<b>(79,430,284)</b>	<b>0.24%</b>
1 – 2 years (inclusive)	<b>299,725,956</b>	<b>0.87%</b>	<b>(42,408,901)</b>	<b>14.15%</b>
2 – 3 years (inclusive)	<b>232,014,726</b>	<b>0.67%</b>	<b>(75,044,921)</b>	<b>32.34%</b>
More than 3 years	<b>512,026,792</b>	<b>1.48%</b>	<b>(320,697,718)</b>	<b>62.63%</b>
Total	<b>34,527,075,924</b>	<b>100.00%</b>	<b>(517,581,824)</b>	<b>1.50%</b>

	As at 31 December 2022			
	Gross amount		Impairment loss allowance	
	Amount	%	Amount	%
Within 1 year (inclusive)	41,266,496,575	97.57%	(113,741,294)	0.28%
1 – 2 years (inclusive)	366,056,402	0.87%	(61,513,367)	16.80%
2 – 3 years (inclusive)	225,157,237	0.53%	(55,650,414)	24.72%
More than 3 years	434,107,098	1.03%	(291,419,012)	67.13%
Total	42,291,817,312	100.00%	(522,324,087)	1.24%

**32. RECEIVABLE FROM MARGIN CLIENTS****(a) Analysed by nature:**

	<b>As at 31 December</b>	
	<b>2023</b>	2022
Individuals	<b>29,594,022,981</b>	26,702,766,101
Institutions	<b>5,075,335,319</b>	4,058,477,725
Subtotal	<b>34,669,358,300</b>	30,761,243,826
Accrued interests	<b>1,300,923,579</b>	1,007,490,532
Less: Impairment loss allowance	<b>(160,714,128)</b>	(142,543,897)
Total	<b>35,809,567,751</b>	31,626,190,461

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

	<b>As at 31 December</b>	
	<b>2023</b>	2022
Stocks	<b>94,859,724,855</b>	89,832,203,207
Funds	<b>11,441,774,345</b>	11,485,400,682
Cash	<b>4,725,196,960</b>	6,492,544,179
Debt securities	<b>125,059,295</b>	796,696,496
Total	<b>111,151,755,455</b>	108,606,844,564

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

#### (a) Analysed by type:

	As at 31 December	
	2023	2022
Debt securities	65,619,113,753	66,689,432,031

#### (b) Analysed by listing status:

	As at 31 December	
	2023	2022
Listed		
– In Hong Kong, China	2,123,179,346	6,468,364,761
– Outside Hong Kong, China	63,495,934,407	60,221,067,270
Total	65,619,113,753	66,689,432,031

### 34. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

	As at 31 December 2023		
	Notional amount	Fair value	
		Assets	Liabilities
Hedging instruments (a)			
– Interest rate contracts	17,998,480,000	65,189,075	(22,882,355)
– Currency contracts	722,090,400	–	(4,596,914)
Non-hedging instruments			
– Interest rate contracts	374,618,428,768	1,594,759,223	(1,713,235,389)
– Currency contracts	171,644,582,169	927,092,799	(1,218,399,397)
– Equity contracts	387,431,328,523	8,343,670,758	(5,701,535,909)
– Credit contracts	11,325,691,600	105,766,951	(212,227)
– Other contracts (Note)	108,870,489,635	968,913,718	(885,779,845)
Total	1,072,611,091,095	12,005,392,524	(9,546,642,036)

**34. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)** *(continued)*

	As at 31 December 2022		
	Notional amount	Fair value	
		Assets	Liabilities
Hedging instruments (a)			
– Interest rate contracts	6,446,990,000	20,242,029	(18,923,185)
– Currency contracts	300,168,756	205,624	(6,455,102)
Non-hedging instruments			
– Interest rate contracts	307,349,542,866	946,604,138	(876,483,055)
– Currency contracts	280,398,800,779	2,435,675,338	(2,943,822,632)
– Equity contracts	345,281,312,153	13,772,752,581	(6,584,415,778)
– Credit contracts	10,178,039,800	180,067,812	(62,945,885)
– Other contracts (Note)	67,380,025,793	435,807,741	(855,081,860)
Total	1,017,334,880,147	17,791,355,263	(11,348,127,497)

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

Under a daily mark-to-market settlement arrangement, any gains or losses of the Group's positions in futures contracts in Chinese mainland are settled on a daily basis. As at 31 December 2023, the fair value of those unexpired daily settled future contracts was RMB598,627,695 (31 December 2022: RMB860,305,806).

**34. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)** *(continued)***(a) Hedging instruments****(i) Fair value hedges**

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

The gains of fair value hedges are presented as follows:

	<b>Year ended 31 December</b>	
	<b>2023</b>	2022
Gains arising from fair value hedges, net:		
Interest rate contracts	<b>50,559,629</b>	(18,539,345)
Hedged items attributable to the hedged risk	<b>(40,610,763)</b>	29,642,738
<b>Total</b>	<b>9,948,866</b>	11,103,393

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

	<b>As at 31 December 2023</b>			<b>Total</b>
	<b>Less than 6 months (inclusive)</b>	<b>6 months to 12 months (inclusive)</b>	<b>More than 12 months</b>	
Hedging instruments-interest rate contracts	<b>500,000,000</b>	-	<b>17,498,480,000</b>	<b>17,998,480,000</b>

	<b>As at 31 December 2022</b>			<b>Total</b>
	<b>Less than 6 months (inclusive)</b>	<b>6 months to 12 months (inclusive)</b>	<b>More than 12 months</b>	
Hedging instruments-interest rate contracts	920,000,000	-	5,526,990,000	6,446,990,000

**34. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)** *(continued)***(a) Hedging instruments** *(continued)***(i) Fair value hedges** *(continued)*

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

<b>Long-term debt securities issued</b>	<b>As at 31 December</b>	
	<b>2023</b>	2022
Carrying amount of hedged items	<b>18,321,073,414</b>	6,546,764,966
Accumulated adjustments to the fair value of hedged items	<b>45,127,039</b>	18,341,250

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

The Group's consolidated financial position is affected by the gain or loss through currency fluctuations as the Company and its subsidiaries have different functional currencies. The Group hedges such foreign exchange exposure in limited circumstances. The Group hedges exchange exposures using foreign exchange forward contracts for certain net investments in foreign operations. Under the hedging relationships, the Group separates the forward element and the spot element of a forward contract and designates only the change in the value of the spot element of the forward contract as the hedging instrument. There was no hedge ineffectiveness for the years ended 31 December 2023 and 2022.

For the year ended 31 December 2023, the net gains from the hedging instruments recognised in other comprehensive income amounted to RMB15,460,231 (Year ended 31 December 2022: the net losses amounted to RMB5,443,508). For the year ended 31 December 2023, the net losses associated with forward elements of forward contracts recognised in profit or loss were RMB11,686,568 (Year ended 31 December 2022: the net gains amounted to RMB1,030,898).

As at 31 December 2023, the notional amount of hedging instruments designated as hedges of net investments in foreign operations by the Group was RMB722,090,400 (31 December 2022: RMB300,168,756), and the tenure is within 6 months (31 December 2022: within 6 months).

### 35. CASH HELD ON BEHALF OF CLIENTS

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

### 36. CASH AND BANK BALANCES

	<b>As at 31 December</b>	
	<b>2023</b>	2022
Cash on hand	<b>87,530</b>	134,435
Deposits with banks	<b>58,218,963,250</b>	75,437,843,953
Deposits with clearing houses	<b>13,789,126,186</b>	10,198,036,303
Subtotal	<b>72,008,176,966</b>	85,636,014,691
Accrued interests	<b>128,602,143</b>	154,353,340
Less: Impairment loss allowance	<b>(1,018,163)</b>	(1,110,402)
Total	<b>72,135,760,946</b>	85,789,257,629

**37. CASH AND CASH EQUIVALENTS**

	<b>As at 31 December</b>	
	<b>2023</b>	2022
Cash on hand	<b>87,530</b>	134,435
Deposits with banks	<b>58,218,963,250</b>	75,437,843,953
Deposits with clearing houses	<b>13,789,126,186</b>	10,198,036,303
Subtotal	<b>72,008,176,966</b>	85,636,014,691
Less: Restricted bank deposits	<b>(1,078,011,347)</b>	(957,763,297)
Total	<b>70,930,165,619</b>	84,678,251,394

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

**38. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES**

			<b>Non-cash changes</b>			<b>As at 31 December 2023</b>
			<b>As at 31 December 2022</b>	<b>Cash flows</b>	<b>Transferred in/ (transferred out)</b>	
Short-term debt securities issued	<b>18,551,991,957</b>	<b>(2,203,094,801)</b>	<b>602,108,591</b>	<b>335,790,811</b>	-	<b>17,286,796,558</b>
Long-term debt securities issued due within one year	<b>64,710,844,840</b>	<b>(61,140,713,114)</b>	<b>35,849,239,813</b>	<b>2,367,567,050</b>	<b>13,709,912</b>	<b>41,800,648,501</b>
Long-term debt securities issued	<b>87,273,120,622</b>	<b>52,260,459,912</b>	<b>(35,849,239,813)</b>	<b>3,207,747,466</b>	<b>44,897,438</b>	<b>106,936,985,625</b>
Other current liabilities (Note)	<b>877,552,000</b>	-	<b>(602,108,591)</b>	-	-	<b>275,443,409</b>
Total liabilities arising from financing activities	<b>171,413,509,419</b>	<b>(11,083,348,003)</b>	-	<b>5,911,105,327</b>	<b>58,607,350</b>	<b>166,299,874,093</b>



**38. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES** *(continued)*

	As at 31 December 2021	Cash flows	Non-cash changes			As at 31 December 2022
			Transferred in/ (transferred out)	Interests, amortisation and effect of changes in exchange rates	Fair value changes	
Short-term debt securities issued	22,989,857,489	(4,992,814,922)	-	554,949,390	-	18,551,991,957
Long-term debt securities issued due within one year	34,753,251,574	(37,780,186,176)	63,778,253,059	3,961,463,815	(1,937,432)	64,710,844,840
Long-term debt securities issued	125,755,298,201	21,829,736,921	(63,778,253,059)	3,487,465,594	(21,127,035)	87,273,120,622
Other current liabilities (Note)	-	877,552,000	-	-	-	877,552,000
<b>Total liabilities arising from financing activities</b>	<b>183,498,407,264</b>	<b>(20,065,712,177)</b>	<b>-</b>	<b>8,003,878,799</b>	<b>(23,064,467)</b>	<b>171,413,509,419</b>

Note: As at 31 December 2023, the Group's beneficiary certificates that had expired but not yet repaid amounted to RMB275,443,409. As at 31 December 2022, the Group's proceeds from beneficiary certificates issued but not yet interest-bearing amounted to RMB877,552,000.

**39. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS**

	As at 31 December 2023		
	Financial liabilities held for trading	Financial liabilities designated as at fair value through profit or loss	Total
Equity securities	<b>2,607,124,720</b>	<b>33,237,496,230</b>	<b>35,844,620,950</b>
Debt securities	<b>471,493,768</b>	<b>4,122,271,849</b>	<b>4,593,765,617</b>
Funds and others	<b>72,726,647</b>	-	<b>72,726,647</b>
<b>Total</b>	<b>3,151,345,135</b>	<b>37,359,768,079</b>	<b>40,511,113,214</b>

**39. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS** *(continued)*

	As at 31 December 2022		
	Financial liabilities held for trading	Financial liabilities designated as at fair value through profit or loss	Total
Equity securities	2,629,192,263	39,235,363,199	41,864,555,462
Debt securities	1,249,823,154	2,037,071,933	3,286,895,087
Funds and others	51,841,228	–	51,841,228
<b>Total</b>	<b>3,930,856,645</b>	<b>41,272,435,132</b>	<b>45,203,291,777</b>

Note 1: As at 31 December 2023 and 2022, there were no significant changes in fair values of financial liabilities designated as at fair value through profit or loss as a result of changes in the credit risk of the Group.

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

**40. ACCOUNTS PAYABLE TO BROKERAGE CLIENTS**

	As at 31 December	
	2023	2022
Client deposits for brokerage trading	<b>74,900,262,176</b>	82,100,532,800
Client deposits for margin financing and securities lending	<b>7,400,230,234</b>	9,985,098,403
Subtotal	<b>82,300,492,410</b>	92,085,631,203
Accrued interests	<b>10,522,022</b>	14,325,126
<b>Total</b>	<b>82,311,014,432</b>	92,099,956,329

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

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

## 41. PLACEMENTS FROM FINANCIAL INSTITUTIONS

### (a) Analysed by funding source:

	As at 31 December	
	2023	2022
Placements from banks	<b>43,539,461,810</b>	60,019,982,479
Placements from China Securities Finance Corporation Limited	<b>1,200,000,000</b>	500,000,000
Subtotal	<b>44,739,461,810</b>	60,519,982,479
Accrued interests	<b>234,933,009</b>	326,036,235
Total	<b>44,974,394,819</b>	60,846,018,714

### (b) Analysed by residual maturity:

	As at 31 December			
	2023		2022	
	Book value	Range of interest rate	Book value	Range of interest rate
Within 1 month (inclusive)	<b>37,550,911,684</b>	<b>0.85% – 6.50%</b>	42,249,812,576	0.42% – 6.15%
1 – 3 months (inclusive)	<b>5,672,896,110</b>	<b>2.77% – 6.28%</b>	9,837,911,541	2.09% – 6.20%
3 months – 1 year (inclusive)	<b>1,750,587,025</b>	<b>2.93% – 6.53%</b>	8,758,294,597	2.09% – 6.35%
Total	<b>44,974,394,819</b>		60,846,018,714	

**42. SHORT-TERM DEBT SECURITIES ISSUED****(a) Beneficiary certificates:**

Name	Book value as at 31 December		Increase	Decrease	Book value as at 31 December	
	2022				2023	
Beneficiary certificates	<b>15,724,961,356</b>	<b>43,072,392,997</b>	<b>(44,843,594,812)</b>		<b>13,953,759,541</b>	

Name	Book value as at 31 December		Increase	Decrease	Book value as at 31 December	
	2021				2022	
Beneficiary certificates	15,172,900,643	77,090,692,780	(76,538,632,067)		15,724,961,356	

The Group has issued beneficiary certificates bearing nominal interest at:

- fixed rates, ranging from 1.38% to 7.70% per annum;
- a fixed rate plus a floating rate; or
- a floating rate.

The floating interest rate is calculated based on stock indices such as Shanghai & Shenzhen 300 Index and China Securities Index 500, individual stocks, prices of commodity products or United States dollar ("USD") index.

**42. SHORT-TERM DEBT SECURITIES ISSUED** (continued)**(b) Short-term corporate bonds:**

Name	Interest commencement date	Maturity date	Principal	Nominal interest rate	Book value as at 31 December		Book value as at 31 December	
					2022	Increase	Decrease	2023
22 CICC WMS S1	11/08/2022	11/08/2023	2,000,000,000	2.04%	2,014,722,316	26,173,948	(2,040,896,264)	-
23 CICC WMS S1	18/05/2023	18/05/2024	3,000,000,000	2.52%	-	3,049,191,786	(3,141,509)	3,046,050,277
Total					2,014,722,316	3,075,365,734	(2,044,037,773)	3,046,050,277

Name	Interest commencement date	Maturity date	Principal	Nominal interest rate	Book value as at 31 December		Book value as at 31 December	
					2021	Increase	Decrease	2022
21 CICC WMS S1	09/08/2021	09/08/2022	2,000,000,000	2.68%	2,020,042,181	33,557,819	(2,053,600,000)	-
21 CICC WMS S2	24/09/2021	24/09/2022	3,000,000,000	2.85%	3,020,921,608	64,578,392	(3,085,500,000)	-
22 CICC WMS S1	11/08/2022	11/08/2023	2,000,000,000	2.04%	-	2,016,797,788	(2,075,472)	2,014,722,316
Total					5,040,963,789	2,114,933,999	(5,141,175,472)	2,014,722,316

**(c) Structured notes:**

Name	Book value as at 31 December		Book value as at 31 December	
	2022	Increase	Decrease	2023
Structured notes (i)	<b>812,308,285</b>	<b>1,722,142,274</b>	<b>(2,247,463,819)</b>	<b>286,986,740</b>

Name	Book value as at 31 December		Book value as at 31 December	
	2021	Increase	Decrease	2022
Structured notes (i)	1,773,757,441	1,710,167,971	(2,671,617,127)	812,308,285

- (i) The notes were issued bearing nominal interest rates ranging from 0.08% to 5.73% per annum. The notes are for maturities of 3 days to 365 days.

**43. FINANCIAL ASSETS SOLD UNDER REPURCHASE AGREEMENTS (“REPOS”)****(a) Analysed by collateral type:**

	<b>As at 31 December</b>	
	<b>2023</b>	2022
Stocks	<b>3,188,530,021</b>	7,007,276,773
Debt securities	<b>56,336,374,839</b>	32,770,610,436
Others	<b>5,314,585,787</b>	3,314,669,811
Subtotal	<b>64,839,490,647</b>	43,092,557,020
Accrued interests	<b>59,575,077</b>	64,141,528
Total	<b>64,899,065,724</b>	43,156,698,548

**(b) Analysed by market:**

	<b>As at 31 December</b>	
	<b>2023</b>	2022
Inter-bank market	<b>52,765,929,698</b>	28,871,469,503
Stock exchanges	<b>6,083,689,315</b>	4,799,719,735
Over-the-counter market	<b>6,049,446,711</b>	9,485,509,310
Total	<b>64,899,065,724</b>	43,156,698,548

As at 31 December 2023, the Group's pledged collateral in connection with its repurchase financing business amounted to RMB67,812,855,016 (31 December 2022: RMB46,989,749,152).

**44. EMPLOYEE BENEFITS PAYABLE**

	<b>As at 31 December</b>	
	<b>2023</b>	2022
<b>Non-current</b>		
Salaries, bonus and allowances	<b>897,025,885</b>	729,690,666
<b>Current</b>		
Salaries, bonus and allowances	<b>4,732,585,278</b>	7,715,893,921
Retirement scheme contribution	<b>51,637,755</b>	60,623,592
Other social welfare	<b>41,209,693</b>	58,148,347
Others	<b>167,958,305</b>	141,913,482
Subtotal	<b>4,993,391,031</b>	7,976,579,342
Total	<b>5,890,416,916</b>	8,706,270,008

**45. OTHER CURRENT LIABILITIES**

	<b>As at 31 December</b>	
	<b>2023</b>	2022
Trade payable	<b>95,534,985,616</b>	109,074,055,056
Accrued expenses	<b>1,427,743,208</b>	1,218,165,749
Sundry tax payable	<b>447,503,119</b>	598,482,036
Dividends payable (Note 1)	<b>294,600,000</b>	294,600,000
Provisions	<b>163,896,715</b>	4,000,000
Payables to other investors of consolidated structured entities (Note 2)	<b>63,443,432</b>	38,109,053
Others	<b>1,161,528,107</b>	1,062,929,921
Total	<b>99,093,700,197</b>	112,290,341,815

Note 1: As at 31 December 2023 and 2022, dividends payable included distribution to holders of perpetual subordinated bonds of RMB294,600,000.

Note 2: For each reporting period, the consolidation scope of structured entities varies due to the addition of structured entities which meet the consolidation criteria or due to the liquidation of the consolidated structured entities or changes in the Group's interests therein.

(Expressed in RMB, unless otherwise stated)

## 46. LONG-TERM DEBT SECURITIES ISSUED

## (a) Corporate bonds:

Name	Interest commencement date	Maturity date	Interest payment	Principal	Nominal interest rate	Book value as at			Book value as at
						31 December 2022	Increase	Decrease	31 December 2023
20 CICC F1 (ii)	26/02/2020	26/02/2025	Annually	4,000,000,000	3.20%	4,108,010,959	19,989,041	(4,128,000,000)	-
20 CICC G1 (iii)	03/04/2020	03/04/2026	Annually	1,500,000,000	2.89%	1,532,304,658	11,045,342	(1,543,350,000)	-
20 CICC G2 (iv)	03/04/2020	03/04/2027	Annually	1,000,000,000	3.25%	1,024,219,178	32,433,827	(32,500,000)	1,024,153,005
20 CICC G3 (v)	06/05/2020	06/05/2026	Annually	3,300,000,000	2.37%	3,351,211,479	26,998,521	(3,378,210,000)	-
20 CICC G4 (vi)	06/05/2020	06/05/2027	Annually	700,000,000	2.88%	713,200,658	20,123,932	(20,160,000)	713,164,590
20 CICC F2 (vii)	28/05/2020	28/05/2025	Annually	3,000,000,000	2.95%	3,052,615,069	35,884,931	(3,088,500,000)	-
20 CICC G5 (viii)	22/06/2020	22/06/2026	Annually	1,500,000,000	3.10%	1,524,460,274	22,039,726	(1,546,500,000)	-
20 CICC F3 (ix)	24/07/2020	24/07/2025	Annually	3,000,000,000	3.80%	3,049,972,603	64,027,397	(3,114,000,000)	-
20 CICC O7 (x)	10/09/2020	10/09/2025	Annually	5,000,000,000	3.78%	5,057,994,520	131,005,480	(5,189,000,000)	-
20 CICC O9 (xi)	23/09/2020	23/09/2025	Annually	5,000,000,000	3.80%	5,051,534,247	138,465,753	(5,190,000,000)	-
20 CICC I2 (xiii)	19/10/2020	19/10/2025	Annually	2,500,000,000	2.95%	2,518,700,000	89,509,699	(93,500,000)	2,514,709,699
20 CICC I4 (xv)	28/10/2020	28/10/2025	Annually	3,000,000,000	2.90%	3,019,357,808	103,517,960	(650,200,000)	2,472,675,768
20 CICC F5 (xvii)	14/12/2020	14/12/2025	Annually	2,500,000,000	4.09%	2,504,762,329	97,487,671	(2,602,250,000)	-
21 CICC F1 (xviii)	18/01/2021	18/01/2024	Annually	2,500,000,000	3.55%	2,584,373,288	4,376,712	(2,588,750,000)	-
21 CICC F2 (xix)	18/01/2021	18/01/2026	Annually	2,500,000,000	3.75%	2,589,126,712	93,750,000	(93,750,000)	2,589,126,712
21 CICC F3 (xx)	04/03/2021	04/03/2024	Annually	1,500,000,000	3.60%	1,544,679,452	9,320,548	(1,554,000,000)	-
21 CICC F4 (xxi)	04/03/2021	04/03/2026	Annually	2,000,000,000	3.82%	2,063,213,151	76,227,286	(76,400,000)	2,063,040,437
21 CICC G1 (xxii)	16/03/2021	16/03/2026	Annually	2,000,000,000	3.58%	2,056,887,671	71,444,569	(71,600,000)	2,056,732,240
21 CICC G2	16/03/2021	16/03/2031	Annually	2,000,000,000	4.10%	2,065,150,685	81,821,993	(82,000,000)	2,064,972,678
21 CICC G3 (xxiii)	25/03/2021	25/03/2026	Annually	1,500,000,000	3.51%	1,540,533,288	52,539,253	(52,650,000)	1,540,422,541
21 CICC G4	25/03/2021	25/03/2031	Annually	2,500,000,000	4.07%	2,578,333,562	101,535,973	(101,750,000)	2,578,119,535
21 CICC F5 (xxiv)	13/04/2021	13/04/2024	Annually	1,000,000,000	3.43%	1,024,620,822	9,679,178	(1,034,300,000)	-



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

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

Name	Interest commencement date	Maturity date	Interest payment	Principal	Nominal interest rate	Book value			Book value
						as at 31 December 2022	Increase	Decrease	as at 31 December 2023
21 CICC F6 (xxv)	13/04/2021	13/04/2026	Annually	3,500,000,000	3.70%	3,592,956,164	129,246,022	(129,500,000)	3,592,702,186
21 CICC G5 (xxvi)	16/08/2021	16/08/2026	Annually	1,000,000,000	3.04%	1,011,410,411	30,368,824	(30,400,000)	1,011,379,235
21 CICC G6 (xxvii)	16/08/2021	16/08/2028	Annually	1,500,000,000	3.39%	1,519,086,164	50,797,852	(50,850,000)	1,519,034,016
21 CICC G7	08/12/2021	08/12/2024	Annually	2,500,000,000	2.97%	2,504,678,767	74,237,217	(74,250,000)	2,504,665,984
21 CICC G8	08/12/2021	08/12/2031	Annually	1,000,000,000	3.68%	1,002,318,904	36,793,664	(36,800,000)	1,002,312,568
22 CICC G1 (xxviii)	29/11/2022	29/11/2027	Annually	2,500,000,000	2.94%	2,506,443,835	73,482,945	(73,500,000)	2,506,426,780
22 CICC G2	29/11/2022	29/11/2032	Annually	2,000,000,000	3.52%	2,006,172,054	70,383,664	(70,400,000)	2,006,155,718
22 CICC G3 (xxix)	16/12/2022	16/12/2025	Annually	1,000,000,000	3.36%	1,001,380,822	33,596,227	(33,600,000)	1,001,377,049
23 CICC G1 (xl)	17/01/2023	17/01/2026	Annually	1,000,000,000	3.00%	-	1,028,602,740	(903,120)	1,027,699,620
23 CICC G2 (xli)	17/01/2023	17/01/2028	Annually	3,000,000,000	3.18%	-	3,090,956,712	(3,533,992)	3,087,422,720
23 CICC G3 (xlii)	06/06/2023	06/06/2028	Annually	5,000,000,000	2.87%	-	5,081,551,913	(6,937,348)	5,074,614,565
23 CICC G5(xliii)	24/07/2023	24/07/2028	Annually	3,000,000,000	2.69%	-	3,035,278,688	(4,376,058)	3,030,902,630
23 CICC G6(xliv)	24/07/2023	24/07/2030	Annually	2,000,000,000	3.03%	-	2,026,491,804	(3,118,114)	2,023,373,690
23 CICC F1(xlv)	28/08/2023	28/08/2028	Annually	1,000,000,000	2.80%	-	1,009,562,842	(923,909)	1,008,638,933
23 CICC F2(xlvi)	28/08/2023	28/08/2030	Annually	4,000,000,000	3.06%	-	4,041,803,279	(3,886,888)	4,037,916,391
23 CICC F3(xlvii)	18/09/2023	18/09/2026	Annually	2,000,000,000	2.89%	-	2,016,424,044	(1,788,530)	2,014,635,514
23 CICC F4(xlviii)	18/09/2023	18/09/2028	Annually	3,000,000,000	2.99%	-	3,025,488,525	(2,831,192)	3,022,657,333
23 CICC G7(xlix)	21/12/2023	21/12/2028	Annually	3,000,000,000	2.85%	-	3,002,336,066	-	3,002,336,066
23 CICC G8(l)	21/12/2023	21/12/2030	Annually	1,000,000,000	3.03%	-	1,000,827,869	-	1,000,827,869
20 CICC WMS G1 (xxx)	16/01/2020	16/01/2025	Annually	2,000,000,000	3.44%	2,064,960,293	3,937,292	(2,068,897,585)	-
20 CICC WMS F1 (xxxii)	09/04/2020	09/04/2025	Annually	3,000,000,000	3.17%	3,068,226,259	27,019,736	(3,095,245,995)	-
20 CICC WMS F2	28/07/2020	28/07/2023	Annually	2,000,000,000	3.80%	2,032,315,136	43,782,789	(2,076,097,925)	-

(Expressed in RMB, unless otherwise stated)

**46. LONG-TERM DEBT SECURITIES ISSUED** (continued)**(a) Corporate bonds:** (continued)

Name	Interest commencement date	Maturity date	Interest payment	Principal	Nominal interest rate	Book value as at			Book value as at
						31 December 2022	Increase	Decrease	31 December 2023
20 CICC WMS G2 (xxxiii)	21/10/2020	21/10/2025	Annually	2,000,000,000	3.77%	2,013,913,624	61,584,272	(2,075,497,896)	-
20 CICC WMS G3	21/10/2020	21/10/2025	Annually	1,000,000,000	4.20%	1,007,802,912	42,168,317	(42,001,981)	1,007,969,248
20 CICC WMS G5 (xxxiv)	24/11/2020	24/11/2025	Annually	1,000,000,000	3.98%	1,003,688,209	36,464,093	(1,040,152,302)	-
20 CICC WMS G6 (xxxv)	15/12/2020	15/12/2025	Annually	1,000,000,000	2.97%	1,001,329,857	37,788,460	(742,838,278)	296,280,039
21 CICC WMS G1 (xxxvi)	26/03/2021	26/03/2024	Annually	2,000,000,000	3.44%	2,051,730,271	17,167,314	(2,068,897,585)	-
21 CICC WMS G2 (xxxvii)	26/03/2021	26/03/2026	Annually	3,000,000,000	3.65%	3,083,262,169	111,319,280	(112,335,354)	3,082,246,095
21 CICC WMS G3 (xxxviii)	22/04/2021	22/04/2026	Annually	3,000,000,000	3.55%	3,073,052,988	108,278,558	(109,335,212)	3,071,996,334
21 CICC WMS G4	22/04/2021	22/04/2026	Annually	2,000,000,000	3.84%	2,051,449,139	77,383,281	(76,803,623)	2,052,028,797
21 CICC WMS G5 (xxxix)	09/12/2021	09/12/2026	Annually	3,000,000,000	3.06%	3,004,539,314	93,223,163	(94,634,519)	3,003,127,958
22 CICC WMS G1	08/03/2022	08/03/2025	Annually	1,500,000,000	3.07%	1,537,115,285	47,159,312	(47,438,965)	1,536,835,632
22 CICC WMS G2	08/03/2022	08/03/2027	Annually	500,000,000	3.49%	514,074,684	17,653,465	(17,913,087)	513,815,062
22 CICC WMS G3	18/07/2022	18/07/2025	Annually	2,000,000,000	2.83%	2,025,306,358	57,428,999	(57,860,500)	2,024,874,857
22 CICC WMS G4	18/07/2022	18/07/2027	Annually	1,000,000,000	3.20%	1,014,324,586	32,241,019	(32,630,472)	1,013,935,133
22 CICC WMS G5	29/08/2022	29/08/2025	Annually	1,500,000,000	2.69%	1,513,356,755	40,935,584	(41,295,300)	1,512,997,039
22 CICC WMS G6	29/08/2022	29/08/2027	Annually	1,500,000,000	3.06%	1,515,233,370	46,240,888	(46,845,561)	1,514,628,697
23 CICC WMS G1	13/04/2023	13/04/2026	Annually	1,500,000,000	3.02%	-	1,533,008,891	(1,490,566)	1,531,518,325
23 CICC WMS G2	13/04/2023	13/04/2028	Annually	1,500,000,000	3.28%	-	1,535,675,986	(1,490,566)	1,534,185,420
23 CICC WMS G3	24/08/2023	24/08/2026	Annually	2,000,000,000	2.72%	-	2,019,492,831	(729,906)	2,018,762,925
23 CICC WMS G4	24/08/2023	24/08/2028	Annually	1,000,000,000	3.08%	-	1,011,011,810	(364,434)	1,010,647,376
Total						103,275,390,743	37,152,421,029	(50,609,766,763)	89,818,045,009

**46. LONG-TERM DEBT SECURITIES ISSUED** (continued)**(a) Corporate bonds:** (continued)

Name	Interest commencement date	Maturity date	Interest payment	Principal	Nominal interest rate	Book value as at			Book value as at 31 December 2022
						31 December 2021	Increase	Decrease	
17 CICC 03	08/05/2017	08/05/2022	Annually	1,000,000,000	5.19%	1,030,720,703	39,768,793	(1,070,489,496)	-
19 CICC 04 (i)	21/11/2019	21/11/2025	Annually	1,500,000,000	3.52%	1,505,930,959	46,869,041	(1,552,800,000)	-
20 CICC F1 (ii)	26/02/2020	26/02/2025	Annually	4,000,000,000	3.20%	4,108,361,644	127,649,315	(128,000,000)	4,108,010,959
20 CICC G1 (iii)	03/04/2020	03/04/2026	Annually	1,500,000,000	2.89%	1,532,304,658	43,350,000	(43,350,000)	1,532,304,658
20 CICC G2 (iv)	03/04/2020	03/04/2027	Annually	1,000,000,000	3.25%	1,024,219,178	32,500,000	(32,500,000)	1,024,219,178
20 CICC G3 (v)	06/05/2020	06/05/2026	Annually	3,300,000,000	2.37%	3,351,211,479	78,210,000	(78,210,000)	3,351,211,479
20 CICC G4 (vi)	06/05/2020	06/05/2027	Annually	700,000,000	2.88%	713,200,658	20,160,000	(20,160,000)	713,200,658
20 CICC F2 (vii)	28/05/2020	28/05/2025	Annually	3,000,000,000	2.95%	3,052,615,069	88,500,000	(88,500,000)	3,052,615,069
20 CICC G5 (viii)	22/06/2020	22/06/2026	Annually	1,500,000,000	3.10%	1,524,460,274	46,500,000	(46,500,000)	1,524,460,274
20 CICC F3 (ix)	24/07/2020	24/07/2025	Annually	3,000,000,000	3.80%	3,049,972,603	114,000,000	(114,000,000)	3,049,972,603
20 CICC 07 (x)	10/09/2020	10/09/2025	Annually	5,000,000,000	3.78%	5,057,476,712	189,517,808	(189,000,000)	5,057,994,520
20 CICC 09 (xi)	23/09/2020	23/09/2025	Annually	5,000,000,000	3.80%	5,051,013,699	190,520,548	(190,000,000)	5,051,534,247
20 CICC 11 (xii)	19/10/2020	19/10/2023	Annually	2,500,000,000	3.50%	2,517,500,000	70,000,000	(2,587,500,000)	-
20 CICC 12 (xiii)	19/10/2020	19/10/2025	Annually	2,500,000,000	3.74%	2,518,700,000	93,500,000	(93,500,000)	2,518,700,000
20 CICC 13 (xiv)	28/10/2020	28/10/2023	Annually	2,000,000,000	3.48%	2,012,203,836	57,396,164	(2,069,600,000)	-
20 CICC 14 (xv)	28/10/2020	28/10/2025	Annually	3,000,000,000	3.68%	3,019,357,808	110,400,000	(110,400,000)	3,019,357,808
20 CICC F4 (xvi)	14/12/2020	14/12/2023	Annually	2,500,000,000	3.85%	2,504,482,877	91,767,123	(2,596,250,000)	-
20 CICC F5 (xvii)	14/12/2020	14/12/2025	Annually	2,500,000,000	4.09%	2,504,762,329	102,250,000	(102,250,000)	2,504,762,329
21 CICC F1 (xviii)	18/01/2021	18/01/2024	Annually	2,500,000,000	3.55%	2,584,373,288	88,750,000	(88,750,000)	2,584,373,288
21 CICC F2 (xix)	18/01/2021	18/01/2026	Annually	2,500,000,000	3.75%	2,589,126,712	93,750,000	(93,750,000)	2,589,126,712
21 CICC F3 (xx)	04/03/2021	04/03/2024	Annually	1,500,000,000	3.60%	1,544,679,452	54,000,000	(54,000,000)	1,544,679,452
21 CICC F4 (xxi)	04/03/2021	04/03/2026	Annually	2,000,000,000	3.82%	2,063,213,151	76,400,000	(76,400,000)	2,063,213,151

## Notes to the Consolidated Financial Statements

(Expressed in RMB, unless otherwise stated)

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

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

Name	Interest commencement date	Maturity date	Interest payment	Principal	Nominal interest rate	Book value as at			Book value as at 31 December 2022
						31 December 2021	Increase	Decrease	
21 CICC G1 (xxii)	16/03/2021	16/03/2026	Annually	2,000,000,000	3.58%	2,056,887,671	71,600,000	(71,600,000)	2,056,887,671
21 CICC G2	16/03/2021	16/03/2031	Annually	2,000,000,000	4.10%	2,065,150,685	82,000,000	(82,000,000)	2,065,150,685
21 CICC G3 (xxiii)	25/03/2021	25/03/2026	Annually	1,500,000,000	3.51%	1,540,533,288	52,650,000	(52,650,000)	1,540,533,288
21 CICC G4	25/03/2021	25/03/2031	Annually	2,500,000,000	4.07%	2,578,333,562	101,750,000	(101,750,000)	2,578,333,562
21 CICC F5 (xxiv)	13/04/2021	13/04/2024	Annually	1,000,000,000	3.43%	1,024,620,822	34,300,000	(34,300,000)	1,024,620,822
21 CICC F6 (xxv)	13/04/2021	13/04/2026	Annually	3,500,000,000	3.70%	3,592,601,370	129,854,794	(129,500,000)	3,592,956,164
21 CICC G5 (xxvi)	16/08/2021	16/08/2026	Annually	1,000,000,000	3.04%	1,011,410,411	30,400,000	(30,400,000)	1,011,410,411
21 CICC G6 (xxvii)	16/08/2021	16/08/2028	Annually	1,500,000,000	3.39%	1,519,086,164	50,850,000	(50,850,000)	1,519,086,164
21 CICC G7	08/12/2021	08/12/2024	Annually	2,500,000,000	2.97%	2,504,678,767	74,250,000	(74,250,000)	2,504,678,767
21 CICC G8	08/12/2021	08/12/2031	Annually	1,000,000,000	3.68%	1,002,318,904	36,800,000	(36,800,000)	1,002,318,904
22 CICC G1 (xxviii)	29/11/2022	29/11/2027	Annually	2,500,000,000	2.94%	-	2,506,443,835	-	2,506,443,835
22 CICC G2	29/11/2022	29/11/2032	Annually	2,000,000,000	3.52%	-	2,006,172,054	-	2,006,172,054
22 CICC G3 (xxix)	16/12/2022	16/12/2025	Annually	1,000,000,000	3.36%	-	1,001,380,822	-	1,001,380,822
17 CISC F2	18/07/2017	18/07/2022	Annually	1,000,000,000	5.10%	1,023,334,247	27,665,753	(1,051,000,000)	-
19 CISC 01	22/04/2019	22/04/2022	Annually	2,000,000,000	4.22%	2,058,692,682	25,707,318	(2,084,400,000)	-
19 CICC WMS 01 (xxx)	16/10/2019	16/10/2024	Annually	3,000,000,000	3.58%	3,020,468,577	86,931,423	(3,107,400,000)	-
20 CICC WMS G1 (xxxi)	16/01/2020	16/01/2025	Annually	2,000,000,000	3.44%	2,064,489,835	69,273,703	(68,803,245)	2,064,960,293
20 CICC WMS F1 (xxxii)	09/04/2020	09/04/2025	Annually	3,000,000,000	3.17%	3,067,665,617	95,660,642	(95,100,000)	3,068,226,259
20 CICC WMS F2	28/07/2020	28/07/2023	Annually	2,000,000,000	3.80%	2,031,676,085	76,639,051	(76,000,000)	2,032,315,136
20 CICC WMS G2 (xxxiii)	21/10/2020	21/10/2025	Annually	2,000,000,000	3.77%	2,013,595,069	75,718,555	(75,400,000)	2,013,913,624
20 CICC WMS G3	21/10/2020	21/10/2025	Annually	1,000,000,000	4.20%	1,007,644,244	42,158,668	(42,000,000)	1,007,802,912
20 CICC WMS G5 (xxxiv)	24/11/2020	24/11/2025	Annually	1,000,000,000	3.98%	1,003,542,799	39,945,410	(39,800,000)	1,003,688,209

**46. LONG-TERM DEBT SECURITIES ISSUED** *(continued)***(a) Corporate bonds:** *(continued)*

Name	Interest commencement date	Maturity date	Interest payment	Principal	Nominal interest rate	Book value as at			Book value as at 31 December 2022
						31 December 2021	Increase	Decrease	
20 CICC WMS G6 (xxxv)	15/12/2020	15/12/2025	Annually	1,000,000,000	3.85%	1,001,184,587	38,645,270	(38,500,000)	1,001,329,857
21 CICC WMS G1 (xxxvi)	26/03/2021	26/03/2024	Annually	2,000,000,000	3.44%	2,050,763,623	69,766,648	(68,800,000)	2,051,730,271
21 CICC WMS G2 (xxxvii)	26/03/2021	26/03/2026	Annually	3,000,000,000	3.65%	3,082,964,938	109,797,231	(109,500,000)	3,083,262,169
21 CICC WMS G3 (xxxviii)	22/04/2021	22/04/2026	Annually	3,000,000,000	3.55%	3,072,756,153	106,796,835	(106,500,000)	3,073,052,988
21 CICC WMS G4	22/04/2021	22/04/2026	Annually	2,000,000,000	3.84%	2,050,893,827	77,355,312	(76,800,000)	2,051,449,139
21 CICC WMS G5 (xxxix)	09/12/2021	09/12/2026	Annually	3,000,000,000	3.06%	3,004,246,228	92,093,086	(91,800,000)	3,004,539,314
22 CICC WMS G1	08/03/2022	08/03/2025	Annually	1,500,000,000	3.07%	-	1,537,921,889	(806,604)	1,537,115,285
22 CICC WMS G2	08/03/2022	08/03/2027	Annually	500,000,000	3.49%	-	514,343,552	(268,868)	514,074,684
22 CICC WMS G3	18/07/2022	18/07/2025	Annually	2,000,000,000	2.83%	-	2,025,998,182	(691,824)	2,025,306,358
22 CICC WMS G4	18/07/2022	18/07/2027	Annually	1,000,000,000	3.20%	-	1,014,670,498	(345,912)	1,014,324,586
22 CICC WMS G5	29/08/2022	29/08/2025	Annually	1,500,000,000	2.69%	-	1,513,875,623	(518,868)	1,513,356,755
22 CICC WMS G6	29/08/2022	29/08/2027	Annually	1,500,000,000	3.06%	-	1,515,752,238	(518,868)	1,515,233,370
Total						105,309,427,244	17,190,927,184	(19,224,963,685)	103,275,390,743

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

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

- (i) As the investor exercised the put option of fully redemption, the Company repaid the principal and the corresponding interest on 21 November 2022.
- (ii) The Company has an option to adjust the nominal interest rate on 26 February 2023, and an obligation to redeem the bonds when requested by the investors as a result of the nominal interest rate adjustment. After the Company announced the adjustment of the nominal interest rate on 30 January 2023, the investor exercised the put option, resulting in a full redemption of the bonds. The Company repaid the principal and the corresponding interest on 27 February 2023.
- (iii) The Company has an option to adjust the nominal interest rate on 3 April 2023, and an obligation to redeem the bonds when requested by the investors as a result of the nominal interest rate adjustment. After the Company announced the adjustment of the nominal interest rate on 6 March 2023, the investor exercised the put option, resulting in a full redemption of the bonds. The Company repaid the principal and the corresponding interest on 3 April 2023.
- (iv) The Company has an option to adjust the nominal interest rate on 3 April 2025 and an obligation to redeem the bonds when requested by the investors accordingly.
- (v) The Company has an option to adjust the nominal interest rate on 6 May 2023, and an obligation to redeem the bonds when requested by the investors as a result of the nominal interest rate adjustment. After the Company announced the adjustment of the nominal interest rate on 4 April 2023, the investor exercised the put option, resulting in a full redemption of the bonds. The Company repaid the principal and the corresponding interest on 8 May 2023.
- (vi) The Company has an option to adjust the nominal interest rate on 6 May 2025 and an obligation to redeem the bonds when requested by the investors accordingly.
- (vii) The Company has an option to adjust the nominal interest rate on 28 May 2023, and an obligation to redeem the bonds when requested by the investors as a result of the nominal interest rate adjustment. After the Company announced the adjustment of the nominal interest rate on 26 April 2023, the investor exercised the put option, resulting in a full redemption of the bonds. The Company repaid the principal and the corresponding interest on 29 May 2023.
- (viii) The Company has an option to adjust the nominal interest rate on 22 June 2023, and an obligation to redeem the bonds when requested by the investors as a result of the nominal interest rate adjustment. After the Company announced the adjustment of the nominal interest rate on 25 May 2023, the investor exercised the put option, resulting in a full redemption of the bonds. The Company repaid the principal and the corresponding interest on 26 June 2023.
- (ix) The Company has an option to adjust the nominal interest rate on 24 July 2023 and an obligation to redeem the bonds when requested by the investors accordingly. After the Company announced the adjustment of the nominal interest rate on 26 June 2023, the investor exercised the put option, resulting in a full redemption of the bonds. The Company repaid the principal and the corresponding interest on 24 July 2023.

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

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

- (x) The Company has an option to adjust the nominal interest rate on 10 September 2023 and an obligation to redeem the bonds when requested by the investors accordingly. After the Company announced the adjustment of the nominal interest rate on 14 August 2023, the investor exercised the put option, resulting in a full redemption of the bonds. The Company repaid the principal and the corresponding interest on 11 September 2023.
- (xi) The Company has an option to adjust the nominal interest rate on 23 September 2023 and an obligation to redeem the bonds when requested by the investors accordingly. After the Company announced the adjustment of the nominal interest rate on 28 August 2023, the investor exercised the put option, resulting in a full redemption of the bonds. The Company repaid the principal and the corresponding interest on 25 September 2023.
- (xii) As the investor exercised the put option of fully redemption, the Company repaid the principal and the corresponding interest on 19 October 2022.
- (xiii) The Company has an option to adjust the nominal interest rate on 19 October 2023 and an obligation to redeem the bonds when requested by the investors accordingly. The Company announced an adjustment of nominal interest rate from 3.74% to 2.95% on 13 September 2023. Some investors exercised the put option during the registration period, resulting in a partial redemption of the bond with an aggregate principal amount of RMB929.5 million. The Company resold such bonds in full as scheduled and had the bonds with a residual principal amount of RMB2,500 million in duration period.
- (xiv) As the investor exercised the put option of fully redemption, the Company repaid the principal and the corresponding interest on 28 October 2022.
- (xv) The Company has an option to adjust the nominal interest rate on 28 October 2023 and an obligation to redeem the bonds when requested by the investors accordingly. The Company announced an adjustment of nominal interest rate from 3.68% to 2.90% on 22 September 2023. Some investors exercised the put option during the registration period, resulting in a partial redemption of the bonds with an aggregate principal amount of RMB989.8 million. The Company resold such bonds with a principal amount of RMB450 million and cancelled such bonds with an amount of RMB539.8 million as scheduled. The Company had the bonds with a residual principal amount of RMB2,460.2 million in duration period.
- (xvi) As the investor exercised the put option of fully redemption, the Company repaid the principal and the corresponding interest on 14 December 2022.
- (xvii) The Company has an option to adjust the nominal interest rate on 14 December 2023 and an obligation to redeem the bonds when requested by the investors accordingly. After the Company announced the adjustment of the nominal interest rate on 16 November 2023, the investor exercised the put option, resulting in a full redemption of the bonds. The Company repaid the principal and the corresponding interest on 14 December 2023.
- (xviii) The Company has an option to adjust the nominal interest rate on 18 January 2023, and an obligation to redeem the bonds when requested by the investors as a result of the nominal interest rate adjustment. After the Company announced the adjustment of the nominal interest rate on 20 December 2022, the investor exercised the put option, resulting in a full redemption of the bonds. The Company repaid the principal and the corresponding interest on 18 January 2023.

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

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

- (xix) The Company has an option to adjust the nominal interest rate on 18 January 2024 and an obligation to redeem the bonds when requested by the investors accordingly.
- (xx) The Company has an option to adjust the nominal interest rate on 4 March 2023, and an obligation to redeem the bonds when requested by the investors as a result of the nominal interest rate adjustment. After the Company announced the adjustment of the nominal interest rate on 6 February 2023, the investor exercised the put option, resulting in a full redemption of the bonds. The Company repaid the principal and the corresponding interest on 6 March 2023.
- (xxi) The Company has an option to adjust the nominal interest rate on 4 March 2024 and an obligation to redeem the bonds when requested by the investors accordingly.
- (xxii) The Company has an option to adjust the nominal interest rate on 16 March 2024 and an obligation to redeem the bonds when requested by the investors accordingly.
- (xxiii) The Company has an option to adjust the nominal interest rate on 25 March 2024 and an obligation to redeem the bonds when requested by the investors accordingly.
- (xxiv) The Company has an option to adjust the nominal interest rate on 13 April 2023, and an obligation to redeem the bonds when requested by the investors as a result of the nominal interest rate adjustment. After the Company announced the adjustment of the nominal interest rate on 15 March 2023, the investor exercised the put option, resulting in a full redemption of the bonds. The Company repaid the principal and the corresponding interest on 13 April 2023.
- (xxv) The Company has an option to adjust the nominal interest rate on 13 April 2024 and an obligation to redeem the bonds when requested by the investors accordingly.
- (xxvi) The Company has an option to adjust the nominal interest rate on 16 August 2024 and an obligation to redeem the bonds when requested by the investors accordingly.
- (xxvii) The Company has an option to adjust the nominal interest rate on 16 August 2026 and an obligation to redeem the bonds when requested by the investors accordingly.
- (xxviii) The Company has an option to adjust the nominal interest rate on 29 November 2025 and an obligation to redeem the bonds when requested by the investors accordingly.
- (xxix) The Company has an option to adjust the nominal interest rate on 16 December 2024 and an obligation to redeem the bonds when requested by the investors accordingly.
- (xxx) As CICC Wealth Management exercised redemption option, CICC Wealth Management redeemed the bonds on 17 October 2022.



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

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

- (xxxi) CICC Wealth Management has an option to redeem the bonds on 16 January 2023. If the redemption option is not exercised, CICC Wealth Management will have an option to adjust the nominal interest rate and an obligation to redeem the bonds when requested by the investors accordingly. CICC Wealth Management redeemed the bonds on 16 January 2023.
- (xxxii) CICC Wealth Management has an option to adjust the nominal interest rate on 9 April 2023, and an obligation to redeem the bonds when requested by the investors as a result of the nominal interest rate adjustment. After CICC Wealth Management announced the adjustment of the nominal interest rate on 10 March 2023, the investor exercised the put option, resulting in a full redemption of the bonds. CICC Wealth Management repaid the principal and the corresponding interest on 10 April 2023.
- (xxxiii) CICC Wealth Management has an option to adjust the nominal interest rate on 21 October 2023, and an obligation to redeem the bonds when requested by the investors as a result of the nominal interest rate adjustment. After CICC Wealth Management announced the adjustment of the nominal interest rate on 15 September 2023, the investor exercised the put option, resulting in a full redemption of the bonds. CICC Wealth Management repaid the principal and the corresponding interest on 23 October 2023.
- (xxxiv) CICC Wealth Management has an option to adjust the nominal interest rate on 24 November 2023, and an obligation to redeem the bonds when requested by the investors as a result of the nominal interest rate adjustment. After CICC Wealth Management announced the adjustment of the nominal interest rate on 27 October 2023, the investor exercised the put option, resulting in a full redemption of the bonds. CICC Wealth Management repaid the principal and the corresponding interest on 24 November 2023.
- (xxxv) CICC Wealth Management has an option to adjust the nominal interest rate on 15 December 2023 and an obligation to redeem the bonds when requested by the investors accordingly. CICC Wealth Management announced an adjustment of nominal interest rate from 3.85% to 2.97% on 17 November 2023. Some investors exercised the put option during the registration period, resulting in a partial redemption of the bonds. CICC Wealth Management cancelled such bonds with a principal amount of RMB704 million and had the bonds with a residual principal amount of RMB296 million in duration period.
- (xxxvi) CICC Wealth Management has an option to adjust the nominal interest rate on 26 March 2023, and an obligation to redeem the bonds when requested by the investors as a result of the nominal interest rate adjustment. After CICC Wealth Management announced the adjustment of the nominal interest rate on 27 February 2023, the investor exercised the put option, resulting in a full redemption of the bonds. CICC Wealth Management repaid the principal and the corresponding interest on 27 March 2023.
- (xxxvii) CICC Wealth Management has an option to adjust the nominal interest rate on 26 March 2024 and an obligation to redeem the bonds when requested by the investors accordingly.
- (xxxviii) CICC Wealth Management has an option to adjust the nominal interest rate on 22 April 2024 and an obligation to redeem the bonds when requested by the investors accordingly.
- (xxxix) CICC Wealth Management has an option to adjust the nominal interest rate on 9 December 2024 and an obligation to redeem the bonds when requested by the investors accordingly.

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

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

- (xl) The Company has an option to adjust the nominal interest rate on 17 January 2025 and an obligation to redeem the bonds when requested by the investors accordingly.
- (xli) The Company has an option to adjust the nominal interest rate on 17 January 2026 and an obligation to redeem the bonds when requested by the investors accordingly.
- (xlii) The Company has an option to adjust the nominal interest rate on 6 June 2026 and an obligation to redeem the bonds when requested by the investors accordingly.
- (xliii) The Company has an option to adjust the nominal interest rate on 24 July 2026 and an obligation to redeem the bonds when requested by the investors accordingly.
- (xliv) The Company has an option to adjust the nominal interest rate on 24 July 2028 and an obligation to redeem the bonds when requested by the investors accordingly.
- (xlv) The Company has an option to adjust the nominal interest rate on 28 August 2026 and an obligation to redeem the bonds when requested by the investors accordingly.
- (xlvi) The Company has an option to adjust the nominal interest rate on 28 August 2028 and an obligation to redeem the bonds when requested by the investors accordingly.
- (xlvii) The Company has an option to adjust the nominal interest rate on 18 September 2025 and an obligation to redeem the bonds when requested by the investors accordingly.
- (xlviii) The Company has an option to adjust the nominal interest rate on 18 September 2026 and an obligation to redeem the bonds when requested by the investors accordingly.
- (xlix) The Company has an option to adjust the nominal interest rate on 21 December 2026 and an obligation to redeem the bonds when requested by the investors accordingly.
- (l) The Company has an option to adjust the nominal interest rate on 21 December 2028 and an obligation to redeem the bonds when requested by the investors accordingly.

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

### (b) MTNs:

Name	Interest commencement		Interest payment	Principal	Nominal interest rate	Book value as at 31 December			Book value as at 31 December 2023
	date	Maturity date				2022	Increase	Decrease	
MTN	18/02/2020	18/02/2023	Quarterly	USD1,000 million	3M LIBOR plus 0.90%	7,011,174,157	53,613,346	(7,064,787,503)	-
MTN	10/08/2020	10/08/2023	Semi-annually	USD500 million	1.75%	3,502,673,245	137,154,943	(3,639,828,188)	-
MTN	26/01/2021	26/01/2024	Semi-annually	USD1,000 million	1.625%	7,007,124,402	237,492,849	(113,002,500)	7,131,614,751
MTN	26/01/2021	26/01/2026	Semi-annually	USD500 million	2.00%	3,506,173,593	130,256,482	(69,540,000)	3,566,890,075
MTN	21/03/2022	21/03/2025	Semi-annually	USD600 million	2.875%	4,188,030,316	202,497,245	(121,117,425)	4,269,410,136
MTN	22/11/2022	22/11/2025	Semi-annually	USD650 million	5.42%	4,526,208,571	332,685,155	(249,713,763)	4,609,179,963
MTN	01/03/2023	01/03/2026	Semi-annually	USD1,250 million	5.493%	-	9,268,691,890	(246,553,305)	9,022,138,585
MTN	18/07/2023	18/07/2026	Semi-annually	USD500 million	5.442%	-	3,659,909,454	(15,914,822)	3,643,994,632
Total						29,741,384,284	14,022,301,364	(11,520,457,506)	32,243,228,142

Name	Interest commencement		Interest payment	Principal	Nominal interest rate	Book value as at 31 December			Book value as at 31 December 2022
	date	Maturity date				2021	Increase	Decrease	
MTN	03/05/2019	03/05/2022	Quarterly	USD700 million	3M LIBOR plus 1.175%	4,469,976,363	158,796,849	(4,628,773,212)	-
MTN	03/05/2019	03/05/2022	Semi-annually	USD300 million	3.375%	1,921,749,977	81,590,801	(2,003,340,778)	-
MTN	18/02/2020	18/02/2023	Quarterly	USD1,000 million	3M LIBOR plus 0.90%	6,376,848,366	785,600,768	(151,274,977)	7,011,174,157
MTN	10/08/2020	10/08/2023	Semi-annually	USD500 million	1.75%	3,200,440,688	359,637,370	(57,404,813)	3,502,673,245
MTN	26/01/2021	26/01/2024	Semi-annually	USD1,000 million	1.625%	6,406,973,741	706,416,724	(106,266,063)	7,007,124,402
MTN	26/01/2021	26/01/2026	Semi-annually	USD500 million	2.00%	3,207,035,677	364,532,416	(65,394,500)	3,506,173,593
MTN	21/03/2022	21/03/2025	Semi-annually	USD600 million	2.875%	-	4,248,005,116	(59,974,800)	4,188,030,316
MTN	22/11/2022	22/11/2025	Semi-annually	USD650 million	5.42%	-	4,685,617,540	(159,408,969)	4,526,208,571
Total						25,583,024,812	11,390,197,584	(7,231,838,112)	29,741,384,284

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

(Expressed in RMB, unless otherwise stated)

**46. LONG-TERM DEBT SECURITIES ISSUED** (continued)**(c) Subordinated bonds:**

Name	Interest commencement	Maturity date	Interest payment	Principal	Nominal interest rate	Book value as at 31 December			Book value as at 31 December
	date	date	date		rate	2022	Increase	Decrease	2023
18 CICC C1	20/04/2018	20/04/2023	Annually	1,000,000,000	5.30%	1,036,236,281	35,560,638	(1,071,796,919)	-
19 CICC C3	14/10/2019	14/10/2024	Annually	1,500,000,000	4.09%	1,513,110,411	61,314,179	(61,350,000)	1,513,074,590
19 CICC C4	11/11/2019	11/11/2024	Annually	1,500,000,000	4.12%	1,508,465,753	61,776,870	(61,800,000)	1,508,442,623
19 CICC C5	05/12/2019	05/12/2024	Annually	2,000,000,000	4.20%	2,005,983,562	83,983,651	(84,000,000)	2,005,967,213
20 CICC C1	17/02/2020	17/02/2025	Annually	1,500,000,000	3.85%	1,550,155,479	57,750,000	(57,750,000)	1,550,155,479
21 CICC C1	08/02/2021	08/02/2024	Annually	1,000,000,000	3.90%	1,038,593,318	39,629,815	(43,286,675)	1,034,936,458
21 CICC C2	08/02/2021	08/02/2026	Annually	1,000,000,000	4.49%	1,048,300,080	44,891,368	(44,900,000)	1,048,291,448
23 CICC C1	07/12/2023	07/12/2026	Annually	500,000,000	3.18%	-	501,042,623	-	501,042,623
23 CICC C2	07/12/2023	07/12/2028	Annually	2,000,000,000	3.35%	-	2,004,393,443	-	2,004,393,443
20 CICC WMS C1	17/04/2020	17/04/2025	Annually	2,000,000,000	3.80%	2,052,837,833	76,469,814	(76,003,585)	2,053,304,062
21 CICC WMS C1	09/03/2021	09/03/2024	Annually	1,000,000,000	3.98%	1,032,069,865	40,159,442	(39,801,877)	1,032,427,430
21 CICC WMS C2	09/03/2021	09/03/2026	Annually	1,000,000,000	4.58%	1,036,704,882	46,008,372	(45,802,160)	1,036,911,094
21 CICC WMS C3	09/04/2021	09/04/2024	Annually	2,000,000,000	3.94%	2,057,188,895	80,870,279	(80,690,509)	2,057,368,665
21 CICC WMS C4	09/04/2021	09/04/2026	Annually	1,000,000,000	4.50%	1,032,565,566	45,594,757	(45,945,519)	1,032,214,804
22 CICC WMS C1	24/03/2022	24/03/2025	Annually	1,500,000,000	3.50%	1,540,120,537	52,760,155	(52,502,476)	1,540,378,216
22 CICC WMS C2	24/03/2022	24/03/2027	Annually	500,000,000	3.89%	514,857,973	19,500,471	(19,450,917)	514,907,527
23 CICC WMS C1	13/02/2023	13/02/2026	Annually	2,500,000,000	3.80%	-	2,584,222,638	(1,344,340)	2,582,878,298
23 CICC WMS C2	13/02/2023	13/02/2028	Annually	500,000,000	4.17%	-	518,445,235	(268,868)	518,176,367
23 CICC WMS C3	26/10/2023	26/10/2026	Annually	2,500,000,000	3.39%	-	2,515,832,042	(3,959,434)	2,511,872,608
23 CICC WMS C4	26/10/2023	26/10/2028	Annually	500,000,000	3.70%	-	503,431,363	(791,887)	502,639,476
Total						18,967,190,435	9,373,637,155	(1,791,445,166)	26,549,382,424

**46. LONG-TERM DEBT SECURITIES ISSUED** (continued)**(c) Subordinated bonds:** (continued)

Name	Interest commencement date	Maturity date	Interest payment	Principal	Nominal interest rate	Book value as			Book value as at 31 December 2022
						at 31 December 2021	Increase	Decrease	
17 CICC C1	22/05/2017	22/05/2022	Annually	600,000,000	5.39%	618,319,699	25,597,447	(643,917,146)	-
17 CICC C2	24/07/2017	24/07/2022	Annually	1,500,000,000	4.98%	1,528,932,820	68,186,690	(1,597,119,510)	-
17 CICC C3	16/11/2017	16/11/2022	Annually	1,500,000,000	5.50%	1,496,418,005	113,486,622	(1,609,904,627)	-
18 CICC C1	20/04/2018	20/04/2023	Annually	1,000,000,000	5.30%	1,044,136,555	53,615,431	(61,515,705)	1,036,236,281
19 CICC C1	19/04/2019	19/04/2022	Annually	1,500,000,000	4.20%	1,544,358,904	18,641,096	(1,563,000,000)	-
19 CICC C3	14/10/2019	14/10/2024	Annually	1,500,000,000	4.09%	1,513,110,411	61,350,000	(61,350,000)	1,513,110,411
19 CICC C4	11/11/2019	11/11/2024	Annually	1,500,000,000	4.12%	1,508,465,753	61,800,000	(61,800,000)	1,508,465,753
19 CICC C5	05/12/2019	05/12/2024	Annually	2,000,000,000	4.20%	2,005,983,562	84,000,000	(84,000,000)	2,005,983,562
20 CICC C1	17/02/2020	17/02/2025	Annually	1,500,000,000	3.85%	1,550,155,479	57,750,000	(57,750,000)	1,550,155,479
21 CICC C1	08/02/2021	08/02/2024	Annually	1,000,000,000	3.90%	1,042,432,613	35,806,474	(39,645,769)	1,038,593,318
21 CICC C2	08/02/2021	08/02/2026	Annually	1,000,000,000	4.49%	1,053,681,347	41,905,129	(47,286,396)	1,048,300,080
17 CISC 02	23/02/2017	23/02/2022	Annually	1,800,000,000	5.00%	1,876,820,331	13,268,820	(1,890,089,151)	-
19 CISC C1	25/04/2019	25/04/2022	Annually	3,000,000,000	4.50%	3,092,460,087	42,539,913	(3,135,000,000)	-
20 CICC WMS C1	17/04/2020	17/04/2025	Annually	2,000,000,000	3.80%	2,052,390,656	76,447,177	(76,000,000)	2,052,837,833
21 CICC WMS C1	09/03/2021	09/03/2024	Annually	1,000,000,000	3.98%	1,031,726,681	40,145,061	(39,801,877)	1,032,069,865
21 CICC WMS C2	09/03/2021	09/03/2026	Annually	1,000,000,000	4.58%	1,036,508,737	45,998,305	(45,802,160)	1,036,704,882
21 CICC WMS C3	09/04/2021	09/04/2024	Annually	2,000,000,000	3.94%	2,056,846,818	79,142,077	(78,800,000)	2,057,188,895
21 CICC WMS C4	09/04/2021	09/04/2026	Annually	1,000,000,000	4.50%	1,032,467,754	45,097,812	(45,000,000)	1,032,565,566
22 CICC WMS C1	24/03/2022	24/03/2025	Annually	1,500,000,000	3.50%	-	1,540,898,839	(778,302)	1,540,120,537
22 CICC WMS C2	24/03/2022	24/03/2027	Annually	500,000,000	3.89%	-	515,117,407	(259,434)	514,857,973
Total						27,085,216,212	3,020,794,300	(11,138,820,077)	18,967,190,435

**46. LONG-TERM DEBT SECURITIES ISSUED** *(continued)***(d) Beneficiary certificates:**

Name	Book value as at 31 December			Book value as at 31 December
	2022	Increase	Decrease	2023
Beneficiary certificates	-	126,978,551	-	126,978,551

The Group has issued beneficiary certificates bearing nominal interest at a floating rate, which is calculated based on changes in the price of USD bonds, etc. The beneficiary certificates are for maturities of 606 days.

**47. LEASE LIABILITIES**

	As at 31 December	
	2023	2022
Buildings	4,427,761,855	2,422,609,899
Equipment	102,455	218,949
Subtotal	4,427,864,310	2,422,828,848
Less: Amount due for settlement within 12 months shown under current liabilities	945,487,671	933,215,663
Amount due for settlement after 12 months shown under non-current liabilities	3,482,376,639	1,489,613,185

For the year ended 31 December 2023, the weighted average incremental borrowing rate applied to lease liabilities is 3.53% (Year ended 31 December 2022: 3.59%).

**(a) Leases committed**

As at 31 December 2023, the Group entered into new leases that are not yet commenced, with average non-cancellable period ranged from 2 to 15 years (31 December 2022: from 3 to 7 years). The total future undiscounted cash flows over the non-cancellable period amounted to RMB27,479,642 (31 December 2022: RMB131,798,890).

Details of the lease maturity analysis of lease liabilities are disclosed in Note 58(b).

**48. CONTRACT LIABILITIES**

	<b>As at 31 December</b>	
	<b>2023</b>	2022
Investment banking services	<b>214,933,825</b>	201,244,078
Asset management services	<b>179,666,997</b>	183,005,070
Others	<b>16,673,705</b>	23,543,113
<b>Total</b>	<b>411,274,527</b>	407,792,261

**49. OTHER NON-CURRENT LIABILITIES**

	<b>As at 31 December</b>	
	<b>2023</b>	2022
Payables to other investors of consolidated structured entities	<b>199,346,781</b>	199,394,424
Deferred income	<b>146,982,000</b>	146,982,000
Others	<b>2,423,089</b>	2,131,972
<b>Total</b>	<b>348,751,870</b>	348,508,396

**50. CAPITAL, RESERVES AND DIVIDENDS****(a) Share capital**

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

	<b>As at 31 December</b>	
	<b>2023</b>	2022
Ordinary shares of RMB1 each, issued and fully paid		
A shares	<b>2,923,542,440</b>	2,923,542,440
H shares	<b>1,903,714,428</b>	1,903,714,428
Total	<b>4,827,256,868</b>	4,827,256,868
Share capital		
A shares	<b>2,923,542,440</b>	2,923,542,440
H shares	<b>1,903,714,428</b>	1,903,714,428
Total	<b>4,827,256,868</b>	4,827,256,868

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



**50. CAPITAL, RESERVES AND DIVIDENDS** (continued)**(b) Reserves****(i) Capital reserve*****The Group***

	<b>As at 31 December</b>	
	<b>2023</b>	2022
Share premium (Note)	<b>39,469,868,340</b>	39,469,868,340
Others	<b>45,348,374</b>	45,348,374
Total	<b>39,515,216,714</b>	39,515,216,714

***The Company***

	<b>As at 31 December</b>	
	<b>2023</b>	2022
Share premium (Note)	<b>41,661,299,767</b>	41,661,299,767
Others	<b>20,322,467</b>	20,322,467
Total	<b>41,681,622,234</b>	41,681,622,234

Note: The premium arising from the Company's share issuance (see Note 50(a)), net of expenses which met the capitalisation criteria and by underwriting fees arising from the issuance of perpetual subordinated bonds classified as equity instruments (see Note 51), was recorded in share premium.

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

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

#### (ii) Surplus reserve

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

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

#### (iii) General reserves

General reserves include general risk reserve and trading risk reserve.

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

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

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

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

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

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

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

#### (iv) Investment revaluation reserve

The investment revaluation reserve mainly represents the fair value changes of financial assets at FVTOCI.

#### (v) Foreign currency translation reserve

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

#### (vi) Other reserve

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

### (c) Dividends

On 28 March 2024, the 2023 profit distribution plan was approved by the Board of Directors. For details, please refer to Note 63(d).

The Company's Annual General Meeting approved the 2022 profit distribution plan on 30 June 2023. The distribution of cash dividends amounting to RMB868,906,236 was made in August 2023.

Dividends proposed by the directors are not deducted from equity, until approved by the Annual General Meeting. After being approved and declared, the dividends are recognised as a liability.

## 51. OTHER EQUITY INSTRUMENTS

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

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

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

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

- The bonds bear interest at a fixed rate;
- The nominal interest rate of the first five interest-bearing years is determined by book building and remains unchanged. The nominal interest rate resets every five years since the sixth interest-bearing year;
- The issuer has an option to defer interest payment, except in the event of mandatory interest payments, so that at each interest payment date, the issuer may choose to defer to the next interest payment date the payment for the interest for the current period as well as all interests and accreted interests as a result of exercising the interest payment deferral option. There is no limitation on number of times that the issuer exercises the deferral option. Exercising the interest payment deferral option shall not be deemed as the issuer's failure to pay the interest in full as agreed. Mandatory interest payment events are limited to dividend distributions to ordinary shareholders and reductions of registered capital in the 12 months before the interest payment date.

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

- (a) The Company issued 20 CICC Y1 with an aggregate principal amount of RMB5.0 billion and the interest commencement date is 28 August 2020, with the nominal interest rate of 4.64%.
- (b) The Company issued 21 CICC Y1 with an aggregate principal amount of RMB1.5 billion and the interest commencement date is 29 January 2021, with the nominal interest rate of 4.68% and issued 21 CICC Y2 with an aggregate principal amount of RMB2.0 billion and the interest commencement date is 26 April 2021, with the nominal interest rate of 4.20%.
- (c) The Company issued 22 CICC Y1 with an aggregate principal amount of RMB3.9 billion and the interest commencement date is 13 January 2022, with the nominal interest rate of 3.60% and issued 22 CICC Y2 with an aggregate principal amount of RMB4.0 billion and the interest commencement date is 10 October 2022, with the nominal interest rate of 3.35%.

## 52. COMMITMENTS

### (a) Capital commitments

As at 31 December 2023 and 2022, the capital commitments contracted but not provided for in the consolidated financial statements were as follows:

	As at 31 December	
	2023	2022
Contracted, but not provided for	4,432,574,807	4,748,772,645

### (b) Underwriting commitments

According to the relevant tendering documents, there was no underwriting commitment taken but not provided for as at 31 December 2023 and 2022.

## 53. INTERESTS IN STRUCTURED ENTITIES

### (a) Interests in structured entities consolidated by the Group

When considering the power over structured entities, the Group determines whether the Group is a principal or an agent based on a combination of factors such as the Group's decision-making scope, the power of other investees and the exposure to variable returns, etc. The structured entities in which the Group exercises investment decision-making power as a principal and in which the Group's entitled variable return accounts for a relatively large portion of the total return of the structured entities shall be consolidated.

As at 31 December 2023, the total assets of the consolidated structured entities amounted to RMB24,422,112,760 (31 December 2022: RMB34,692,090,052), and the carrying amount of interests held by the Group in the consolidated structured entities amounted to RMB23,705,409,380 (31 December 2022: RMB18,593,234,732).

**53. INTERESTS IN STRUCTURED ENTITIES** *(continued)***(b) Interests in structured entities sponsored by third party institutions**

The types of structured entities that the Group does not consolidate but holds an interest in include wealth management products, asset management schemes, mutual funds, trust products, and other vehicles issued by other financial institutions. The Group's exposure to the variable returns in these structured entities is not significant and the maximum exposure to losses is limited to the carrying amount of the interests held by the Group in these structured entities.

	<b>As at 31 December</b>	
	<b>2023</b>	2022
Carrying amount of interests held by the Group		
– Financial assets at fair value through profit or loss	<b>89,074,308,164</b>	107,007,554,074

**(c) Interests in structured entities sponsored by the Group but not consolidated**

Structured entities in which the Group serves as a general partner or a manager, and therefore over which the Group has a power during the reporting period include private equity funds, mutual funds and asset management products. These structured entities are mainly financed through issuing units to investors.

	<b>As at 31 December</b>	
	<b>2023</b>	2022
Carrying amount of interests held by the Group		
– Financial assets at fair value through profit or loss	<b>8,880,373,963</b>	8,639,188,097
– Accounts receivable	<b>1,289,659,820</b>	1,175,179,962
– Interests in associates and joint ventures	<b>23,790,633</b>	28,557,379

For the year ended 31 December 2023, the management fee and performance fee obtained from these structured entities amounted to RMB3,267,002,807 (Year ended 31 December 2022: RMB3,200,602,010).

Except for those which have been consolidated by the Group as set out in Note 53(a), the Group's exposure to the variable returns in the rest of these structured entities is not significant. The maximum exposure to losses is limited to the carrying amount of the interests held by the Group in these structured entities.

During the year, the Group did not provide financial support to these unconsolidated structured entities and has no intention of providing material financial or other support in the future.

## 54. TRANSFERS OF FINANCIAL ASSETS

In the ordinary course of business, the Group enters into certain transactions in which it transfers recognised financial assets to third parties or customers. If these transfers qualify for derecognition, the Group derecognises all or part of the financial assets where appropriate. If the Group has retained substantially all the risks and rewards on these assets, the Group continues to recognise these assets.

### (a) Repurchase agreements

Sales and repurchase agreements are transactions in which the Group sells a financial asset and simultaneously agrees to repurchase it (or an asset that is substantially the same) at an agreed date and price. The repurchase price is fixed and the Group is still exposed to substantially all risks and rewards of the financial asset transferred. The financial asset is not derecognised from the consolidated financial statements but is regarded as “collateral” for any secured borrowing arrangements because the Group retains substantially all the risks and rewards of the financial asset. A financial liability is recognised for cash received under the borrowing arrangements. In this kind of transactions, the recourse of counterparties against the Group is not limited to the transferred financial assets.

The following tables provide a summary of carrying amounts related to the transferred financial assets that are not derecognised in their entirety and the associated liabilities:

<b>As at 31 December 2023</b>	<b>Financial assets measured at fair value through profit or loss</b>	<b>Financial assets measured at fair value through other comprehensive income</b>	<b>Total</b>
Carrying amount of transferred assets	6,779,645,661	15,223,178	6,794,868,839
Carrying amount of associated liabilities	(6,035,993,014)	(13,453,693)	(6,049,446,707)
Net position	743,652,647	1,769,485	745,422,132

**54. TRANSFERS OF FINANCIAL ASSETS** *(continued)***(a) Repurchase agreements** *(continued)*

The following tables provide a summary of carrying amounts related to the transferred financial assets that are not derecognised in their entirety and the associated liabilities: (continued)

As at 31 December 2022	Financial assets measured at fair value through profit or loss	Financial assets measured at fair value through other comprehensive income	Total
Carrying amount of transferred assets	8,741,236,023	1,612,959,659	10,354,195,682
Carrying amount of associated liabilities	(8,049,434,208)	(1,436,075,103)	(9,485,509,311)
Net position	691,801,815	176,884,556	868,686,371

**(b) Securities lending arrangement**

The Group enters into securities lending agreements with clients under which it lends out its financial assets measured at fair value through profit or loss that are secured by clients' securities and deposits held as collateral. As at 31 December 2023, the equity securities and exchange-traded funds which were lent out by the Group amounted to RMB1,586,669,375 (31 December 2022: RMB1,898,856,092). Pursuant to the securities lending agreements, the Group lent its own securities to clients. In view of this, the Group determined that it retains substantially all the risks and rewards of ownership of these securities and therefore did not derecognise these securities in the consolidated financial statements.

**55. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS****(a) The controlling shareholder of the Company – Central Huijin Investment Ltd. (“Huijin”)**

As at 31 December 2023 and 2022, Huijin owned 40.17% of the equity interest of the Company directly and indirectly.

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



**55. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS** *(continued)***(a) The controlling shareholder of the Company – Central Huijin Investment Ltd. (“Huijin”)***(continued)***(i) Related party transactions with Huijin and Huijin’s affiliates**

	<b>Year ended 31 December</b>	
	<b>2023</b>	2022
Brokerage commission income	<b>15,444,343</b>	15,997,975
Underwriting and sponsoring fees	<b>142,772,509</b>	258,307,223
Asset management fees	<b>12,200,356</b>	9,805,524
Investment advisory fees	<b>242,345</b>	–
Interest income	<b>2,064,949,038</b>	1,413,825,763
Net gains from financial instruments at fair value through profit or loss	<b>440,282,284</b>	303,642,832
Net losses from financial instruments at fair value through other comprehensive income	<b>(65,502,546)</b>	–
Net gains/(losses) from derivative financial instruments	<b>102,915,839</b>	(528,461,017)
Other income, net	<b>112,836,281</b>	118,651,821
Brokerage commission expenses	<b>60,227,193</b>	68,363,840
Underwriting and sponsoring expenses	–	557,250
Asset management expenses	<b>17,954,052</b>	30,696,132
Interest expenses	<b>861,804,332</b>	526,117,119
Other operating expenses and costs	<b>16,406,358</b>	13,752,837
(Reversal of)/provision for impairment losses under ECL model	<b>(56,000)</b>	56,000

**55. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS** *(continued)***(a) The controlling shareholder of the Company – Central Huijin Investment Ltd. (“Huijin”)***(continued)***(ii) The balances of transactions with Huijin and Huijin’s affiliates**

	<b>As at 31 December</b>	
	<b>2023</b>	2022
Right-of-use assets	<b>9,124,529</b>	14,870,314
Accounts receivable	<b>296,521,173</b>	773,576,853
Financial assets at fair value through other comprehensive income	<b>13,183,479,943</b>	10,670,507,867
Financial assets at fair value through profit or loss	<b>11,924,098,494</b>	10,355,449,141
Refundable deposits	<b>139,754,338</b>	49,135,470
Derivative financial assets	<b>484,530,222</b>	735,881,955
Reverse REPOs	<b>100,160,274</b>	–
Cash and bank balances (Note)	<b>66,110,768,258</b>	75,302,944,391
Other non-current assets	<b>1,906,472</b>	1,655,188
Financial liabilities at fair value through profit or loss	<b>1,009,919</b>	76,386,224
Derivative financial liabilities	<b>397,926,244</b>	749,968,830
Accounts payable to brokerage clients	<b>78,052,023</b>	6,624,108
Placements from financial institutions	<b>5,998,464,638</b>	13,562,299,014
REPOs	<b>35,697,001,456</b>	14,561,941,740
Short-term debt securities issued	<b>923,844,521</b>	–
Long-term debt securities issued	<b>5,036,119,538</b>	1,661,883,806
Lease Liabilities	<b>8,901,015</b>	14,603,714
Other current liabilities	<b>88,155,682</b>	382,329,337

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

**55. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS** *(continued)***(b) Related party transactions with key management personnel**

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

	<b>Year ended 31 December</b>	
	<b>2023</b>	2022
Salaries, allowances and benefits in kind	<b>30,749,182</b>	34,058,019
Discretionary bonuses	<b>30,584,078</b>	26,705,282
Retirement scheme contributions	<b>1,917,952</b>	1,768,813
Total	<b>63,251,212</b>	62,532,114

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

Other shareholders holding 5% or more shares of the Company who had related party transactions with the Group are as follows:

<b>Name</b>	<b>Relationship</b>
Haier Group (Qingdao) Jinying Holding Co., Ltd.	Shareholders used to hold 5% or more shares of the Company during the reporting period

**55. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS** *(continued)***(c) Related party transactions with other shareholders holding 5% or more shares of the Company** *(continued)***(i) Related party transactions with other shareholders holding 5% or more shares of the Company**

	<b>Year ended 31 December</b>	
	<b>2023</b>	2022
Brokerage commission income	<b>199,139</b>	1,136,856
Investment advisory fees	<b>314,910</b>	341,020
Interest expenses	<b>15,514</b>	33,703

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

	<b>As at 31 December</b>	
	<b>2023</b>	2022
Other current assets	–	4,363
Accounts payable to brokerage clients	<b>8,193</b>	23,536

**55. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS** *(continued)***(d) Related party transactions with the Group's associates and joint ventures****(i) Related party transactions with associates and joint ventures and their affiliates**

	<b>Year ended 31 December</b>	
	<b>2023</b>	2022
Brokerage commission income	<b>7,398,364</b>	17,676,162
Investment advisory fees	<b>27,425,081</b>	28,379,201
Other fee and commission income	<b>9,593,789</b>	20,276,060
Interest income	<b>8,349,379</b>	5,515,864
Other income, net	<b>1,150,911</b>	–
Asset management expenses	–	22,687,547
Interest expenses	<b>103,095</b>	19,690
Other operating expenses and costs	<b>35,867,115</b>	34,191,939
Provision for impairment losses under ECL model	<b>139,854</b>	–

**55. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS** *(continued)***(d) Related party transactions with the Group's associates and joint ventures** *(continued)***(ii) The balances of transactions with associates and joint ventures and their affiliates**

	<b>As at 31 December</b>	
	<b>2023</b>	2022
Accounts receivable	<b>20,016,026</b>	46,903,260
Financial assets at fair value through profit or loss	<b>277,601,492</b>	498,031,820
Other non-current assets	<b>108,516,002</b>	131,127,748
Accounts payable to brokerage clients	<b>905</b>	8,305
Other current liabilities	<b>43,102,608</b>	14,206,604

Note: In addition to the above transactions, for the year ended 31 December 2023, the Group's transaction for the purchase of property and equipment, and intangible assets from joint ventures amounted to RMB86,107,871 (Year ended 31 December 2022: Nil).

**(e) Related party transactions with other related parties**

Other related parties can be individuals or enterprises, which include members of the Board of Directors, the Board of Supervisors and senior management, and close family members of such individuals.

**(i) Related party transactions with other related parties**

	<b>Year ended 31 December</b>	
	<b>2023</b>	2022
Other operating expenses and costs	<b>395,134</b>	–

**(ii) The balances of transactions with other related parties**

	<b>As at 31 December</b>	
	<b>2023</b>	2022
Other current assets	<b>283,019</b>	–

## 55. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

### (f) Applicability of the Listing Rules relating to connected transactions

The related party transactions above do not constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules. The disclosures required by Chapter 14A of the Listing Rules are provided in the Directors' Reports.

### (g) Directors' and supervisors' interests in contracts and service contracts

At any time during the year, none of the Group's directors or supervisors had any interest, whether directly or indirectly, in any contract (excluding service contracts) of significance in relation to the Company's business to which the Company, or its associated companies, is a party. None of the directors and supervisors has entered into a service contract with the Company that cannot be terminated by the Company within one year without payment of compensation (other than statutory compensation).

## 56. FAIR VALUE INFORMATION

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

- Level I: Fair value measured using only Level I inputs (i.e. unadjusted quoted prices in active markets for identical assets or liabilities) at the measurement date.
- Level II: Fair value measured using Level II inputs (i.e. observable inputs which are unqualified as Level I inputs), and no significant unobservable inputs. Unobservable inputs are the inputs for which market data are not available.
- Level III: Fair value measured using significant unobservable inputs.

If there is a reliable market quote for a financial instrument, the fair value of the financial instrument is measured based on quoted market price. If a reliable quoted market price is not available, the fair value of the financial instrument is estimated using valuation techniques. For the fair value of financial instruments categorised within Level II, the valuation techniques applied include discounted cash flow analysis and option pricing models. The significant observable inputs to the valuation techniques used for Level II include future cash flows estimated based on contractual terms, risk-free and benchmark interest rates, credit spreads and foreign exchange rates. For the fair value of financial instruments categorised within Level III, fair values are determined based on the reports on capital account for these instruments obtained by management or determined by using valuation techniques such as discounted cash flow model, market comparable company analysis and recent financing price method.

**56. FAIR VALUE INFORMATION** (continued)**(a) Financial assets and liabilities measured at fair value**

The following table presents the analysis of financial assets and liabilities measured at fair value on the basis of the fair value hierarchy:

	As at 31 December 2023			
	Level I	Level II	Level III	Total
<b>Assets</b>				
Financial assets at fair value through profit or loss				
– Equity securities	127,464,178,016	6,006,922	12,634,318,148	140,104,503,086
– Debt securities	2,973,581,656	86,913,819,614	256,164,395	90,143,565,665
– Funds and other investments	14,644,132,123	39,384,003,087	405,050,479	54,433,185,689
Derivative financial assets	698,833,542	10,662,592,895	643,966,087	12,005,392,524
Financial assets at fair value through other comprehensive income				
– Debt securities	422,667,745	65,196,446,008	–	65,619,113,753
<b>Total</b>	<b>146,203,393,082</b>	<b>202,162,868,526</b>	<b>13,939,499,109</b>	<b>362,305,760,717</b>
<b>Liabilities</b>				
Financial liabilities at fair value through profit or loss				
Financial liabilities held for trading				
– Equity securities	(2,606,205,663)	(919,057)	–	(2,607,124,720)
– Debt securities	–	(471,493,768)	–	(471,493,768)
– Funds and others	(72,726,647)	–	–	(72,726,647)
Financial liabilities designated as at fair value through profit or loss				
– Equity securities	–	(21,362,024,128)	(11,875,472,102)	(33,237,496,230)
– Debt securities	–	(4,093,834,760)	(28,437,089)	(4,122,271,849)
Derivative financial liabilities	(646,727,633)	(8,783,558,284)	(116,356,119)	(9,546,642,036)
<b>Total</b>	<b>(3,325,659,943)</b>	<b>(34,711,829,997)</b>	<b>(12,020,265,310)</b>	<b>(50,057,755,250)</b>



**56. FAIR VALUE INFORMATION** (continued)**(a) Financial assets and liabilities measured at fair value** (continued)

The following table presents the analysis of financial assets and liabilities measured at fair value on the basis of the fair value hierarchy: (continued)

	As at 31 December 2022			Total
	Level I	Level II	Level III	
<b>Assets</b>				
Financial assets at fair value through profit or loss				
– Equity securities	111,763,953,576	255,413,381	13,130,620,233	125,149,987,190
– Debt securities	1,816,364,313	79,435,549,123	267,232,296	81,519,145,732
– Funds and other investments	14,228,715,788	47,838,245,952	660,886,897	62,727,848,637
Derivative financial assets	135,403,143	17,638,430,306	17,521,814	17,791,355,263
Financial assets at fair value through other comprehensive income				
– Debt securities	3,039,925,241	63,649,506,790	–	66,689,432,031
<b>Total</b>	<b>130,984,362,061</b>	<b>208,817,145,552</b>	<b>14,076,261,240</b>	<b>353,877,768,853</b>
<b>Liabilities</b>				
Financial liabilities at fair value through profit or loss				
Financial liabilities held for trading				
– Equity securities	(2,604,104,754)	(25,087,509)	–	(2,629,192,263)
– Debt securities	–	(1,249,823,154)	–	(1,249,823,154)
– Funds and others	(47,205,621)	(4,635,607)	–	(51,841,228)
Financial liabilities designated as at fair value through profit or loss				
– Equity securities	–	(37,276,547,523)	(1,958,815,676)	(39,235,363,199)
– Debt securities	–	(2,037,071,933)	–	(2,037,071,933)
Derivative financial liabilities	(160,682,271)	(11,185,564,076)	(1,881,150)	(11,348,127,497)
<b>Total</b>	<b>(2,811,992,646)</b>	<b>(51,778,729,802)</b>	<b>(1,960,696,826)</b>	<b>(56,551,419,274)</b>

## 56. FAIR VALUE INFORMATION *(continued)*

### **(b) Basis for determining the market value used for fair value measurement categorised within Level I**

If there is an active market for a financial instrument at fair value through profit or loss or through other comprehensive income, the quoted market price is used to establish the fair value of the financial instrument at the end of the year.

### **(c) Valuation techniques used and the qualitative information of key parameters for fair value measurement categorised within Level II**

For debt securities investments included in financial instruments at fair value through profit or loss or through other comprehensive income, the fair value is determined by the quoted prices from valuation systems of the relevant bond registrars and clearing houses. Observable inputs reflecting market conditions are used by the relevant bond registrars and clearing houses in the quote formation process.

For private securities investment funds and asset management products at fair value through profit or loss, the fair value is determined by net asset values provided by managers.

The quoted market price is used to establish the fair value of derivative financial instruments. Based on the contractual terms and maturity dates, the prices are measured by discounted future cash flows using the market interest rates similar to those of derivative financial instruments to verify reasonable prices.

There is no significant change for the Group's applied fair value valuation techniques within Level II for the years ended 31 December 2023 and 2022.

## 56. FAIR VALUE INFORMATION *(continued)*

### (d) Valuation techniques used and the qualitative and quantitative information of key parameters for fair value measurement categorised within Level III

The following table presents the valuation techniques and inputs used in the valuation of the major financial instruments measured at Level III. As at 31 December 2023 and 2022, the fair value of the financial instruments measured at Level III is not significantly sensitive to a reasonable change in these unobservable inputs.

Financial instruments	Fair value hierarchy	Valuation technique(s)	Significant unobservable input(s)	Relationship of unobservable input(s) to fair value
Financial assets at fair value through profit or loss				
– Debt securities	Level III	Discounted cash flow models	Estimated future cash flows, discount rate	The higher the estimated future cash flows, the higher the fair value The higher the discount, the lower the fair value
– Equity securities	Level III	Option pricing models	Volatility	The higher the volatility, the lower the fair value
– Equity securities	Level III	Market approach	Valuation multiples (Such as P/E, P/B, P/S), liquidity discount	The higher the valuation multiples, the higher the fair value The higher the discount, the lower the fair value
Derivative financial instruments over-the-counter (“OTC”) options	Level III	Option pricing models	Volatility	The higher the volatility, the greater impact on the fair value
Financial liabilities at fair value through profit or loss				
– Structured products	Level III	Option pricing models	Volatility	The higher the volatility, the greater impact on the fair value

There is no significant change for the Group’s applied fair value valuation techniques within Level III for the years ended 31 December 2023 and 2022.

**56. FAIR VALUE INFORMATION** (continued)

(e) The following table presents reconciliation from the beginning balances to the ending balances of financial assets measured at Level III

	As at 1 January 2023	Gains/(losses) for the year	Purchases	Issuance	Disposals and settlement	Transfer into Level III	Transfer out of Level III	As at 31 December 2023	Net gains/(losses) for the year included in profit or loss for assets held
<b>Assets</b>									
Financial assets at fair value through profit or loss	14,058,739,426	668,799,692	2,875,504,732	-	(2,669,135,426)	23,540,248	(1,661,915,650)	13,295,533,022	467,291,123
Derivative financial assets	17,521,814	603,680,549	-	-	22,763,724	-	-	643,966,087	631,125,854
<b>Total</b>	<b>14,076,261,240</b>	<b>1,272,480,241</b>	<b>2,875,504,732</b>	<b>-</b>	<b>(2,646,371,702)</b>	<b>23,540,248</b>	<b>(1,661,915,650)</b>	<b>13,939,499,109</b>	<b>1,098,416,977</b>
<b>Liabilities</b>									
Financial liabilities at fair value through profit or loss									
Financial liabilities designated as at fair value through profit or loss	(1,958,815,676)	764,199,906	-	(12,804,004,652)	2,094,711,231	-	-	(11,903,909,191)	847,102,512
Derivative financial liabilities	(1,881,150)	(133,875,666)	-	-	19,400,697	-	-	(116,356,119)	(126,204,922)
<b>Total</b>	<b>(1,960,696,826)</b>	<b>630,324,240</b>	<b>-</b>	<b>(12,804,004,652)</b>	<b>2,114,111,928</b>	<b>-</b>	<b>-</b>	<b>(12,020,265,310)</b>	<b>720,897,590</b>

**56. FAIR VALUE INFORMATION** (continued)

(e) The following table presents reconciliation from the beginning balances to the ending balances of financial assets measured at Level III (continued)

	As at 1 January 2022	Gains/(losses) for the year	Purchases	Issuance	Disposals and settlement	Transfer into Level III	Transfer out of Level III	As at 31 December 2022	Net gains/(losses) for the year included in profit or loss for assets held
<b>Assets</b>									
Financial assets at fair value									
through profit or loss	16,371,312,720	423,081,320	4,556,000,957	-	(7,169,389,791)	54,725,109	(176,990,889)	14,058,739,426	555,018,291
Derivative financial assets	-	17,521,814	-	-	-	-	-	17,521,814	17,521,814
<b>Total</b>	<b>16,371,312,720</b>	<b>440,603,134</b>	<b>4,556,000,957</b>	<b>-</b>	<b>(7,169,389,791)</b>	<b>54,725,109</b>	<b>(176,990,889)</b>	<b>14,076,261,240</b>	<b>572,540,105</b>
<b>Liabilities</b>									
Financial liabilities at fair value									
through profit or loss									
Financial liabilities designated as at fair value through profit or loss	-	99,770,009	-	(2,058,585,685)	-	-	-	(1,958,815,676)	99,770,009
Derivative financial liabilities	-	(1,881,150)	-	-	-	-	-	(1,881,150)	(1,881,150)
<b>Total</b>	<b>-</b>	<b>97,888,859</b>	<b>-</b>	<b>(2,058,585,685)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,960,696,826)</b>	<b>97,888,859</b>

## 56. FAIR VALUE INFORMATION *(continued)*

### (f) Transfer between levels

For the year ended 31 December 2023, the Group's investments in suspended stocks of RMB5 million (Year ended 31 December 2022: RMB225 million) were transferred from Level I to Level II, as the quoted prices of these stocks were no longer regularly available.

For the year ended 31 December 2023, the Group's investments in equity securities of RMB24 million (Year ended 31 December 2022: RMB9 million) were transferred from Level I or II to Level III, as the fair values of these investments were determined with the use of valuation techniques instead of quoted prices, due to events such as delisting, etc.

For the year ended 31 December 2023, the Group had no investments in fund and other securities transferred from Level II to Level III, as the fair values of these investments were determined with the use of valuation techniques instead of quoted prices, due to events such as potential credit risk in existence, etc. (Year ended 31 December 2022: RMB46 million).

For the year ended 31 December 2023, the Group's investments at FVTPL of RMB1,662 million (Year ended 31 December 2022: RMB177 million) were transferred from Level III to Level I, as the fair values of these investments were determined with the use of quoted prices instead of valuation techniques, due to events such as expiration of lock-up period in equity and fund, etc.

In accordance with its accounting policies, the Group recognises transfers among the levels as at the end of the reporting period in which such transfers occur.

### (g) Fair value of financial assets and liabilities carried at other than fair value

The financial assets carried at other than fair value mainly include cash and bank balances, cash held on behalf of clients, refundable deposits, receivable from margin clients, accounts receivable and reverse REPOs. The carrying amounts approximate their fair values.

The financial liabilities carried at other than fair value mainly include short-term debt securities issued, placements from financial institutions, REPOs, accounts payable to brokerage clients, long-term debt securities issued and lease liabilities. As at 31 December 2023, the fair values of long-term debt securities issued amounted to RMB149,331,351,874 (31 December 2022: RMB151,599,741,440), and the carrying amounts for other financial liabilities approximate their fair values.

## 57. OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

When there is a current legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously, the relevant financial assets and liabilities:

- are offset in the consolidated statement of financial position of the Group; and
- are subject to an enforceable master netting agreement or similar agreement, irrespective of whether they are offset in the consolidated statement of financial position of the Group.

The tables below present the amounts of account receivables and payables which are settled on the same settlement date and for the same currency on a net basis with the same overseas clearing house.

	As at 31 December 2023					Net amount
	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities set off in the consolidated statement of financial position	Net amounts of financial assets presented in the consolidated statement of financial position	Related amounts not set off in the consolidated statement of financial position		
				Financial instruments	Cash collateral	
Accounts receivable from clearing house	3,150,040,649	(2,818,166,512)	331,874,137	(22,504,883)	-	309,369,254

	As at 31 December 2023					Net amount
	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets set off in the consolidated statement of financial position	Net amounts of financial liabilities presented in the consolidated statement of financial position	Related amounts not set off in the consolidated statement of financial position		
				Financial instruments	Cash collateral	
Accounts payable to clearing house	2,840,671,395	(2,818,166,512)	22,504,883	(22,504,883)	-	-

**57. OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES** (continued)

The tables below present the amounts of account receivables and payables which are settled on the same settlement date and for the same currency on a net basis with the same overseas clearing house. (continued)

	As at 31 December 2022					
	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities set off in the consolidated statement of financial position	Net amounts of financial assets presented in the consolidated statement of financial position	Related amounts not set off in the consolidated statement of financial position		Net amount
				Financial instruments	Cash collateral	
Accounts receivable from clearing house	2,212,605,319	(1,605,037,682)	607,567,637	(144,795,764)	-	462,771,873

	As at 31 December 2022					
	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets set off in the consolidated statement of financial position	Net amounts of financial liabilities presented in the consolidated statement of financial position	Related amounts not set off in the consolidated statement of financial position		Net amount
				Financial instruments	Cash collateral	
Accounts payable to clearing house	1,749,833,446	(1,605,037,682)	144,795,764	(144,795,764)	-	-



## 58. FINANCIAL RISK MANAGEMENT

The Group's risk management aims to effectively allocate risk-based capital, limit risks to a controllable level, maximise the corporate value and constantly solidify the foundation for a steady and sustainable development of the Group. The Group monitors and controls different types of risk exposures, such as credit risk, liquidity risk and market risk which incurred from Group's holdings on various financial instruments.

### (a) Credit risk

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

The exposure to credit risk of the Group arises mainly from: (1) credit risk from default or bankruptcy of debtors, including the loss due to default of intermediary institutions (such as brokers or custodian banks), in which case the risk exposure is the total value of outstanding debts; (2) counterparty risk in terms of failure to fulfill obligations under contracts or deterioration in creditworthiness of counterparties in the OTC derivative transactions (such as forward, swap or option transactions), in which case the risk exposure depends on current exposure and potential future exposure of the derivatives; (3) credit risk caused by the deterioration in creditworthiness or default losses of securities issuers, in which case the risk exposure is the total value of outstanding debts.

At the end of the reporting period, the Group's maximum credit risk exposure is the net carrying amount of financial assets without taking account of any collateral or other credit enhancements.

### Measurement of ECL

The Group recognises an impairment loss allowance for financial assets measured at amortised cost (including receivable from margin clients, reverse REPOs, etc.) and debt securities measured at FVTOCI via ECL model. The measurement of the ECL is based on the Probability of Default ("PD"), Loss Given Default ("LGD") and Exposure at Default ("EAD").

A default is that a client, a financier or an issuer of investment products fails to fulfil the contract. PD is an estimate of the likelihood of default over a given time horizon. The Group estimates the PD based on its internal rating model, integrating factors such as external rating information, macroeconomic environment and changes in quantitative and qualitative indicators of the counterparties or bonds issuers. LGD is an estimate of the loss bore by the Group on the exposure at default. In the determination of LGD, the Group estimates the recoverable cash flow from disposing underlying assets and collaterals by taking their liquidity and relevant historical market data into full consideration, and estimates LGD based on the difference between the recoverable and the contracted cash flows. EAD is the amount that shall be repaid to the Group when a default occurs. When measuring the ECL, the Group classifies the assets into different risk stages based on whether the credit risk of each asset has increased significantly since the initial recognition. Accordingly, the Group measures the loss allowance on either a 12-month or the lifetime basis for the investments at different risk stages.

## 58. FINANCIAL RISK MANAGEMENT *(continued)*

### (a) Credit risk *(continued)*

#### **Provision method of ECL**

The Group recognises impairment allowance based on ECL for businesses such as debt securities investment and margin financing. For the financial instruments for which the ECL measurement is used, the Group classifies these financial instruments into different risk stages based on whether the credit risk of each instrument has increased significantly since the initial recognition. The financial instruments with low credit risk on the balance sheet date or of which the credit risk has not increased significantly since the initial recognition will be classified into “Stage 1”; the financial instruments of which the credit risk has increased significantly since the initial recognition will be classified into “Stage 2”; and the financial instruments that have been credit-impaired will be transferred into “Stage 3”. The Group measures ECL based on the parameters such as PD, LGD, EAD and forward looking information, and regularly tests and updates ECL models and assumptions.

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

The Group considers a financial instrument experiencing SICR when one or more of the following quantitative and qualitative criteria have been met: (1) for debt securities investment business: the latest external or internal ratings of the bond issuer or the debt securities per se decline substantially compared with their ratings on the initial recognition, or there are adverse changes in business, financial or external conditions of the bond issuer and these adverse changes are expected to cause a significant decrease in the bond issuer’s ability to meet its obligations; (2) for margin financing business: the performance guarantee ratio is lower than or equal to the predetermined liquidation line but above 100%, or when contractual payments are less than or equal to 30 days past due.

#### **The criteria of credit-impaired assets**

The Group considers that a financial instrument has been credit-impaired when (1) for debt securities investment business: the circumstances in which a bond issuer can be regarded as default include failure to perform the payment obligations as agreed, having other bond defaults or having significant financial difficulties; (2) for margin financing business: the performance guarantee ratio is lower than or equal to 100%, or when contractual payments are more than 30 days past due.

#### **Forward-looking information**

The Group measures ECL using forward looking information without undue costs or efforts. In order to adjust the default rates to incorporate forward-looking information, the Group, using forecasted year-on-year growth rates on GDP (cumulatively accounted) and broad measure of money supply (M2) as the basis, establishes relationship between the two macroeconomic indicators and default rates with the use of statistical models and sets different scenario weightings. The Group determined the forecasted values of the two macroeconomic indicators to be 4.91% and 9.95% as at 31 December 2023 based on publicly available forecasts of third parties. The tuning parameter was determined with the use of weighted average of the values under optimistic, neutral and pessimistic hypothetical scenarios in combination with qualitative analysis method.

**58. FINANCIAL RISK MANAGEMENT** *(continued)***(a) Credit risk** *(continued)***Debt securities (including debt securities measured at FVTPL and at FVTOCI)**

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

The carrying amount of the Group's debt securities is presented as follows:

	<b>As at 31 December</b>	
	<b>2023</b>	2022
Financial assets at fair value through profit or loss	<b>90,143,565,665</b>	81,519,145,732
Financial assets at fair value through other comprehensive income	<b>65,619,113,753</b>	66,689,432,031
Total	<b>155,762,679,418</b>	148,208,577,763

**(i)** The exposure to credit risk for debt securities at FVTPL and FVTOCI by the location of issuer is presented as follows:

	<b>As at 31 December</b>	
	<b>2023</b>	2022
Chinese mainland	<b>153,130,062,374</b>	144,346,405,471
Outside Chinese mainland	<b>2,632,617,044</b>	3,862,172,292
Total	<b>155,762,679,418</b>	148,208,577,763

**58. FINANCIAL RISK MANAGEMENT** (continued)**(a) Credit risk** (continued)**Debt securities (including debt securities measured at FVTPL and at FVTOCI)** (continued)

(ii) The following table presents an analysis of credit quality of the debt securities at FVTPL and FVTOCI.

	<b>As at 31 December</b>	
	<b>2023</b>	2022
<b>Credit rating</b>		
Overseas rating		
– AAA	<b>354,619,595</b>	1,254,208,081
– AA- to AA+	<b>1,334,047,350</b>	201,589,170
– A- to A+	<b>3,652,270,120</b>	7,156,805,179
– BBB- to BBB+	<b>2,412,517,649</b>	2,833,636,283
– Below BBB-	<b>1,025,431,732</b>	107,737,431
– NR	<b>1,515,268,183</b>	1,766,248,798
Subtotal	<b>10,294,154,629</b>	13,320,224,942
Domestic rating		
– AAA	<b>83,211,705,090</b>	78,359,619,764
– AA- to AA+	<b>13,389,667,171</b>	8,910,369,527
– A- to A+	<b>870,527,661</b>	1,113,108,590
– Below A-	<b>363,943,308</b>	543,441,168
Subtotal	<b>97,835,843,230</b>	88,926,539,049
Non-rated I (Note 1)	<b>42,285,541,450</b>	38,325,983,404
Non-rated II (Note 2)	<b>5,347,140,109</b>	7,635,830,368
Total	<b>155,762,679,418</b>	148,208,577,763

Note 1: These non-rated financial assets mainly include government bonds and policy financial bonds.

Note 2: These non-rated financial assets are mainly other debt securities and trading securities with no ratings provided by independent rating agencies.

**58. FINANCIAL RISK MANAGEMENT** (continued)**(a) Credit risk** (continued)**Debt securities (including debt securities measured at FVTPL and at FVTOCI)** (continued)**(iii) Movement of impairment loss allowance**

The movement in impairment loss allowance for debt investments at FVTOCI during the year was as follows:

	Year ended 31 December							
	2023				2022			
	12-month ECL	Lifetime ECL-not credit impaired	Lifetime ECL-credit impaired	Total	12-month ECL	Lifetime ECL- not credit impaired	Lifetime ECL-credit impaired	Total
At the beginning of the year	59,605,095	379,607	12,133,870	72,118,572	18,216,690	558,347	-	18,775,037
Changes due to financial instruments recognised at the beginning of the year:								
- Transfer to lifetime ECL-credit impaired	-	-	-	-	(154,516)	-	154,516	-
- Transfer to lifetime ECL-not credit impaired	-	-	-	-	(106,370)	106,370	-	-
- Impairment losses recognised	3,935,659	-	-	3,935,659	4,427,664	304,644	7,743,726	12,476,034
- Impairment losses reversed	(9,896,262)	-	-	(9,896,262)	(1,115,336)	-	-	(1,115,336)
New financial assets originated or purchased	57,613,127	-	-	57,613,127	49,185,977	-	2,769,695	51,955,672
Financial assets derecognised (including written-offs)	(34,928,207)	(577,736)	(18,466,890)	(53,972,833)	(9,918,200)	(380,519)	-	(10,298,719)
Others	(6,531,149)	198,129	6,333,020	-	(930,814)	(209,235)	1,465,933	325,884
At the end of the year	69,798,263	-	-	69,798,263	59,605,095	379,607	12,133,870	72,118,572

As at 31 December 2023, there was no credit-impaired debt investment held by the Group.

**58. FINANCIAL RISK MANAGEMENT** *(continued)***(a) Credit risk** *(continued)***Other non-derivative financial investments (other than debt securities)**

The Group has adopted the following measures to manage credit risk in capital businesses including margin financing and securities lending business and stock-based lending business: vetting counterparties, determining credit ratings and setting lending limits; managing collaterals (via haircut rates, liquidity and concentration) and closely monitoring margin ratios and/or collateral ratios; establishing and implementing margin call and mandatory liquidation policy.

- (i) The exposure to credit risk for financial assets at amortised cost at the reporting date by geographic region was as follows:

	<b>As at 31 December</b>	
	<b>2023</b>	2022
Chinese mainland	<b>174,704,848,118</b>	199,484,725,031
Outside Chinese mainland	<b>72,574,749,107</b>	83,406,308,229
Total	<b>247,279,597,225</b>	282,891,033,260

**(ii) Movement of impairment loss allowance**

The movement in impairment loss allowance for other financial instruments (other than debt investments) at amortised cost during the year was as follows:

**58. FINANCIAL RISK MANAGEMENT** *(continued)***(a) Credit risk** *(continued)***Other non-derivative financial investments (other than debt securities)** *(continued)***(ii) Movement of impairment loss allowance** *(continued)*(1) *Financial assets held under resale agreements*

	Year ended 31 December 2023			Total
	12-month ECL	Lifetime ECL-not credit impaired	Lifetime ECL-credit impaired	
As at 1 January 2023	28,298,453	-	28,249,249	56,547,702
Changes due to financial instruments recognised as at 1 January 2023				
- Transfer to lifetime ECL-credit impaired	-	-	-	-
- Transfer to lifetime ECL-not credit impaired	-	-	-	-
- Transfer to 12m ECL	-	-	-	-
- Impairment losses recognised	994	-	-	994
- Impairment losses reversed	(872,440)	-	(35,063)	(907,503)
New financial assets originated or purchased	13,220,617	-	-	13,220,617
Financial assets derecognised (including written-offs)	(15,056,928)	-	-	(15,056,928)
Others	-	-	-	-
Impairment loss allowance as at 31 December 2023	25,590,696	-	28,214,186	53,804,882
Gross carrying amount as at 31 December 2023	19,926,364,153	-	48,841,538	19,975,205,691

**58. FINANCIAL RISK MANAGEMENT** *(continued)***(a) Credit risk** *(continued)***Other non-derivative financial investments (other than debt securities)** *(continued)***(ii) Movement of impairment loss allowance** *(continued)**(1) Financial assets held under resale agreements (continued)*

	Year ended 31 December 2022			Total
	12-month ECL	Lifetime ECL-not credit impaired	Lifetime ECL-credit impaired	
As at 1 January 2022	41,204,100	–	28,249,249	69,453,349
Changes due to financial instruments recognised as at 1 January 2022				
– Transfer to lifetime ECL-credit impaired	–	–	–	–
– Transfer to lifetime ECL-not credit impaired	–	–	–	–
– Transfer to 12m ECL	–	–	–	–
– Impairment losses recognised	216,699	–	–	216,699
– Impairment losses reversed	(2,572,194)	–	–	(2,572,194)
New financial assets originated or purchased	7,335,882	–	–	7,335,882
Financial assets derecognised (including written-offs)	(17,886,034)	–	–	(17,886,034)
Others	–	–	–	–
Impairment loss allowance as at 31 December 2022	28,298,453	–	28,249,249	56,547,702
Gross carrying amount as at 31 December 2022	27,143,473,151	–	48,876,598	27,192,349,749



**58. FINANCIAL RISK MANAGEMENT** *(continued)***(a) Credit risk** *(continued)***Other non-derivative financial investments (other than debt securities)** *(continued)***(ii) Movement of impairment loss allowance** *(continued)*(2) *Receivable from margin clients*

	Year ended 31 December 2023			Total
	12-month ECL	Lifetime ECL-not credit impaired	Lifetime ECL-credit impaired	
As at 1 January 2023	142,095,663	448,234	-	142,543,897
Changes due to financial instruments recognised as at 1 January 2023:				
- Transfer to lifetime ECL-credit impaired	-	-	-	-
- Transfer to lifetime ECL-not credit impaired	-	-	-	-
- Transfer to 12m ECL	447,754	(447,754)	-	-
- Impairment losses recognised	32,482,153	-	-	32,482,153
- Impairment losses reversed	(29,604,009)	-	-	(29,604,009)
New financial assets originated or purchased	33,313,430	-	-	33,313,430
Financial assets derecognised (including written-offs)	(18,226,099)	(480)	-	(18,226,579)
Others	205,236	-	-	205,236
Impairment loss allowance as at 31 December 2023	160,714,128	-	-	160,714,128
Gross carrying amount as at 31 December 2023	35,970,281,879	-	-	35,970,281,879

**58. FINANCIAL RISK MANAGEMENT** *(continued)***(a) Credit risk** *(continued)***Other non-derivative financial investments (other than debt securities)** *(continued)***(ii) Movement of impairment loss allowance** *(continued)**(2) Receivable from margin clients* *(continued)*

	Year ended 31 December 2022			Total
	12-month ECL	Lifetime ECL-not credit impaired	Lifetime ECL-credit impaired	
As at 1 January 2022	161,966,115	–	–	161,966,115
Changes due to financial instruments recognised as at 1 January 2022:				
– Transfer to lifetime ECL-credit impaired	–	–	–	–
– Transfer to lifetime ECL-not credit impaired	(59,116)	59,116	–	–
– Transfer to 12m ECL	–	–	–	–
– Impairment losses recognised	26,076,693	389,136	–	26,465,829
– Impairment losses reversed	(37,761,156)	(52)	–	(37,761,208)
New financial assets originated or purchased	22,521,408	34	–	22,521,442
Financial assets derecognised (including written-offs)	(31,464,215)	–	–	(31,464,215)
Others	815,934	–	–	815,934
Impairment loss allowance as at 31 December 2022	142,095,663	448,234	–	142,543,897
Gross carrying amount as at 31 December 2022	31,756,190,011	12,544,347	–	31,768,734,358

**58. FINANCIAL RISK MANAGEMENT** *(continued)***(a) Credit risk** *(continued)***Other non-derivative financial investments (other than debt securities)** *(continued)***(ii) Movement of impairment loss allowance** *(continued)*(3) *Other financial instruments at amortised cost*

	Year ended 31 December 2023			
	12-month ECL	Lifetime		Total
		ECL-not credit impaired	Lifetime ECL-credit impaired	
As at 1 January 2023	121,874,019	82,509,592	328,518,288	532,901,899
Changes due to financial instruments recognised as at 1 January 2023:				
– Transfer to lifetime ECL-credit impaired	-	-	-	-
– Transfer to lifetime ECL-not credit impaired	-	-	-	-
– Transfer to 12m ECL	-	-	-	-
– Impairment losses recognised	6,214,405	7,482,451	51,729,849	65,426,705
– Impairment losses reversed	(63,145,874)	(15,631,745)	(18,884,075)	(97,661,694)
New financial assets originated or purchased	34,112,760	16,309,840	-	50,422,600
Financial assets derecognised (including written-offs)	(13,515,806)	(346,425)	(12,196,163)	(26,058,394)
Others	(4,759,004)	5,871,251	243,228	1,355,475
Impairment loss allowance as at 31 December 2023	80,780,500	96,194,964	349,411,127	526,386,591
Gross carrying amount as at 31 December 2023	150,931,199,475	2,538,882,358	382,098,672	153,852,180,505

**58. FINANCIAL RISK MANAGEMENT** *(continued)***(a) Credit risk** *(continued)***Other non-derivative financial investments (other than debt securities)** *(continued)***(ii) Movement of impairment loss allowance** *(continued)**(3) Other financial instruments at amortised cost (continued)*

	Year ended 31 December 2022			Total
	12-month ECL	Lifetime ECL-not credit impaired	Lifetime ECL- credit impaired	
As at 1 January 2022	206,022,189	59,967,972	329,587,043	595,577,204
Changes due to financial instruments recognised as at 1 January 2022:				
– Transfer to lifetime ECL-credit impaired	(80,327)	(4,369)	84,696	–
– Transfer to lifetime ECL-not credit impaired	(34,605)	34,605	–	–
– Transfer to 12m ECL	–	–	–	–
– Impairment losses recognised	6,803,834	27,843,924	87,924,743	122,572,501
– Impairment losses reversed	(160,646,560)	(3,498,444)	(19,837,369)	(183,982,373)
New financial assets originated or purchased	79,265,432	8,502,290	–	87,767,722
Financial assets derecognised (including written-offs)	(19,476,499)	(34,605)	(73,204,599)	(92,715,703)
Others	10,020,555	(10,301,781)	3,963,774	3,682,548
Impairment loss allowance as at 31 December 2022	121,874,019	82,509,592	328,518,288	532,901,899
Gross carrying amount as at 31 December 2022	186,298,776,073	2,614,717,582	360,803,852	189,274,297,507

Note: Other financial instruments at amortised cost mainly include accounts receivable, other receivables and deposits with banks.

## 58. FINANCIAL RISK MANAGEMENT *(continued)*

### (a) Credit risk *(continued)*

#### Derivatives

Regarding the counterparty credit risk of the OTC derivatives business, the Group has established a counterparty credit rating system. Through a combination of qualitative and quantitative methods, it comprehensively evaluates counterparty qualifications and determines credit ratings accordingly. On the basis of credit ratings, the Group sets a corresponding limit of credit risk exposure for each counterparty, and manages counterparty credit risk by signing OTC derivatives trading master agreements and performance guarantee agreements, and by requiring performance guarantees. The Group calculates the minimum amount required as collateral and credit risk exposure for an OTC derivative counterparty by establishing dynamic scenarios combined with stress test, and measures and monitors the minimum collateral value and credit risk exposure through the system on a daily basis. In view of this, the Group maintains the credit risk exposure of derivatives transactions within an acceptable range.

### (b) Liquidity risk

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

The Group has adopted the following measures to manage liquidity risk: closely monitoring balance sheets of the Group and its branches and subsidiaries, and managing liquidity gaps between assets and liabilities; setting liquidity risk limits based on the Group's overall situation and regulatory requirement; conducting cash flow forecast and liquidity risk stress test on a regular and irregular basis to analyse and assess the Group's liquidity risk exposure; maintaining adequate high-quality liquid assets and establishing liquidity contingency plan for potential liquidity emergencies.

**58. FINANCIAL RISK MANAGEMENT** *(continued)***(b) Liquidity risk** *(continued)*

At the end of the reporting period, the contractual undiscounted cash flows (including the principal and interests) of the Group's non-derivative financial liabilities are analysed according to the maturity dates. The derivative financial liabilities stated at the fair values and presented at the expected maturity dates or possible termination dates are as follows:

	As at 31 December 2023				
	Overdue/ repayable on demand	Within 1 year (inclusive)	1 – 5 years (inclusive)	More than 5 years	Total
Financial liabilities					
Financial liabilities at fair value through profit or loss	3,079,139,712	29,498,667,893	7,934,602,576	–	40,512,410,181
Derivative financial liabilities	–	8,139,571,469	1,383,227,512	23,843,055	9,546,642,036
Accounts payable to brokerage clients	82,311,014,432	–	–	–	82,311,014,432
Placements from financial institutions	–	45,091,811,096	–	–	45,091,811,096
Short-term debt securities issued	–	16,446,602,640	953,055,518	–	17,399,658,158
REPOs	–	64,910,631,409	–	–	64,910,631,409
Long-term debt securities issued	–	46,126,052,954	105,411,082,643	8,443,250,000	159,980,385,597
Lease liabilities	–	1,083,559,177	1,934,770,045	2,245,393,011	5,263,722,233
Others	84,322,806,543	14,348,594,256	14,563,501	334,471	98,686,298,771
<b>Total</b>	<b>169,712,960,687</b>	<b>225,645,490,894</b>	<b>117,631,301,795</b>	<b>10,712,820,537</b>	<b>523,702,573,913</b>

**58. FINANCIAL RISK MANAGEMENT** *(continued)***(b) Liquidity risk** *(continued)*

	As at 31 December 2022				Total
	Overdue/ repayable on demand	Within 1 year (inclusive)	1 – 5 years (inclusive)	More than 5 years	
Financial liabilities					
Financial liabilities at fair value through profit or loss	–	32,927,293,384	12,289,891,023	–	45,217,184,407
Derivative financial liabilities	–	10,788,110,525	554,698,678	5,318,294	11,348,127,497
Accounts payable to brokerage clients	92,099,956,329	–	–	–	92,099,956,329
Placements from financial institutions	–	61,105,591,236	–	–	61,105,591,236
Short-term debt securities issued	–	17,197,339,150	1,451,940,735	–	18,649,279,885
REPOs	–	43,163,696,612	–	–	43,163,696,612
Long-term debt securities issued	–	68,737,303,607	84,513,906,898	8,734,200,000	161,985,410,505
Lease liabilities	–	1,002,434,782	1,474,245,776	100,436,202	2,577,116,760
Others	98,672,572,220	13,241,169,494	6,592,406	34,518	111,920,368,638
<b>Total</b>	<b>190,772,528,549</b>	<b>248,162,938,790</b>	<b>100,291,275,516</b>	<b>8,839,989,014</b>	<b>548,066,731,869</b>

**(c) Market risk**

Market risk is the risk of loss of the Group's income and value of financial instruments arising from unfavourable market conditions such as adverse changes in interest rates, stock prices and exchange rates. The objectives of market risk management are to monitor the market risk and control it within the acceptable range and to maximise the risk-adjusted return. The Group conducts stress test on a regular basis and calculates risk control indicators and operating indicators under different scenarios. The Group monitors the market risk for investment portfolios and non-trading portfolios separately.

**58. FINANCIAL RISK MANAGEMENT** *(continued)***(c) Market risk** *(continued)***(i) Market risk of investment portfolios**

Investment portfolio includes financial assets at FVTPL and at FVTOCI, derivative financial assets, financial liabilities at FVTPL, derivative financial liabilities. The risk exposures are measured and monitored within limits set by management. The Group adopts various kinds of methods (such as Value-at-Risk ("VaR") analysis, sensitivity limit analysis, investment concentration limit analysis, scenario analysis and stress test) to manage market risk. The VaR analysis is a major tool used by the Group to measure and monitor market risk of the investment portfolios.

VaR is a technique with the use of which the Group estimates the potential losses that could incur on its risk position under the unfavourable market condition over a specified time horizon and at a given level of confidence. The independent risk management personnel of the Group computes VaR using historical simulation method and implements relevant controls over the market risk accordingly. The historical simulation method is used to estimate future profit or loss based on observed historical market risk factors movements and sensitivity of the current investment portfolio to those risk factors.

Based on three-year historically observed market risk factors movements, the Group has adopted the historical simulation method at the 95% confidence level to compute its daily VaR. The 95% daily VaR indicates that the expected one-day loss of the Group's portfolio will not exceed this VaR at 95% chance, if the portfolio were held constant for one day. Although VaR is an important tool for measuring market risk, the assumptions on which the model is based do have some limitations, including the following:

- When there is severe market illiquidity for a prolonged period, the realisable value of the Group's investment portfolio in a trade day may vary from the estimate due to the one-day time horizon of VaR;
- The 95% confidence level does not reflect losses that may occur beyond this level. Under the model currently in use, the loss in portfolio value would have been exceeded with a frequency of 5%;
- VaR is calculated on an end-of-day basis and does not take into account intraday trading; and
- Historical changes in market risk factors may not be accurate predictors of future market conditions, especially in terms of fully incorporating the risk of extreme market events.



**58. FINANCIAL RISK MANAGEMENT** *(continued)***(c) Market risk** *(continued)***(i) Market risk of investment portfolios** *(continued)*

The following tables set forth the Group computed VaRs by risk categories as of the dates and for the years of 2023 and 2022 respectively:

	As at 31	Year ended 31 December 2023		
	December 2023	Average	Highest	Lowest
Equity prices	<b>68,986,166</b>	<b>108,211,921</b>	<b>138,297,097</b>	<b>68,648,053</b>
Interest rates	<b>49,466,386</b>	<b>50,019,803</b>	<b>74,692,343</b>	<b>37,775,134</b>
Currency rates	<b>2,276,125</b>	<b>28,176,401</b>	<b>58,547,620</b>	<b>2,276,125</b>
Commodity prices	<b>973,881</b>	<b>861,460</b>	<b>2,506,108</b>	<b>478,605</b>
Diversification effect	<b>(27,184,117)</b>	<b>(55,726,933)</b>		
<b>Total portfolio</b>	<b>94,518,441</b>	<b>131,542,652</b>	<b>176,362,352</b>	<b>84,454,537</b>

	As at 31	Year ended 31 December 2022		
	December 2022	Average	Highest	Lowest
Equity prices	108,007,525	130,815,489	187,269,394	96,869,449
Interest rates	71,728,794	69,936,712	82,950,114	50,930,928
Currency rates	42,049,313	34,952,518	48,527,145	20,805,584
Commodity prices	698,524	1,080,381	2,673,152	469,105
Diversification effect	(90,401,787)	(87,254,104)		
<b>Total portfolio</b>	<b>132,082,369</b>	<b>149,530,996</b>	<b>186,055,582</b>	<b>126,055,341</b>

**58. FINANCIAL RISK MANAGEMENT** *(continued)***(c) Market risk** *(continued)***(ii) Market risk of non-trading portfolios****(1) Interest rate risk**

The non-trading portfolios of the Group are subject to the risk of interest rate fluctuations. Except for the financial assets and liabilities managed through VaR, the Group's major interest-earning assets in its non-trading portfolios include deposits with banks and with clearing houses, receivable from margin clients and reverse REPOs; and its interest-bearing liabilities mainly include short-term debt securities issued, placements from financial institutions, REPOs and long-term debt securities issued.

The Group adopts sensitivity analysis to measure the interest rate risk of non-trading portfolios. Assuming all other variables remain constant, interest rate sensitivity analysis is as follows:

	<b>Sensitivity of net profit</b>	
	<b>Year ended 31 December</b>	
	<b>2023</b>	2022
Changes in basis points (bps)		
Increase by 50 bps	<b>(406,942,657)</b>	(328,607,802)
Decrease by 50 bps or decrease to 0	<b>406,942,657</b>	381,121,039

	<b>Sensitivity of equity</b>	
	<b>As at 31 December</b>	
	<b>2023</b>	2022
Changes in bps		
Increase by 50 bps	<b>(406,942,657)</b>	(328,607,802)
Decrease by 50 bps or decrease to 0	<b>406,942,657</b>	381,121,039

## 58. FINANCIAL RISK MANAGEMENT *(continued)*

### (c) Market risk *(continued)*

#### (ii) Market risk of non-trading portfolios *(continued)*

##### (1) Interest rate risk *(continued)*

The sensitivity analysis is based on the static rate risk profile of the Group's assets and liabilities. The sensitivity analysis measures the impact of changes of interest rates in terms of how annualised net profit or loss and equity would have been affected by repricing of the Group's assets and liabilities over the next 12 months. The sensitivity analysis is based on the following assumptions that:

- The 50-bp changes of interest rates at the end of the reporting periods apply to all of the Group's non-trading financial instruments in the next 12 months;
- The shift in the yield curve is parallel with the changes of interest rate;
- There are no changes in the assets and liabilities portfolios;
- Other variables (including exchange rates) remain unchanged; and
- Risk management measures undertaken by the Group are not considered.

As the actual interest rate changes can differ from the above assumptions, the impact of the interest rate changes on the Group's net profit and equity may vary from the estimated results of the sensitivity analysis.

**58. FINANCIAL RISK MANAGEMENT** *(continued)***(c) Market risk** *(continued)***(ii) Market risk of non-trading portfolios** *(continued)***(2) Currency risk**

Currency risk is the risk arising from fluctuations of foreign exchange rates. The table below presents the exchange rate sensitivity analysis of the Group's major currency risk exposures, which calculates the impact of reasonably possible changes in the foreign exchange rate on equity where all other variables are held constant. This analysis does not take into account any foreign exchange correlations or changes in fair values of financial instruments denominated in foreign currencies, nor does it take into account any measures (for instance use of currency derivatives) that the Group may take to address the adverse impact of foreign exchange exposure on equity.

Currency	Changes in exchange rates	Sensitivity of equity As at 31 December	
		2023	2022
USD	1%	<b>(335,710,756)</b>	(282,026,183)
Hong Kong dollar ("HKD")	1%	<b>73,829,664</b>	45,047,240
Others	1%	<b>2,047,180</b>	2,873,905

While the table above indicates the impact on equity of 1% appreciation of USD, HKD and other foreign currencies, there will be an opposite effect with the same amount if the currencies depreciate by the same percentage.

The table below presents the Group's exposure to foreign exchange risk as at 31 December 2023 and 2022. The Group's exposure to RMB is presented 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, categorized by the original currencies.

**58. FINANCIAL RISK MANAGEMENT** *(continued)***(c) Market risk** *(continued)***(ii) Market risk of non-trading portfolios** *(continued)***(2) Currency risk** *(continued)*

	As at 31 December 2023				
	RMB	USD in RMB equivalent	HKD in RMB equivalent	Other in RMB equivalent	Total
	Net exposure in the consolidated statement of financial position	130,299,239,540	(36,208,771,660)	9,909,468,527	897,461,544

	As at 31 December 2022				
	RMB	USD in RMB equivalent	HKD in RMB equivalent	Other in RMB equivalent	Total
	Net exposure in the consolidated statement of financial position	108,689,729,567	(23,640,115,079)	13,409,946,855	1,015,134,480

**59. CAPITAL MANAGEMENT**

The Group's capital management policy is to maintain an adequate capital base, so as to retain the confidence of the investors, the creditors and the counterparties and to ensure the sound development of future business. The objective of the Group's capital management is to meet legal and regulatory requirements, while maintaining adequate capital and maximising returns. Based on its strategic plan, its business development needs and the tendency in its risk exposure, the Group carries out the forecast, planning and management of its regulatory capital through scenario analysis and stress testing.

The Group calculates its regulatory capital in accordance with relevant regulations applicable in the local jurisdiction and which may vary from jurisdictions. The Company calculates regulatory capital in accordance with the Provisions on the Calculation Basis for Risk Control Indicators of Securities Companies (CSRC Announcement [2020] No. 10) issued by the CSRC on 23 January 2020.

## 59. CAPITAL MANAGEMENT *(continued)*

In accordance with CSRC Announcement [2020] No. 10, the Company is required to meet the following standards for risk control indicators on a continual basis:

- (i) Risk Coverage Ratio (Net capital/Total risk capital reserves $\times$ 100%) shall be no less than 100% ("Ratio i");
- (ii) Capital Leverage Ratio (Core net capital/Total on-and-off-balance-sheet assets $\times$ 100%) shall be no less than 8% ("Ratio ii");
- (iii) Liquidity Coverage Ratio (High quality liquid assets/Total net cash outflows over the next 30 days $\times$ 100%) shall be no less than 100% ("Ratio iii");
- (iv) Net Stable Funding Ratio (Stable funding available/Stable funding required $\times$ 100%) shall be no less than 100% ("Ratio iv");
- (v) The ratio of net capital divided by net assets shall be no less than 20% ("Ratio v");
- (vi) The ratio of net capital divided by liabilities shall be no less than 8% ("Ratio vi");
- (vii) The ratio of net assets divided by liabilities shall be no less than 10% ("Ratio vii");
- (viii) The ratio of equity securities and related derivatives held divided by net capital shall not exceed 100% ("Ratio viii");
- (ix) The ratio of non-equity securities and related derivatives held divided by net capital shall not exceed 500% ("Ratio ix").

**59. CAPITAL MANAGEMENT** *(continued)*

As at 31 December 2023 and 2022, the above risk control indicators of the Company were as follows:

	<b>As at 31 December</b>	
	<b>2023</b>	2022
Net capital	<b>44,125,911,819</b>	45,336,902,147
Ratio i	<b>192.32%</b>	182.42%
Ratio ii	<b>11.44%</b>	11.24%
Ratio iii	<b>201.13%</b>	239.71%
Ratio iv	<b>132.42%</b>	154.27%
Ratio v	<b>56.47%</b>	58.80%
Ratio vi	<b>18.78%</b>	18.10%
Ratio vii	<b>33.26%</b>	30.79%
Ratio viii	<b>61.95%</b>	57.48%
Ratio ix	<b>348.48%</b>	339.50%

Similar to the Company, certain subsidiaries of the Group are also subject to capital requirements imposed by their local regulators, including the CSRC, the Hong Kong Securities and Futures Commission, etc.

The above risk control indicators are calculated based on the financial information prepared in accordance with China Accounting Standards for Business Enterprises.

**60. STATEMENT OF FINANCIAL POSITION AND CHANGES IN EQUITY OF THE COMPANY****(a) The Company's statement of financial position**

	Note	As at 31 December	
		2023	2022
Non-current assets:			
Property and equipment		<b>916,990,081</b>	637,959,429
Right-of-use assets		<b>2,923,295,965</b>	789,148,071
Intangible assets		<b>588,680,576</b>	480,269,740
Interests in subsidiaries	61	<b>29,256,778,514</b>	29,256,778,514
Interests in associates and joint ventures		<b>541,450,766</b>	516,742,492
Financial assets at fair value through profit or loss		<b>507,026,972</b>	10,356,000
Refundable deposits		<b>1,560,966,598</b>	1,783,321,395
Deferred tax assets		<b>2,153,368,809</b>	1,747,928,233
Other non-current assets		<b>317,108,941</b>	313,490,774
<b>Total non-current assets</b>		<b>38,765,667,222</b>	35,535,994,648
Current assets:			
Accounts receivable		<b>4,350,761,895</b>	17,948,183,904
Receivable from margin clients		<b>2,621,338,164</b>	1,756,125,267
Financial assets at fair value through other comprehensive income		<b>45,428,857,239</b>	44,126,298,315
Financial assets at fair value through profit or loss		<b>168,200,414,592</b>	150,420,784,047
Derivative financial assets		<b>8,076,524,793</b>	12,468,902,246
Reverse REPOs		<b>10,788,631,041</b>	18,939,685,842
Cash held on behalf of clients		<b>12,312,478,502</b>	12,350,866,107
Cash and bank balances		<b>29,612,028,680</b>	42,712,021,919
Other current assets		<b>5,269,880,378</b>	3,730,367,947
<b>Total current assets</b>		<b>286,660,915,284</b>	304,453,235,594
<b>Total assets</b>		<b>325,426,582,506</b>	339,989,230,242



**60. STATEMENT OF FINANCIAL POSITION AND CHANGES IN EQUITY OF THE COMPANY***(continued)***(a) The Company's statement of financial position** *(continued)*

	<b>As at 31 December</b>	
	<b>2023</b>	2022
Current liabilities:		
Financial liabilities at fair value through profit or loss	<b>15,051,151,049</b>	14,986,691,382
Derivative financial liabilities	<b>6,765,449,927</b>	13,637,251,734
Accounts payable to brokerage clients	<b>12,381,201,300</b>	12,466,179,735
Placements from financial institutions	<b>23,384,535,119</b>	34,112,499,168
Short-term debt securities issued	<b>9,516,333,744</b>	9,015,084,426
REPOs	<b>39,234,798,615</b>	21,255,464,068
Employee benefits payable	<b>3,186,585,094</b>	5,214,843,785
Income tax payable	–	429,498,493
Long-term debt securities issued due within one year	<b>22,421,867,268</b>	40,960,833,789
Lease liabilities	<b>402,139,700</b>	427,549,275
Contract liabilities	<b>174,258,287</b>	146,978,121
Other current liabilities	<b>59,756,054,980</b>	71,132,350,398
Total current liabilities	<b>192,274,375,083</b>	223,785,224,374
Net current assets	<b>94,386,540,201</b>	80,668,011,220
Total assets less current liabilities	<b>133,152,207,423</b>	116,204,005,868
Non-current liabilities:		
Non-current employee benefits payable	<b>475,565,883</b>	272,873,745
Long-term debt securities issued	<b>51,963,611,232</b>	38,439,720,629
Lease liabilities	<b>2,575,707,802</b>	384,307,553
Total non-current liabilities	<b>55,014,884,917</b>	39,096,901,927
Net assets	<b>78,137,322,506</b>	77,107,103,941

**60. STATEMENT OF FINANCIAL POSITION AND CHANGES IN EQUITY OF THE COMPANY**

(continued)

**(a) The Company's statement of financial position** (continued)

	Notes	As at 31 December	
		2023	2022
Equity:			
Share capital	50(a)	<b>4,827,256,868</b>	4,827,256,868
Other equity instruments	51	<b>16,400,000,000</b>	16,400,000,000
Reserves	50(b)	<b>49,263,963,720</b>	48,399,339,182
Retained profits		<b>7,646,101,918</b>	7,480,507,891
Total equity		<b>78,137,322,506</b>	77,107,103,941

**(b) Statement of changes in equity of the Company**

	Reserves							Retained profits	Total equity
	Share capital	Other equity instruments	Capital reserve	Surplus reserve	General reserves	Investment revaluation reserve	Subtotal		
At 1 January 2023	4,827,256,868	16,400,000,000	41,681,622,234	1,856,673,123	4,854,516,274	6,527,551	48,399,339,182	7,480,507,891	77,107,103,941
Changes in equity for the year									
Profit for the year	-	-	-	-	-	-	-	2,430,309,028	2,430,309,028
Other comprehensive income for the year	-	-	-	-	-	129,415,773	129,415,773	-	129,415,773
Total comprehensive income for the year	-	-	-	-	-	129,415,773	129,415,773	2,430,309,028	2,559,724,801
Appropriation to surplus reserve	-	-	-	243,030,903	-	-	243,030,903	(243,030,903)	-
Appropriation to general reserves	-	-	-	-	492,177,862	-	492,177,862	(492,177,862)	-
Distributions to holders of perpetual subordinated bonds	-	-	-	-	-	-	-	(660,600,000)	(660,600,000)
Dividends to shareholders	-	-	-	-	-	-	-	(868,906,236)	(868,906,236)
At 31 December 2023	4,827,256,868	16,400,000,000	41,681,622,234	2,099,704,026	5,346,694,136	135,943,324	49,263,963,720	7,646,101,918	78,137,322,506

**60. STATEMENT OF FINANCIAL POSITION AND CHANGES IN EQUITY OF THE COMPANY***(continued)***(b) Statement of changes in equity of the Company** *(continued)*

	Share capital	Other equity instruments	Reserves				Investment revaluation reserve	Subtotal	Retained profits	Total equity
			Capital reserve	Surplus reserve	General reserves					
At 1 January 2022	4,827,256,868	8,500,000,000	41,698,292,045	1,392,448,797	3,919,804,534	106,826,215	47,117,371,591	6,211,977,761	66,656,606,220	
Changes in equity for the year										
Profit for the year	-	-	-	-	-	-	-	4,642,243,256	4,642,243,256	
Other comprehensive income for the year	-	-	-	-	-	(100,298,664)	(100,298,664)	-	(100,298,664)	
Total comprehensive income for the year	-	-	-	-	-	(100,298,664)	(100,298,664)	4,642,243,256	4,541,944,592	
Appropriation to surplus reserve	-	-	-	464,224,326	-	-	464,224,326	(464,224,326)	-	
Appropriation to general reserves	-	-	-	-	934,711,740	-	934,711,740	(934,711,740)	-	
Distributions to holders of perpetual subordinated bonds	-	-	-	-	-	-	-	(526,600,000)	(526,600,000)	
Issuance of perpetual subordinated bonds	-	7,900,000,000	(16,669,811)	-	-	-	(16,669,811)	-	7,883,330,189	
Dividends to shareholders	-	-	-	-	-	-	-	(1,448,177,060)	(1,448,177,060)	
At 31 December 2022	4,827,256,868	16,400,000,000	41,681,622,234	1,856,673,123	4,854,516,274	6,527,551	48,399,339,182	7,480,507,891	77,107,103,941	

**61. INTERESTS IN SUBSIDIARIES**

	As at 31 December	
	2023	2022
Unlisted shares, at cost or deemed cost	<b>29,256,778,514</b>	29,256,778,514

**61. INTERESTS IN SUBSIDIARIES** (continued)**(a) Particulars of the Company's principal subsidiaries are as follows:**

Name of company	Place of incorporation and operation	Kind of legal entity	Particulars of issued and paid-in capital	Equity interest held by the Company as at 31 December		Principal activity	Auditor <sup>(1)</sup>
				2023	2022		
China International Capital Corporation (International) Limited	Hong Kong SAR	Company limited by shares	HKD 6,000,000,000	100%	100%	Overseas investment holding business	DTT
CICC Wealth Management	Shenzhen, PRC	Limited liability company	RMB 8,000,000,000	100%	100%	Wealth management and securities brokerage business	DTT PRC
CICC Capital	Beijing, PRC	Limited liability company	RMB 922,804,807	100%	100%	Private equity investment funds business	DTT PRC
CICC Pucheng Investment Co., Ltd.	Shanghai, PRC	Limited liability company	RMB 3,500,000,000	100%	100%	Alternative investment business: financial products, equity, etc	DTT PRC
CICC Fund Management Co., Ltd.	Beijing, PRC	Limited liability company	RMB 500,000,000	100%	100%	Management of funds business	DTT PRC
CICC Futures Co., Ltd.	Xining, PRC	Limited liability company	RMB 350,000,000	100%	100%	Futures brokerage and asset management business	DTT PRC
CICC Private Equity Management Co., Ltd.	Shanghai, PRC	Limited liability company	RMB 99,500,000	100%	100%	Private equity investment funds business	DTT PRC
CICC Financial Trading Limited <sup>(2)</sup>	Hong Kong SAR	Company limited by shares	HKD1	100%	100%	Securities trading business	DTT

## Notes:

(1) Statutory auditors of the respective subsidiaries of the Group are as follows:

- DTT PRC represents Deloitte Touche Tohmatsu Certified Public Accountants LLP, 德勤華永會計師事務所(特殊普通合夥), a firm of certified public accountants registered in the PRC;
- DTT represents Deloitte Touche Tohmatsu, 德勤關黃陳方會計師行(香港), a firm of certified public accountants registered in Hong Kong;

(2) The equity interest of the subsidiary was indirectly held by the Company.

## 62. CONTINGENCIES

The Group is exposed to the risk of economic benefit outflows due to litigations or arbitrations in the course of operations. The Group assessed and made provisions for any probable outflow of economic benefits in relation to the contingent liabilities in accordance with relevant accounting policies.

## 63. SUBSEQUENT EVENTS

### (a) Corporate bonds

On 4 March 2024, the Company issued the first tranche of public corporate bonds to professional institutional investors, with type I named as 24 CICC G1, type II named as 24 CICC G2 and type III named as 24 CICC G3. The total principal amount of 24 CICC G1 is RMB2.5 billion with duration of 4 years and the interest rate is 2.39% per annum, with an issuer's option to adjust the nominal interest rate at the end of second year and an obligation to redeem the bonds when requested by investors. The total principal amount of 24 CICC G2 is RMB1.5 billion with duration of 5 years and the interest rate is 2.44% per annum, with an issuer's option to adjust the nominal interest rate at the end of third year and an obligation to redeem the bonds when requested by investors. The total principal amount of 24 CICC G3 is RMB1.0 billion with duration of 10 years and the interest rate is 2.70% per annum.

The Company completed the fully redemption, as the option writer, of the 21 CICC F2 with an aggregate principal amount of RMB2.5 billion on 18 January 2024, of the 21 CICC F4 with an aggregate principal amount of RMB2.0 billion on 4 March 2024, of the 21 CICC G1 with an aggregate principal amount of RMB2.0 billion on 18 March 2024 and of the 21 CICC G3 with an aggregate principal amount of RMB1.5 billion on 25 March 2024. On 26 March 2024, CICC Wealth Management completed the partial redemption, as the option writer, of the 21 CICC WMS G2 with an aggregate principal amount of RMB3.0 billion, cancelled such bonds with a principal amount of RMB0.81 billion, had the bonds with a residual principal amount of RMB2.19 billion in duration period and announced an adjustment of nominal interest rate from 3.65% to 2.75%.

## 63. SUBSEQUENT EVENTS *(continued)*

### (b) Subordinated bonds

On 15 January 2024, CICC Wealth Management issued the first tranche of public subordinated bonds to professional investors, with type I named as 24 CICC WMS C1 and type II named as 24 CICC WMS C2. The total principal amount of 24 CICC WMS C1 is RMB1.0 billion with duration of 3 years and the interest rate is 2.93% per annum. The total principal amount of 24 CICC WMS C2 is RMB2.0 billion with duration of 5 years and the interest rate is 3.18% per annum.

On 18 January 2024, the Company issued the first tranche of public subordinated bonds to professional institutional investors, with type I named as 24 CICC C1 and type II named as 24 CICC C2. The total principal amount of 24 CICC C1 is RMB0.5 billion with duration of 3 years and the interest rate is 2.87% per annum. The total principal amount of 24 CICC C2 is RMB1.0 billion with duration of 5 years and the interest rate is 3.05% per annum.

The Company redeemed the 21 CICC C1 with an aggregate principal amount of RMB1.0 billion on 8 February 2024. CICC Wealth Management redeemed the 21 CICC WMS C1 with an aggregate principal amount of RMB1.0 billion on 11 March 2024.

### (c) MTNs

On 18 January 2024, CICC Hong Kong Finance 2016 MTN Limited issued a dual tranche of 3-year floating rate MTN and 3-year fixed rate MTN. The aggregate principal amount of the floating rate MTN is USD700 million and the interest rate is SOFR Compounded Index plus 0.95% per annum. The aggregate principal amount of the fixed rate MTN is USD500 million and the interest rate is 5.012% per annum.

CICC Hong Kong Finance 2016 MTN Limited redeemed the 3-year MTN with an aggregate principal amount of USD1,000 million on 26 January 2024.

### (d) Proposed profit distribution after the reporting period

In accordance with the 2023 profit distribution plan approved by the Board of Directors on 28 March 2024, the Company will adopt the method of cash dividends for its 2023 profit distribution. The total of proposed cash dividends to be distributed is RMB868,906,236 (tax inclusive). On the basis of 4,827,256,868 shares in issue as at the date of approval of the financial statements of the Company, a cash dividend of RMB1.80 (tax inclusive) for every ten shares will be distributed. The 2023 profit distribution plan is subject to approval of the related resolution by the annual general meeting. The cash dividends will be recognized as liabilities after the approval and declaration by the annual general meeting.

- I. Financial statements carrying the signature and seal of the Company's person-in-charge, principal-in-charge of accounting, and person-in-charge of accounting firms (i.e. head of the accounting affairs).
- II. The original audit report carrying the seal of the accounting firms and the signature and seal of the certified public accountants.
- III. The original copies of all documents and announcements of the Company made public during the Reporting Period.
- IV. Annual reports published in other securities markets.

## APPENDIX I: COMPANY'S MAIN BUSINESS QUALIFICATIONS

- (1) In 1995, obtained license for operating foreign exchange business, the State Administration of Foreign Exchange (replaced by license of securities business in foreign currency in 2015)
- (2) In 1996, qualification of member of the Shanghai Stock Exchange, the Shanghai Stock Exchange
- (3) In 1997, qualification of member of the Shenzhen Stock Exchange, the Shenzhen Stock Exchange
- (4) In 1999, qualification for underwriting business, proprietary trading and brokerage business for domestic and overseas government bonds, corporate bonds and enterprise bonds, the CSRC
- (5) In 1999, obtained approval to enter the national interbank market, the PBOC
- (6) In 2000, qualification of member of National Debt Association of China, the National Debt Association of China
- (7) In 2001, qualification for RMB ordinary equities brokerage business, the CSRC
- (8) In 2002, qualification for securities investment advisory business, the CSRC
- (9) In 2002, qualification for entrusted investment management business, the CSRC
- (10) In 2004, obtained approval to become one of the first batch of sponsor institutions, the CSRC
- (11) In 2004, qualification for internet securities entrustment business, the CSRC
- (12) In 2004, qualification of sales agent for open-ended securities investment funds, the CSRC
- (13) In 2004, securities firm engaging in innovative activities, the SAC
- (14) In 2004, qualification of NSSF investment manager, the National Council for Social Security Fund
- (15) In 2005, obtained approval to set up collective asset management plans for CICC's short-term bonds, the CSRC
- (16) In 2005, qualification for underwriting business of commercial papers, the PBOC
- (17) In 2005, qualification for bond forward transactions business in the national interbank bond market, the PBOC
- (18) In 2005, qualification of bilateral market maker for block transactions of bonds, the Shanghai Stock Exchange



- (19) In 2005, qualification for warrant trading business, the Shanghai Stock Exchange
- (20) In 2005, qualification of corporate annuity fund manager, the Ministry of Human Resources and Social Security of the People's Republic of China
- (21) In 2005, qualification for foreign exchange asset management business, the SAC
- (22) In 2006, qualification of first-class dealer for SSE 180 Trading Open-ended Index Securities Investment Fund (i.e. ETF), the Shanghai Stock Exchange
- (23) In 2006, qualification of NSSF offshore investment manager, the National Council for Social Security Fund
- (24) In 2006, qualification of Participant of China Securities Depository and Clearing Corporation, the China Securities Depository and Clearing Co., Ltd
- (25) In 2007, obtained approval for the proposal of third party custodian for settlement funds of client transactions, the Beijing Office of the CSRC
- (26) In 2007, qualification of dealer on Integrated Electronic Platform of Fixed-income Securities of the Shanghai Stock Exchange, the Shanghai Stock Exchange
- (27) In 2007, engaged in offshore securities investment management business as a QDII, the CSRC
- (28) In 2007, qualification for the business of SSE Fund Connect (上證基金通), the Shanghai Stock Exchange
- (29) In 2007, obtained approval to commence direct investment business (through the promotion and establishment of a wholly-owned direct investment company), the CSRC
- (30) In 2007, qualification to engage in interbank market interest rate swap business, the CSRC
- (31) In 2008, qualification of Class A Clearing Participant of China Securities Depository and Clearing Corporation, the China Securities Depository and Clearing Co., Ltd
- (32) In 2008, qualification for lead underwriting business of commercial papers, the PBOC
- (33) In 2008, obtained approval to set up collective asset management plan for gains from CICC's enhanced bonds, the CSRC
- (34) In 2009, qualification of member of the Tianjin Climate Exchange, the Tianjin Climate Exchange

- (35) In 2010, qualification to commence RMB ordinary equities proprietary trading, the CSRC
- (36) In 2010, qualification to provide introducing brokerage business to futures companies, the CSRC
- (37) In 2010, qualification of market maker in the national interbank bond market, the PBOC
- (38) In 2010, qualification to commence offshore securities investment specific asset management business, the CSRC
- (39) In 2010, qualification of ordinary clearing member of the Interbank Market Clearing House Co., Ltd., the Interbank Market Clearing House Co., Ltd.
- (40) In 2010, qualification for margin financing and securities lending business, the CSRC
- (41) In 2011, qualification for business of Nominated Advisers & Brokers on the Third Board (Agency Share Transfer System), the SAC
- (42) In 2011, obtained approval to increase agency sale institutions for collective asset management plan for gains from CICC's enhanced bonds and collective asset management plans for CICC's selective funds, the Beijing Office of the CSRC
- (43) In 2011, qualification of member of book-entry government bond underwriting syndicates from 2012-2014, the Ministry of Finance, the PBOC and the CSRC
- (44) In 2011, obtained approval to launch and set up investment funds for strategic emerging industries, the National Development and Reform Commission of China
- (45) In 2012, qualification to commence placing business for SME bonds, the SAC
- (46) In 2012, qualification for bond pledged quotation and repo transaction, the CSRC
- (47) In 2012, qualification of insurance funds investment manager, the China Insurance Regulatory Commission
- (48) In 2012, authorization for trading in securities under repurchase agreements, the Shanghai Stock Exchange
- (49) In 2012, qualification to provide refinancing for margin financing and securities lending business, the China Securities Finance Corporation Limited (CSF)
- (50) In 2012, expanded the financing investment of bond pledged quotation and repo transaction, the Shanghai Stock Exchange

- (51) In 2012, qualification to establish a professional subsidiary for commencing real estate direct investment fund business, the CSRC
- (52) In 2013, qualification for over-the-counter trading business, the SAC
- (53) In 2013, authorization for stock pledged repo transaction, the Shanghai Stock Exchange and the Shenzhen Stock Exchange
- (54) In 2013, qualification for equities swap transaction business, the SAC
- (55) In 2013, qualification for agency business of financial products, the Beijing Office of the CSRC
- (56) In 2013, qualification for sponsor, brokerage business on the National Equities Exchange and Quotations (NEEQ), NEEQ
- (57) In 2013, qualification for witnessing account opening business, the China Securities Depository and Clearing Corporation Limited (CSDC)
- (58) In 2013, qualification for split conversion and merger conversion business of funds, the CSDC
- (59) In 2013, qualification of advisory service for military industry and confidential business (renewed in 2017), the State Administration for Science, Technology and Industry for National Defense
- (60) In 2013, authorization for trading in securities under repurchase agreement, the Shenzhen Stock Exchange
- (61) In 2014, qualification for mutual funds business (through the promotion and establishment of a wholly-owned fund company), the CSRC
- (62) In 2014, business for special institutional customers of insurance institutions, the China Insurance Regulatory Commission
- (63) In 2014, qualification for internet account opening business, the CSDC
- (64) In 2014, qualification for market making business on the National Equities Exchange and Quotations (NEEQ), NEEQ Co., Ltd.
- (65) In 2014, qualification for Southbound Trading (Shanghai-Hong Kong Stock Connect), the Shanghai Stock Exchange
- (66) In 2014, qualification for over-the-counter issuance of beneficiary certificates business, the China Securities Internet System Co., Ltd.

- (67) In 2015, qualifications for stock options brokerage business and proprietary trading business, the Shanghai Stock Exchange and the Shenzhen Stock Exchange
- (68) In 2015, qualification of internet finance business, the CSRC
- (69) In 2015, qualification of integrated custodian business for private funds, the China Securities Investor Protection Fund Corporation Limited
- (70) In 2015, qualification of security agency business for long-distance pledge and registration, the CSDC
- (71) In 2015, qualifications for spot precious metals agency business and spot gold proprietary trading business and member of the Shanghai Gold Exchange, the CSRC and the Shanghai Gold Exchange
- (72) In 2015, qualification of custodian business for securities investment funds, the CSRC
- (73) In 2016, qualification of standard bond futures centralized settlement business with Shanghai Clearing House, the Interbank Market Clearing House Co., Ltd.
- (74) In 2016, qualification for Southbound Trading (Shenzhen-Hong Kong Stock Connect), the Shenzhen Stock Exchange
- (75) In 2017, qualification for the northbound trading quotation bureau under bond connect granted by the National Interbank Funding Center, the China Foreign Exchange Trade System
- (76) In 2017, replaced the original permit to operate securities business with the permit to operate securities and futures business, the CSRC
- (77) In 2018, qualification for conducting pilot cross-border businesses, the CSRC
- (78) In 2018, qualification of first-class dealer for OTC options, the CSRC
- (79) In 2019, qualification of core dealer for Credit Protection Contract, the Shanghai Stock Exchange
- (80) In 2019, pilot qualification of financing business through exercising incentive share options of listed companies, the Shenzhen Stock Exchange
- (81) In 2019, qualification of private fund services (including qualifications for quota registration business service and valuation and accounting business service), the Asset Management Association of China

- (82) In 2019, qualification of core dealer for Credit Protection Contract, the Shenzhen Stock Exchange
- (83) In 2019, qualification for main market maker business of listed funds, the Shanghai Stock Exchange
- (84) In 2019, qualification of member of China Banking Association, the China Banking Association
- (85) In 2019, qualification for conducting margin financing business on the science and technology innovation board, the CSF
- (86) In 2019, qualification for conducting market making business of commodity options, the CSRC
- (87) In 2019, authorization for trading in stock options business, the Shenzhen Stock Exchange
- (88) In 2019, qualification of the Credit Protection Certificate Creation Agency granted by the Shanghai Stock Exchange, the Shanghai Stock Exchange
- (89) In 2020, commenced interest rate option business on a pilot basis, the China Foreign Exchange Trade System
- (90) In 2020, pilot qualification of fund investment advisory business, the CSRC
- (91) In 2020, qualification of market maker for hot rolled coils futures, the Shanghai Futures Exchange
- (92) In 2020, filing of foreign exchange business on behalf of customers (to conduct the settlement and sale of foreign exchange for customers (including themselves) engaged in cross-border investment and financing transactions in compliance with laws and regulations; RMB structured products (QUANTO); foreign exchange trading business on behalf of customers), the State Administration of Foreign Exchange
- (93) In 2020, qualification to independently carry out the lead underwriting business for the debt financing instruments of non-financial enterprises, the National Association of Financial Market Institutional Investors
- (94) In 2020, qualification to conduct foreign exchange settlement and sales business, the State Administration of Foreign Exchange
- (95) In 2020, qualification of member of inter-bank foreign exchange market, the China Foreign Exchange Trade System
- (96) In 2020, qualification of the Credit Protection Certificate Creation Agency granted by the Shenzhen Stock Exchange, the Shenzhen Stock Exchange
- (97) In 2021, qualification for conducting market making business of commodity futures, the CSRC

- (98) In 2021, qualification for the stock options market making business, the CSRC
- (99) In 2021, qualification of member of the Beijing Stock Exchange, the Beijing Stock Exchange
- (100) In 2021, qualification for conducting southbound trading ("Southbound Trading") business under the bond market connect between the Mainland and Hong Kong, the PBOC
- (101) In 2021, qualification for conducting market making business of government bond futures, the CSRC
- (102) In 2021, qualification for non-bank financial institutions to carry out the pilot business of the settlement and sale of foreign exchange on behalf of customers, the State Administration of Foreign Exchange
- (103) In 2022, qualification of general market maker for the Shenzhen Stock Exchange CSI 300 ETF options, the Shenzhen Stock Exchange
- (104) In 2022, qualification of general market maker for the Shanghai Stock Exchange SSE 50 ETF options and CSI 300 ETF options, the Shanghai Stock Exchange
- (105) In 2022, qualification of physical delivery business on Shanghai Futures Exchange for special unit customers, the Shanghai Futures Exchange
- (106) In 2022, qualification of general market maker for the Shanghai Stock Exchange CSI 500 ETF options, the Shanghai Stock Exchange
- (107) In 2022, qualification of market maker for industrial silicon options, the Guangzhou Futures Exchange
- (108) In 2023, qualification for stock index options market making business, the CSRC
- (109) In 2023, qualification for conducting proprietary carbon emission permit trading business, the CSRC
- (110) In 2023, qualification of margin financing and securities lending business of the Beijing Stock Exchange, the Beijing Stock Exchange
- (111) In 2023, business qualification of market-making transactions in listed securities, the CSRC
- (112) In 2023, qualification of market maker of "Swap Connect Northbound", the China Foreign Exchange Trade System

- (113) In 2023, qualification of member of the Guangzhou-based China Emissions Exchange (proprietary), Guangzhou-based China Emissions Exchange
- (114) In 2023, qualification of member of the Shanghai Environment & Energy Exchange (carbon emission trading proprietary member), Shanghai Environment & Energy Exchange

# APPENDIX II: CHANGES IN BRANCHES

## I. CHANGES IN BRANCHES OF THE COMPANY

### (I) Establishment of Branches

During the Reporting Period, the Company did not establish any branch.

### (II) Change of Name of Branches

During the Reporting Period, there was no change of name of any branch.

### (III) Relocation of Branches

No.	Name of branches before relocation	Name of branches after relocation	New address	Date of relocation
1	CICC Shenzhen Branch	CICC Shenzhen Branch	72/F; Unit 01A, 73/F and Unit 0203, 74/F, Ping An Finance Center, No. 5033 Yitian Road, Fu'an Community, Futian Street, Futian District, Shenzhen	November 24, 2023
2	CICC Suzhou Branch	CICC Suzhou Branch	Room 06, 22/F, Block D, Suzhou Central Office Building, Block 1, Suzhou Central Plaza, Suzhou Industrial Park, Suzhou Area, China (Jiangsu) Pilot Free Trade Zone	April 3, 2023
3	CICC Southwest Branch	CICC Southwest Branch	Rooms 3603 and 3604, 36/F, Building 3, No. 1199, North Section of Tianfu Avenue, Chengdu High-tech Zone, China (Sichuan) Pilot Free Trade Zone	April 14, 2023
4	CICC Xiamen Branch	CICC Xiamen Branch	Rooms 0401-0403, Office Building, Paragon Center, No. 1 Lianyue Road, Siming District, Xiamen	May 17, 2023
5	CICC Shandong Branch	CICC Shandong Branch	Room 2904, 29/F, Block A, Golden Times Square, No. 9999 Jingshi Road, Longdong Street, Lixia District, Jinan City, Shandong	January 8, 2024
6	CICC Zhejiang Branch	CICC Zhejiang Branch	Room 1114, 11F, Zhongtian Qiantang Ginza, Shangcheng District, Hangzhou, Zhejiang	January 23, 2024

### (IV) Cancellation of Branches

During the Reporting Period, there was no cancellation of any branch.

### (V) Transfer of Branches

During the Reporting Period, there was no transfer of any branch.



## II. CHANGES IN SECURITIES BUSINESS OFFICES OF THE GROUP

### (I) Newly-established Securities Business Offices

No.	Name of the newly-established securities business offices	Address of the newly-established securities business offices	Date of establishment
1	Chaozhou Dongxing South Road Securities Business Office of CICC Wealth Management Securities	Rooms 1601, 1602, 1614 and 1615, Building A Complex Building, Tengrui • Bund Bay Tengrui Center, East of Dongxing South Road and North of Dongshan Road, Qiaodong Street, Xiangqiao District, Chaozhou City, Guangdong	February 16, 2023
2	Shantou Dongxia Road Securities Business Office of CICC Wealth Management Securities	Rooms 605, 606 and 607, Building 6, Century Coast Garden, No. 1 Dongxia Road, Jinping District, Shantou, Guangdong	February 17, 2023
3	Urumchi Hong Guang Shan Road Securities Business Office of CICC Wealth Management Securities	Room 3001, 30/F, Block 1B Greentown Plaza, No. 888 Hong Guang Shan Road, Shuimogou District, Urumqi, Xinjiang Uygur Autonomous Region	March 3, 2023
4	Baoding Chaoyang North Street Securities Business Office of CICC Wealth Management Securities	Rooms 204, 205, 206 and 207, 2/F, Dianguyuansheng Plaza, No. 1898 Chaoyang North Street, Gaokai District, Baoding, Hebei	April 13, 2023
5	Tangshan Financial Center Securities Business Office of CICC Wealth Management Securities	Rooms 606-1, 607, 608 and 609-1, Building 2, Tangshan Financial Center, Xiangyun Street, Lubei District, Tangshan City, Hebei	September 19, 2023
6	Tongxiang Xinyongfeng Road Securities Business Office of CICC Wealth Management Securities	No. 323 Xinyongfeng Road, Wutong Street, Tongxiang City, Jiaxing City, Zhejiang	November 15, 2023

**(II) Change of Name of Securities Business Offices**

No.	Name of securities business offices before name change	Name of securities business offices after name change	Date of name change
1	Ma'anshan Yinshan Road Securities Business Office of CICC Wealth Management Securities	Ma'anshan Taibai Avenue Securities Business Office of CICC Wealth Management Securities	February 17, 2023
2	Hanzhong South Tuanjie Street Securities Business Office of CICC Wealth Management Securities	Hanzhong Xingyuan Road Securities Business Office of CICC Wealth Management Securities	February 21, 2023
3	Dongguan International Trade Center Securities Business Office of CICC Wealth Management Securities	Dongguan Branch of CICC Wealth Management Securities	April 7, 2023
4	Suzhou Ganjiang West Road Securities Business Office of CICC Wealth Management Securities	Suzhou Suxiu Road Securities Business Office of CICC Wealth Management Securities	May 6, 2023
5	Zhengzhou Commercial Inner Ring Road Securities Business Office of CICC Wealth Management Securities	Zhengzhou Ruyi West Road Securities Business Office of CICC Wealth Management Securities	September 28, 2023
6	Beijing Chaoyang Road Securities Business Office of CICC Wealth Management Securities	Beijing Tongzhou Securities Business Office of CICC Wealth Management Securities	December 4, 2023
7	Shenzhen Bao'an Xinghua Road Securities Business Office of CICC Wealth Management Securities	Shenzhen Yifang Center Securities Business Office of CICC Wealth Management Securities	December 19, 2023

**(III) Relocation of Securities Business Offices**

No.	Name of securities business offices before relocation	Name of securities business offices after relocation	New address	Date of relocation
1	Beijing Jianguomenwai Avenue Securities Business Office of CICC	Beijing Jianguomenwai Avenue Securities Business Office of CICC	Units 03-18, 11th Floor, 1 Jianguomenwai Avenue (Phase II), Chaoyang District, Beijing	March 31, 2023
2	Ningbo Shizi Street Securities Business Office of CICC Wealth Management Securities	Ningbo Shizi Street Securities Business Office of CICC Wealth Management Securities	Rooms 803, 804 and 1003, No. 777 Lingqiao Road, Haishu District, Ningbo, Zhejiang	January 5, 2023
3	Qingdao Hong Kong Middle Road Securities Business Office of CICC Wealth Management Securities	Qingdao Hong Kong Middle Road Securities Business Office of CICC Wealth Management Securities	Room 903, 12/F, Shangri-La Office Building Center, No. 9 Hong Kong Middle Road, Shinan District, Qingdao, Shandong	February 6, 2023
4	Ma'anshan Yinshan Road Securities Business Office of CICC Wealth Management Securities	Ma'anshan Taibai Avenue Securities Business Office of CICC Wealth Management Securities	Room 3-2406, Ma'anshan Wanda Plaza, Taibai Avenue, Yushan District, Ma'anshan, Anhui	February 17, 2023
5	Hanzhong South Tuanjie Street Securities Business Office of CICC Wealth Management Securities	Hanzhong Xingyuan Road Securities Business Office of CICC Wealth Management Securities	Rooms 2-1-3, 2-2-3 and 2-2-4, NEWth THE TIMES, No. 789, Laodong West Road, Hantai District, Hanzhong, Shaanxi	February 21, 2023
6	Suzhou Center Securities Business Office of CICC Wealth Management Securities	Suzhou Center Securities Business Office of CICC Wealth Management Securities	Rooms 01, 02, 03, 05, 07 and 08, 22/F, Block D, Suzhou Central Office Building, Suzhou Area, China (Jiangsu) Pilot Free Trade Zone	March 20, 2023
7	Chengdu Binjiang East Road Securities Business Office of CICC Wealth Management Securities	Chengdu Binjiang East Road Securities Business Office of CICC Wealth Management Securities	Rooms 1602-1605, Shangri-La Office Building, No. 9 Binjiang East Road, Jinjiang District, Chengdu, Sichuan	March 24, 2023

## Appendix II: Changes in Branches

No.	Name of securities business offices before relocation	Name of securities business offices after relocation	New address	Date of relocation
8	Dongguan International Trade Center Securities Business Office of CICC Wealth Management Securities	Dongguan Branch of CICC Wealth Management Securities	Rooms 2801-2804 and 2807, Building 2, International Trade Center, No. 1 Hongfu East Road, Dongcheng Street, Dongguan, Guangdong	April 7, 2023
9	Shanghai Pudong New District Minsheng Road Securities Business Office of CICC Wealth Management Securities	Shanghai Pudong New District Minsheng Road Securities Business Office of CICC Wealth Management Securities	Rooms 1002, 1003 and 1004 (Nominal floor, and actual floor is 9), No. 1188 Minsheng Road, Pudong New District, Shanghai	April 12, 2023
10	Guangzhou Panyu Qiaonan Road Securities Business Office of CICC Wealth Management Securities	Guangzhou Panyu Qiaonan Road Securities Business Office of CICC Wealth Management Securities	Part 01 of Shop 301, No. 228 Qiaonan Road, Nanjiao Village, Qiaonan Street, Panyu District, Guangzhou, Guangdong	April 13, 2023
11	Suzhou Ganjiang West Road Securities Business Office of CICC Wealth Management Securities	Suzhou Suxiu Road Securities Business Office of CICC Wealth Management Securities	Rooms 02 and 03, 11/F, Block B, Building 88, Suzhou Center Plaza, Suzhou Industrial Park, Suzhou Area, China (Jiangsu) Pilot Free Trade Zone	May 6, 2023
12	Shenzhen Shennan Avenue Times Technology Building Securities Business Office of CICC Wealth Management Securities	Shenzhen Shennan Avenue Times Technology Building Securities Business Office of CICC Wealth Management Securities	Rooms 1910, 1911 and 1912, Times Technology Building, No. 7028 Shennan Avenue, Donghai Community, Xiangmihu Street, Futian District, Shenzhen, Guangdong	July 26, 2023
13	Shenzhen Bao'an Zhongxin Road Securities Business Office of CICC Wealth Management Securities	Shenzhen Bao'an Zhongxin Road Securities Business Office of CICC Wealth Management Securities	104, 15A, 15B, Times Center, No. 102 Zhongxin Road, Shangxing Community, Xinqiao Street, Bao'an District, Shenzhen, Guangdong	August 17, 2023

No.	Name of securities business offices before relocation	Name of securities business offices after relocation	New address	Date of relocation
14	Zhengzhou Commercial Inner Ring Road Securities Business Office of CICC Wealth Management Securities	Zhengzhou Ruyi West Road Securities Business Office of CICC Wealth Management Securities	Rooms 610, 611 and 612, Kailin Mansion, No. 99 Ruyi West Road, Zhengzhou Area (Zhengdong), Henan Pilot Free Trade Zone	September 28, 2023
15	Fuzhou Wusi Road Securities Business Office of CICC Wealth Management Securities	Fuzhou Wusi Road Securities Business Office of CICC Wealth Management Securities	Units 01-02, 25/F, Fujian Foreign Trade Building, No. 75 Wusi Road, Gulou District, Fuzhou, Fujian	October 25, 2023
16	Shanghai Yangpu District Huangxing Road Securities Business Office of CICC Wealth Management Securities	Shanghai Yangpu District Huangxing Road Securities Business Office of CICC Wealth Management Securities	Rooms 03 and 04, Actual Floor 25 (Nominal Floor 27), No. 2218 Huangxing Road, Yangpu District, Shanghai	November 23, 2023
17	Beijing Chaoyang Road Securities Business Office of CICC Wealth Management Securities	Beijing Tongzhou Securities Business Office of CICC Wealth Management Securities	Rooms 2501-03, 04 and 05, 25/F, Building 1, No. 5 Huijidong Road, Tongzhou District, Beijing	December 4, 2023
18	Shenzhen Bao'an Xinghua Road Securities Business Office of CICC Wealth Management Securities	Shenzhen Yifang Center Securities Business Office of CICC Wealth Management Securities	3601-2, 3602, 3603, 3604, Tower A, Phase III, North District, Yifang Center, No. 99 Xinqu Road, N12 District, Haiwang Community, Xin'an Subdistrict, Bao'an District, Shenzhen	December 19, 2023
19	Jiangmen Yingbin Avenue Securities Business Office of CICC Wealth Management Securities	Jiangmen Yingbin Avenue Securities Business Office of CICC Wealth Management Securities	Units 1001, 1004-1009, Building 1, No. 118 Yingbin Avenue Central, Pengjiang District, Jiangmen	December 27, 2023

**(IV) Cancellation of Securities Business Offices**

No.	Name of securities business office cancelled	Address of securities business office cancelled	Date of cancellation
1	Chengdu Jintang Jinyuan Street Securities Business Office of CICC Wealth Management Securities	No. 83-85, Jinyuan Street, Town of Zhao, Jintang County, Chengdu, Sichuan	November 17, 2023

**(V) Transfer of Securities Business Offices**

During the Reporting Period, there was no transfer of any securities business office.

*Note:* The relevant dates in Appendix II are all business license dates.