

Stock Code : 02611 Stock Name : GTJA

# 2022 GUOTAIJUNAN INTERIM REPORT

國泰君安證券股份有限公司  
GUOTAI JUNAN SECURITIES CO., LTD.  
(A joint stock company incorporated in the  
People's Republic of China with limited liability)

## Important Notice

The Board, the Supervisory Committee, Directors, Supervisors and senior management of the Company warrant that the contents of the interim report (this “Report” or “Interim Report”) are true, accurate and complete, without any misrepresentation, misleading statement or material omission, and severally and jointly bear the legal responsibilities thereof.

This Report has been considered and approved by the sixth meeting of the sixth session of the Board.

All Directors of the Company attended the Board meeting.

The Audit Committee has reviewed and confirmed the interim results of the Group for the six months ended 30 June 2022, and has not raised any objection to the accounting policies and practices adopted by the Group.

The 2022 interim condensed consolidated financial statements of the Company prepared in accordance with the International Accounting Standards has not been audited but has been reviewed by KPMG.

HE Qing, the person in charge of the Company, NIE Xiaogang, the person in charge of the accounting affairs, and DONG Boyang, the person in charge of the accounting department (head of the accounting department) of the Company, warrant the truthfulness, accuracy and completeness of the interim financial report.

The profit distribution proposal or the proposal on transfer of the capital reserve fund into capital, within the Reporting Period, was approved by the Board

Nil

### Statement of the risks involved in forward-looking statements

Applicable    Not applicable

Forward-looking statements included in this Interim Report, including future plans and development strategies, do not constitute a substantial commitment of the Company to investors. Investors and persons concerned shall be fully aware of the risks and understand the difference between plans, estimates and commitments.

### Was there any appropriation of funds on a non-operating basis by controlling shareholders of the Company or their related parties ?

No

## Important Notice

**Did the Company provide any external guarantees in violation of the prescribed decision-making procedures ?**

No

**Whether more than half of the Directors were not able to assure the truthfulness, accuracy and completeness of the Interim Report disclosed by the Company ?**

No

### **MAJOR RISK WARNING**

The risks faced by the Company in its operations mainly include: market risk, credit risk, liquidity risk, operational risk and reputational risk, which are specifically embodied as the risk of loss to the Company due to unfavorable changes of market prices; risk of loss to the Company due to failures to perform their obligations stipulated in relevant contracts by securities issuer, counterparties and debtors or the changes of market value of the debts caused by the changes of credit rating or contract performance capacity; risk of not being able to obtain sufficient funds in time at reasonable costs or prices to repay debts that are due, fulfil other payment obligations and satisfy the funding requirements for ordinary business operation; risk of possible loss caused by the failures of internal systems and procedures, improper employee behaviors, IT risks and the influence of external events; and risk of negative evaluation of the Company's reputation due to the Company's operation, management and other behaviors or external events.

The Company has established an effective internal control system, compliance management system and a dynamic regulatory system based on risk control indicators to enable the operations of the Company are conducted within an extent of predictable, controllable and tolerable risks.

Investors are advised to read "Section III Discussion and Analysis of the Board of Directors" as set out in this Interim Report carefully for risks related to the operations of the Company.

### **Others**

Applicable     Not applicable

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## Section I Definitions

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

### Definitions of frequently-used terms

the Company/Company/Guotai Junan	Guotai Junan Securities Co., Ltd.
the Group/Group	Guotai Junan Securities Co., Ltd. and its subsidiaries
Articles of Association	the articles of association of Guotai Junan Securities Co., Ltd.
Share(s)	ordinary shares in the capital of the Company with a nominal value of RMB1.00 each, comprising of A Shares and H Shares
Shareholder(s)	holder(s) of the Share(s) of the Company
Board/Board of Directors	the board of Directors of the Company
Director(s)	director(s) of the Company
Supervisory Committee	the supervisory committee of the Company
Supervisor(s)	the supervisor(s) of the Company
CSRC	China Securities Regulatory Commission (中國證券監督管理委員會)
Shanghai Bureau of the CSRC	Shanghai Office of the China Securities Regulatory Commission (中國證券監督管理委員會上海監管局)
SAC	Securities Association of China (中國證券業協會)
SSE/Shanghai Stock Exchange	Shanghai Stock Exchange
SZSE/Shenzhen Stock Exchange	Shenzhen Stock Exchange
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
International Group	Shanghai International Group Co., Ltd. (上海國際集團有限公司)
Shanghai SA	Shanghai State-owned Assets Management Co., Ltd. (上海國有資產經營有限公司)
Shenzhen Investment Holdings	Shenzhen Investment Holdings Co., Ltd. (深圳市投資控股有限公司)
Guotai Junan Asset Management	Guotai Junan Securities Asset Management Co., Ltd. (上海國泰君安證券資產管理有限公司)
Guotai Junan Futures	Guotai Junan Futures Co., Ltd. (國泰君安期貨有限公司)
Guotai Junan Financial Holdings	Guotai Junan Financial Holdings Co., Ltd. (國泰君安金融控股有限公司)
Hong Kong Companies	Guotai Junan Financial Holdings Co., Ltd. and its controlled subsidiaries

## Section I Definitions

Guotai Junan International	Guotai Junan International Holdings Limited (國泰君安國際控股有限公司), controlled by Guotai Junan Financial Holdings Co., Ltd. and a public company listed on the Hong Kong Stock Exchange (Stock code: 1788)
Guotai Junan Innovation Investment	Guotai Junan Innovation Investment Co., Ltd. (國泰君安創新投資有限公司)
Guotai Junan Zhengyu	Guotai Junan Zhengyu Investment Co., Ltd. (國泰君安證裕投資有限公司)
HuaAn Funds	HuaAn Funds Management Co., Ltd. (華安基金管理有限公司)
Shanghai Securities	Shanghai Securities Co., Ltd. (上海證券有限責任公司)
Guoxiang Properties	Shanghai Guoxiang Properties Co., Ltd. (上海國翔置業有限公司)
SPD Bank	Shanghai Pudong Development Bank Co., Ltd. (上海浦東發展銀行股份有限公司)
Shanghai Rural Commercial Bank	Shanghai Rural Commercial Bank Co., Ltd. (上海農村商業銀行股份有限公司)
Convertible Bonds/A Share Convertible Bonds	the convertible corporate bonds (which can be converted into the Company's A Shares) amounting to RMB7 billion publicly issued by the Company on 7 July 2017 and listed on Shanghai Stock Exchange on 24 July 2017
Company Law	the Company Law of the PRC
Securities Law	the Securities Law of the PRC
SSE Listing Rules	the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange
Hong Kong Listing Rules	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
Model Code	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Hong Kong Listing Rules
Corporate Governance Code	the Corporate Governance Code as set out in Appendix 14 to the Hong Kong Listing Rules
SFO	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
Reporting Period	the first half of 2022
Yuan	RMB Yuan
A Shares	domestic shares of the Company, with a nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange and are traded in RMB

## Section I Definitions

H Shares	overseas listed foreign shares of the Company, with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars
FICC	Fixed Income, Currencies and Commodities
Daohe APP	APP serving institutional customers
Matrix System	the institutional customers management system
Jun Hong APP	APP serving retail customers

## Section II Company Profile and Key Financial Indicators

### I. PROFILE

Name in Chinese	國泰君安證券股份有限公司
Abbreviation in Chinese	國泰君安、國泰君安證券
Name in English	Guotai Junan Securities Co., Ltd.
Abbreviation in English	GTJA, Guotai Junan Securities
Legal Representative	HE Qing
General Manager	WANG Song

### Registered Capital and Net Capital of the Company

Unit: yuan Currency: RMB

	At the end of the Reporting Period	At the end of last year
Registered capital <sup>Note1</sup>	<b>8,907,947,954</b>	8,907,947,954
Net capital	<b>94,998,704,330</b>	95,023,119,722
Share capital <sup>Note2</sup>	<b>8,906,671,793</b>	<b>8,908,449,523</b>

Note 1: On 28 July 2022, upon the completion of industrial and commercial registration for the change of the registered capital, the Company's registered capital was changed from RMB8,907,947,954 to RMB8,906,671,631.

Note 2: In the first half of 2022, the cumulative number of Shares converted from the A Share Convertible Bonds of the Company was 270 shares, and with the repurchase and cancellation of 1,778,000 restricted A Shares, the share capital of the Company decreased to 8,906,671,793 shares accordingly.

### Business Qualifications for Each Individual Business of the Company

Applicable  Not applicable

#### 1. Individual Business Qualifications of the Company

No.	Approval Department	Qualification Name/Membership
1	The People's Bank of China	Interbank Borrowing Qualification (Yin Huo Zheng [2000] No. 122, Yin Zong Bu Han [2016] No. 22) Participation of Gold Trading on Shanghai Gold Exchange as an Institutional Dealer (Yin Shi Huang Jin Bei [2014] No. 143) Free Trade Accounting Business (August 2015) Participating in Southbound Trading Link Business (December 2021)
2	CSRC and its local branches	Operation license of securities businesses: securities brokerage; securities investment advisory; securities transaction and securities investment related financial advisory; securities underwriting and sponsorship; securities proprietary trading; margin financing and securities lending; agency sale of securities investment fund; agency sale of financial products; stock option market making. (No. 10270000)



## Section II Company Profile and Key Financial Indicators

No.	Approval Department	Qualification Name/Membership
		Online Agency Securities Trading (Zheng Jian Xin Xi Zi [2001] No. 3)
		Agency Sale Business of Open-ended Securities Investment Fund (Zheng Jian Ji Jin Zi [2002] No. 31)
		Provision of Intermediary Introduction Business for Futures Companies (Zheng Jian Xu Ke [2008] No. 124, Hu Zheng Jian Ji Gou Zi [2010] No. 103)
		Participating in Stock Index Futures Transaction (Hu Zheng Jian Ji Gou Zi [2010] No. 253)
		Bond-pledged Quotation and Repurchase Business (Ji Gou Bu Bu Han [2011] No. 573, Shang Zheng Han [2013] No. 257)
		Agreed Repurchase Securities Trading Business (Ji Gou Bu Bu Han [2012] No. 250)
		Integrated Financial Services (Ji Gou Bu Bu Han [2012] No. 555)
		Margin Financing and Securities Lending Business (Zheng Jian Xu Ke [2013] No. 311)
		Agency Sale of Financial Products (Hu Zheng Jian Ji Gou Zi [2013] No. 56)
		Pilot of Agency Services for Gold and Other Precious Metal Spot Contracts and Proprietary Business for Gold Spot Contracts (Ji Gou Bu Bu Han [2014] No. 121)
		Qualification for Securities Investment Fund Custody Business (Zheng Jian Xu Ke [2014] No. 511)
		Foreign Exchange Business such as Proprietary Foreign Exchange Trading and Foreign Exchange Settlement and Sale on behalf of Customers, Proprietary Foreign Exchange Trading and Foreign Exchange Trading on behalf of Customers (Zheng Quan Ji Jin Ji Gou Jian Guan Bu Bu Han [2014] No. 1614)
		Stock Options Market Making Business (Zheng Jian Xu Ke [2015] No. 154)
		Proprietary Participation in Carbon Emissions Trading (Ji Gou Bu Bu Han [2015] No. 862)
		Conducting Cross-border Business at Pilot (Ji Gou Bu Han [2017] No. 3002)
		First-class Dealer for Over-the-counter Options (Ji Gou Bu Han [2018] No. 1789)
		Conducting Credit Derivative Business (Ji Gou Bu Han [2018] No. 2545)
		Stock Index Options Market Making Business (Zheng Jian Hui Ji Gou Bu Han [2019] No. 3066)
		Conducting Fund Investment Advisory Business at Pilot (Ji Gou Bu Han [2020] No. 385)
		Account Management Function Optimization Pilot Business (Ji Gou Bu Han [2021] No. 3750)
		Treasury Futures Market Making Business (Ji Gou Bu Han [2021] No. 4029)

## Section II Company Profile and Key Financial Indicators

No.	Approval Department	Qualification Name/Membership
3	SAC	<p>Qualification for Participating in Related Innovation Activities (February 2005)</p> <p>Pilot of Underwriting Business of SME Private Placement Bonds (Zhong Zheng Xie Han [2012] No. 378)</p> <p>OTC Trading Business (Zhong Zheng Xie Han [2012] No. 825)</p> <p>Financial Derivatives Business (Zhong Zheng Xie Han [2013] No. 1224)</p>
4	China Securities Depository and Clearing Corporation Limited	<p>Agency Registration Business (April 2002)</p> <p>Clearing Participant (Zhong Guo Jie Suan Han Zi [2006] No. 67)</p> <p>Class A Clearing Participant (Zhong Guo Jie Suan Han Zi [2008] No. 24)</p> <p>Qualified Institution Establishment for Credit Protection Bond Pledge Repo Business (Zhong Guo Jie Suan Han Zi [2021] No. 200)</p>
5	China Securities Finance Corporation Limited	<p>Pilot Margin and Securities Refinancing Business (Zhong Zheng Jin Han [2012] No. 116)</p> <p>Pilot Securities Refinancing Business (Zhong Zheng Jin Han [2013] No. 45)</p> <p>Science and Technology Innovation Board Securities Refinancing Business (Zhong Zheng Jin Han [2019] No. 130)</p>
6	Shanghai Stock Exchange/Shenzhen Stock Exchange	<p>Treasury Bonds Outright Repo Business (December 2004)</p> <p>Carrying out the Business of "SSE Fund Connect (上證基金通)" (July 2005)</p> <p>First-class Dealer for SSE 180 Trading Open-ended Index Securities Investment Fund (March 2006)</p> <p>Trader of Integrated Electronic Platform for Fixed Income Securities (Shang Zheng Hui Han [2007] No. 90)</p> <p>Qualified Investor of Block Trade System (No. A00001)</p> <p>Stock Pledge Repo Business (Shang Zheng Hui Zi [2013] No. 64, Shen Zheng Hui [2013] No. 58)</p> <p>Financing Business Pilot for Exercise of Options under Share Options Incentive Schemes of Listed Companies (Shen Zheng Han [2015] No. 15)</p> <p>Participant for Trading of Stock Options (Shang Zheng Han [2015] No. 66)</p> <p>SSE 50ETF Options Market Maker (Shang Zheng Han [2015] No. 212, Shang Zheng Gong Gao [2015] No. 4)</p> <p>Southbound Business (Shang Zheng Han [2014] No. 654, Shen Zheng Hui [2016] No. 326)</p> <p>Core Dealer of Credit Protection Contract (Shang Zheng Han [2019] No. 205)</p> <p>Business Qualification as Lead Market Maker of Listed Funds (Shang Zheng Han [2019] No. 1288)</p> <p>Credit Protection Certificate Creation Agency (Shang Zheng Han [2019] No. 2253)</p> <p>Stock Option Business (Shen Zheng Hui [2019] No. 470)</p> <p>CSI 300ETF Options Lead Market Maker Business (Shang Zheng Han [2019] No. 2303, Shen Zheng Hui [2019] No. 483)</p>

## Section II Company Profile and Key Financial Indicators

No.	Approval Department	Qualification Name/Membership
7	State Administration of Foreign Exchange	Securities Brokerage and Underwriting Business of Foreign Currency (Hui Zi Zi No. SC201221) Transactions of Spot Sale and Purchase of Foreign Exchange, RMB and Foreign Exchange Related Derivative Business and Qualified Domestic Institutional Investor for Sale and Purchase of Foreign Exchange (Hui Fu [2014] No. 325) Businesses, such as Quanto Product Settlement and Sale, Foreign Exchange Settlement and Sale for QFII Custody Customer, Foreign Exchange Trading on behalf of Customers (Hui Zong Bian Han [2016] No. 505) Handling the Sale and Purchase of Foreign Exchange for the customers engaging in cross-border investment and financing transactions (Hui Zong Bian Han [2020] No. 469) Pilot Business for Sale and Purchase of Foreign Exchange on Behalf of Customers (Hui Zi Bian Han [2021] No. 238)
8	National Association of Financial Market Institutional Investors	Main Underwriting Business of Debt Financing Instruments for Non-Financial Businesses (Announcement of National Association of Financial Market Institutional Investors [2012] No. 19) Core Dealer of Credit Risk Mitigation Instruments (December 2016) Creator of Credit Risk Mitigation Warrants (2017) Creator of Credit-linked Notes (2017)
9	Shanghai Gold Exchange	Special Membership (Certificate No. T002) International Membership (Class A) (Certificate No. IM0046) Qualification for Proprietary Gold Trading (Shang Jin Jiao Fa [2013] No. 107) Interbank Gold Price Inquiries Business (Shang Jin Jiao Fa [2014] No. 114) Pilot Member of Implied Volatility Curve Quotation Group for Gold Inquiry Options (November 2017)
10	National Equities Exchange and Quotations	Sponsoring Broker-dealers Market Making Business (Gu Zhuan Xi Tong Han [2013] No. 58, [2014] No. 706)

## Section II Company Profile and Key Financial Indicators

No.	Approval Department	Qualification Name/Membership
11	China Foreign Exchange Trading Center	China Interbank FX Market Membership (Zhong Hui Jiao Fa [2015] No. 3) China Interbank FX Market Derivatives Membership (Zhong Hui Jiao Fa [2015] No. 59) Northbound Trading Link Business under “Bond Connect” (July 2017) Inter-bank Foreign Currency Market Membership (Zhong Hui Jiao Fa [2018] No. 412) Interbank Interest Rate Exchange Fixing (Closing) Curve Quote Agency (November 2019) Inter-Bank Bond Market Spot Bond Market Maker (Comprehensive Type) (March 2021) Pilot Institution for Automated Market-making Services in the Inter-Bank Bond Market (November 2021)
12	Interbank Market Clearing House Company Limited	Central Clearing Transaction of Shipping and Commodities Derivatives (Zhun Zi [2015] No. 016 for Membership of Clearing House) Business of Liquidation Agency of RMB Interest Rate Swap (2018 Bian Han No. 8, Qing Suan Suo Fa [2018] No. 30) Business of Central Clearing for Credit Default Swap (2018 Bian Han No. 29) Comprehensive Clearing Member for the Business of Central Clearing of Standard Bond Forwards (Qing Suan Suo Fa [2018] No. 193) General Clearing Member of Centralized Clearing of Credit Default Swap (2021 Bian Han No. 183)
13	Shanghai Futures Exchange	Copper Options Market Maker (September 2018) Physical Delivery Business (September 2021)
14	Shanghai International Energy Exchange	Crude Oil Futures Market Maker (October 2018) Physical Delivery Business (September 2021)
15	Asset Management Association of China	Private Equity Outsourcing Institutions (Filing No. A00005)
16	China Financial Futures Exchange	CSI 300 Stock Index Options Market Maker (December 2019)
17	Shanghai Commercial Paper Exchange Corporation Ltd.	Access into the Chinese commercial paper trading system (July 2020)

## Section II Company Profile and Key Financial Indicators

### 2. Individual Business Qualifications of the Controlled Subsidiaries

No.	Name of subsidiary	Qualification Name/Membership
1	Hong Kong Subsidiaries	<p>Issued by the Securities and Futures Commission of Hong Kong</p> <ul style="list-style-type: none"> <li>Type 1 (dealing in securities) (1 April 2003)</li> <li>Type 2 (dealing in futures contracts) (1 April 2003)</li> <li>Type 3 (leveraged foreign exchange trading) (21 October 2010)</li> <li>Type 4 (advising on securities) (1 April 2003)</li> <li>Type 5 (advising on futures contracts) (26 November 2010)</li> <li>Type 6 (advising on corporate finance) (1 April 2003)</li> <li>Type 9 (asset management) (1 April 2003)</li> <li>Custodian of open-ended fund companies (30 June 2022)</li> </ul> <p>Issued by The Stock Exchange of Hong Kong Limited</p> <ul style="list-style-type: none"> <li>Exchange Trading Right Certificate (July 2000)</li> <li>Exchange Participant Certificate (13 August 2001)</li> <li>Hong Kong Options Market Maker (2 October 2019)</li> <li>Issuer of Structured Products Listed in Hong Kong (31 October 2019)</li> <li>China Connect Exchange Participant (10 November 2014)</li> <li>SPAC Exchange Participant (17 March 2022)</li> <li>Options Market Product Trading Rights (25 April 2022)</li> </ul> <p>Issued by Hong Kong Securities Clearing Company Limited Direct Clearing Participant, China Connect Clearing Participant (10 November 2014)</p> <p>Issued by Hong Kong Futures Exchange Limited Exchange Participant Certificate and Exchange Trading Right Certificate (6 March 2000)</p> <p>Issued by HKFE Clearing Corporation Limited Participant Certificate of Future Clearing Company (6 March 2000)</p>

## Section II Company Profile and Key Financial Indicators

No.	Name of subsidiary	Qualification Name/Membership
		<p>Issued by China Securities Regulatory Commission</p> <ul style="list-style-type: none"> <li>Qualified Overseas Institutional Investors (21 February 2013)</li> <li>RMB Qualified Overseas Institutional Investors (11 August 2014)</li> <li>Permit for Securities and Futures Operation Business (December 2017)</li> </ul> <p>Issued by Insurance Authority General and long term business (including related long term insurance) membership (23 September 2019)</p> <p>Issued by Monetary Authority of Singapore</p> <ul style="list-style-type: none"> <li>License for Capital Market Services (Fund Management) (7 July 2020)</li> <li>Trading Capital Market Products (securities)(8 October 2018)</li> </ul> <p>Issued by the Hong Kong Mandatory Provident Fund Schemes Authority Principal Intermediary Qualification (20 December 2012)</p> <p>Issued by the Shanghai headquarters of The People's Bank of China "Bond Connect" Overseas Investors Business (2017)</p> <p>Issued by Shanghai International Gold Exchange Class B International Membership (2020)</p> <p>Issued by Shanghai Gold Exchange International Membership (Class B) Qualification (2020)</p> <p>Issued by Vietnam Securities Regulatory Commission</p> <ul style="list-style-type: none"> <li>Securities Brokerage License (28 August 2007)</li> <li>Proprietary Trading License (28 August 2007)</li> <li>Securities Investment Advisory License (28 August 2007)</li> <li>Securities Depository Service License (28 August 2007)</li> <li>License for Sponsoring Securities Issuance (22 November 2021)</li> </ul>
2	Guotai Junan Asset Management	<p>Operation permit of securities business: securities asset management business. (No. 10278001)</p> <p>Qualified Domestic Institutional Investor Participating in Administration of Overseas Securities Investment (Zheng Jian Ji Gou Zi [2010] No. 631)</p> <p>Asset Management Business Participating in the Trading of Stock Index Futures (Hu Zheng Jian Ji Gou Zi [2011] No. 38)</p> <p>Pilot of Cash Management Products (Zheng Jian Xu Ke [2012] No. 828)</p> <p>Qualification for Publicly Offered Securities Investment Fund Management Business (Zheng Jian Xu Ke [2020] No. 3681)</p>

## Section II Company Profile and Key Financial Indicators

No.	Name of subsidiary	Qualification Name/Membership
3	Guotai Junan Futures and its subsidiaries	<p>Permit for Securities and Futures Operation Business (No.91310000100020711J)</p> <p>Comprehensive Settlement Business for Financial Futures (Zheng Jian Qi Huo Zi [2007] No. 148)</p> <p>Qualification for Futures Investment Consulting Business (Zheng Jian Xu Ke [2011] No. 1449)</p> <p>Asset Management Business (Zheng Jian Xu Ke [2012] No. 1506)</p> <p>Financing Contracts Services, Basis Trading, Cooperation, Hedge Pricing Services (Zhong Qi Xie Bei Zi [2015] No. 67)</p> <p>Membership Qualification of Shanghai International Energy Exchange (Shang Neng Pi Fu [2017] No. 105)</p> <p>Participant for Trading of stock SSE options (Shang Zheng Han [2018] No. 63)</p> <p>Market Making Business (Zhong Qi Xie Bei Zi [2018] No. 41)</p> <p>Individual Stock Over-the-counter Derivatives Business (August 2018)</p> <p>Commodity Exchange Business (Da Shang Suo Fa [2018] No. 494)</p> <p>Stock Options Business (Shen Zheng Han [2019] No. 722)</p> <p>Copper Options Market Maker, Gold Futures Market Makers, Corn Options Market Maker, No. 20 Rubber Futures Market Maker, Tin Futures Market Maker, Gold Options Market Maker, PTA Options Market Maker, Methanol Options Market Maker (2019)</p> <p>Linear Low Density Polyethylene Futures Market Maker, Styrene Futures Market Maker, Linear Low Density Polyethylene Options Market Maker, Polyvinyl Chloride Options Market Maker, Polypropylene Options Market Maker, Deformed Steel Bar Futures Market Maker, Natural Rubber Futures Market Maker, Soy Oil Futures Market Maker, Palm Oil Futures Market Maker, Japonica Rice Futures Market Maker, Low Sulphur Fuel Oil Futures Market Maker, International Copper Futures Market Maker, Soybean Meal Futures Market Maker (2020)</p> <p>Hot Rolled Coil Futures Market Maker, Crude Oil Options Market Maker, Ethylene Glycol Futures Market Maker, Iron Ore Futures Market Maker, Polyvinyl Chloride Futures Market Maker, Polypropylene Futures Market Maker (2021)</p> <p>Crude Oil Futures Market Maker, Nickel Futures Market Maker, SSE 50ETF Options Market Maker, CSI 300ETF Options Market Maker, Hog Futures Market Maker (2022)</p>
4	Guotai Junan Innovation Investment	Qualification for Private Equity Fund Manager (No. PT2600011780)

## Section II Company Profile and Key Financial Indicators

### II. CONTACT PERSONS AND CONTACT METHODS

	Secretary to the Board	Securities Affairs Representative
Name	YU Jian	LIANG Jing
Contact address	768 Nanjing West Road, Jingan District, Shanghai	768 Nanjing West Road, Jingan District, Shanghai
Telephone	021-38676798	021-38676798
Facsimile	021-38670798	021-38670798
E-mail	dshbgs@gtjas.com	dshbgs@gtjas.com

### III. CHANGE IN BASIC INFORMATION

Registered address of the Company	No. 618 Shangcheng Road, China (Shanghai) Pilot Free-Trade Zone, Shanghai, PRC
Historical change in registered address of the Company	Not applicable
Office address of the Company	768 Nanjing West Road, Jingan District, Shanghai
Postal code of office address of the Company	200041
Company website	<a href="http://www.gtja.com/">http://www.gtja.com/</a>
E-mail	dshbgs@gtjas.com

### IV. INFORMATION DISCLOSURE AND UPDATE ON LOCATION FOR INSPECTION OF DOCUMENTS

Name of newspapers selected by the Company for information disclosure	China Securities Journal Shanghai Securities News Securities Times Securities Daily	<a href="http://www.cs.com.cn/">http://www.cs.com.cn/</a> ; <a href="http://www.cnstock.com/">http://www.cnstock.com/</a> ; <a href="http://www.stcn.com/">http://www.stcn.com/</a> ; <a href="http://www.zqrb.cn/">http://www.zqrb.cn/</a>
Website for publication of interim report	<a href="http://www.sse.com.cn/">http://www.sse.com.cn/</a> ; <a href="http://www.hkexnews.hk/">http://www.hkexnews.hk/</a>	
Location for inspection of interim report of the Company	768 Nanjing West Road, Jingan District, Shanghai	

### V. SHARES OF THE COMPANY

Type of share	Listing venue	Stock name	Stock code	Stock name before change
A Share	Shanghai Stock Exchange	國泰君安	601211	Not applicable
H Share	Hong Kong Stock Exchange	GTJA	02611	Not applicable

### VI. OTHER INFORMATION OF THE COMPANY

Applicable     Not applicable





## Section II Company Profile and Key Financial Indicators

Note 1: Gearing ratio = (total liabilities – accounts payable to brokerage customers – Proceeds from underwriting securities received on behalf of customers)/(total assets – accounts payable to brokerage customers – Proceeds from underwriting securities received on behalf of customers).

Note 2: The net assets per share attributable to equity holders of the Company listed in the table above included the perpetual bonds issued by the Company. After deducting the effect of such perpetual bonds, the net assets per share attributable to the holders of ordinary shares of the Company at the end of the Reporting Period was RMB15.42.

### (II) Net capital and risk control indicators of the parent company

Unit: thousand yuan Currency: RMB

Item	At the end of the Reporting Period	At the end of last year
Net capital	<b>94,998,704</b>	95,023,120
Net assets	<b>130,401,869</b>	131,318,186
Risk coverage ratio (%)	<b>182.64</b>	190.16
Capital leverage ratio (%)	<b>19.50</b>	20.09
Liquidity coverage ratio (%)	<b>329.11</b>	248.05
Net stable funding ratio (%)	<b>135.45</b>	130.54
Net capital/Net assets (%)	<b>72.85</b>	72.36
Net capital/Liabilities (%)	<b>24.07</b>	24.65
Net assets/Liabilities (%)	<b>33.04</b>	34.06
Equity securities and derivatives held/Net capital (%)	<b>37.92</b>	41.76
Non-equity securities and derivatives held/Net capital (%)	<b>327.64</b>	303.80

### VIII. DIFFERENCES OF ACCOUNTING DATA UNDER DOMESTIC AND OVERSEAS ACCOUNTING STANDARDS

Applicable  Not applicable

## Section III Discussion and Analysis of the Board of Directors

### I. DESCRIPTION OF INDUSTRY CONDITIONS AND PRINCIPAL BUSINESSES OF THE COMPANY DURING THE REPORTING PERIOD

#### (I) Principal business and operating model of the Company

Driven by customer demand, the Group has established a retail, institutional and corporate customer service system, forming the business segments covering wealth management business, investment banking business, institutional and trading business, investment management business and international business. The Group generates fee and commissions income and interest income mainly through the provision of financial products or services to clients and receives investment gains through securities or equity investments.

In terms of specific businesses:

Our wealth management business mainly provides securities and futures brokerage, financial products, investment advisory, stock pledging, margin financing and securities lending, agreed securities repurchase and other services to clients;

Our investment banking business mainly provides listing sponsorship, equity underwriting, debt underwriting, structured debt financing, M&A financial advisory and diversified corporate solutions to corporate and governmental clients;

Our institutional and trading business mainly consists of institutional brokerage, trading and investment and equity investment, among which, institutional brokerage mainly provides prime brokers, seat leasing, custody outsourcing, QFII and other services to institutional clients; our trading and investment business mainly includes investment transactions in stocks, fixed income, foreign exchange, large commodities and their derivative financial instruments, as well as providing integrated financial solutions for clients' investment, financing and risk management;

Our investment management business provides asset management and fund management services to institutions and individuals;

Our international business conducts brokerage, corporate finance, asset management, loans and financing services, as well as financial products, market making and investment businesses mainly through Guotai Junan International in Hong Kong, and has expanded its business presence into the United States, Europe, Southeast Asia and other regions.

In the first half of 2022, the Group recorded total revenue and other income of RMB26.288 billion, representing a decrease of 5.34% compared with the same period of last year; and profit for the period attributable to equity holders of the Company was RMB6.373 billion, representing a decrease of 20.47% compared with the same period of last year.

## Section III Discussion and Analysis of the Board of Directors

### The Group's business composition and income drivers for the first half of 2022

Principal business category	Total revenue and other income (RMB'000)	Increase or decrease compared with the same period of last year (%)	Contribution to total revenue and other income (%)
Wealth management	10,290,056	5.79	39.14
Investment banking	2,029,821	41.09	7.72
Institutional and trading	11,616,514	-6.68	44.19
Investment management	596,213	-44.56	2.27
International business	1,003,281	-59.53	3.82
Other	752,191	24.60	2.86
<b>Total</b>	<b>26,288,076</b>	<b>-5.34</b>	<b>100.00</b>

### Significant changes in the Company's major assets during the Reporting Period

As at 30 June 2022, total assets of the Group amounted to RMB831.397 billion, representing an increase of 5.07% compared with the end of last year. Among our total assets, financial assets at fair value through profit or loss amounted to RMB303.201 billion, representing an increase of 6.62% compared with the end of last year, mainly due to the adjustment by the Group of the trading and investment structure; cash held on behalf of brokerage customers amounted to RMB166.295 billion, representing an increase of 10.00% compared with the end of last year, mainly due to the influence of the securities market; refundable deposits amounted to RMB50.911 billion, representing an increase of 24.80% compared with the end of last year, mainly due to the influence of the securities market; margin accounts receivable amounted to RMB96.374 billion, representing a decrease of 11.82% compared with the end of last year, mainly due to the decrease in margin financing and securities lending in the market;

Including: offshore assets amounted to RMB113.003 billion, and accounted for 13.59% of our total assets.

## Section III Discussion and Analysis of the Board of Directors

### (II) Description of the status of the industry

Over the past three decades, with the development of the PRC securities market, the PRC securities industry has continued to standardize and expand. The securities companies have gradually accelerated their pace of innovation, expanded their business scope, improved their profitability and enhanced their risk resistance capacity. Meanwhile, the profitability of the PRC securities industry is driven by brokerage, proprietary trading, underwriting, credit trading and asset management businesses. This leads to the revenue and profits of the industry being more dependent on the trends of the securities market. Along with the evolution of securities market cycle, the profit level of the PRC securities industry also demonstrates a strong cyclical nature.

In the first half of 2022, affected by internal and external factors such as global political and economic environment and COVID-19 epidemic, the securities market fluctuated greatly and the industry showed its cyclicity. According to the parent company statistical caliber of the SAC, in the first half of 2022, the PRC securities industry recorded an operating revenue of RMB205.919 billion and a net profit of RMB81.195 billion, representing a decrease of 11.6% and 10.2%, respectively, compared with the corresponding period of last year; as of 30 June 2022, the total assets, net assets and net capital of the PRC securities industry amounted to RMB11.20 trillion, RMB2.68 trillion and RMB2.06 trillion, respectively, representing an increase of 6.1%, 4.9% and 4.1%, respectively, compared with the end of last year.

Meanwhile, in order to better perform the important responsibility of stabilizing economic high-quality development, the capital market has accelerated the pace of comprehensively deepening reform and opening up. In the first half of the year, with the continuous deepening of the comprehensive registration system reform, the introduction of the market maker system on the Science and Technology Innovation Board and the promulgation of the Futures and Derivatives Law (《期貨和衍生品法》), the construction of the basic system of the market has been continuously improved; various policies and measures such as accelerating the high-quality development of the mutual funds industry and personal pension investment in mutual funds have been successively introduced and the pilot scope of public REITs has been gradually expanded, which have opened up development space for high-quality institutions and stimulated innovation vitality; the interconnection mechanism of domestic and foreign markets has been continuously improved, and the variety of futures internationalization has been steadily expanded, which have also brought new development opportunities to the securities industry.

## Section III Discussion and Analysis of the Board of Directors

In the long run, with the accelerated establishment of a new development pattern of domestic circulation and domestic and international dual circulation, the status of the capital market hub has been increasing, and the PRC securities industry is still in the historic period which offers opportunities for rapid development. The development of the capital market and the reform and opening-up of the financial system shall provide the industry with broad development room. Driven by the reform of the comprehensive registration system, the construction of multi-level capital market has become clearer, the shortcomings of basic system of the capital market have been continuously remedied, and the capacity building on the investment side has accelerated. Business opportunities for retail, institutional and corporate customers will emerge in an all-round way, and the securities industry will show a development trend of service integration, differentiated developments, international competition and operation digitalization.

### (III) Position of the Company in the industry

Since its inception, the comprehensive strength of the Group has been standing at the top of the industry. Since 2011, the Group has ranked among the top three companies in the industry in terms of operating revenue and has been among the top four companies in the industry in terms of total assets and net profit. According to the parent company statistical caliber of the SAC, the Company ranked third, third, second, second and second in the industry, respectively, in terms of total assets, net assets, net capital, operating revenue and net profit in the first half of 2022.

## II. ANALYSIS OF CORE COMPETITIVENESS DURING THE REPORTING PERIOD

Applicable    Not applicable

The Group is a long-term, consistent and across-the-board leader in the PRC securities industry, providing integrated financial services. The Group has experienced the entire history and multiple cycles of the development of the PRC capital market and has stood at the forefront of the capital market through trials and hardships. It has maintained its leading position in the industry in terms of capital scale, profitability, business strength and risk management capabilities. During the long development process, the Group has gradually developed three core competitive advantages of **integrated service platform, leading digital technology and sound compliance culture**, which have played an irreplaceable pillar role in the long-term sustainable and stable development of the Group.

## Section III Discussion and Analysis of the Board of Directors

### (I) Integrated service platform

With its complete licenses, comprehensive business, nationwide layout and overseas presence, the Group ranks at the forefront of the industry and has strong integrated service capabilities. Since its establishment by way of merger, the Group has always adhered to the concept of integrated services and provided customers with integrated services, so that its competitiveness has continued to rise, operating performance has maintained growth and leading position has been consolidated. In 1999, in the face of the task of comprehensive merger and deep integration, the Group proposed the development direction of “adhering to customer-centric” integrated services. After its A-share listing in 2015, the Group actively capitalized on the advantages of resource endowments and explored and promoted synergy. Since 2020, in response to new changes in customer demand and market landscape, the Group actively seized the opportunity of the comprehensive reform of state-owned assets and state-owned enterprises, further promoted integrated services, and set up three collaborative development committees for retail, institutional and corporate customers, and a cross-border business collaborative development committee, optimized and improved the supporting guarantee mechanism for collaborative business development, resulting in closer coordination and cooperation between the head office and subsidiaries and the various business lines, thereby gradually improving the advantages of the Group’s comprehensive financial service platform. In 2022, the Company further clarified the goals, methods and tasks of building an “integrated service platform”, crossed the lines, added values, opened up domestic and overseas markets, upgraded and built a Synergy 2.0 model, and achieved breakthroughs in key synergy businesses, while establishing the Guangdong-Hong Kong-Macao Greater Bay Area Collaborative Development Committee to strengthen regional synergy, as well as actively explored collaborative agile organization, resulting in gradually improvement of the “customer-centric” integrated service system.

## Section III Discussion and Analysis of the Board of Directors

### (II) Leading digital technology

The Group places great emphasis on strategic investment in technology and continuously promotes proprietary financial technology innovation. The Group is a pioneer in the application of financial technology in the securities industry, and its investment in information technology has always been at the forefront of the industry. In 2003, in response to the industry's large-scale and intensive development trend, the Group took the lead in building a centralized trading system for large-scale application. In 2014, the Group built the industry's first high-level, large-capacity and park-type green data center, which effectively guaranteed the stable operation of the system under extreme market conditions in 2015. Since 2020, in the face of the new development trend of accelerated integration and deep mutual embedding between the securities industry and digital technology, the construction of projects such as the group management cockpit, cross-sector financial technology laboratory and a new generation of decentralized core trading system on information innovation have been successively launched, leading the development of digital technology in the industry, and the continuous investment in digital technology plays an increasingly important role in enhancing customer experience, promoting business development and improving management capabilities. Since its establishment by way of merger, the Group has won 17 science and technology awards in China's securities and futures industry, ranking the first in the industry. During the Reporting Period, in the face of the extreme test of the COVID-19 epidemic, the Group's information platform and digital tools played a vital role, ensuring the smooth and normal operation of its business. On this basis, the Group steadily promoted the transition to the new generation of decentralized core trading system on information innovation, built a smart investment advisory business system with Junhong Zhitou (君弘智投) as the core, launched the Daohe Xiaoshoutong (道合销售通) system and continued to optimize the digital wealth management platform with Jun Hong APP as the core and the integrated service platform for institutional clients with the Matrix-Daohe APP as the core. At the end of the Reporting Period, Jun Hong APP ranked the second in the industry in terms of average monthly active users, with mobile terminal users of 38.41 million and the accumulated number of users of the Daohe platform was nearly 58,000, with a coverage of 7,428 institutional and corporate customers.



## Section III Discussion and Analysis of the Board of Directors

### (III) Sound compliance culture

The Group firmly believes that risk management is the primary core competitiveness of securities companies. Since its establishment, the Group has adhered to the business values of soundness and compliance, adhered to the corporate culture of soundness and compliance, and established a comprehensive and effective risk management and internal control system. In addition, the Group has accurately identified and effectively managed risks through a sound risk management system, scientific risk management models and methods and advanced risk management methods, which has promoted the long-term sustainable and comprehensive development of the Group. At the beginning of its establishment by way of merger in 1999, the Company proposed to focus on the main business and “earn profits under the sun”. During the comprehensive management period of the industry from 2004 to 2007, the Company pioneered the third-party custody model and successfully passed through the industry cycle. In 2015, in the face of abnormal fluctuations in the stock market, the Company took the lead in making counter-cyclical adjustment in respect of its margin financing and securities lending business, which maximized the safety of customer assets. In recent years, in the face of the new environment of the implementation of the new securities law and the increasingly strict compliance and risk control, the Company has established a group audit center to consolidate the foundation of a group-based unified risk management system, strived to build three lines of defense, namely “business units, compliance risk control and audit”, promoted the formation of a complete set of scientific, complete, efficient, intensive and professional group-based comprehensive compliance risk control management system and comprehensively built a lifeline for high-quality development. During the Reporting Period, the Group continued to optimize the classification and grading review mechanism, strengthened comprehensive risk prediction, early warning and response capabilities, and continued to improve the level of group-based compliance risk management. So far, the Company has attained the Grade AA rating in Class A from the CSRC for 15 consecutive years and the securities industry cultural construction practice evaluation results for 2021 of Grade AA in Class A.

## Section III Discussion and Analysis of the Board of Directors

### III. DISCUSSION AND ANALYSIS OF OPERATION CONDITION

#### (I) Overall operation condition

Year 2022 is the final year of the “first three-year” along the strategic pathway of “Nine-Year Strategic Plan in 3 Three-Year Steps” of the Group. In the first half of the year, in the face of market fluctuations and the impact of the COVID-19 epidemic, leveraging on “integrated service, digital operation, international development and group management and control”, the Group resolutely implemented the general principle of “making progress while maintaining stability and persevering in hard work”, accelerated reform, innovation and transformation, achieving stable and orderly operation and management as well as steady improvement of the core capabilities of principal businesses. In respect of wealth management business, the Company completed the overall plan for the construction of the “three forces” mechanism of “driving force from headquarters, penetration force from policies and supporting force from branches”, and the transformation path was further clarified; in respect of institutional and trading business, the Company resolutely transformed to meet customer needs with continuous enhancement of its integrated service capabilities; in respect of investment banking business, the reform of its divisional system has gradually achieved results with steady improvement of the ability to expand its presence in key industries and key regions; in respect of investment management business, the acquisition of 15% equity interest in HuaAn Funds was completed with gradual optimization of the business layout; in respect of international business, the capability of cross-border collaboration continued to improve.

During the Reporting Period, the Group focused on the construction of integrated service capabilities for retail, institutional and corporate customers, upgraded and built the Synergy 2.0 model and consolidated the foundation of the integrated service platform; strived to strengthen group-based, professional and refined management and steadily improve the level of corporate governance; established the Guangdong-Hong Kong-Macao Greater Bay Area Collaborative Development Committee, prepared to establish Xiong’an and Qianhai branches and deepened organizational innovation in key regions; increased its efforts in business empowerment, optimized the assessment and incentive mechanism, steadily promoted the standardization of branches and actively promoted the high-quality development of branches; accelerated digital transformation and maintained industry-leading digital technology capabilities; speeded up the construction of cadre talent team and the reform of human resources mechanism and further promoted the strategy of “strengthening the Company with talents”; built three lines of defense, strengthened the Group’s comprehensive risk prediction, early warning and response capabilities and continued to improve the Group’s compliance risk management. The Company has maintained international credit ratings at BBB+ by Standard & Poor and Baa1 by Moody with the outlook of the Company being “stable”.

## Section III Discussion and Analysis of the Board of Directors

### (II) Analysis of principal businesses

#### 1. Wealth management business

##### **(1) Retail brokerage and wealth management**

According to the statistics of SSE and SZSE, in the first half of 2022, the trading volume of stock and fund market in SSE and SZSE was RMB124.56 trillion, representing an increase of 7.6% compared with the corresponding period of last year and the offering size of new mutual funds was RMB684.947 billion, representing a decrease of 57.8% compared with the corresponding period of last year.

In the first half of 2022, in respect of wealth management business, the Group focused on customer needs for integrated service, strengthened the expansion and consolidation of retail customer base, strived to build a headquarter empowerment center and fully enhanced the competitiveness of retail brokerage, product sales and investment advisory businesses. During the Reporting Period, the Group steadily promoted the transition to the new generation of low-latency core trading system, enriched the functions of the STS intelligent trading system and continued to consolidate and enhance the advantages of trading capabilities; further promoted the construction of the “Selection 100 (甄選 100)” financial product system, enriched the portfolio of fund investment advisory strategies, introduced tailor-made services and strengthened asset allocation capabilities; improved the “Junhong Star Service (君弘星服務)” system, built the Bai Shi Tong (百事通) investment advisory platform, further promoted the Jincai Talent Development Plan (金才培養計劃) and continued to strengthen construction of the professional investment advisory capabilities of branches; launched Junhong Zhitou services, optimized one-stop digital and intelligent wealth management platform and enhanced digital operation and service capabilities; steadily promoted the standardization of branches and the pilot construction of digital wealth centers, actively empowered high-quality development of branches, maintained an industry-leading retail brokerage business and steadily advanced the transformation of wealth management. At the end of the Reporting Period, there were 38.41 million users of Jun Hong APP, an increase of 1.3% from the end of last year, and average monthly active users amounted to 6.93 million<sup>1</sup>, an increase of 24.5% from the corresponding period of last year. The number of personal fund accounts was approximately 15.07 million, an increase of 3.2% compared with the end of last year, including 351,800 affluent customers and high-net-worth customers, a decrease of 5.7% from the end of last year. A total of 3,453 persons were qualified as investment consultants, an increase of 1.2% from the end of last year, ranking the fourth in the industry. The number of customers served by the investment consultants was over 170,000, and the asset size of customers served at the end of the period was approximately RMB10.4 billion, an increase of 25.9% from the end of last year, among which the investment advisory scale of mutual funds was RMB3.418 billion, an increase

<sup>1</sup> Data of monthly active users adopted in Jun Hong APP is sourced from Qianfan.tech (易觀千帆).

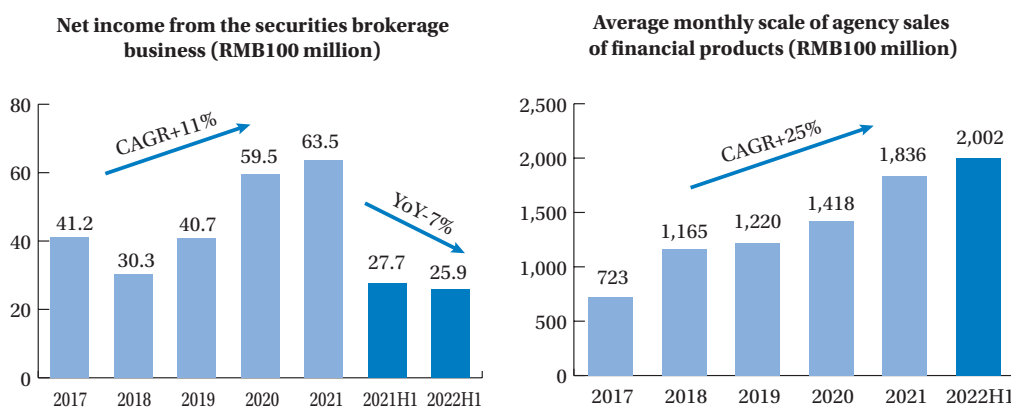
## Section III Discussion and Analysis of the Board of Directors

of 38.6% from the end of last year. During the Reporting Period, the sales of financial products was RMB355.2 billion<sup>2</sup>, an increase of 11.4% from the corresponding period of last year, and the monthly average size of financial products was RMB200.2 billion, an increase of 11.8% from the corresponding period of last year. According to the statistics of the SAC calculated on the basis of parent company, the Company had a market share of 5.50% in terms of net revenue from the securities brokerage business, and continued to rank the top in the industry.

### Change in the scale of the Group's securities brokerage business in the first half of 2022 (Unit: RMB100 million)

	Item	Reporting Period	Corresponding period of last year
Stocks	Trading amount	<b>99,839</b>	93,461
	Market share	<b>4.36%</b>	4.34%
Securities investment funds	Trading amount	<b>4,452</b>	4,362
	Market share	<b>2.19%</b>	2.69%
Bonds	Trading amount	<b>248,713</b>	207,815
	Market share	<b>6.78%</b>	6.19%

Source: SSE, SZSE. Bonds include spot and repurchase.



Source: the Company's business data. The net income from the securities brokerage business calculated on the parent-company statistical caliber.

<sup>2</sup> Statistical calibers of the sales and size of financial products include mutual funds, private funds, trust products, bank wealth management products, asset management products, futures asset management products. The data caliber compared with the corresponding period of last year was adjusted accordingly. Below is the same.

## Section III Discussion and Analysis of the Board of Directors

### **(2) Futures brokerage**

According to the statistics of China Futures Association, on unilateral basis, in the first half of 2022, the cumulative trading volume of futures market was RMB257.48 trillion, representing a decrease of 10.1% compared with the corresponding period of last year, among which the cumulative trading volume of commodity futures was RMB197.81 trillion, representing a decrease of 12.6% compared with the corresponding period of last year and the cumulative trading volume of financial futures was RMB59.67 trillion, representing a decrease of 0.5% compared with the corresponding period of last year.

In the first half of 2022, Guotai Junan Futures improved its customer service system, strengthened its institutional customer coverage, continued to develop innovative business and accelerated its international layout, resulting in steady growth in its transaction share and operating performance. In respect of its risk management business, Guotai Junan Futures seized market opportunities for rapid development and was licensed to carry out market making business for 50ETF, 300ETF options and crude oil futures. During the Reporting Period, the futures transaction amount of Guotai Junan Futures increased by 3.9% compared with the corresponding period of last year, with a market share of 5.52%, an increase of 0.45 percentage points from the corresponding period of last year, among which, the market share of transaction amount of financial futures was 9.45%, a decrease of 0.29 percentage points from the end of last year, ranking the third in the industry, and the market share of transaction amount of commodity futures was 4.34%, an increase of 0.45 percentage points from the end of last year. As at the end of the Reporting Period, the scale of customer equity was RMB93.2 billion, an increase of 18.6% from the end of last year, ranking the second in the industry.

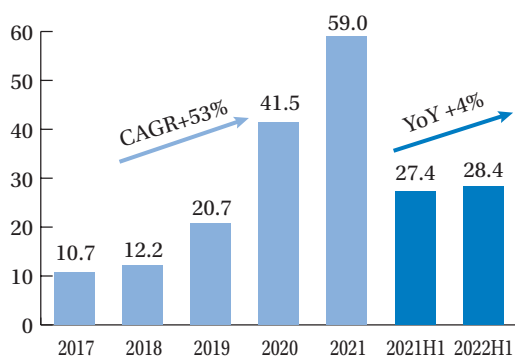
## Section III Discussion and Analysis of the Board of Directors

### Major business indicators of Guotai Junan Futures in the first half of 2022

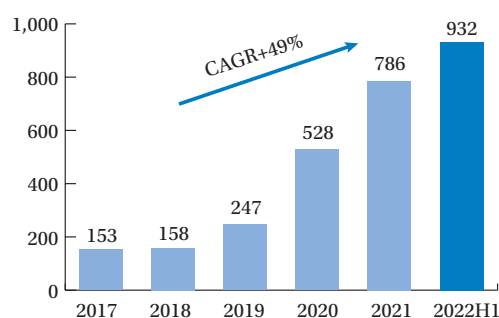
Item	Reporting Period	Corresponding period of last year
	At the end of the Reporting Period	At the end of last year
Transaction amount (RMB trillion)	<b>28.4</b>	27.4
Number of board lots (100 million)	<b>2.75</b>	2.72
Cumulative effective accounts opened (unit)	<b>169,173</b>	156,958
Customer equity at the end of the period (RMB100 million)	<b>932</b>	786

Source: the Company's business data.

**Transaction amount of Guotai Junan Futures (RMB trillion)**



**Customer equity of Guotai Junan Futures as at the end of the period (RMB100 million)**



Source: the Company's business data.

## Section III Discussion and Analysis of the Board of Directors

### ***(3) Margin financing and securities lending business***

According to the statistics of Wind, as at the end of June 2022, the balance of margin financing and securities lending in the market amounted to RMB1,603.331 billion, a decrease of 12.5% from the end of last year, in which, the balance of margin financing amounted to RMB1,509.769 billion, a decrease of 11.8% from the end of last year and the balance of securities lending amounted to RMB93.562 billion, a decrease of 22.1% from the end of last year.

In the first half of 2022, on the basis of adhering to counter-cyclical adjustment, the Group optimized the pricing mechanism, implemented precise marketing, enhanced the ability to raise securities, strengthened integrated services for high-net-worth customers and institutional customers, promoted the construction of Quanyuantong 3.0 (券源通 3.0) system and deepened digital transformation in respect of its margin financing and securities lending business with steady increase in market share. At the end of the Reporting Period, the balance of the Group's margin financing and securities lending amounted to RMB93.259 billion, a decrease of 10.4% from the end of last year, with a market share of 5.82%, an increase of 0.14 percentage points from last year, and maintained margin ratio at 293.7%. Among which, the balance of margin financing amounted to RMB87.136 billion, a decrease of 9.9% from the end of last year, with a market share of 5.77%, an increase of 0.12 percentage points, ranking the third in the industry, and the balance of securities lending amounted to RMB6.124 billion, a decrease of 16.6% from the end of last year, with a market share of 6.55%, an increase of 0.44 percentage points. The balance of the margin financing and securities lending from institutional customers amounted to RMB27.049 billion, accounting for 29.0% of the balance of the margin financing and securities lending of the Group.

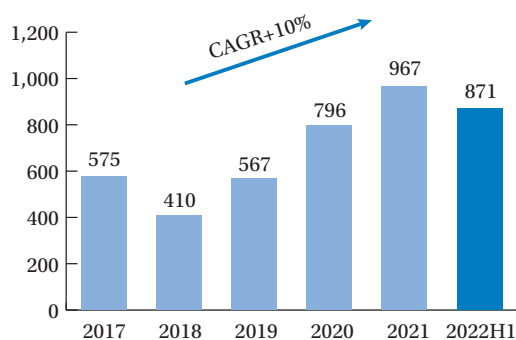
## Section III Discussion and Analysis of the Board of Directors

Scale of the Group's margin financing and securities lending business as at the end of June 2022 (Unit: RMB100 million)

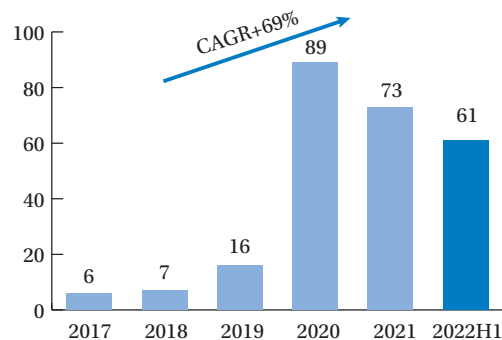
Item	At the end of the Reporting Period	At the end of last year
Balance of margin loans	<b>871.36</b>	966.94
Market value of securities lending	<b>61.24</b>	73.46
Balance of margin refinancing	<b>0.00</b>	30.00
Balance of securities refinancing	<b>56.80</b>	71.93

Source: the Company's business data.

Balance of margin loans (RMB100 million)



Balance of market value of securities lending (RMB100 million)



Source: the Company's business data.



## Section III Discussion and Analysis of the Board of Directors

### (4) Stock pledging business

According to the statistics of the SAC, at the end of June 2022, the margin loans for stock pledged financing in the securities industry was RMB213.698 billion, a decrease of 5.9% from the end of last year.

In the first half of 2022, in respect of stock pledging business, the Group adhered to the prudent and steady development strategy of “diversification and low leverage”, optimized its business and asset structure, enhanced its business due diligence and post-loan professional capabilities, promoted the development of the equity incentive exercise financing business and created a healthy business format featuring high-quality customers and matched returns and risks. At the end of the Reporting Period, the outstanding balance of the stock pledging business was RMB29.792 billion, a decrease of 2.1% from the end of last year, among which the balance of margin loans was RMB26.606 billion, a decrease of 1.0% from the end of last year; the average collateral coverage ratio was 304.4% and the scale of stock pledged financing, an asset management product managed by the Group, was RMB3.186 billion, a decrease of 9.7% from the end of last year. The outstanding balance of sell-buy back transactions was RMB1.829 billion, an increase of 14.4% from the end of last year.

#### Scale of the Group’s stock pledging and sell-buy back transactions business as at the end of June 2022 (Unit: RMB100 million)

Item	At the end of the Reporting Period	At the end of last year
Outstanding balance of the stock pledging business	<b>297.92</b>	304.16
Including: Margin loans for stock pledged financing	<b>266.06</b>	268.86
Outstanding balance of sell-buy back transactions	<b>18.29</b>	15.99

Source: the Company’s business data.

## Section III Discussion and Analysis of the Board of Directors

### 2. Investment banking business

According to Wind and other statistics, in the first half of 2022, the total financing amount underwritten by securities companies was RMB6,112.785 billion, representing an increase of 9.9% compared with the same period of last year. In particular, the total equity financing amount was RMB603.570 billion, representing a decrease of 6.6% compared with the same period of last year. The total debt financing underwritten by securities companies was RMB5,509.215 billion, representing an increase of 12.1% compared with the same period of last year. The amount of M&A transactions as approved by the CSRC and stock exchanges was RMB89.942 billion, representing an increase of 87.5% compared with the same period of last year.

In the first half of 2022, in respect of investment banking business, the Group focused on key industries, regions and products, strengthened integrated management, deepened the reform of the divisional system, enhanced strategic synergy, improved integrated services and created an “investment bank +” ecosystem with IPO and other major businesses maintaining at the forefront of the industry and steady improvement of the competitiveness in key industries and key regions such as the Yangtze River Delta and the Pearl River Delta. During the Reporting Period, the Group’s lead underwriting amount of securities was RMB452.506 billion, representing an increase of 16.1% compared with the same period of last year, ranking the fifth in the industry. In particular, the lead underwriting amount of equity interest was RMB29.462 billion, representing a decrease of 29.6% compared with the same period of last year, ranking the fifth in the industry. In terms of IPO business, the Company had lead underwriting amount of RMB16.976 billion, representing an increase of 111.6% compared with the same period of last year, with a market share of 6.63%, an increase of 2.91 percentage points, ranking the fifth in the industry. The lead underwriting amount of bonds was RMB423.044 billion, representing an increase of 21.6% compared with the same period of last year, ranking the fifth in the industry, in which, the lead underwriting amount of corporate bonds was RMB109.889 billion, representing an increase of 5.6% compared with the same period of last year, ranking the third in the industry, and the lead underwriting amount of enterprise bonds was RMB13.451 billion, representing an increase of 25.8% compared with the same period of last year, ranking the third in the industry. The M&A and restructuring projects as approved by the CSRC and stock exchanges involved a transaction amount of RMB21.932 billion, representing an increase of 40.3% as compared with the same period of last year, ranking the second in the industry.

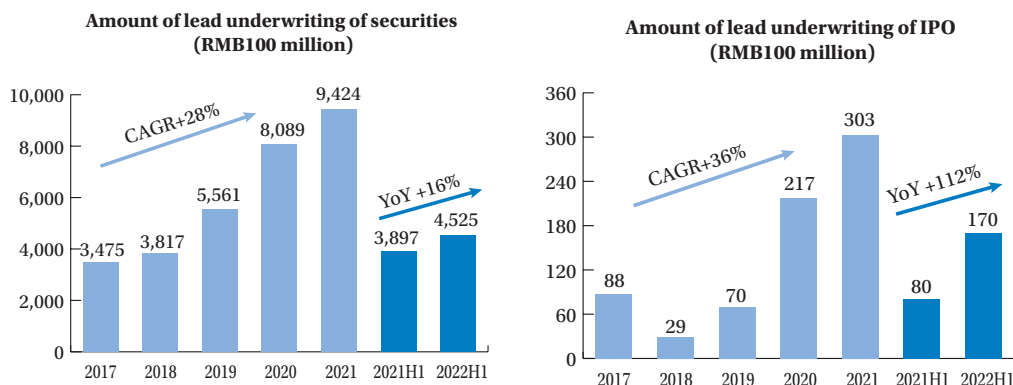
## Section III Discussion and Analysis of the Board of Directors

### Scale of the Group's investment banking business in the first half of 2022

	Item	Reporting Period	Corresponding period of last year
IPO	Number of lead underwritings	14	12
	Amount of lead underwritings (RMB100 million)	169.76	80.21
Refinancing	Number of lead underwritings	14	17
	Amount of lead underwritings (RMB100 million)	124.86	338.26
Enterprise bonds	Number of lead underwritings	19	17
	Amount of lead underwritings (RMB100 million)	134.51	106.93
Corporate bonds	Number of lead underwritings	273	205
	Amount of lead underwritings (RMB100 million)	1,098.89	1,040.59
Financial bonds	Number of lead underwritings	65	50
	Amount of lead underwritings (RMB100 million)	1,042.75	974.59
Other bonds	Number of lead underwritings	768	415
	Amount of lead underwritings (RMB100 million)	1,954.29	1,356.05

Source: Wind, the Company's business data.

Note: Statistical calibers of the financing products include IPO, new issuance, allotment of shares, preferred shares, convertible bonds, exchangeable bonds, corporate bonds, enterprise bonds, bonds issued by government-backed agencies, local government bonds, short-term financing bills, medium-term notes, private placement notes, financial bonds and ABS.



Source: Wind, the Company's business data.

## Section III Discussion and Analysis of the Board of Directors

### 3. Institution and transaction business

#### **(1) Research Business**

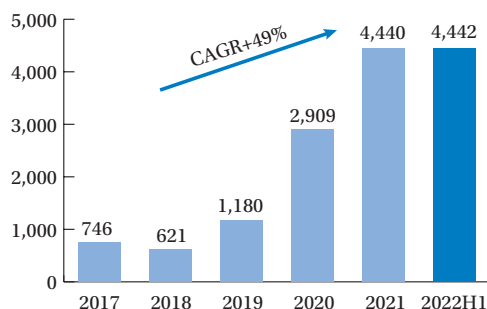
In the first half of 2022, in respect of research business, the Group promoted the construction of a professional sales team, continuously improved the research system and continued to enhance the research service capabilities for business development with positive progress being made in the integration of cross-border research. During the Reporting Period, a total of 4,937 research reports were completed; 1,553 teleconferences were held; and 16,065 institutional customers participated in our online and offline roadshows.

#### **(2) Institution brokerage business**

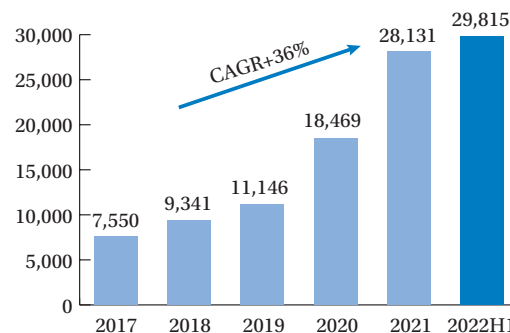
In the first half of 2022, in respect of institutional business, the Group focused on the comprehensive needs of key customers such as public and private equity, wealth management subsidiaries of banks and overseas institutions, improved the comprehensive service system for institutional customers, optimized customer management, organizational structure and performance appraisal mechanism, accelerated the implementation of “1 +N” comprehensive sales service model, strengthened the construction of Daohe-Xiaoshoutong platform and professional trading system, gave full play to the synergy of sales alliance, product alliance and digital alliance and continuously enhanced the comprehensive service coverage ability for key institutional customers with rapid growth of quantitative transactions, QFII, brokerage settlement and other businesses, significant increase in the share of stock-based transactions of institutional customers and custody outsourcing continuing to maintain a leading edge in the industry. During the Reporting Period, the transaction volume of PB (prime brokers) trading system amounted to RMB2.71 trillion, representing an increase of 22.2% as compared with the same period of last year. The customer asset size at the end of the Reporting Period was RMB444.233 billion, representing an increase of 0.1% as compared with the end of last year. At the end of the Reporting Period, there were 17,229 products of various type under the custodian business, representing an increase of 10.5% as compared with the end of last year; while there were 16,503 products of various type under the outsourcing business, representing an increase of 12.2% as compared with the end of last year, and the scale of asset custody and fund administration businesses reached RMB2,981.5 billion, representing an increase of 6.0% as compared with the end of last year. Among such business section, the number of private funds under custody continued to rank the second in the securities industry and the assets under our custody from mutual funds amounted to RMB189.7 billion, still ranking the first in the securities industry.

## Section III Discussion and Analysis of the Board of Directors

Customer asset scale under the PB trading system  
(RMB100 million)



Assets under custody and outsourcing services  
(RMB100 million)



Source: the Company's business data.

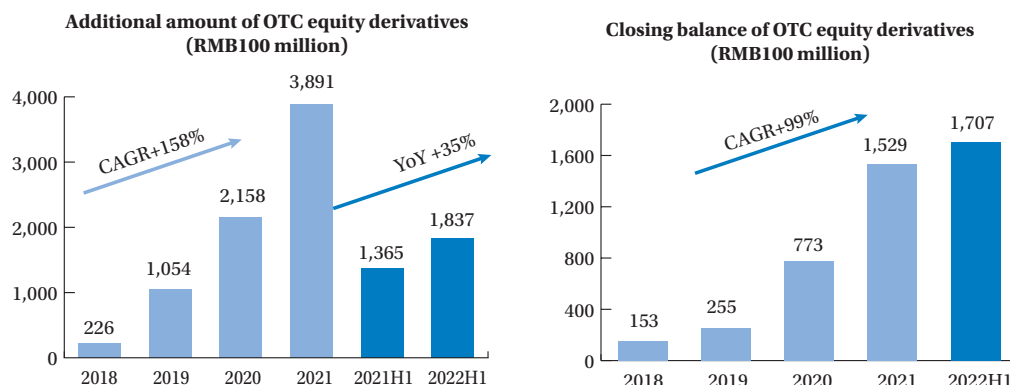
### (3) Trading and investment business

According to statistics of Wind, in the first half of 2022, CSI 300 Index declined by 9.22% and ChinaBond Total Net Price (Total Value) Index declined by 0.08%, the exchange rate of USD against RMB increased by 5.04%, and Nanhua Commodity Index rose by 15.85%.

In respect of trading and investment business, the Group continued to focus on becoming an “outstanding financial asset trader”, adhered to developing the low risk and non-directional businesses, steadily enhanced the transaction pricing ability and the customer service ability and actively transformed itself to customer demand-oriented business, with business scale growing steadily.

In respect of the equity business, the Group adhered to the parallel strategy of relative return and absolute return of equity investment by dynamically adjusting the size and structure of positions to make overall positions relatively stable. In respect of the market-making business of exchange-traded options, the Group continued to maintain a leading position in the industry with significant increase in the ETF market-making varieties and scale. In respect of the OTC equity derivatives business, the Group actively carried out the client demand-driven transaction and product business, and focused on enhancing the cross-border integrated service capabilities for customer needs with steady increase in business scale and the scale of OTC derivatives transactions in the field of private placement maintaining an industry-leading position. In the first half of 2022, the cumulative amount of additional nominal principal of OTC equity derivatives amounted to RMB183.720 billion, representing an increase of 34.6% compared with the same period of last year, among which, the cumulative amount of additional OTC options was RMB84.616 billion and the cumulative amount of additional return swaps was RMB99.104 billion. The closing balance of existing nominal principal amounted to RMB170.701 billion, representing an increase of 11.7% compared with the end of last year; among which, the closing balance of existing OTC options amounted to RMB84.799 billion and the closing balance of existing return swaps amounted to RMB85.902 billion. Among the OTC equity derivatives, the cumulative amount of additional nominal principal of cross-border business was RMB89.592 billion, and the balance of nominal principal at the end of the Reporting Period was RMB46.660 billion.

## Section III Discussion and Analysis of the Board of Directors



Source: the Company's business data.

In respect of the fixed income business, the Group continuously enriched the profit model of proprietary investment, improved the operation capacity of mixed assets investment and achieved stable profits. In the first half of 2022, Bond Connect business ranked the second among securities companies in the overall market, and was awarded the “Excellent Bond Connect Market Maker” for 2022; in respect of the customer demand-oriented business, the Group strengthened the development of customer service capabilities, and innovated and enriched the types of customer demand-oriented products with steady growth of the scale of customer demand-oriented business in the PRC and overseas. The nominal principal of FICC OTC derivatives increased by RMB208.194 billion in total, representing an increase of 61.3% as compared with the same period of last year; at the end of the period, the scale of income certificates was RMB11.237 billion, representing an increase of 26.9% from the end of last year; the Group published China Stock & Bond Environment Auto-Rebalancing Index (中國股債平衡指數) and All-Weather Index (全天候指數) and issued income certificates linked to relevant indexes; the cumulative transaction nominal principal of interest rate swaps was RMB0.8 trillion, ranking the first in the industry. The scale of credit derivatives business increased by RMB6.932 billion, representing an increase of 235.7% as compared with the same period of last year. The Group created the first credit risk mitigation tool linked to Chinese-issued US dollar-denominated bonds and dim sum bonds in the market and the first credit-linked note linked to green bonds in the market. “Guotai Junan Risk Hedging (國泰君安避險)” entered into principal amortized interest rate swap (IRS) transactions.

In respect of the foreign exchange business, the Group steadily carried out the RMB foreign exchange proprietary and foreign currency hedging trading business and continuously enriched its trading strategies to increase the trading level of derivatives such as swaps and options. Through RMB foreign exchange derivatives transactions, the Group hedged exchange rate risks for customers' stock positions under the “Southbound Stock Connect” and the scale of foreign exchange OTC option transactions grew rapidly.

In respect of the commodities business, the Group continued the promotion of exchange – traded proprietary trading of precious metals and commodities and cross – border OTC derivatives trading business.

In respect of carbon finance business, the Group mainly focused on carbon allowance and China Certified Emission Reduction (CCER) transactions in the domestic local pilot markets. The overall operation was stable.

## Section III Discussion and Analysis of the Board of Directors

### (4) Equity investment business

In the first half of 2022, Guotai Junan Zhengyu continued to fine tune its investment and research system, steadily promoted its strategic investment business and continued to improve its active investment capabilities. During the Reporting Period, there were 10 new investment projects with additional investment in amount of RMB706 million and there was one project which was divested. As of the end of the Reporting Period, there were 51 investment projects with an investment amount of RMB3.282 billion, of which, during the Reporting Period, there were 5 new co-investment projects on the Science and Technology Innovation Board, with an investment amount of RMB408 million; there were 20 co-investment projects with the co-investment amount of RMB1.087 billion at the end of the Reporting Period.

#### Overview of equity investment business of Guotai Junan Zhengyu as at the end of June 2022

	<b>At the end of the Reporting Period</b>	<b>At the end of last year</b>
Number of investment projects at the end of the period (unit)	<b>51</b>	42
Including: co-investment projects on the Science and Technology Innovation Board and ChiNext (unit)	<b>20</b>	16
Amount of investment projects at the end of the period (RMB100 million)	<b>32.82</b>	26.16
Including: amount of co-investment on the Science and Technology Innovation Board and ChiNext (RMB100 million)	<b>10.87</b>	7.20

Source: the Company's business data.

## Section III Discussion and Analysis of the Board of Directors

### 4. Investment management

#### (1) Asset management

According to the statistics of the SAC, as of the end of June 2022, assets under management of securities companies were RMB10.49 trillion in aggregate, representing a decrease of 3.0% compared with the end of last year.

In the first half of 2022, Guotai Junan Asset Management optimized its organizational structure, created a multi-asset business framework, restructured the buy-side investment and research system, steadily improved its investment and research capabilities and achieved excellent performance in fixed income and quantitative products; strived to promote the development of private FOF, ABS and public REITs, strengthened business innovation and continue to maintain the industry-leading position in terms of scale of ABS; steadily promoted the public equity business, and during the Reporting Period, 7 public equity products were approved and 2 products were newly issued with 17 existing products at the end of the Reporting Period, covering bonds, index enhancement, hybrid, FOF and other categories. As at the end of the Reporting Period, assets under management of Guotai Junan Asset Management amounted to RMB405.040 billion, representing an increase of 5.4% compared with the end of last year, among which, the scale of collective assets under management amounted to RMB113.875 billion, representing an increase of 6.6% compared with the end of last year; the scale of specialized assets under management amounted to RMB111.749 billion, representing an increase of 1.5% compared with the end of last year; the scale of mutual funds under management was RMB43.937 billion, representing an increase of 82.2% compared with the end of last year.

#### **Assets under management of Guotai Junan Asset Management as at the end of June 2022 (Unit: RMB100 million)**

<b>Business categories</b>	<b>At the end of the Reporting Period</b>	<b>At the end of last year</b>
Scale of targeted asset management business	<b>1,354.79</b>	1,431.77
Scale of collective asset management business	<b>1,138.75</b>	1,068.10
Scale of specialized asset management business	<b>1,117.49</b>	1,101.20
Scale of mutual funds management business	<b>439.37</b>	241.18

Note: The calculation of the scale of collective asset management business is based on net assets under management.

Source: the Company's business data.



## Section III Discussion and Analysis of the Board of Directors

### (2) Private equity fund management

According to the statistics of the Asset Management Association of China, as of the end of June 2022, there were 14,814 private equity/venture investment fund managers registered with the Asset Management Association of China who managed 31,536 private equity investment funds with a scale of RMB10.84 trillion, representing an increase of 3.1% compared with the end of last year.

In the first half of 2022, Guotai Junan Innovation Investment deeply cultivated key industries, further explored high-quality projects, fully improved the core business capabilities of “fundraising, investment, management and withdrawal” and steadily promoted fundraising and investment development. During the Reporting Period, Shanghai Lingang Guotai Junan Technology Frontier Industry Fund (上海臨港國泰君安科技前沿產業基金) and Shanghai Urban Renewal Guidance Private Equity Fund (上海城市更新引導私募基金設立) were established with a subscribed capital of RMB18.022 billion. 10 new investment projects (including sub-funds) were established under its funds with subscribed capital contribution of RMB1.113 billion. Guotai Junan Fund of Funds focused on key industries to proceed with external investments steadily. As at the end of the Reporting Period, the subscription amount for external investments was RMB5.19 billion.

#### Overview of Guotai Junan Innovation Investment private equity fund business as at the end of June 2022

	At the end of the Reporting Period	At the end of last year
Number of managed funds (unit)	41	40
Cumulative committed capital of managed funds (RMB100 million)	608.54	429.02
Cumulative paid-in capital of managed funds (RMB100 million)	430.75	388.35

Source: the Company's business data.

## Section III Discussion and Analysis of the Board of Directors

### (3) Fund management

According to the statistics of the Asset Management Association of China, as at the end of June 2022, the assets under management (AUM) of mutual funds management institutions was RMB26.79 trillion, representing an increase of 4.8% compared with the end of the last year, among which assets under management of non-monetary funds was RMB16.19 trillion, representing an increase of 0.6% compared with the end of the last year.

In the first half of 2022, HuaAn Funds strengthened the integration of investment and research, consolidated the core capabilities of investment and research and maintained a leading position in the industry in terms of medium and long-term investment performance; strengthened business innovation, successfully issued the first batch of Sci-Tech Innovation Board industry ETF, improved the product layout of pension target funds and further diversified the product line of stable products and index funds. As at the end of the Reporting Period, assets under management of HuaAn Funds amounted to RMB657.938 billion, among which, the assets under management of mutual funds was RMB598.516 billion, maintaining a steady but rising trend.

#### Scale of assets under management of HuaAn Funds as at the end of June 2022 (Unit: RMB100 million)

	At the end of the Reporting Period	At the end of last year
Scale of assets under management	<b>6,579.38</b>	6,504.26
Scale of assets under management of mutual funds	<b>5,985.16</b>	5,968.62
Scale of assets under management of non-monetary mutual funds	<b>3,684.39</b>	3,822.93
Scale of assets under management of non-mutual funds	<b>594.22</b>	535.64

Source: the Company's business data.

## Section III Discussion and Analysis of the Board of Directors

### 5. International business

The Group conducted brokerage, corporate finance, asset management, loans and financing, financial products, market-making and investment business in Hong Kong, mainly through Guotai Junan International. The Group has also actively expanded presence into the United States, Europe and Southeast Asia. In the first half of 2022, Guotai Junan International adjusted its business layout in a timely manner, strengthened hedging and reduced risk exposure, improved its cross-border synergy mechanism and strengthened its overseas business layout. Its comprehensive competitiveness continued to stay at the forefront of Chinese securities companies in Hong Kong and the revenue of its subsidiaries in Vietnam grew rapidly. As at the end of the Reporting Period, the custody assets from customers amounted to HK\$190.9 billion, among which the custody assets from wealth management customers amounted to HK\$35.0 billion.

#### Major components of revenue of Guotai Junan International for the first half of 2022 (Unit: HK\$'000)

Item	During the Reporting Period	During the same period of last year
Fee and commission income	451,312	986,852
Interest income	924,606	1,270,311
Net trading and investment (loss)/income	<u>-287,412</u>	<u>194,386</u>
<b>Total revenue</b>	<b><u>1,088,506</u></b>	<b><u>2,451,549</u></b>

Source: relevant announcements of Guotai Junan International.

#### Significant changes in operation condition of the Company during the Reporting Period, and events that had a significant impact on operation condition of the Company during the Reporting Period and are expected to have a significant impact on operation condition of the Company in the future

Applicable     Not applicable

## Section III Discussion and Analysis of the Board of Directors

### IV. PRINCIPAL OPERATION CONDITION DURING THE REPORTING PERIOD

#### (I) Analysis of financial statements

##### 1 Analysis of consolidated statements of profit or loss

##### (1) Total revenue and other income structure

Unit: thousand yuan Currency: RMB

Items	January to June 2022		January to June 2021		Changes	
	Amount	Component	Amount	Component	Amount	Proportion
Fee and commission income	8,628,718	32.82%	8,435,470	30.37%	193,248	2.29%
Interest income	7,862,272	29.91%	7,991,584	28.78%	-129,312	-1.62%
Net investment gains	3,581,702	13.62%	5,550,003	19.98%	-1,968,301	-35.46%
<b>Total revenue</b>	<b>20,072,692</b>	<b>76.35%</b>	<b>21,977,057</b>	<b>79.13%</b>	<b>-1,904,365</b>	<b>-8.67%</b>
Gain on losing control of a subsidiary	-	-	1,138,769	4.10%	-1,138,769	-100.00%
Other income and gains	6,215,384	23.65%	4,655,767	16.77%	1,559,617	33.50%
<b>Total revenue and other income</b>	<b>26,288,076</b>	<b>100.00%</b>	<b>27,771,593</b>	<b>100.00%</b>	<b>-1,483,517</b>	<b>-5.34%</b>

In the first half of 2022, the Group's total revenue and other income amounted to RMB26.288 billion, representing a decrease of 5.34% compared with the same period of last year, among which:

net investment gains and gain on losing control of a subsidiary amounted to RMB3.582 billion, in aggregate, accounting for 13.62% of the total revenue and other income, decreased by 46.45% year-on-year, mainly due to the year-on-year decrease of investment gains on financial assets at fair value through profit or loss and gains derived from the equity revaluation of Shanghai Securities in the same period of last year;

Other income and gains amounted to RMB6.215 billion accounting for 23.65% of the total revenue and other income, representing a year-on-year increase of 33.50%, mainly due to the growth of commodity transaction volume of subsidiaries.

## Section III Discussion and Analysis of the Board of Directors

### (2) Total expenses structure

Unit: thousand yuan Currency: RMB

Items	January to June 2022		January to June 2021		Changes	
	Amount	Component	Amount	Component	Amount	Proportion
Fee and commission expenses	1,773,428	9.56%	1,240,707	6.97%	532,721	42.94%
Interest expenses	5,339,635	28.79%	4,834,408	27.16%	505,227	10.45%
Staff costs	4,506,046	24.30%	5,368,117	30.16%	-862,071	-16.06%
Depreciation and amortization expenses	629,444	3.39%	629,473	3.54%	-29	0.00%
Tax and surcharges	119,037	0.64%	73,157	0.41%	45,880	62.71%
Other operating expenses and costs	6,360,720	34.31%	5,209,536	29.26%	1,151,184	22.10%
Asset impairment losses	18,859	0.10%	16,347	0.09%	2,512	15.37%
Credit impairment loss	-202,364	-1.09%	429,748	2.41%	-632,112	-147.09%
<b>Total expenses</b>	<b>18,544,805</b>	<b>100.00%</b>	<b>17,801,493</b>	<b>100.00%</b>	<b>743,312</b>	<b>4.18%</b>

In the first half of 2022, the Group's total expenses amounted to RMB18.545 billion, representing an increase of 4.18% compared with the same period of last year, among which: other operating expenses and costs amounted to RMB6.361 billion, accounting for 34.31% of the total expenses, representing a year-on-year increase of 22.10%, mainly due to the growth of commodity transaction volume of subsidiaries; staff costs amounted to RMB4.506 billion, accounting for 24.30% of the total expenses, representing a year-on-year decrease of 16.06%, mainly due to the decrease in employee fees of the Group.

## Section III Discussion and Analysis of the Board of Directors

### 2 Analysis of consolidated statements of cash flows

In the first half of 2022, the net increase in cash and cash equivalents of the Group was RMB3.166 billion, among which:

Net cash generated from operating activities was RMB14.081 billion, which was mainly due to: (i) an increase of RMB25.649 billion in accounts payable to brokerage customers due to changes in securities market conditions; (ii) a decrease of RMB13.460 billion in margin accounts receivable due to the decrease of the Company's margining scale; (iii) an increase of RMB11.455 billion in other liabilities due to the increase of accounts payable arising from derivative transactions. These cash inflows were partially offset by (i) an increase of RMB15.116 billion in cash held on behalf of brokerage customers due to changes in securities market conditions; (ii) an increase of RMB10.116 billion in refundable deposits due to changes in securities market conditions; (iii) a decrease of RMB8.271 billion in placements from other financial institutions.

Net cash used in investing activities was RMB2.559 billion, which was mainly due to the payment of RMB17.640 billion from purchases of financial assets at fair value through other comprehensive income and other investments, part of which was offset by the cash proceeds of RMB14.043 billion from disposal of financial assets at fair value through other comprehensive income and other investments, reflecting the Company's adjustment to the transaction and investment structure.

Net cash used in financing activities was RMB8.355 billion, which was mainly due to the repayment of RMB41.628 billion of debt securities issued. These cash outflows were partially offset by the following items: (i) the cash proceeds of RMB20.441 billion from issuance of bonds payable; (ii) the cash proceeds of RMB15.044 billion from issuance of short-term debt instruments.

## Section III Discussion and Analysis of the Board of Directors

### 3 Analysis of consolidated statements of financial position

Unit: thousand yuan Currency: RMB

Items	As at 30 June 2022		As at 31 December 2021		Changes	
	Amount	Component	Amount	Component	Amount	Proportion
<b>Non-current assets</b>						
Property and equipment	2,836,482	0.34%	2,940,786	0.37%	-104,304	-3.55%
Investment property	962,263	0.12%	973,275	0.12%	-11,012	-1.13%
Right-of-use assets	2,385,161	0.29%	2,486,964	0.31%	-101,803	-4.09%
Goodwill	20,896	0.00%	20,896	0.00%	-	-
Other intangible assets	636,187	0.08%	662,890	0.08%	-26,703	-4.03%
Investments in associates	10,251,506	1.23%	7,434,717	0.94%	2,816,789	37.89%
Investments in joint ventures	4,912,457	0.59%	5,492,824	0.69%	-580,367	-10.57%
Debt instruments at fair value through other comprehensive income	61,802,999	7.43%	55,034,775	6.96%	6,768,224	12.30%
Equity instruments at fair value through other comprehensive income	2,555,434	0.31%	2,480,358	0.31%	75,076	3.03%
Financial assets held under resale agreements	501,902	0.06%	1,893,344	0.24%	-1,391,442	-73.49%
Financial assets at fair value through profit or loss	24,414,655	2.94%	19,946,824	2.52%	4,467,831	22.40%
Refundable deposits	50,911,040	6.12%	40,795,692	5.16%	10,115,348	24.80%
Deferred tax assets	1,068,257	0.13%	1,845,465	0.23%	-777,208	-42.11%
Other non-current assets	130,480	0.02%	103,751	0.01%	26,729	25.76%
<b>Total</b>	<b>163,389,719</b>	<b>19.66%</b>	<b>142,112,561</b>	<b>17.94%</b>	<b>21,277,158</b>	<b>14.97%</b>
<b>Current assets</b>						
Accounts receivable	12,166,331	1.46%	9,312,022	1.18%	2,854,309	30.65%
Other current assets	2,700,058	0.32%	2,911,292	0.38%	-211,234	-7.26%
Margin accounts receivable	96,373,701	11.59%	109,287,307	13.81%	-12,913,606	-11.82%
Debt instruments at fair value through other comprehensive income	6,812,974	0.82%	11,803,641	1.49%	-4,990,667	-42.28%
Financial assets held under resale agreements	65,171,508	7.84%	57,689,409	7.29%	7,482,099	12.97%
Financial assets at fair value through profit or loss	278,786,703	33.53%	264,438,237	33.42%	14,348,466	5.43%
Derivative financial assets	4,156,089	0.50%	4,157,399	0.53%	-1,310	-0.03%
Clearing settlement funds	6,071,400	0.73%	6,726,022	0.85%	-654,622	-9.73%
Cash held on behalf of brokerage customers	166,294,962	20.00%	151,178,698	19.11%	15,116,264	10.00%
Cash and bank balances	29,473,064	3.55%	31,656,227	4.00%	-2,183,163	-6.90%
<b>Total</b>	<b>668,006,790</b>	<b>80.34%</b>	<b>649,160,254</b>	<b>82.06%</b>	<b>18,846,536</b>	<b>2.90%</b>
<b>Total assets</b>	<b>831,396,509</b>	<b>100.00%</b>	<b>791,272,815</b>	<b>100.00%</b>	<b>40,123,694</b>	<b>5.07%</b>

## Section III Discussion and Analysis of the Board of Directors

Items	As at 30 June 2022		As at 31 December 2021		Changes	
	Amount	Component	Amount	Component	Amount	Proportion
<b>Current liabilities</b>						
Loans and borrowings	5,229,343	0.77%	4,340,789	0.68%	888,554	20.47%
Short-term debt instruments	32,013,616	4.70%	46,021,302	7.18%	-14,007,686	-30.44%
Placements from other financial institutions	3,832,301	0.56%	12,108,833	1.89%	-8,276,532	-68.35%
Accounts payable to brokerage customers	198,793,921	29.21%	172,483,608	26.92%	26,310,313	15.25%
Employee benefits payable	7,377,512	1.08%	8,424,175	1.31%	-1,046,663	-12.42%
Income tax payable	839,984	0.12%	2,015,777	0.31%	-1,175,793	-58.33%
Financial assets sold under repurchase agreements	157,079,773	23.08%	164,884,092	25.74%	-7,804,319	-4.73%
Financial liabilities at fair value through profit or loss	47,930,882	7.05%	33,950,820	5.30%	13,980,062	41.18%
Derivative financial liabilities	9,189,962	1.35%	9,752,873	1.52%	-562,911	-5.77%
Bonds payable	28,703,915	4.22%	32,246,542	5.03%	-3,542,627	-10.99%
Contract liabilities	143,568	0.02%	-	-	143,568	N/A
Lease liabilities	523,199	0.08%	510,987	0.08%	12,212	2.39%
Other current liabilities	60,497,828	8.89%	43,915,745	6.87%	16,582,083	37.76%
<b>Total</b>	<b>552,155,804</b>	<b>81.13%</b>	<b>530,655,543</b>	<b>82.83%</b>	<b>21,500,261</b>	<b>4.05%</b>
<b>Net current assets</b>	<b>115,850,986</b>		<b>118,504,711</b>		<b>-2,653,725</b>	<b>-2.24%</b>
<b>Non-current liabilities</b>						
Bonds payable	107,452,872	15.80%	94,520,556	14.76%	12,932,316	13.68%
Lease liabilities	1,326,716	0.19%	1,429,121	0.22%	-102,405	-7.17%
Deferred tax liabilities	104,804	0.02%	111,309	0.02%	-6,505	-5.84%
Financial liabilities at fair value through profit or loss	19,070,175	2.80%	13,538,712	2.11%	5,531,463	40.86%
Other non-current liabilities	398,897	0.06%	380,982	0.06%	17,915	4.70%
<b>Total</b>	<b>128,353,464</b>	<b>18.87%</b>	<b>109,980,680</b>	<b>17.17%</b>	<b>18,372,784</b>	<b>16.71%</b>
Total liabilities	680,509,268	100.00%	640,636,223	100.00%	39,873,045	6.22%
Total equity	150,887,241		150,636,592		250,649	0.17%



## Section III Discussion and Analysis of the Board of Directors

As of 30 June 2022, the total assets of the Group were RMB831.397 billion, representing an increase of 5.07% compared with the end of last year; the total liabilities were RMB680.509 billion, representing an increase of 6.22% compared with the end of last year; the total equity was RMB150.887 billion, representing an increase of 0.17% compared with the end of last year.

The asset of the Group was mainly comprised of: financial assets at fair value through profit or loss of RMB303.201 billion (36.47% of the total assets); cash held on behalf of brokerage customers of RMB166.295 billion (20.00% of the total assets); margin accounts receivable of RMB96.374 billion (11.59% of the total assets); debt instruments at fair value through other comprehensive income of RMB68.616 billion (8.25% of the total assets). Among the above, the current assets amounted to RMB668.007 billion and accounted for 80.34% of the total assets. The liquidity of the Group was fine with reasonable structure. In addition, the Group made impairment provisions for the assets showing impairment indications under market fluctuation and therefore the assets were of relatively high quality.

### ***Non-current assets***

As of 30 June 2022, our non-current assets amounted to RMB163.390 billion, representing an increase of 14.97% compared with the end of last year. Among the non-current assets, refundable deposits amounted to RMB50.911 billion with an increase of 24.80% compared with the end of last year, which was primarily due to fluctuations in the securities market conditions; debt instruments at fair value through other comprehensive income amounted to RMB61.803 billion with an increase of 12.30% compared with the end of last year, which was primarily because the Group adjusted its investment scale according to the market conditions; financial assets at fair value through profit or loss amounted to RMB24.415 billion with an increase of 22.40% compared with the end of last year, which was primarily because the Group adjusted its investment scale according to the market conditions.

### ***Current assets***

As of 30 June 2022, our current assets amounted to RMB668.007 billion, representing an increase of 2.90% compared with the end of last year. Among the current assets, cash held on behalf of brokerage customers amounted to RMB166.295 billion with an increase of 10.00% compared with the end of last year, which was primarily due to the fluctuations in the securities market conditions; financial assets at fair value through profit or loss amounted to RMB278.787 billion with an increase of 5.43% compared with the end of last year, which was primarily because the Group adjusted its investment scale according to the market conditions; the margin accounts receivable amounted to RMB96.374 billion with a decrease of 11.82% compared with the end of last year, which was primarily due to the decrease in margin financing and securities leading business.

### ***Current liabilities***

As of 30 June 2022, our current liabilities amounted to RMB552.156 billion, representing an increase of 4.05% compared with the end of last year. Among the current liabilities, accounts payable to brokerage customers amounted to RMB198.794 billion with an increase of 15.25% compared with the end of last year, which was primarily due to the fluctuations in the securities market conditions.

## Section III Discussion and Analysis of the Board of Directors

### *Non-current liabilities*

As of 30 June 2022, our non-current liabilities amounted to RMB128.353 billion, representing an increase of 16.71% compared with the end of last year. Among the non-current liabilities, bonds payable amounted to RMB107.453 billion with an increase of 13.68% compared with the end of last year, which was primarily due to the Group's adjustment to its liabilities structure.

### *Equity*

The equity attributable to equity holders of the Company increased by 0.09% from the end of last year to RMB147.251 billion as of 30 June 2022. The gearing ratio of the Group was 76.15% as of 30 June 2022, representing an increase of 0.51 percentage point compared with the end of last year, given the Group's reasonable and stable assets and liabilities structure.

### *Major restricted assets at the end of the Reporting Period*

For details of assets with restricted ownership or use rights, please refer to notes to the consolidated financial statements.

### *Borrowings and debt financing*

As of 30 June 2022, the total borrowings and debt financing of the Group amounted to RMB173.4 billion, details of which are set out as follows:

	<i>Unit: thousand yuan    Currency: RMB</i>	
	<b>30 June 2022</b>	<b>31 December 2021</b>
Loans and borrowings	<b>5,229,343</b>	4,340,789
Short-term debt instruments	<b>32,013,616</b>	46,021,302
Bonds payable	<b>136,156,787</b>	126,767,098
Total	<b><u>173,399,746</u></b>	<u>177,129,189</u>

For details of the interest rate and the terms of the loans and borrowings, short-term debt instruments and bonds payable, please refer to notes to the interim condensed consolidated financial statements.

## Section III Discussion and Analysis of the Board of Directors

Except for the borrowings and debt financing, the Group obtained funds through placements from other financial institutions and financial assets sold under repurchase agreements. As of 30 June 2022, the balance of placements from other financial institutions was RMB3.832 billion, while the balance of financial assets sold under repurchase agreements was RMB157.080 billion. The total debt mentioned above was RMB334.312 billion.

Except for the liabilities disclosed in the Report, the Group did not have, as of 30 June 2022, any outstanding mortgages, charges, bonds, other debt capital, liabilities under acceptance or other similar indebtedness, guarantees or other material contingent liabilities.

### (II) Analysis of investments

#### 1. Overall analysis of external equity investment

Applicable  Not applicable

During the Reporting Period, the Group's material equity investments and on-going material non-equity investments were as follows:

##### (1) Material equity investments

Applicable  Not applicable

1. In October 2021, the third extraordinary meeting of the sixth session of the Board of the Company considered and approved the Company's acquisition of 15% equity interest in HuaAn Funds held by Shanghai SITICO Asset Management Co., Ltd. by way of non-public agreement transfer at a consideration of RMB1.812 billion. In March 2022, the Company received the Approval on Change in Equity Interest in HuaAn Funds Management Co., Ltd. (Zheng Jian Xu Ke [2022] No. 469) from the CSRC, pursuant to which the CSRC has approved the transfer of the 15% equity interest in HuaAn Funds held by Shanghai SITICO Asset Management Co., Ltd. to the Company. In June 2022, the industrial and commercial change registration procedures in respect of the above-mentioned equity transfer were completed.
2. On 24 May 2022, the sixth extraordinary meeting of the sixth session of the Board of the Company considered and approved the Company's acquisition of 8% equity interests in HuaAn Funds held by Shanghai Industrial Investment (Group) Co., Ltd. through a non-public agreement transfer at a consideration of up to RMB1.012 billion. The transaction has been considered and approved at the 2022 first extraordinary general meeting held on 8 July 2022, which is subject to approval by the CSRC. After the completion of this transaction, the Company will hold 51% of the total equity interests in HuaAn Funds, and HuaAn Funds will become the Company's holding subsidiary.

## Section III Discussion and Analysis of the Board of Directors

### (2) Material non-equity investments

Applicable  Not applicable

Office buildings in Jing'an District, Shanghai: Guoxiang Properties, a subsidiary of the Company, received a planning permit of construction engineering and a construction permit for pile foundation for land lot No. 49 in Jing'an District on 23 June 2014 and commenced construction in June 2014. According to the resolution at the second meeting of the fifth session of the Board of the Company in 2016, the total investment amount for this project was adjusted to RMB1.879 billion by adding another project investment of RMB255 million. The accumulative investment of the project was RMB1.834 billion as of 30 June 2022.

### (3) Financial assets measured at fair value

Applicable  Not applicable

Unit: yuan Currency: RMB

Items	30 June 2022		January to June 2022		
	Cost/ nominal amounts	Fair value	Change for the current period	Investment income	Fair value changes
Financial instruments at fair value through profit or loss	225,348,869,928	236,200,303,025	-695,226,383	-15,610,918	1,201,553,650
Debt instruments at fair value through other comprehensive income	67,402,197,097	68,615,972,822	1,777,557,185	132,071,134	-
Equity instruments at fair value through other comprehensive income	3,202,506,139	2,555,433,672	75,075,365	23,595,606	-
Derivative financial instruments	2,438,599,338,465	-5,033,872,779	561,602,108	1,237,973,586	1,002,071,200

## Section III Discussion and Analysis of the Board of Directors

### (III) Material assets and equity disposal

Applicable  Not applicable

### (IV) Analysis of main holding companies

Applicable  Not applicable

#### 1. Guotai Junan Financial Holdings

Guotai Junan Financial Holdings primarily conducts brokerage, corporate finance, asset management, loans and financing as well as financial products, market making and investments businesses in Hong Kong through Guotai Junan International and its subsidiaries.

The paid-up capital of Guotai Junan Financial Holdings is HK\$2,611.98 million and the Company holds 100% of its equity interests.

As of 30 June 2022, the total assets of Guotai Junan Financial Holdings were RMB114.439 billion with net assets of RMB13.522 billion; in the first half of 2022, its operating revenue was RMB619 million and its net profit was RMB68 million.

#### 2. Guotai Junan Asset Management

Guotai Junan Asset Management is principally engaged in the licensed project: mutual fund management business and the general project: securities asset management business.

The registered capital of Guotai Junan Asset Management is RMB2 billion and the Company holds 100% of its equity interests.

As of 30 June 2022, the total assets of Guotai Junan Asset Management were RMB7.963 billion with net assets of RMB6.699 billion; in the first half of 2022, its operating revenue was RMB732 million and its net profit was RMB229 million.

## Section III Discussion and Analysis of the Board of Directors

### 3. Guotai Junan Futures

Guotai Junan Futures is principally engaged in commodity futures brokerage, financial futures brokerage, futures investment consulting and assets management.

The registered capital of Guotai Junan Futures is RMB5 billion<sup>Note</sup> and the Company holds 100% of its equity interests.

As of 30 June 2022, the total assets of Guotai Junan Futures were RMB106.558 billion with net assets of RMB8.16 billion; in the first half of 2022, its operating revenue was RMB6.516 billion and its net profit was RMB538 million.

Note: In July 2022, Guotai Junan Futures completed the industrial and commercial change, and its registered capital increased from RMB4 billion to RMB5 billion.

### 4. Guotai Junan Innovation Investment

Guotai Junan Innovation Investment is principally engaged in equity investment business and other businesses approved by the CSRC.

The registered capital of Guotai Junan Innovation Investment is RMB7.5 billion and the Company holds 100% of its equity interests.

As of 30 June 2022, the total assets of Guotai Junan Innovation Investment were RMB8.638 billion with net assets of RMB7.663 billion; in the first half of 2022, its operating revenue was RMB144 million and its net profit was RMB67 million.

### 5. Guotai Junan Zhengyu

Guotai Junan Zhengyu is principally engaged in equity investment, financial product investment, and businesses as stipulated in the Management Norms of Alternative Investment Subsidiaries of Securities Companies.

The registered capital of Guotai Junan Zhengyu is RMB4 billion<sup>note</sup> and the Company holds 100% of its equity interests.

As of 30 June 2022, the total assets of Guotai Junan Zhengyu were RMB4.054 billion with net assets of RMB3.883 billion; in the first half of 2022, its operating revenue was RMB-38 million and its net profit was RMB-33 million.

Note: In August 2022, Guotai Junan Zhengyu completed the industrial and commercial change, and its registered capital increased from RMB3 billion to RMB4 billion.

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### 6. HuaAn Funds

HuaAn Funds is principally engaged in fund establishment, management of fund business and other businesses approved by the CSRC.

The registered capital of HuaAn Funds is RMB150 million and the Company holds 43% of its equity interests.

As of 30 June 2022, the total assets of HuaAn Funds were RMB6.495 billion with net assets of RMB4.247 billion; in the first half of 2022, its operating revenue was RMB1.816 billion and its net profit was RMB510 million.

### 7. Shanghai Securities

Shanghai Securities is principally engaged in securities brokerage; securities investment consultation; financial advisory relating to securities trading and securities investment; securities (exclusive of stocks and corporate bonds issued by listed companies) underwriting; securities proprietary trading; securities asset management; agency sale of securities investment fund; intermediary business for futures companies; margin financing and securities lending; agency sale of financial products.

The registered capital of Shanghai Securities is RMB5.326532 billion and the Company holds 24.99% of its equity interests.

As of 30 June 2022, the total assets of Shanghai Securities were RMB71.2 billion with net assets of RMB17.21 billion; in the first half of 2022, its operating revenue was RMB1.1 billion and its net profit was RMB289 million.

## (V) Information of structured entities controlled by the Company

Applicable    Not applicable

As of 30 June 2022, the Group consolidated 52 structured entities, which included asset management schemes and partnerships. For those asset management schemes where the Group is involved as a manager and partnerships where the Group is involved as general partner or investment manager, the Group considered that it had control rights over some asset management schemes and partnerships and incorporated them into the consolidated category after comprehensively taking into account various factors such as the investment decision rights they owned and their exposures to the variable returns. As at 30 June 2022, the impact of the above structured entities which were incorporated into the consolidated category on the Group's consolidated total assets was RMB2.991 billion, and the impacts on the consolidated operating revenue and consolidated net profit in the first half of 2022 were RMB-19 million and RMB-19 million, respectively.

## Section III Discussion and Analysis of the Board of Directors

### (VI) Significant investments held by the Company

As of 30 June 2022, the Group did not hold significant investments and major investments with a amount higher than 5% of its total assets.

## V. OTHER DISCLOSURES

### (I) Potential risk exposures

Applicable  Not applicable

#### 1. Overview

During the Reporting Period, the Company insisted on its prudent risk culture, firmly took the “compliance risk management” as one of its core strategies, continually established comprehensive risk management system, improved risk management system, optimized risk management organization structure, explored risk management models and methods, built up risk management information system, and enhanced the professional level of risk management, in order to ensure the long-term and healthy development of the Company.

#### 2. Risk management structure

The Company has established a four-level risk management system consisting of the Board (including Risk Control Committee) and Supervisory Committee, operation management (including risk management committee and assets and liabilities management committee), risk management department, other business departments and branches and subsidiaries.



## Section III Discussion and Analysis of the Board of Directors

### 1) *The Board (including Risk Control Committee) and Supervisory Committee*

The Board is the highest decision-making body in our risk management structure, ultimately responsible for the overall risk management of the Company. The Board is responsible for promoting the construction of risk culture; reviewing and approving the fundamental risk management policies of the Company; reviewing and approving the Company's risk appetite, risk tolerance and major risk limits; reviewing periodic risk assessment report; appointment, dismissal and assessment of the chief risk officer, determining his/her remuneration; establishing a mechanism for communicating with the chief risk officer directly. The Board has established the Risk Control Committee, which is responsible for reviewing the overall objectives and fundamental policies of risk management; reviewing the establishment and the duties of the risk management divisions; assessing the risks associated with significant business decisions and the solutions to address significant risks which are to be reviewed by the Board; reviewing various risk assessment reports; reviewing the effectiveness of the Company and its subsidiaries' risk management and internal control systems at least once a year in accordance with the instruction of the Board.

The Supervisory Committee of the Company is responsible for supervising comprehensive risk management of the Company, supervising and reviewing the performance of the risk management and rectification of defect by the Board and senior management.

### 2) *Operation management (including risk management committee and assets and liabilities management committee)*

Our operation management takes the major responsibility of the comprehensive risk management of the Company; is responsible for organizing and implementing the publicity and dissemination of risk culture; establishes risk management system and makes timely adjustment; establishes a healthy operation management structure for the Company's comprehensive risk management and clarifies the duty division of comprehensive risk management among risk management functions, business departments and other departments; establishes the specific execution plans of risk appetite, risk tolerance and major risk limits, and ensures the effective implementation of the plans; monitors its progress, analyzes its reasons in a timely manner and handles it according to the authorizations granted by the Board; periodically assesses the overall risk of the Company and various types of important risk management conditions, resolves problems that are found in risk management and reports to the Board; establishes a performance assessment system for all staff that covers effectiveness of risk management; and establishes a complete IT system and data quality control mechanism.

## Section III Discussion and Analysis of the Board of Directors

A risk management committee is established at the operation level of the Company, which conducts overall management for the Company's operational risks, and reviews and makes decisions on major issues of risk management and performs following duties: reviewing arrangements and important systems for compliance risk control mechanism of the Company and its subsidiaries, making decisions or submitting to relevant decision-making bodies for consideration; reviewing the Company's basic policies for risk management, annual risk appetite, self-funded business scale, and maximum risk limits, reviewing the Company's semi-annual and annual compliance reports, risk management reports, and annual internal control evaluation reports and submitting to the Board and the Risk Control Committee of the Company for approval; within the scope of the Board's authorization, considering and determining various investment and financing business scales, risk limits allocation plans, and important risk control indicators and its major adjustments of the Company; submitting to the Board and the Risk Control Committee of the Company for approval if the matters reviewed are beyond the scope of the Board's authorization; considering the election of the first-line compliance risk control head, and the recommendation and appointment of the risk control compliance head of the subsidiary; considering and making decisions for new authorization of the Company's operations and management and authorization adjustments; reviewing the Company's major innovative business risks, compliance assessment report, making decisions and granting authorization; reviewing the Company's business matters that have major disputes in the risk assessment and risk control mechanism arrangement; judging and identifying prospectively on regulatory situation and the risk situation, making decision for compliance risk control response; considering and deciding the disposal options for the Company's major risk issues; considering and making decisions for other matters of significant risk management in business activities.

The members of risk management committee include the president, the chief risk officer, the chief compliance officer, the head of the strategic development department, the head of the planning and finance department, the head of the legal compliance department, the head of risk management department, the head of the group audit center, the head of internal audit risk management department, the head of information technology department and the head of brand center.

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### 3) *Risk management departments*

Our risk management departments include those which are specifically responsible for risk management, such as the risk management department, the internal audit risk management department, the legal compliance department, and the group audit center, the planning and finance department, the assets and liabilities department, the IT department, the data center, the operation center and the executive office. Our risk management department manages the market risks, credit risks, operational risks and liquidity risks, and performs specific risk management responsibilities; our internal audit risk management department is responsible for the risk review and assessment of the Company's securities issuance business in the primary market; our legal compliance department is responsible for identifying, assessing, notifying, monitoring, reporting and preventing legal compliance risks of the Company to protect the Company from legal penalties, significant financial losses and damages to reputation; our group audit center is responsible for independent and objective inspection, supervision, evaluation of and recommendations on the compliance and reasonableness of business, management, finance and other operations, on the security and profitability of assets, and on the comprehensiveness and effectiveness of internal controls among the Company's various departments, branches and controlled subsidiaries. Our planning and finance department is responsible for the Company's budget planning, financial management, accounting and net capital management; our assets and liabilities department is responsible for liquidity management and liquidity risk management; our IT department and data center are the management and operation bodies of the Company's IT, and are responsible for the planning, construction, operation and management of the Company's IT system, establishing and implementing IT-related system, assessing and controlling the Company's IT risks; our operation center is the daily operation management department of the Company and is responsible for the centralized clearing, settlement, auditing, third-party depository operation of the Company's various businesses, and takes the responsibility of relevant risk management and control; our executive office is responsible for the management of the Company's reputational risk.

### 4) *Other business departments and branches*

The key responsible persons of each of our business departments, branches and subsidiaries are the persons who are primarily responsible for risk control of each business units. In order to enhance the frontline risk responsibility consciousness, strengthen front end risk control, identify and prevent risk timely and effectively, the Company continuously strengthens the risk control function of each specialized management committees, business departments, branches and subsidiaries. The Company established compliance and risk management system at the subsidiary level, requiring that the subsidiaries shall develop and improve risk management system for their own, and effectively improve the overall risk management level.

## Section III Discussion and Analysis of the Board of Directors

### 3. Risk management system

The Company established a 4-level risk management system based on its business characteristics and level of operational risks and has been constantly perfecting it. The system includes: measures on comprehensive risk management; various risk management measures based on different risks such as market risk, credit risk, operational risk, liquidity risk and reputational risk; risk management system on various business and products; and the practical business operation protocol. During the reporting period, the Company formulated the Management Measures for the Equity Income Swap Business and the Management Measures for the FICC Income Swap Business, and revised the Management Measures for Reputational Risk, the Management Measures for Institutional Customer Credit, the Management Measures for Business System Licensing Rights and Information Security, the Management Measures for Risk Management System User License, the Management Measures for Business Risk of Horizontal Transfer of Client Funds, the Implementation Rules for Investor Suitability Management of Equity Income Swap Business and the Implementation Rules for Investor Suitability Management in FICC OTC Financial Derivatives Trading Business in accordance with the latest regulatory requirements.

### 4. Risk appetite system

Risk appetite is the Company's overall attitude towards risks, as well as the type and level of risks it is willing to bear after taking into full consideration of net capital, assets and liabilities, solvency, liquidity, external ratings, compliance operations and future business risk and opportunity, provided that the requirements of stakeholders including creditors, customers, regulatory authorities and rating agencies have been satisfied.

The Company sorts out the expectation and requirement of respective interested parties (including Shareholders, regulatory authorities, rating agencies, the Board and management), sets specific goals based on the core aspects including development strategies, operation performance, capital strength, liquidity, compliance and external rating and forms the Company's risk appetite system. On the basis of a complete overall risk appetite setting, the Company describes the risk boundaries of different dimensions such as overall risk and major risks through quantized risk tolerance indicators. Subject to risk appetite and risk tolerance, the Company sets limits on key risk indicators and conducts risk monitor and control based on those limits.

During the Reporting Period, after consideration and approval by the Board, the Company defined the Group's risk appetite, tolerance and limit for 2022, and differentiated different dimensions such as risk types and subsidiaries for decomposition and transmission and implemented in the ordinary course of business. In the first half of 2022, the Group's various indicators remained stable under its risk appetite system.

## Section III Discussion and Analysis of the Board of Directors

### 5. Measures against various risks

#### 1) *Market risks*

Market risks are those that may cause loss to the Company due to unfavorable changes of market prices, which include but not limited to interest rates, exchange rate, stock prices and commodity prices. The businesses of the Company that involve market risks mainly include the investment and transactions of equity securities and their derivatives, the investment and transactions of fixed-income securities and their derivatives as well as low-risk and non-directional transactions such as foreign exchange transactions, precious metal transactions and commodity transactions.

The Company implements limit management for market risks and formulates a market risk limit system comprising business scale, loss limit, Value at Risk (VaR), exposure, Greek letters, effectiveness of hedge, concentration and various types of risk indicators. It determines the alarm standards, warning standards and responding measures for market risks. The Company conducts daily monitoring for market risk limits by using its risk management system to monitor the operation of its businesses. We report market risk monitoring and management conditions, and conduct specialized analysis on risk matters, in order to provide basis for decision making. The Company adopts methods such as Value at Risk (VaR) and Stress Test to analyze and assess market risk. The Company's Value at Risk (VaR) calculation applies a historical simulation method based on the historical data for the previous 12 months, assuming the holding period is one day and the confidence level is 95%. The calculation model of VaR covers equity price risk, interest rate risk, commodity price risk and exchange rate risk. The Company regularly reviews the effectiveness of VaR model through the back testing method.

The following table sets forth the VaR of the Company by risk types as at the dates and for the periods indicated: (1) the daily VaR as of the end of the respective period; (2) the average value, the minimum value and maximum value of the daily VaR for the respective period.

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### Value at Risk (VaR) of the Group for the first half of 2022

Unit: ten thousand yuan Currency: RMB

Category	30 June	31 December	The first half of 2022		
	2022	2021	Average	Minimum	Maximum
Equity price-sensitive financial instruments	<b>19,869</b>	18,322	18,036	17,065	19,869
Interest rate-sensitive financial instruments	<b>9,160</b>	11,032	10,433	8,844	10,987
Commodity price-sensitive financial instruments	<b>2,777</b>	2,068	2,450	2,055	2,849
Exchange rate-sensitive financial instruments	<b>3,259</b>	2,652	2,857	2,389	3,269
Risk diversification effect	<b>(7,969)</b>	(7,751)	(7,837)	(7,124)	(8,678)
Total portfolio VaR	<b>27,096</b>	26,322	25,940	25,013	27,096

Note: VaR of the Group covers the financial assets of the self-funded investment business of the Group.

In addition to the VaR, the Company actively uses stress tests to measure and assess possible losses under extreme market conditions. The Company regularly conducts comprehensive and special stress tests to strengthen risk assessment and development monitoring in connection with the trading and investment businesses, and applies its results of stress tests to market risk management and limit management.

During the Reporting Period, the Company conducted exchange rate risk management for assets involving exchange rate risks, managed exchange rate risk exposures by adjusting foreign exchange positions and using foreign exchange derivatives for hedging, and controlled it within an acceptable range.

In the first half of 2022, the Company took various risk control measures in a timely manner in response to market fluctuations. As at the end of June 2022, the Company's market risk is generally controllable, and no major market risk events occurred.

#### 2) Credit risks

Credit risks are those that may cause a loss to the Company due to failures to perform their obligations stipulated in relevant contracts by securities issuers, counterparties and debtors or the changes of market value of the debts caused by the changes of credit rating or contract performance capacity. The Company's current credit risks mainly concentrate on the bond investment business, margin financing and securities lending business, stock-pledged financing transaction business and OTC derivatives business.

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The Company implements access management for credit risks. Before conducting relevant businesses including credit risks, clients' credits will be rated. If the rating result is within the accessible credit rating, the credit may be granted and business may be carried out. Before the application for rating clients' credit and granting credit, each business department shall conduct due diligence. As for clients whose credit rates satisfy access conditions, the credit line shall be determined according to the particulars of clients.

The Company mitigates credit risk through methods such as collecting deposits, qualified collaterals and netting settlements. An entry threshold has been formulated for bond investment business and through white list management and concentration control, the credit risks of bond positions are being continuously tracked and assessed. Credit business department sets detailed access standards and discount rates for collaterals according to the characteristics of their specific business. The credit risk faced by OTC derivatives business mainly refers to the counterparty default risk faced in carrying out OTC derivatives business such as forwards, swaps and options. The counterparties of OTC derivatives transactions are mainly financial institutions and other professional institutions. The Company controls the credit risk of the counterparty by screening the counterparty's qualifications, marking the market on a daily basis, calling for insurance coverage and forced liquidation.

Access standards and discount rates will be reviewed regularly by the Company. When there is a significant change in market or policies or there is a significant credit event related to the relevant entity applying for the credit, the access standards and discount rates shall be reviewed randomly. For collaterals other than cash, the Company conducts marking to market management and assesses collaterals' value. The Company analyzes credit risk factors of each business, identifies the credit risks for the business and conducts credit risks concentration management and measurement and assessment. The Company conducts credit risk management for its large clients in respect of concentration risk control targets. The Company uses analysis methods such as concentration, probability of default, default loss rate, credit exposure and collateral coverage rate as credit risk measures. The Company sets reasonable credit risk stress scenarios, conducts stress tests and analyzes the results thereof.

As at the end of June 2022, the Company's credit risk was generally controllable, and no major credit default events occurred in bond investment business. The average performance guarantee ratio of the margin loans for stock-pledged financing business was 304.4%, and the average of the guarantee ratio for clients with outstanding liabilities in margin financing and securities lending business maintained at 293.7%.

## Section III Discussion and Analysis of the Board of Directors

### 3) *Liquidity risks*

Liquidity risks are those we might face when we are not able to obtain sufficient funds in time at reasonable costs or price to repay debts that are due, fulfil other payment obligations and satisfy the funding requirements for ordinary business operation.

The Company mainly adopts the risk indicators analysis method to assess its overall liquidity risks, i.e., the Company assesses and measures its overall liquidity risk condition by analyzing key indicators such as the liquidity coverage ratio, net stable funding ratio, leverage multiple, cash flow term gap, net size of the cash management pool, liquidity ratio, liquidity reserve ratio as well as asset and liability concentration. The Company establishes a liquidity risk limit system, conducts limit management on liquidity risks and monitors and reports the implementation of limits. The Company establishes a quantitative model for the liquidity risk of financial assets and measures the liquidity of various types of exchange and over the counter financial assets on a daily basis to assess the liquidity risk of various financial assets.

The Company explores and maintains financing channels, continuously keeps an eye on the risk conditions of significant capital providers, and regularly monitors the conditions of significant capital providers' transactions with the Company. The Company concerns the changes of capital markets, assesses the ability and cost of supplementing its liquidity by issuing stocks, bonds and other financing instruments and mitigates its period mismatch by supplementing its middle – to-long term liquidity. Under the premise of controlling the liquidity risk at the overall level, the Company pays attention to liquidity risk management at various business line levels, to focus on identifying, assessing, monitoring and controlling the fund management business, trading and investment proprietary business, brokerage business, credit business, investment banking business, and liquidity risk factors of the subsidiaries.

The Company conducts liquidity risk stress tests on a regular or ad hoc basis, simulates the losses that may occur under extreme liquidity pressures, assesses and judges the Company's ability to withstand risks and fulfill its payment obligations in extreme situations, and takes necessary measures to respond to the test conclusions.



## Section III Discussion and Analysis of the Board of Directors

The Company establishes and continuously improves the contingency plan for liquidity risks, which includes taking measures such as transferring, decentralizing and reducing risks exposure to reduce the level of liquidity risks. The Company also establishes emergency response or standby systems, procedures and measures for natural disasters, system failures and other emergencies so as to reduce losses and reputation damages that the Company may suffer. The contingency plan will be rehearsed and assessed regularly and emergency response arrangements will be continually updated and improved.

In the first half of 2022, the liquidity of the market was generally reasonable and sufficient with occasional fluctuations. The Company's liquidity coverage ratio and net stable funding ratio met the regulatory requirement. The net size of the cash management pool was higher than the minimum scale limit set by the Company and the overall liquidity status was good.

### 4) *Operational risks*

Operational risks are the possibility of losses caused by the failures of internal systems and procedures, improper employee behaviors, IT risks and the influence of external events.

The Company sorts out the key risk points and control processes of each business, manages daily operational risks by using the operational risk management system, and establishes the self-evaluating procedure of operational risk and control. Each department, branch and subsidiary actively identifies operational risks in their internal systems and procedures, employee behaviors and IT systems to ensure that the operational risks in existing and new businesses and management are adequately assessed. The Company systematically gathers and organizes the information of the events of operational risk and loss data, establishes key operational risk indicator system and monitors its process, and prepares periodical reports. In terms of significant operational risk events, it will provide specific valuation reports to ensure that the operational risk situation of the Company could be fully understood in a timely manner, which in turn facilitates their decision-making regarding the response to the risks or the initiation of contingency plans.

The Company continuously strengthens the security of information systems, formulates a comprehensive emergency response plan for information security events, and conducts regular assessment over the main plan and sub plan of emergency response. It also arranges various rehearsals against incidents, disaster and other scenarios that cover all important information systems in the headquarters and all branches, and improves, modifies and upgrades its system and emergency response plan based on the results of rehearsal and findings identified.

In the first half of 2022, the Company's information technology and operation affairs ran smoothly in a safe way with no significant operational risk events. The fault backup and recovery time for each information system emergency rehearsal reached our established goal, which has verified that the Company's core information system has incident and disaster response capabilities.

## Section III Discussion and Analysis of the Board of Directors

### 5) *Reputational risk*

Reputational risk refers to the risk of negative publicity from investors, issuers, regulators, self-regulatory organizations, the public and the media on the Company due to its actions or external events and violations of integrity regulations, professional ethics, business norms and conventions by its staff, thereby damaging its brand value, disadvantaging its normal operation, and even affecting the market stability and social stability.

The Company incorporates reputational risk management into a comprehensive risk management system, establishes a reputational risk management mechanism, and sets up a brand center as the Company's reputational risk management department under the executive office, requiring all departments, branches, sales offices and subsidiaries to actively and effectively prevent reputational risks and respond to reputational risk events, accurately identify, prudently evaluate, dynamically monitor, timely respond to and manage the reputational risks in the process of business management, and strive to maintain the Company's reputation and build a high-quality brand image.

In the first half of 2022, the Company revised and issued the Management Measures for Reputational Risk of the Company and improved the reputational risk management work. During the Reporting Period, the Company did not experience any major reputational risk events.

### (II) Other disclosures

Applicable    Not applicable

#### 1. **The operation plan and goals for the next Reporting Period and the strategies and actions adopted for achieving the goals**

In the second half of 2022, the Group will continue to adhere to the general principle of “making progress while maintaining stability and persevering in hard work” set at the beginning of the year, strengthen the construction of “Three Forces” by focusing on the high-quality development of key businesses, key regions and key subsidiaries, continue to deepen the high-quality transformation and development path of key businesses, adhere to the positioning of great foresight, high starting point and high standard, accelerate the leapfrog development in key regions such as the Greater Bay Area, the Yangtze River Delta and Beijing-Tianjin-Hebei Region, implement the policy of “One Strategy for One Subsidiary”, actively cultivate important subsidiaries to develop characteristic service capabilities and strive to achieve the strategic task of “laying foundations and making up for shortcomings” in the first three-year.

## Section III Discussion and Analysis of the Board of Directors

For various specific business lines, in respect of the wealth management business, the Group will optimize its management mechanism, strengthen comprehensive customer services, focus on buy-side asset allocation, and enhance the competitiveness of financial product agency sales business and fund investment advisory business while maintaining the leading edge of brokerage business; in respect of the margin financing and securities lending business, the Group will continue to enrich business strategies and improve securities financing capabilities; in respect of the pledge business, the Group will increase collaboration with investment banks and optimize business scale and structure; in respect of the futures business, the Group will increase customer development efforts, and increase the share of futures trading and the scale of customer equity. In respect of the investment banking business, the Group will seize the opportunity of the comprehensive registration system, strengthen the deep cultivation of the industry, promote the construction of teams in key regions, continue to increase the development of IPO business and improve the ability in comprehensive services. In respect of the institutional and trading business, the Group will continue to enhance its level in providing comprehensive services to institutional customers, strengthen the transformation of customer demand business and continue to improve investment capabilities. In respect of the investment management business, the Group will focus on improving investment and research capabilities, enhance the construction of investment and research teams, improve the evaluation mechanism for investment and research teams and continue to promote business innovation. In respect of the international business, the Group will further strengthen cross-border cooperation, increase the development of overseas customers, and focus on increasing its influence in the Vietnamese market.

### 2. Risk control for business innovation

- (1) The Company has included innovative business in its comprehensive risk management system. Based on the development and risk profile of innovative business, the Company has established a complete decision-making mechanism, a management model and an organization structure catering for its business and formulated relevant compliance and risk management mechanism for the innovative business to standardize the risk management for the innovative business during the entire process. The sustainable and healthy development of each innovative business on the premise of building the capability to monitor, control and bear risks was ensured through risk assessment and determination, inspection before launch and continuous management for innovative business. Before the launch of innovative business, risk management departments of the Company conducted compliance verification, identification and assessment, measurement and analysis, and directed business department to improve internal control mechanism in relation to policies and procedures.

## Section III Discussion and Analysis of the Board of Directors

- (2) The Company has established multi-level risk control and warning mechanism for innovative business and designed various risk control indicators and risk limits for each level based on the risk profile of the business, which enabled dynamic track to the risks of innovative business. In the course of each particular business, the specific compliance and risk controller of business department was responsible for overseeing the market and the risk management department conducted independent monitoring, so as to prompt risk warning in case of abnormal risk control indicators and take corresponding risk control measures based on the level of the risk warning, therefore ensuring the risk level of innovative business at any time was within the tolerance of the Company.
- (3) The Company has established the policy of regular report and significant risk event report for innovative business to issue regular risk information report for the innovative business, ensuring that all the staff and senior management involved in innovative business were informed of all necessary business, risk and management information on a timely basis. When the operation of innovative business was impacted by reason of external market turmoil, internal management problems and technical system failure, which might result in significant loss to the interest or reputation of the Company, the responsible department or the internal control department that identified the risk should immediately report to the business leader, the chief risk officer and the risk management department for the implementation of existing contingency plan or proposing new response plan based on the actual situation by the decision makers.
- (4) The Company conducted special review on the conduction of innovative business on a regular basis to continuously improve the internal control and risk response capacity of the business. Such special review covered important steps of innovative business and management. Each of the related departments studied and analyzed the conduction and internal control mechanism of innovative business based on the findings of special review, improved the management policies, operation process and corresponding control mechanism, and completed the contingency plan for innovative business, ensuring the stable and healthy development of innovative business.

## Section IV Corporate Governance

### I. INFORMATION OF THE GENERAL MEETING

Meeting session	Convening date	The address of the designated website for publishing resolutions	The disclosure date for publishing resolutions	Resolutions at the meeting
2021 Annual General Meeting	31 May 2022	www.sse.com.cn www.hkexnews.hk	1 June 2022	The Work Report of the Board of the Company for 2021, the Work Report of the Supervisory Committee of the Company for 2021, the Resolution on the Proposal to Consider the Profit Distribution Plan of the Company for 2021, the Resolution on the Proposal to Consider the Re-appointment of Accounting Firm, the Resolution on the Proposal to Consider the Annual Report of the Company for 2021, the Resolution on the Potential Related Party Transactions Contemplated in the Ordinary Course of Business of the Company in 2022, the Work Report of Independent Directors for 2021 and the Resolution on the General Mandate to the Board to Issue Additional A Shares and/or H Shares were considered and approved.
2022 First Extraordinary General Meeting	8 July 2022	www.sse.com.cn www.hkexnews.hk	9 July 2022	The Resolution on Proposed Acquisition of Part of Shares of HuaAn Funds and the Resolution on the Proposed Amendments to the Articles of Association were considered and approved.

#### Request for convening of an extraordinary general meeting by the holders of preferred shares with voting rights restored

Applicable  Not applicable

#### General meetings

Applicable  Not applicable

### II. CHANGES IN DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OF THE COMPANY

Applicable  Not applicable

#### Changes in Directors, Supervisors and senior management of the Company

Applicable  Not applicable

On 25 July 2022, Ms. LI Zhongning resigned from the positions of the chairman of the sixth session of the Supervisory Committee and the supervisor of the Company as she has reached the age of retirement.

## Section IV Corporate Governance

### III. PROPOSAL FOR PROFIT DISTRIBUTION OR TRANSFER OF CAPITAL RESERVE FUND INTO CAPITAL

#### Half-year proposal for profit distribution and transfer of capital reserve fund into capital

Whether to distribute profit or transfer capital reserve fund into capital	No
Number of bonus shares for every 10 shares (share)	-
Amount of dividend for every 10 shares (RMB) (inclusive of tax)	-
Number of increased shares for every 10 shares (share)	-

#### Relevant explanation on proposal for profit distribution or transfer of capital reserve fund into capital

Not applicable

### IV. THE EQUITY INCENTIVE SCHEME, EMPLOYEE SHARE SCHEME OR OTHER EMPLOYEE INCENTIVES OF THE COMPANY AND THE IMPACT THEREOF

#### (I) Relevant share incentives matters disclosed in ad hoc announcements without subsequent progress or change

Applicable  Not applicable

##### 1. Repurchase and cancellation of part of restricted A shares

On 25 November 2021, the Company held the first extraordinary general meeting, the first A Shareholders' class meeting and the first H Shareholders' class meeting for 2021, at which the "Resolution on Proposing to Consider Repurchase and Cancellation of Part of the Restricted A Shares by the Company" 《關於提請審議公司回購註銷部分 A 股限制性股票的議案》) was considered and approved, pursuant to which the Company repurchased and cancelled a total of 1,778,000 restricted A shares that have been granted but have not been unlocked held by 11 participants who were no longer eligible as a participant under the first grant at a repurchase price of RMB7.08 per share with the repurchase amount of RMB12,588,240.

On 27 January 2022, the Company completed the repurchase and cancellation of 1,778,000 restricted A shares. Upon the completion of the repurchase and cancellation, there are 87,221,990 outstanding restricted A shares.

## Section IV Corporate Governance

### (II) Incentives not disclosed in ad hoc announcements or with subsequent progress

#### Share incentive

Applicable  Not applicable

#### Other information

Applicable  Not applicable

#### Employee share scheme

Applicable  Not applicable

#### Other incentive measures

Applicable  Not applicable

Guotai Junan International adopted a share option scheme (the “Share Option Scheme of Guotai Junan International”) on 19 June 2010. The Share Option Scheme was valid and effective for a period of 10 years from the date of adoption, which had been expired on 19 June 2020. No further share options shall be granted after such period, but all granted and outstanding share options remain exercisable within 10 years from respective grant date and the provisions of the Share Option Scheme remain in full force and effect.

The purpose of the Share Option Scheme of Guotai Junan International is to provide the people working for the interests of Guotai Junan International with an opportunity to obtain equity interest in Guotai Junan International, thus linking their interests of Guotai Junan International and thereby providing them with an incentive to work better for the interests of Guotai Junan International.

The participants of the Share Option Scheme of Guotai Junan International are the directors (whether executive or non-executive and whether independent or not) and employees of the Guotai Junan International who, in the absolute opinion of the Board of Guotai Junan International, have contributed to Guotai Junan International or the Guotai Junan International Group.

## Section IV Corporate Governance

The maximum number of shares of Guotai Junan International issued and to be issued upon exercise of share options granted and to be granted (including exercised, cancelled and outstanding options) pursuant to the Share Option Scheme of Guotai Junan International and any other share option schemes of Guotai Junan International to: (A) each participant in the 12-month period up to and including the date of grant, shall not exceed 1% of the total number of shares of Guotai Junan International in issue; and (B) a participant who is a substantial shareholder or an independent non-executive director of Guotai Junan International, or any of their respective associates in the 12-month period as of the date of grant (i) representing in aggregate shall not exceed 0.1% of the total number of shares of Guotai Junan International in issue; and (ii) having an aggregate value, based on the closing price of the shares of Guotai Junan International as stated in the Hong Kong Stock Exchange's daily quotations sheet on the date of each grant, shall not in excess of HK\$5,000,000. Any further grant of share options in excess of the above limits is subject to shareholders' approval in general meeting of Guotai Junan International.

The exercise period of share option granted under the Share Option Scheme of Guotai Junan International is determined by the board of Guotai Junan International at its absolute discretion and shall expire no later than the 10th anniversary of date on which the share option is granted.

There is neither any minimum period for which a share option must be held, nor any performance target which required to be achieved before the share option can be exercised unless otherwise determined by the board of Guotai Junan International and specified at the time of the offer.

The consideration of HK\$1 for the acceptance of the grant shall be remitted in favour of Guotai Junan International within 28 days from the date of offer or other period as may be determined by the board of Guotai Junan International.

The exercise price of share options is determined by the board of Guotai Junan International in its absolute discretion, and shall be at least the higher of (i) the closing price of the shares of Guotai Junan International as stated in the daily quotations sheet issued by the Hong Kong Stock Exchange on the date of offer; and (ii) the average closing price of the shares of Guotai Junan International as stated in the daily quotations sheets issued by the Hong Kong Stock Exchange for the five consecutive days on which shares are traded on the Hong Kong Stock Exchange immediately preceding the date of offer.

The total number of shares of Guotai Junan International ("Shares of Guotai Junan International") that may be issued upon exercise of all share options granted and to be granted must not in aggregate exceed 10% of the shares issued by Guotai Junan International at the date of adoption of the Share Option Scheme of Guotai Junan International (i.e. 164,000,000 Shares). As at 26 August 2022 (being the date of this Interim Report), the total number of Shares of Guotai Junan International available for issue in respect of the share options which had been granted and were outstanding under the Share Option Scheme of Guotai Junan International was 46,846,299 shares, representing approximately 0.49% of the shares of Guotai Junan International in issue.



## Section IV Corporate Governance

Movements of the share options under the Share Option Scheme of Guotai Junan International for the six months ended 30 June 2022 are set out as follows:

Name of participants	As at 1 January 2022	Number of share options				As at 30 June 2022	Exercise price (HK\$)	Date of grant (Note 2)	Exercise period (Note 2)	
		Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period					
<i>Directors</i>										
YIM Fung	800,000	-	-	-	-	800,000	2.440	2017/7/13	13/07/2018- 12/07/2027	
	500,000	-	-	-	-	500,000	1.720	2018/7/4	04/07/2019- 03/07/2028	
	1,000,000	-	-	-	-	1,000,000	1.450	2019/9/11	11/09/2020- 10/09/2029	
QI Haiying	800,000	-	-	-	-	800,000	2.440	2017/7/13	13/07/2018- 12/07/2027	
	500,000	-	-	-	-	500,000	1.720	2018/7/4	04/07/2019- 03/07/2028	
	1,000,000	-	-	-	-	1,000,000	1.450	2019/9/11	11/09/2020- 10/09/2029	
<b>Subtotal</b>	<b>4,600,000</b>	-	-	-	-	<b>4,600,000</b>				
<i>Employees</i>										
(in aggregate)	20,762,131	(Note 1)	-	-	-	20,762,131	1.264	(Note 1)	2014/1/10	10/01/2015- 09/01/2024
	5,700,000	-	-	-	(300,000)	5,400,000	2.440	2017/7/13	13/07/2018- 12/07/2027	
	6,200,000	-	-	-	(300,000)	5,900,000	1.720	2018/7/4	04/07/2019- 03/07/2028	
	12,500,000	-	-	-	(800,000)	11,700,000	1.450	2019/9/11	11/09/2020- 10/09/2029	
<b>Subtotal</b>	<b>45,162,131</b>	-	-	-	<b>(1,400,000)</b>	<b>43,762,131</b>				
<b>Total</b>	<b>49,762,131</b>	-	-	-	<b>(1,400,000)</b>	<b>48,362,131</b>				

## Section IV Corporate Governance

Notes:

1. The number of outstanding share options and the exercise price may be subject to adjustment in case of reorganization of the capital structure of Guotai Junan International. Pursuant to the announcements dated 29 September 2014 and 9 July 2015, Guotai Junan International adjusted respectively the number of outstanding share options and the exercise price with reference to the terms of the Share Option Scheme of Guotai Junan International and the supplementary guidance attached to the letter of the Stock Exchange relating to the Share Option Scheme of Guotai Junan International dated 5 September 2005.
2. In respect of the share options granted on 10 January 2014, one-third of the share options has been vested evenly on 10 January 2015, 10 January 2016 and 10 January 2017 and exercisable until 9 January 2024.

In respect of the share options granted on 13 July 2017, one-third of the share options has been vested evenly on 13 July 2018, 13 July 2019 and 13 July 2020 and exercisable until 12 July 2027.

In respect of the share options granted on 4 July 2018, one-third of the share options has been vested evenly on 4 July 2019, 4 July 2020 and 4 July 2021 and exercisable until 3 July 2028.

In respect of the share options granted on 11 September 2019, one-third of the share options shall be vested evenly on 11 September 2020, 11 September 2021 and 11 September 2022 and exercisable until 10 September 2029.

## V. OTHER INFORMATION

### (I) Securities transactions by directors, supervisors and relevant employees

The Company formulated and amended the Administrative Measures for the Shareholdings of Directors, Supervisors and Senior Management Members in the Company and Their Changes (hereinafter referred to as the “Administrative Measures”) which has been implemented since 11 April 2017 on which the H Shares of the Company were listed on the Hong Kong Stock Exchange, to regulate the conducts of Directors, Supervisors and senior management members of the Company in holding and dealing in the Shares. The requirements stipulated in the Model Code have been adopted in the Administrative Measures as the code of conducts for the Directors, Supervisors and relevant employees of the Company to deal in the securities, and the requirements in the Administrative Measures are stricter than the mandatory management provisions in the Model Code. After making enquiries, all the Directors, Supervisors and senior management members of the Company have confirmed that they had been in strict compliance with the relevant requirements of the Administrative Measures and the Model Code throughout the Reporting Period.

## Section IV Corporate Governance

### (II) Material changes in relevant information of directors, supervisors and chief executive

On 16 February 2022, Mr. Yu Jian was appointed as a non-executive director of Guotai Junan International Holdings Limited (國泰君安國際控股有限公司, a company listed on the Hong Kong Stock Exchange with stock code of 1788).

On 15 June 2022, Mr. Ding Wei was appointed as an independent director of Chongqing Changan Automobile Co., Ltd. (重慶長安汽車股份有限公司, a company listed on the Shenzhen Stock Exchange with stock code of 000625).

On 1 June 2022, Mr. LEE Conway Kong Wai ceased to serve as an independent non-executive director of WH Group Limited (萬洲國際有限公司, a company listed on the Hong Kong Stock Exchange with stock code of 0288).

Save as disclosed above, there were no other material changes in the biographical particulars of Directors, Supervisors and chief executive during the Reporting Period pursuant to Rule 13.51B of the Hong Kong Listing Rules.

### (III) Compliance with the Corporate Governance Code

The Company has strictly complied with the Corporate Governance Code by fully complying with the code provisions and satisfied substantially all the requirements for recommended best practices set out therein.

### (IV) Number of employees, remuneration and training programs

As of 30 June 2022, the Group had a total of 13,474 employees, 11,165 of which were employees of the Company. The Company has formulated a series of remuneration management systems in line with the practical conditions of the Company pursuant to relevant PRC laws and regulations and the Articles of Association, including the Administrative Measures on Remuneration, and the Administrative Measures on Performance, and the Administrative Measures on Professional Ranking. The Company establishes a post value and competence oriented and performance-related remuneration system to achieve “inside fairness and outside competition,” which motivates excellent employees for the purpose of attracting and retaining excellent talents. The Company maintains and makes contribution to various social insurances (including the pension insurance, medical insurance, unemployment insurance, work-related injury insurance and maternity insurance), housing fund and enterprise annuity for its employees in accordance with the PRC laws and regulations.

To improve the professional skills of its employees, the Company has provided diversified internal and external training programs. In the first half of 2022, the Company conducted training programs for talents in key areas of wealth management, digitalization and internationalization. The trainings covered improvement in employees’ business skills, leadership, digital transformation, international perspectives, legal and compliance, etc. The average training time of employees was 60.26 hours with a year-on-year increase of 36.2%.

## Section IV Corporate Governance

### (IV) Investor relations

The Company attaches great importance to the management of investor relations, and has formulated a series of thorough rules and regulations such as the Administrative System Regarding Investor Relations (《投資者關係管理制度》). The Company has set up an investor relations management platform with various communication channels such as on-site, telephone and Internet and various communication methods such as performance explanation sessions, road shows, reception of investors for survey and research, company website, investor hotline and e-mails, and through actively participating in e-interactive platform of the Shanghai Stock Exchange, participating in collective reception activities for investors, and attending investment strategies meetings or investment forums of seller institutions, and actively enhancing the interactive communication with investors, and thus increases the Company's transparency and ensures that investors could have timely, accurate and comprehensive understanding of the Company. Shareholders may make enquiries through emails, hotlines or directly send their letters to the Company's office address. The Company will properly and timely handle all enquiries.

In the first half of 2022, the Company conducted an online briefing on the results for the purpose of online communication and answering questions from investors; held an analyst communication conference call, involving a total of 60 analysts and investors; participated in 11 sell-side institutional strategy meetings with a total of 157 investor visits; answered 317 investor hotlines, replied on SSE e-interview 119 times.

#### The communication between the Company and investors in the first half of 2022

Date of reception	Place of reception	Way of reception	Guests	Major topics discussed and information provided
18 February 2022	The Ritz-Carlton Shanghai, Pudong	On-site communication	Investors invited to the 2022 Annual Strategy Conference of Soochow Securities	Operation and development of the Company's wealth management, institutional and trading
18 February 2022	-	Telephone communication	Investors invited to the Spring Listed Companies Online Gathering of China Securities	Operation and development of the Company's wealth management, institutional and trading, investment management and international segment
22 February 2022	-	Telephone communication	Investors invited to the Spring Online Strategy Conference of Huatai Securities	Operation and development of the Company's investment banking, wealth management, institutional and trading

## Section IV Corporate Governance

<b>Date of reception</b>	<b>Place of reception</b>	<b>Way of reception</b>	<b>Guests</b>	<b>Major topics discussed and information provided</b>
31 March 2022	-	Telephone communication	Analysts and investors invited to the Company's 2021 Annual Analyst Communication Conference	Operation and development of the Company's strategies and wealth management, investment banking, institutional and trading, investment management
1 April 2022	-	Online communication	Investors participated in the Company's 2021 Annual Results Briefing	Operation and development of the Company's strategies and wealth management
13 April 2022	-	Telephone communication	Investors invited to the Company's Spring Online Strategy Conference	Operation and development of the Company's strategies and wealth management, institutional and trading, investment management
11 May 2022	-	Telephone communication	Investors invited to the 2022 Mid-term Online Strategy Conference of Huachuang Securities	Operation and development of the Company's strategies and wealth management, institutional and trading, investment management
12 May 2022	-	Online communication	Investors invited to the 2022 Asia-pacific Financial Real Estate Annual Conference of Bank of America	Operation and development of the Company's wealth management, investment banking, institutional and trading, and investment management
12 May 2022	-	Telephone communication	Investors invited to the 2022 "Dialogue with the Master" High-End Forum of GF Securities	Operation and development of the Company's strategies and wealth management, investment banking, institutional and trading

## Section IV Corporate Governance

<b>Date of reception</b>	<b>Place of reception</b>	<b>Way of reception</b>	<b>Guests</b>	<b>Major topics discussed and information provided</b>
2 June 2022	-	Telephone communication	Investors invited to the 2022 Summer Strategy Conference of Shenwan Hongyuan	Operation and development of the Company's wealth management, investment banking, institutional and trading
16 June 2022	-	Telephone communication	Investors invited to the Company's 2022 Summer Strategy Conference	Operation and development of the Company's strategies and investment banking, investment management and international segment
21 June 2022	-	Telephone communication	Investors invited to the 2022 Mid-term Strategy Conference of Everbright Securities	Operation and development of the Company's strategies and institutional and trading, international segment
22 June 2022	-	Telephone communication	Investors invited to the 2022 Mid-term Strategy Conference of BOC International (China)	Operation and development of the Company's wealth management, investment banking, investment management, institutional and trading

## Section V Environment and Social Responsibility

### I. ENVIRONMENTAL INFORMATION

#### (I) Environmental protection information of the Company and its major subsidiaries on the lists of critical pollutant dischargers published by environmental protection authorities

Applicable  Not applicable

#### (II) Environmental protection information of companies not on the list of critical pollutant dischargers

Applicable  Not applicable

##### 1. Administrative penalties due to environmental protection issues

Applicable  Not applicable

##### 2. Disclosure of other environmental protection information with reference to the list of critical pollutant dischargers

Applicable  Not applicable

##### 3. Reasons for not disclosing other environmental protection information

Applicable  Not applicable

#### (III) Subsequent progress or changes in environmental protection information disclosed during the Reporting Period

Applicable  Not applicable

#### (IV) Relevant information that is conducive to ecological protection, pollution prevention, and fulfilment of environmental responsibilities

Applicable  Not applicable

As a large state-owned financial institution, the Company resolutely implements the strategic decision and deployment of the CPC Central Committee and the State Council on peak carbon dioxide emissions and carbon neutrality, actively contributes to the dual-carbon target and copes with the challenges of climate change. The Company gives full play to its advantage of full securities licenses and continuously improves its green and low-carbon financial services capability; implements the concept of green development and comprehensively accelerates the transformation towards green development; strives to become a corporate citizen model for sustainable high-quality development, and contributes financial strength to serve the construction of Shanghai to be an international carbon financial center and achieves the national strategic goal of “peak carbon dioxide emissions and carbon neutrality (碳達峰、碳中和)”.

## Section V Environment and Social Responsibility

### 1. Effectively implement the Company's dual-carbon action plan

In March 2022, in order to further implement the “Action Plan for Implementing Peak Carbon Dioxide Emissions and Carbon Neutrality of Guotai Junan (《國泰君安踐行碳達峰與碳中和的行動方案》)”, the Strategy and ESG Committee under the Board of the Company established and improved the ESG work organization system, formulated the ESG annual work plan, and effectively integrated the ESG governance into the strategy implementation and daily management of the Company.

In June 2022, the Company held the theme sharing event of “International Finance Lecture (Europe Session): European Capital Market Overview and New Investment Opportunities (國際金融大講堂(歐洲站)：歐洲資本市場概覽及投資新機遇)”, inviting PWC, BNY Mellon and other institutions to share ESG management in European capital market and other advanced experience.

### 2. Provide leading integrated carbon financial services

The Company has actively practiced the concept of green and low-carbon development. It spearheaded the establishment of a carbon finance business team in the securities industry in early 2014, and successively completed various businesses such as the first CCER (Chinese Certified Emission Reduction) development transaction by a securities company and the first carbon allowance forward transaction in Shanghai, with transaction scale ranked top in many pilot regions.

During the Reporting Period, the FICC carbon finance business of the Company continued to develop, with a cumulative trading volume of 62.15 million tons and a trading amount of RMB1.589 billion in the carbon trading market, representing a year-on-year increase of 70%; involved in piloted carbon emission quota and CCER transactions in Guangdong, Beijing and Hubei, serving the carbon trading needs for enterprises in cement, power generation, steel and other industries, with a trading volume of approximately 2.85 million tons and a trading amount of approximately RMB131 million.

### 3. Provide full-chain green investment and financing services

The Group has continued to increase the supply of ESG and neutrality themed financial products, stepped up efforts for industrial research and deeply engaged in green and low-carbon industries, providing full-cycle and full-chain green investment and financing services, so as to provide supports for turning away from and transformation of outdated high-carbon industry, and promote the development and upgrading of green and low-carbon technologies.

During the Reporting Period, the Group established 2 tranches of green asset-backed special plan with a total size of RMB1.827 billion, issued one green financial product for the forestry industry with a size of approximately HK\$1.6 billion and issued 2 low-carbon themed funds with a total size of RMB636 million. As of the end of the period, the Group managed 9 low-carbon related funds with a total scale of RMB4.709 billion.



## Section V Environment and Social Responsibility

The Group also had 6 low-carbon themed products for agency sale. As of the end of the Reporting Period, the Group had a total of 69 low-carbon themed products for agency sale with a size of RMB634 million; participated in domestic and overseas projects in the fields of photovoltaic power generation, sewage treatment, waste gas treatment, clean energy, and smart travel through onshore and offshore private equity investment and strategic placements with an amount of approximately RMB1.054 billion; issued 45 green bonds for 33 companies with a financing scale of approximately RMB55.0 billion, and issued the first two blue bonds for CGN Wind Energy Ltd. (中廣核風電有限公司) to specifically serve the development of the marine economy in the stock exchange market.

### (V) Measures taken to reduce carbon emissions during the Reporting Period and the relevant effects

Applicable  Not applicable

The Company actively promoted the policy of “intensification, cost reduction, quality improvement and efficiency enhancement”, and reduced operating costs and improved intensification capabilities and management efficiency to implement high-standard energy-saving requirements consistently and reduce greenhouse gas emissions through establishing a centralized procurement platform, cleaning up idle resources and strengthening the construction of centralized data.

The Company’s quantitative target for energy consumption in Shanghai, where its headquarters is located, is to control the increase in energy consumption within 10% in 2022. In the first half of 2022, the total energy consumption in Shanghai amounted to 2,817.23 tonnes of standard coal, representing a year-on-year increase of 9.08%.

## II. CONSOLIDATING AND EXPANDING POVERTY ALLEVIATION ACHIEVEMENTS, RURAL REVITALIZATION AND OTHER SPECIFIC WORK

Applicable  Not applicable

### (I) Consolidating poverty alleviation achievements and commitment to rural revitalization strategy

The Company actively responded to the national call and industry guidelines, always adhered to the core concept of “Serving the Country with Financial Services (金融報國)” and the public welfare spirit of “being pragmatic and practical and doing good deeds” and made precise efforts for targeted poverty alleviation, to vigorously promote targeted poverty alleviation and rural revitalization and other national strategies; carried out targeted industrial support and education support and explored the innovation of “Financial Empowerment for Public Welfare (金融賦能公益)” based on the local needs in Ji’an County, Jiangxi, Puge County, Sichuan, Qianshan County, Anhui, Malipo County and Guangnan County, Yunnan and other places in order to facilitate the poverty alleviation of support projects as schedule and achieve rural revitalization.

## Section V Environment and Social Responsibility

### (II) Overview of conducting rural revitalization during the Reporting Period

The Company continued to support three counties of “Rural Revitalization” including Ji’an County, Jiangxi, Puge County, Sichuan and Qianshan County, Anhui by assisting the local governments to fully promote the rural revitalization work on the basis of consolidating poverty alleviation achievements, continued to implement the “Urban-and-Rural Comprehensive Support (城鄉綜合幫扶)” in Fengxian District of Shanghai and actively promoted the State-owned Assets Supervision and Administration Commission and “Hundred Enterprises for Hundred Villages (百村百企)” in Jing’an District to provide supports to three villages in Malipo County in Yunnan Province and nine villages in Guangnan County in Yunnan Province and other various rural revitalization work.

- Industrial support:** The Company continued to promote the projects construction such as the planting and processing of Pennisetum Sinese Roxb, supported by the agricultural industry fund of Puge County, Sichuan, the “hostel” and “farmer’s market” in Malipo County, Yunnan Province and the beautiful villages in Guangnan County, Yunnan, to facilitate the implementation of rural revitalization work; strengthened communications with governments at all levels in Fengxian District, Shanghai, and continuously deepened comprehensive cooperation with Fengxian in the fields of investment banks, state-owned enterprise mixed-ownership reform, think tank studies, public REITs, green finance, paired support; planned to set up a new charactered business department of Fengxian focusing on financial inclusion, carried out investor education, deepened the integration of industry and finance in order to facilitate the improvement in functions of “five new cities” in Shanghai.
- Educational support:** The primary school of Guotai Junan Tianzhushan Town Central School located in Qianshan City of Anhui Province and built under the support of the Company have been operated formally, which may accommodate more than 800 teachers and students to study and work in the campus and become a local compulsory education school with the newest facilities and the strongest teachers. The Company continued to do a good job of poverty alleviation and student assistance in the four Guotai Junan Hope Primary Schools and the projects of each branch to subsidize local poor college students, proposed to conduct an event themed “Warming Others’ Hearts with One Day’s Salary (一日薪，暖人心)” for the year 2022 and continued to provide nutritious lunches for the Hope Primary Schools.
- Innovative public welfare financial project:** The “Guotai Junan Worry-free Growth (國泰君安成長無憂)” medical supplementary insurance public welfare project (Phase II) was officially insured, paying RMB2 million in premiums for the second year, and the Company continued to provide medical supplementary insurance for teachers and students in three countries including Ji’an County, Jiangxi, Puge County, Sichuan and Qianshan County, Anhui and more than 1,200 children with financial difficulties sponsored by the caring teams of China Executive Leadership Academy Pudong.

## Section V Environment and Social Responsibility

### (III) Consolidating poverty alleviation achievements and effectiveness

Unit: ten thousand yuan Currency: RMB

Indicators	Number and implementation information of the Company
<b>I. General</b>	
Including: 1. Fund	275.38
<b>II. Itemized input</b>	
1. Poverty alleviation through education	
Including: 1.1 Amount of investment in subsidizing students with financial difficulties	24.25
1.2 Number of students receiving allowance (person)	96
1.3 Amount of investment in improving educational resources in poverty-stricken areas	48.13
2. Poverty alleviation through healthcare	
Including: 2.1 Amount of investment in medical and health resources in poverty-stricken areas	200
3. Social poverty alleviation	
3.1 Amount of investment in targeted poverty alleviation work	3
<b>III. Awards (Details and level)</b>	
Nil	

### III. FIGHTING AGAINST THE PANDEMIC, BLESSING THE SPRING TOGETHER, AND CONSCIOUSLY ASSUMING THE RESPONSIBILITIES OF A STATE-OWNED FINANCIAL ENTERPRISE

In the first half of 2022, facing the severe and complicated COVID-19 pandemic and substantial fluctuations in the capital market, the Company efficiently coordinated the pandemic prevention and control and operation management to proactively integrate ideas, train its team and promote its development, making positive contribution to winning the “Great Defense War for Shanghai (大上海保衛戰)” and maintaining the overall economic stability and social harmony and peace.

## Section V Environment and Social Responsibility

The Company successively released two action plans for serving pandemic prevention and control, realizing resumption of work and production and supporting stable economic growth, and actively served the development of key enterprises and enterprises in Shanghai to assist the real economy to reduce operational risks. From March to June 2022, the Company successfully issued 24 equity projects and 830 bonds with an underwriting scale of over RMB330.0 billion, and underwrote the first bond for pandemic prevention and control and the first ABS for pandemic prevention and control in 2022 on the exchange; assisted private enterprises to solve the problem of “financing difficulties (融資難)” through the comprehensive financial solution of “bond issuance + credit protection (債券發行+信用保護)”; promoted the successful implementation of financial service projects such as Shanghai Airport and SPD Bank, initiated the establishment of Shanghai Lingang Guotai Junan Technology Frontier Industry Fund and jointly set up Shanghai Urban Renewal Guide Fund (上海城市更新引導基金); vigorously carried out the “Guotai Junan Risk Hedging (國泰君安避險)” business, successfully assisting the enterprises to actively cope with the risks of pandemic and market price fluctuations.

The Company took the lead in releasing the action plan for serving the goal of common prosperity to play its demonstration role as a leading securities company in the industry. A specialized anti-pandemic fund was established immediately and 17 assistance programs were efficiently completed, with RMB8.6572 million invested and over 40,000 direct beneficiaries. The Company undertook the paired work for specialized donation of the pandemic prevention supplies in the financial system of Shanghai, and managed a donation of RMB172 million from 83 financial enterprises. A donation initiative was launched to support the fight against the pandemic with a cumulative donation of RMB3.2444 million received from cadres and employees. The Company also actively responded to the requirements of the CPC Shanghai Municipal Committee and Shanghai Municipal People’s Government to expand the targeted enrollment of 100 fresh graduates in 2022 from universities in Shanghai.

Striving to forecast, prepare, initiate and implement in advance, the Company timely and dynamically adjusted the corresponding levels of pandemic prevention and control among the headquarters, branches and subsidiaries to ensure the materials supply and effectively ensure the health and safety of employees and the stable operation of business, arranged 813 on-site individual visits, taking core positions in IT, trading, custody, operation, customer service, etc., and expanded 3,576 VPN channels to support remote office to ensure stable transaction operations and customer services. Jun Hong APP served about 1.1 billion customers and completed 718 million entrusted transactions in total, with a trading amount of more than RMB7 trillion. The “95521” hotline and online manual service served about 120,000 customers.

The Company’s cadres and employees firmly implemented the spirit of “step forward bravely and be selfless (挺身而出、無私奉獻)”, never cared about individual gain or loss and forged ahead amidst difficulties during the pandemic. 2,452 party members and cadres in Shanghai reported to the community for duty immediately after the outbreak and participated in the frontline volunteer activities for fighting against the pandemic; 60 elite personnel to support Wuliqiao Sub-district, Huangpu District under the anti-pandemic mode of “elite frontline + strong guarantee (精銳前線+強大保障)”. They relieved the general public’s worries and difficulties. Meanwhile, by giving full play to their strengths, professionalism and efficiency, they immediately formulated a whole-process management system, established a material supply guarantee model and developed a standard operating procedure of volunteer services, making beneficial explorations and gaining valuable experience to accurately facilitate the pandemic prevention and control for the community, which has won high praise from the residents and full recognition from the relevant departments.

## Section VI Significant Events

### I. THE PERFORMANCE OF UNDERTAKINGS

#### (I) The undertakings of the Company's de facto controller, Shareholders, related parties, acquirers and the Company and other related parties during the Reporting Period or that continued to be valid during the Reporting Period

√ Applicable    □ Not applicable

Backgrounds of undertakings	Types of undertakings	Parties giving undertakings	Content of undertakings	Times and periods of undertakings	Whether there is a performance period	Whether undertakings were performed timely	Detailed	Next steps, if undertaken were not performed timely
							Whether reasons, if undertaken were not performed timely	
Undertakings related to initial public offering	Other	Shanghai State-owned Assets Management Co., Ltd.	The undertaking of avoiding the competition with Guotai Junan in the same industry	From the date of the initial public offering of the A Shares of Guotai Junan to the date on which it ceases to be the Company's controlling shareholder <sup>Note 1</sup>	Yes	Yes	-	-
	Other		The undertaking of indemnifying investors' losses in the case of false disclosure	Permanent	Yes	Yes	-	-
	Other	Shanghai International Group Co., Ltd.	The undertaking of avoiding the competition with Guotai Junan in the same industry	From the date of the initial public offering of the A Shares of Guotai Junan to the date on which it ceases to be the Company's de facto controller <sup>Note 1</sup>	Yes	Yes	-	-
	Other		The undertaking of avoiding the competition with Guotai Junan in the same industry (Non-Competition Arrangement)	From the listing date of the H Shares of Guotai Junan to the date on which it ceases to be the Guotai Junan's controlling shareholder <sup>Note 2</sup>	Yes	Yes	-	-
	Other		The undertaking of indemnifying investors' losses in the case of false disclosure	Permanent	Yes	Yes	-	-

## Section VI Significant Events

Backgrounds of undertakings	Types of undertakings	Parties giving undertakings	Content of undertakings	Times and periods of undertakings	Whether there is a performance period	Whether undertakings were performed timely	Detailed	Next steps, if undertaken were not performed timely
							reasons, if undertaken were not performed timely	
	Other	The Company	The undertaking of repurchasing shares and indemnifying investors' losses in the case of false disclosure	Permanent	Yes	Yes	-	-
	Other	Directors, Supervisors and senior management of the Company	The undertaking of indemnifying investors' losses in the case of false disclosure	Permanent	Yes	Yes	-	-

Note 1: The controlling shareholder and the de facto controller as referred to herein are as defined under the SSE Listing Rules.

Note 2: The controlling shareholder as referred to herein is as defined under the Hong Kong Listing Rules.

### II. APPROPRIATION OF FUNDS FOR NON-OPERATING PURPOSES BY CONTROLLING SHAREHOLDERS AND OTHER RELATED PARTIES DURING THE REPORTING PERIOD

Applicable  Not applicable

### III. NON-COMPLIANT GUARANTEES

Applicable  Not applicable

### IV. AUDITING OF INTERIM REPORT

Applicable  Not applicable

## Section VI Significant Events

### V. CHANGES IN AND FOLLOW-UP MEASURES FOR MATTERS INVOLVED IN NON-STANDARD AUDIT OPINIONS IN THE PREVIOUS YEAR'S ANNUAL REPORT

Applicable  Not applicable

### VI. BANKRUPTCY AND RESTRUCTURING RELATED MATTERS

Applicable  Not applicable

### VII. MATERIAL LITIGATION AND ARBITRATION

The Company had material litigations and arbitrations during the Reporting Period

The Company had no material litigation and arbitration during the Reporting Period

### VIII. SUSPECTED NON-COMPLIANCE WITH LAWS AND REGULATIONS BY AND PENALTIES IMPOSED ON THE COMPANY, ITS DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT, CONTROLLING SHAREHOLDER, DE FACTO CONTROLLER AS WELL AS RELEVANT RECTIFICATIONS

Applicable  Not applicable

#### 1. Administrative regulatory measures were imposed on the Company by the CSRC issuing a warning letter to it

On 14 January 2022, administrative regulatory measures were imposed on the Company by the CSRC issuing a warning letter to it for its failure to diligently perform adequate verification procedures and disclose relevant information on a consolidated basis on the relationship between Huanqiu Jiamei (環球佳美), a major customer of Auctus Technology Co., Ltd. (the "issuer"), and Faliying (法力盈), another customer, its inconsistent disclosure about the amount of products involved in patent litigation with significant difference, and its reliance on the information provided by the issuer when verifying capital accounts in sponsoring the initial public offering and listing of the shares of the issuer.

The Company has adopted the following rectification measures in respect of the above issues: (i) claiming liabilities against the relevant subjects by imposing administrative accountability measures of being criticized in a circulated notice on two sponsor representatives, and ordering them to return other remunerations other than their basic salary for 2021; (ii) further improving the level of due diligence and tutoring and cultivating the sensitivity of practice by duly broadening the scope and depth of verification and thoroughly investigating project risks in line with the features of various industries and different customers, to achieve a comprehensive objective of improving the quality of listed company, protecting the legitimate rights and interests of investors and promoting the healthy development of the securities market.

## Section VI Significant Events

### 2. Administrative regulatory measures were imposed on Jiangxi Branch by Jiangxi Bureau of the CSRC ordering it to make rectifications

On 18 February 2022, administrative regulatory measures were imposed on Jiangxi Branch by Jiangxi Bureau of the CSRC ordering it to make rectifications for (1) its failure to visit some of the contracted investors of Ganjiang-Tongxing Investment and Consulting (贛江－同興投顧) who meet the selection criteria for return visit; (2) an investment consultant of Ganjiang-Tongxing (贛江－同興) to deliver misleading statements to investors through WeChat and WeChat group in providing securities investment advisory services.

The Company has adopted the following rectification measures in respect of the above issues: (i) claiming liabilities against the relevant subjects by imposing administrative accountability measures of being criticized in a circulated notice as well as economic accountability measures of being deducted all performance incentives for 2021 on such investment consultant; imposing administrative accountability measures of being ordered to make written inspection as well as economic accountability measures for being deducted 30% of the performance incentives for 2021 on the then head of the responsible business branch; imposing administrative accountability measures for being ordered to make written inspection as well as economic accountability measures for being deducted 30% of the performance incentives for 2021 on the then leader in charge of the retail business of Jiangxi Branch; (ii) supplementing return visits to customers to further standardize the return visit process; (iii) continuously strengthening the supervision over employees' practice on social media; and (iv) making work adjustment to personnel involved in the products of Ganjiang-Tongxing Investment and Consulting (贛江－同興投顧).

## IX. THE CREDIT STATUS OF THE COMPANY, ITS CONTROLLING SHAREHOLDER AND DE FACTO CONTROLLER DURING THE REPORTING PERIOD

Applicable    Not applicable

During the Reporting Period, there was no failure to implement the effective judgment of a court or failure to meet the repayment schedules of a debt with a relatively large amount by the Company, Shanghai SA (controlling shareholder of the Company) or International Group (the de facto controller of the Company).

Note: The controlling shareholder and the de facto controller mentioned above are as defined under the SSE Listing Rules.



## Section VI Significant Events

### X. MATERIAL RELATED PARTY TRANSACTIONS

#### (I) Related party transactions relating to day-to-day operations

1. Matters disclosed in ad hoc announcements without subsequent progress or change  
 Applicable     Not applicable
2. Matters disclosed in ad hoc announcements with subsequent progress or changes  
 Applicable     Not applicable
3. Matters not disclosed in ad hoc announcements  
 Applicable     Not applicable
4. Day-to-day related party transactions

The Company conducts related party transactions in strict compliance with the SSE Listing Rules, the Policy on Information Disclosure Management and the Policy on Management of Related Party Transactions. The Group's related party transactions are conducted based on the principles of equity, openness and fairness, and the related party transaction agreements are entered into at market prices based on the principles of equality, voluntariness, equivalence and compensation.

During the Reporting Period, the Company's day-to-day related party transactions were implemented according to the Resolution on the Potential Related Party Transactions Contemplated in the Ordinary Course of Business of the Company in 2022, which was considered and approved at the 2021 Annual General Meeting of the Company.

The disclosure of related party transactions set forth in this section is based on the SSE Listing Rules and may differ from the amount of related party transactions in the notes to the financial statements (prepared according to the Accounting Standards for Business Enterprise).

## Section VI Significant Events

### (1) Major related party transactions relating to day-to-day operation

#### ① Fee and commission income from related parties

Unit: yuan Currency: RMB

Names of related parties	Contents of related party transactions	Amount for the current period	Amount for the last period
HuaAn Funds	Income from lending of trading seats	55,642,047	–
Shanghai Rural Commercial Bank	Revenue from entrusted assets management business	6,261,814	5,004,685

#### ② Interest received from related parties

Unit: yuan Currency: RMB

Names of related parties	Contents of related party transactions	Amount for the current period	Amount for the last period
SPD Bank	Deposits in financial institutions and financial assets held under resale agreements	85,560,964	138,371,056

## Section VI Significant Events

### ③ Interest paid to related parties

Unit: yuan Currency: RMB

Names of related parties	Contents of related party transactions	Amount for the current period	Amount for the last period
SPD Bank	Lease of gold, financial assets sold under repurchase agreements and placements from other financial institutions	11,113,464	17,837,796
HuaAn Funds	Lease of gold, financial assets sold under repurchase agreements and customers' deposits	16,644,585	–
Shanghai Rural Commercial Bank	Lease of gold, financial assets sold under repurchase agreements and placements from other financial institutions	8,159,457	4,367,711

### ④ Operation and management fees paid to related parties

Unit: yuan Currency: RMB

Names of related parties	Contents of related party transactions	Amount for the current period	Amount for the last period
SPD Bank	Service fees for sales of products	1,732,329	6,792,991

## (2) Balances with related parties

### ① Balances of deposits with related parties

Unit: yuan Currency: RMB

Names of related parties	Balances at the end of the period	Balances at the beginning of the period
SPD Bank	2,242,837,491	6,238,209,079

## Section VI Significant Events

### ② Balances of financial assets held under resale agreements

Unit: yuan Currency: RMB

<b>Names of related parties</b>	<b>Balances at the end of the period</b>	<b>Balances at the beginning of the period</b>
SPD Bank	800,090,340	-

### ③ Balance of account receivable

Unit: yuan Currency: RMB

<b>Names of related parties</b>	<b>Balances at the end of the period</b>	<b>Balances at the beginning of the period</b>
HuaAn Funds	62,683,842	110,112,626

### ④ Balances of the bonds issued by related parties held by the Company

Unit: yuan Currency: RMB

<b>Names of related parties</b>	<b>Balances at the end of the period</b>	<b>Balances at the beginning of the period</b>
SPD Bank	2,762,257,212	1,711,232,449
Shanghai Pudong Development Bank Financial Leasing Co., Ltd.	188,097,441	204,789,942
Great Wall Securities Co., Ltd.	247,782,642	411,361,886

## Section VI Significant Events

⑤ *Balances of the bonds issued by the Company subscribed by related parties*

*Unit: yuan Currency: RMB*

<b>Names of related parties</b>	<b>Balances at the end of the period</b>	<b>Balances at the beginning of the period</b>
SPD Bank	1,236,374,011	1,978,609,992
China Foreign Economic and Trade Trust Company Limited	662,431,660	-
CITIC Trust Co., Ltd.	-	659,890,287

⑥ *Balances of financial assets sold under repurchase agreements*

*Unit: yuan Currency: RMB*

<b>Names of related parties</b>	<b>Balances at the end of the period</b>	<b>Balances at the beginning of the period</b>
SPD Bank	100,020,384	300,483,288
Shanghai Rural Commercial Bank	1,014,754,196	-

⑦ *Balances of amounts payable*

*Unit: yuan Currency: RMB*

<b>Names of related parties</b>	<b>Balances at the end of the period</b>	<b>Balances at the beginning of the period</b>
SPD Bank	10,314,040	14,898,074

## Section VI Significant Events

### (II) Related party transactions relating to asset or equity interest acquisition or disposal

#### 1. Matters disclosed in ad hoc announcements without subsequent progress or change

Applicable  Not applicable

##### 1. *Acquisition of 15% equity interest in HuaAn Funds*

On 27 October 2021, the Company entered into an agreement with Shanghai SITICO Asset Management Co., Ltd., a related party, to acquire the 15% equity interest in HuaAn Funds it held at a consideration of RMB1.812 billion. International Group directly and indirectly holds 33.34% of the total share capital of the Company, and directly holds 80% equity interest in Shanghai SITICO Asset Management Co., Ltd., and Shanghai SITICO Asset Management Co., Ltd. is therefore an associate of International Group and a connected person of the Company under Chapter 14A of the Listing Rules.

On 14 March 2022, the Company received the Reply of Approval on the Change of Equity Interest in HuaAn Funds Management Co., Ltd. (Zheng Jian Xu Ke [2022] No. 469) from the CSRC, which approved Shanghai SITICO Asset Management Co., Ltd. to transfer the 15% equity interest in HuaAn Funds it held to the Company.

On 6 June 2022, the Company completed the industrial and commercial registration change in respect of the acquisition of the 15% equity interest in HuaAn Funds held by Shanghai SITICO Asset Management Co., Ltd..

The related party transaction in relation to above acquisition also constitutes a connected transaction of the Company as defined in Chapter 14A of the Hong Kong Listing Rules. The Company has complied with the disclosure requirements of Chapter 14A of the Hong Kong Listing Rules in respect of such connected transaction.

##### (2) *Acquisition of 8% equity interest in HuaAn Funds*

The Company's acquisition of 8% equity interest in HuaAn Funds held by Shanghai Industrial Investment (Group) Co., Ltd. (上海工業投資(集團)有限公司) by way of non-public agreement transfer at a consideration of no more than RMB1.012 billion was considered and approved at the sixth extraordinary meeting of the sixth session of the Board held on 24 May 2022 and the 2022 first extraordinary general meeting held on 8 July 2022. The transaction is still subject to the approval from the CSRC. Upon completion of the transaction, the Company's equity interest in HuaAn Funds will increase to 51%, and HuaAn Funds will become a subsidiary of the Company.

## Section VI Significant Events

International Group directly and indirectly holds 33.34% of the total share capital of the Company, and holds 33.57% and 80% equity interest in Guotai Junan Investment Management Co., Ltd. and Shanghai SITICO Asset Management Co., Ltd., respectively. As defined in the Hong Kong Listing Rules, each of Guotai Junan Investment Management Co., Ltd. and Shanghai SITICO Asset Management Co., Ltd. is an associate of International Group. As each of Guotai Junan Investment Management Co., Ltd. and Shanghai SITICO Asset Management Co., Ltd. holds 20% equity interest in HuaAn Funds, the associates of International Group hold more than 10% interest in HuaAn Funds in aggregate.

The related party transaction in relation to above acquisition also constitutes a connected transaction of the Company under Rule 14A.28(2) of the Hong Kong Listing Rules. The Company has complied with the disclosure requirements of Chapter 14A of the Hong Kong Listing Rules in respect of such connected transaction.

**2. Matters disclosed in ad hoc announcements with subsequent progress or changes**

Applicable  Not applicable

**3. Matters not disclosed in ad hoc announcements**

Applicable  Not applicable

**4. If performance covenant is involved, the fulfilment of the business performance undertaking during the Reporting Period shall be disclosed**

Applicable  Not applicable

### (III) Significant related party transactions relating to joint external investments

**1. Matters disclosed in ad hoc announcements without subsequent progress or change**

Applicable  Not applicable

**(1) Investment in Lingang Fund**

On 1 December 2021 and 23 February 2022, the Resolution on Review of the Joint Investment of the Company and Related Parties to Participate in the Establishment of Shanghai Lingang Guotai Junan Technology Frontier Industrial Fund and the Resolution on Review of Adjustment to Part of the Plan for the Establishment of Shanghai Lingang Guotai Junan Technology Frontier Industrial Fund were considered and approved at the fourth and fifth extraordinary meetings of

## Section VI Significant Events

the sixth session of the Board of the Company. On 24 February 2022, Guotai Junan Innovation Investment and Guotai Junan Capital Management Co., Ltd. entered into a partnership agreement with International Group and other independent third parties, pursuant to which Guotai Junan Innovation Investment and its subsidiary, Guotai Junan Capital Management Co., Ltd., as a general partner and a limited partner, contributed RMB1.5 billion and RMB500 million, respectively, and International Group, as a limited partner, contributed RMB1 billion, to participate in the establishment of Shanghai Lingang Guotai Junan Technology Frontier Industrial Private Fund Partnership (Limited Partnership), focusing on investment in industries such as technology, healthcare, intelligent manufacturing and green development.

As International Group directly and indirectly holds 33.34% of the total share capital of the Company, the related party transaction in relation to the above joint external investments also constitutes a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules. The Company has complied with the disclosure requirements of Chapter 14A of the Hong Kong Listing Rules in respect of such connected transaction.

### **(2) Participation in the establishment of Financial Technology Fund**

On 23 February 2022, at the fifth extraordinary meeting of the sixth session of the Board of the Company it was approved that Guotai Junan FoF, an investment fund managed by Guotai Junan Capital Management Co., Ltd., an indirect non-wholly subsidiary of the Company, would enter into the partnership agreement with Shanghai Lizi Business Management Partnership (Limited Partnership), Shanghai Xijin Enterprise Management Partnership (Limited Partnership), SIG Asset Management Co., Ltd. and independent third parties, pursuant to which Guotai Junan FoF agreed to contribute RMB200 million as a limited partner to participate in the establishment of Financial Technology Fund, with an expected fund-raising scale of no less than RMB3 billion, which will focus on investments in the fintech industry. Financial Technology Fund will be managed by Shanghai Jinpu Investment Co., Ltd.

International Group directly and indirectly owns 33.34% of the total share capital of the Company. SIG Asset Management Co., Ltd. is a wholly-owned subsidiary of International Group and Shanghai Jinpu Investment Co., Ltd. is held as to 49.5% by SIG Asset Management Co., Ltd., therefore each of SIG Asset Management Co., Ltd. and Shanghai Jinpu Investment Co., Ltd. is a connected person of the Company.

The related party transaction in relation to the participation of Guotai Junan FoF in the establishment of Financial Technology Fund above will also constitute a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules. The Company has complied with the disclosure requirements of Chapter 14A of the Hong Kong Listing Rules in respect of such connected transaction.



## Section VI Significant Events

**2. Matters disclosed in ad hoc announcements with subsequent progress or changes**

Applicable  Not applicable

**3. Matters not disclosed in ad hoc announcements**

Applicable  Not applicable

### (IV) Debts due to/from related parties

**1. Matters disclosed in ad hoc announcements without subsequent progress or change**

Applicable  Not applicable

**2. Matters disclosed in ad hoc announcements with subsequent progress or changes**

Applicable  Not applicable

**3. Matters not disclosed in ad hoc announcements**

Applicable  Not applicable

### (V) Financial businesses between the Company and its related financial company and between its holding financial company and its related parties

Applicable  Not applicable

### (VI) Other significant related party transactions

Applicable  Not applicable

### (VII) Miscellaneous

Applicable  Not applicable

## XI. MATERIAL CONTRACTS AND THE PERFORMANCE THEREOF

### 1 Custody, contracting and leasing

Applicable  Not applicable

## Section VI Significant Events

### 2 Material guarantees performed and unfulfilled during the Reporting Period

Applicable  Not applicable

Unit: yuan Currency: RMB

#### External guarantees by the Company (excluding guarantees for subsidiaries)

Total amount of the guarantees during the Reporting Period (excluding guarantees for subsidiaries)	–
Total balance of guarantees at the end of the Reporting Period (A) (excluding guarantees for subsidiaries)	–

#### Guarantees of the Company for subsidiaries

Total amount of the guarantees for subsidiaries during the Reporting Period	–
Total balance of guarantees for subsidiaries at the end of the Reporting Period (B)	5,781,199,960

#### Total amount of guarantees of the Company (including guarantees for subsidiaries)

Total amount of guarantees (A+B)	5,781,199,960
Total amount of guarantees as a percentage of the net assets of the Company (%)	3.93
Including:	
The amount of guarantees offered to the Shareholders, de facto controller and their related parties (C)	–
Amount of debt guarantees directly or indirectly provided to the guaranteed with a gearing ratio of over 70% (D)	5,781,199,960
Amount of guarantees in excess of 50% of net assets (E)	–
Sum of the three items above (C+D+E)	5,781,199,960
Remark on the joint settlement responsibilities in relation to premature guarantees	The principal, interest and other related expenses of the bonds

## Section VI Significant Events

Remark on the guarantees

On 21 April 2021, Guotai Junan Holdings Limited, a subsidiary of the Company, issued the USD500 million medium-term bonds with a term of 5 years and an interest rate of 2%. The Company (as the guarantor) entered into a guarantee agreement with Bank of New York Mellon (as trustee), to provide unconditional and irrevocable guarantee for the payment obligation under the aforesaid bonds of Guotai Junan Holdings Limited.

On 24 November 2021, Guotai Junan Holdings Limited, a subsidiary of the Company, issued the USD300 million medium-term bonds with a term of 3 years and an interest rate of 1.60%. The Company (as the guarantor) entered into a guarantee deed, to provide unconditional and irrevocable joint and several liability guarantee for the payment obligation under the aforesaid bonds of Guotai Junan Holdings Limited.

Note: During the Reporting Period, Guotai Junan Financial Holdings and Guotai Junan International, both being an overseas subsidiary of the Company, provided guarantees for their respective wholly-owned subsidiaries in accordance with the transaction practices in international markets, mainly including:

- I. By virtue of normal business needs, Guotai Junan Financial Holdings provided guarantees in respect of a number of agreements entered into between its wholly-owned subsidiaries and their respective counterparties, including the Framework Agreements for International Swaps and Derivatives Association (ISDA), the Global Master Repurchase Agreement (GMRA) and the Gold Loan Agreement. As at the end of the Reporting Period, the total guarantee balance of actual transactions was equivalent to approximately RMB2.21 billion.
- II. Guotai Junan International provided the following guarantees to its wholly-owned subsidiaries in accordance with the Listing Rules of the Hong Kong Stock Exchange:
  - (1) By virtue of normal business needs, Guotai Junan International provided guarantees in respect of a number of agreements entered into between its wholly-owned subsidiaries and their respective counterparties, including the Framework Agreements for International Swaps and Derivatives Association (ISDA), the Global Master Securities Lending Agreement (GMSLA) and the Global Master Repurchase Agreement (GMRA). As at the end of the Reporting Period, the total guarantee balance of actual transactions was equivalent to approximately RMB4.8 billion;
  - (2) Guotai Junan International provided guarantees for its wholly-owned subsidiaries in respect of the structured notes with a maximum amount of US\$15 billion. As at the end of the Reporting Period, the total guarantee balance of the loans actually drawn was equivalent to approximately RMB3.06 billion;

## Section VI Significant Events

- (3) Guotai Junan International provided the debt financing guarantees in respect of the bank loans of its wholly-owned subsidiaries. The guarantee limits are HK\$9.6 billion, USD155 million and RMB55 million, respectively. As at the end of the Reporting Period, the guarantee balance of the loans actually drawn was equivalent to approximately RMB100 million.

As at the end of the Reporting Period, the percentage of the Company's shareholding in Guotai Junan International was 73.48%.

### 3 Other material contracts

Applicable    Not applicable

1. According to the SSE Listing Rules, the Group did not enter into any material contract during the Reporting Period.
2. The updates of material contracts disclosed in the Prospectus in relation to the Initial Public Offering of A Shares of the Company during the Reporting Period are as follows:
  - (1) According to a resolution at the 10th extraordinary meeting of the 4th session of the Board of Directors, the Company invests in the office building project of Huangpu Riverside (黃浦濱江), and the investment amount is expected to not exceed RMB1.18 billion. On 16 October 2013, the Company signed the Framework Agreement for Transfer of the Fuxing Land (《復興地塊項目轉讓框架協議》) with Shanghai Bund Riverside Development Company Ltd. (上海外灘濱江綜合開發有限公司) ("Bund Riverside"). Pursuant to this agreement, Bund Riverside intends to acquire the land through land auction. The land is located at the Huangpu District, Shanghai City and is used for commercial and office purposes, with a site area of 35,862 m<sup>2</sup>. Bund Riverside will construct six office buildings on the site and transfer one of the buildings (with a gross floor area of approximately 14,000 m<sup>2</sup>) to the Company. The transfer price covered the land costs, construction costs, respective amortization charges and the project management fees paid to Bund Riverside. On 12 December 2013, Bund Riverside signed the Land Use Rights Grant Contract of State-owned Land with the Planning and Land Administration Bureau of Huangpu District (上海市黃浦區規劃和土地管理局). As of the end of June 2022, the Company paid RMB1,096,670,000.
  - (2) On 18 November 2014, Guoxiang Properties signed the Main Contract on Construction of the Main Body of the New Project of the Office Building of Guotai Junan Securities Co., Ltd. (《國泰君安證券股份有限公司辦公樓新建項目主體工程施工總承包合同》) with Shanghai Construction No.1, pursuant to which Shanghai Construction No.1 was responsible for constructing the main body of the new project of the office building of Guotai Junan. The project is located at Lot 49, Jing'an District, Shanghai City, with a total contract value of RMB335,880,000 and the settlement amount of RMB363,980,000. As of the end of June 2022, the Company paid RMB350,030,000.

## Section VI Significant Events

### XII. OTHER SIGNIFICANT EVENTS

√ Applicable    □ Not applicable

#### 1. Changes in qualifications for each individual business during the Reporting Period

During the Reporting Period, Guotai Junan Risk Management Co., Ltd., a subsidiary of Guotai Junan Futures, and Hong Kong Companies obtained several new business qualifications. Please refer to “Business Qualifications for Each Individual Business of the Company” in “Section II Company Profile and Key Financial Indicators” of this Interim Report for details.

#### 2. Events of Subsidiaries

##### (1) Issuance of MTN by Guotai Junan International

In the first half of 2022, Guotai Junan International issued MTN denominated in various currencies with a total amount of HK\$1.9 billion, US\$408 million and RMB978 million, with terms from three months to five years.

##### (2) Change of registered capital of Guotai Junan Futures

In July 2022, Guotai Junan Futures completed the industrial and commercial change and increased its registered capital from RMB4.0 billion to RMB5.0 billion.

##### (3) Change of registered capital of Guotai Junan Zhengyu

In August 2022, Guotai Junan Zhengyu completed the industrial and commercial change, and its registered capital increased from RMB3 billion to RMB4 billion.

#### 3. Changes of business outlets

During the Reporting Period, the Group newly established one securities branch, completed the relocation of 11 securities branches, and deregistered one securities branch in the PRC.

## Section VI Significant Events

As of 30 June 2022, the Group had 31 securities branch offices and 339 securities branches, and Guotai Junan Futures had 16 futures branch offices and seven futures branches in the PRC.

	Newly - established branch offices	Relocated branch offices	Newly - established securities/ futures branches	Relocated securities/ futures branches	Deregistered securities/ futures branches
The Company	-	-	1	11	1
Guotai Junan Futures	-	-	-	-	-

Details of changes of business outlets of the Company:

### (1) Newly-established branches

No.	Names of newly-established branches	Locations of newly-established branches	Permit issuing date
1	Hefei Chuangxin Avenue Securities Branch	Room 2003 and 2004, Block C, Huijing Center, southeast of the intersection of Chuangxin Avenue and Wangjiang West Road, High-tech Zone, Hefei City, Anhui Province	20 June 2022

### (2) Relocated branches

No.	Names of branches before relocation	Names of branches after relocation	Locations of branches after relocation
1	Xingyi Ruijin Avenue Securities Branch	Xingyi Ruijin Avenue Securities Branch	1F, No. 60 Ruijin South Road, Ruijin Avenue, Jushan Subdistrict, Xingyi City, Qianxinan Prefecture, Guizhou Province
2	Haikou Longkun South Road Securities Branch	Haikou Guoxing Securities Branch	Building D, Shengda Jingdu, No. 8 Meiyuan Road, Meilan District, Haikou City, Hainan Province

## Section VI Significant Events

No.	Names of branches before relocation	Names of branches after relocation	Locations of branches after relocation
3	Shenzhen Hongli West Road Securities Branch	Shenzhen Hongli West Road Securities Branch	Unit 10ABCDEFGHIJK, Building B, Investment International Business Center, the intersection of Xiangmei Road and Hongli West Road, Xiangmi Community, Xiangmihu Subdistrict, Futian District, Shenzhen City
4	Beijing Zhongguangcun Street Securities Branch	Beijing Zhongguangcun Street Securities Branch	107, 1F & 302, 3F, No. 8 Haidian North Second Street, Haidian District, Beijing City
5	Fuzhou Changle Chaoyang Middle Road Securities Branch	Fuzhou Changle District Hexie Road Securities Branch	117 and 118 (commercial) & 309 (office), Building 2 and 2a, Zhengyuan City Square, No. 59 Hexie Road, Shouzhan Town, Changle District, Fuzhou City, Fujian Province
6	Chenzhou Guoqing North Road Securities Branch	Chenzhou Guoqing North Road Securities Branch	6F, the office building of Beihu Sub-branch of ICBC Chenzhou Branch, No. 3 Guoqing North Road, Renmin Road Subdistrict, Beihu District, Chenzhou City, Hunan Province
7	Ningbo Caihong North Road Securities Branch	Ningbo Guangfu Street Securities Branch	Unit 1-1 of Building 12, Unit 21-5, 21-6, 21-7 and 21-8 of Building 5, Ningbo New World Plaza, Yinzhou District, Ningbo City, Zhejiang Province (No. 46 Sanyanqiao Street)
8	Shenzhen Fuhua Third Road Securities Branch	Shenzhen Fuhua Third Road Securities Branch	1301, 1302, 1312-A, 1313 and 1315, International Chamber of Commerce Building, No.168 Fuhua Third Road, Fu'an Community, Futian Subdistrict, Futian District, Shenzhen City

## Section VI Significant Events

No.	Names of branches before relocation	Names of branches after relocation	Locations of branches after relocation
9	Jinjiang Changxing Road Securities Branch	Jinjiang Shiji Avenue Securities Branch	Unit 03, 05 and 06, 15F, Building D, Baolong Center, No. 520 Shiji Avenue, Qingyang Subdistrict, Jinjiang, Quanzhou City, Fujian Province
10	Cangzhou Cang County Jiaotong North Avenue Securities Branch	Cangzhou Jiefang West Road Securities Branch	Room 101 and 104, 1F, Huashang International Building, Jiefang West Road, Yunhe District, Cangzhou City, Hebei Province
11	Guangzhou Dongfeng Middle Road Securities Branch	Guangzhou Dongfeng Middle Road Securities Branch	Unit 2 (self-made number), Room 2201, No. 362 Dongfeng Middle Road, Yuexiu District, Guangzhou City

### (3) Deregistered branches

No.	Names of branches
1	Chongqing Jinyu Road Securities Branch



## Section VII Changes in Shares and Particulars of Shareholders

### I. CHANGES IN SHARE CAPITAL

#### (I) Table of Changes in Shares

##### 1. Table of changes in Shares

*Unit: share*

	Before change		Change (+/-)		After change	
	Number	Percentage	Others	Sub-total	Number	Percentage
		(%)				(%)
<b>I. Shares subject to selling restrictions</b>	88,999,990	1.00	-1,778,000	-1,778,000	87,221,990	0.98
1. Other domestic shareholdings	88,999,990	1.00	-1,778,000	-1,778,000	87,221,990	0.98
Shareholdings of domestic natural person	88,999,990	1.00	-1,778,000	-1,778,000	87,221,990	0.98
<b>II. Tradable shares not subject to selling restrictions</b>	8,819,449,533	99.00	270	270	8,819,449,803	99.02
1. RMB-denominated ordinary shares	7,427,622,353	83.38	270	270	7,427,622,623	83.39
2. Overseas listed foreign invested Shares	1,391,827,180	15.62	-	-	1,391,827,180	15.63
<b>III. Total number of ordinary shares</b>	8,908,449,523	100.00	-1,777,730	-1,777,730	8,906,671,793	100.00

##### 2. Changes in Shares

Applicable    Not applicable

During the Reporting Period, the conversion of A Share Convertible Bonds of the Company into Shares increased the share capital of A share of the Company by 270 Shares. In January 2022, 1,778,000 Restricted A Shares were repurchased and cancelled. During the Reporting Period, the share capital of A share decreased by 1,777,730 Shares in total, and the total share capital of the Company changed to 8,906,671,793 Shares.

##### 3. Impact of changes in shares on earnings per share, net asset value per share or other financial indicators subsequent to the end of the Reporting Period and up to the publication date of the interim report (if any)

Applicable    Not applicable

##### 4. Other information considered necessary by the Company or required by the securities regulators to be disclosed

Applicable    Not applicable

## Section VII Changes in Shares and Particulars of Shareholders

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

√ Applicable    □ Not applicable

*Unit: share*

Name of shareholders	Number of Shares subject to selling restrictions as at the beginning of the period		Increase in number of Shares subject to selling restrictions for the Reporting Period <sup>Note 1</sup>		Number of Shares subject to selling restrictions at the end of the Reporting Period		Reasons	Unlocking date
	Number of Shares for unlocking	Number of Shares for the Reporting Period	Number of Shares for the Reporting Period	Number of Shares for the Reporting Period	Number of Shares for the Reporting Period	Number of Shares for the Reporting Period		
Incentive participants of restricted A Shares	88,999,990		-1,778,000		87,221,990		Restricted Share Incentive Scheme of A Shares	See note for details
Total	88,999,990		-1,778,000		87,221,990		/	/

Note 1: See "1. Repurchase and Cancellation of certain Restricted A Shares under VIII. Repurchase, Sale or Redemption of Listed Securities of the Company and Its Subsidiaries" for details;

Note 2: The registration for the first grant of restricted A Shares held by the incentive participants was completed on 2 November 2020, and the registration for the reserved grant was completed on 29 September 2021. The lock-up periods are 24 months, 36 months and 48 months from the date of completing registration for the grant of shares.

## Section VII Changes in Shares and Particulars of Shareholders

### II. ISSUE AND LISTING OF SECURITIES

#### (I) Issue of Securities during the Reporting Period

Unit: yuan Currency: RMB

Types of Shares and other derivative instruments	Date of issue	Issue price (or interest rate)	Issue amount	Listing date	Transaction amount	Transaction termination date
					approved to be listed	
<b>Bonds (including enterprise bonds, corporate bonds and debt financing instruments for non-financial businesses)</b>						
Public Issuance of Subordinated Bonds to Professional Investors in 2022 (First Tranche) (Type I)	January 2022	3.00%	2,500,000,000	January 2022	2,500,000,000	January 2024
Public Issuance of Subordinated Bonds to Professional Investors in 2022 (First Tranche) (Type II)	January 2022	3.17%	3,500,000,000	January 2022	3,500,000,000	January 2025
2022 First Tranche Short-term Financing Bills	January 2022	2.58%	3,000,000,000	January 2022	3,000,000,000	December 2022
Public Issuance of Corporate Bonds to Professional Investors in 2022 (First Tranche) (Type I)	March 2022	3.04%	2,000,000,000	March 2022	2,000,000,000	March 2025
Public Issuance of Corporate Bonds to Professional Investors in 2022 (First Tranche) (Type II)	March 2022	3.74%	1,400,000,000	March 2022	1,400,000,000	March 2032
Public Issuance of Corporate Bonds to Professional Investors in 2022 (Second Tranche) (Type I)	April 2022	2.96%	2,800,000,000	April 2022	2,800,000,000	April 2025
Public Issuance of Corporate Bonds to Professional Investors in 2022 (Second Tranche) (Type II)	April 2022	3.70%	2,500,000,000	April 2022	2,500,000,000	April 2032
Public Issuance of Corporate Bonds to Professional Investors in 2022 (Third Tranche) (Type I)	May 2022	2.78%	3,100,000,000	May 2022	3,100,000,000	May 2025
Public Issuance of Corporate Bonds to Professional Investors in 2022 (Third Tranche) (Type II)	May 2022	3.58%	2,400,000,000	May 2022	2,400,000,000	May 2032
2022 Second Tranche Short-term Financing Bills	June 2022	1.87%	3,000,000,000	June 2022	3,000,000,000	September 2022

## Section VII Changes in Shares and Particulars of Shareholders

### III. PARTICULARS OF SHAREHOLDERS

#### (I) Total number of Shareholders:

Total number of holders of ordinary shares at the end of the Reporting Period <sup>Note</sup>	169,594
Total number of holders of preferred shares with voting rights restored at the end of the Reporting Period	N/A

Note: The total number of Shareholders includes the holders of ordinary A Shares and the registered holders of H Shares. As at the end of the Reporting Period, there were 169,416 holders of A Shares and 178 registered holders of H Shares.

#### (II) Shareholdings of the top ten Shareholders and the top ten holders of tradable Shares (or Shares without selling restrictions) as at the end of the Reporting Period

Unit: share

Names of Shareholders (full name)	Increase or decrease during the Reporting Period	Shareholdings of the top ten Shareholders			Pledged, marked or frozen Status	Number	Nature of Shareholders
		Number of shares held as at the end of the period	Percentage (%)	Number of non-tradable shares			
Shanghai State-owned Assets Management Co., Ltd. <sup>Note 1</sup>		1,900,963,748	21.34	-	Not	-	State-owned legal person
HKSCC Nominees Limited <sup>Note 2</sup>	-157,800	1,391,591,720	15.62	-	-	Unknown	Overseas legal person
Shanghai International Group Co., Ltd. <sup>Note 3</sup>		682,215,791	7.66	-	Not	-	State-owned legal person
Shenzhen Investment Holdings Co., Ltd. <sup>Note 4</sup>		609,428,357	6.84	-	Not	-	State-owned legal person
China Securities Finance Corporation Limited		260,547,316	2.93	-	Not	-	Domestic non-state-owned legal person
Shanghai Municipal Investment (Group) Corporation		246,566,512	2.77	-	Not	-	State-owned legal person
Hong Kong Securities Clearing Company Limited <sup>Note 5</sup>	-1,048,934	157,335,225	1.77	-	Not	-	Overseas legal person
Shenzhen Energy Group Co., Ltd.		154,455,909	1.73	-	Not	-	Domestic non-state-owned legal person
China Construction Bank Corporation – Guotai CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund	+5,453,810	93,121,986	1.05	-	Not	-	Others
China National Nuclear Corporation		76,292,793	0.86	-	Not	-	State-owned legal person

## Section VII Changes in Shares and Particulars of Shareholders

### Details of the top ten shareholders without selling restrictions <sup>Note 6</sup>

Names of Shareholders	Number of tradable shares without selling restrictions held	Class and number of shares	
		Class	Number
Shanghai State-owned Assets Management Co., Ltd.	1,900,963,748	RMB-denominated ordinary shares	1,900,963,748
HKSCC Nominees Limited	1,391,591,720	Overseas listed foreign-invested shares	1,391,591,720
Shanghai International Group Co., Ltd.	682,215,791	RMB-denominated ordinary shares	682,215,791
Shenzhen Investment Holdings Co., Ltd.	609,428,357	RMB-denominated ordinary shares	609,428,357
China Securities Finance Corporation Limited	260,547,316	RMB-denominated ordinary shares	260,547,316
Shanghai Municipal Investment (Group) Corporation	246,566,512	RMB-denominated ordinary shares	246,566,512
Hong Kong Securities Clearing Company Limited	157,335,225	RMB-denominated ordinary shares	157,335,225
Shenzhen Energy Group Co., Ltd.	154,455,909	RMB-denominated ordinary shares	154,455,909
China Construction Bank Corporation – Guotai CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund	93,121,986	RMB-denominated ordinary shares	93,121,986
China National Nuclear Corporation	76,292,793	RMB-denominated ordinary shares	76,292,793
Description on the special repurchase accounts under the top ten shareholders			Not applicable

## Section VII Changes in Shares and Particulars of Shareholders

### Details of the top ten shareholders without selling restrictions <sup>Note 6</sup>

Names of Shareholders	Number of tradable shares without selling restrictions held	Class and number of shares	
		Class	Number
Description on the voting rights entrusted by or to, or waived by the above shareholders	The Company is not aware of any such arrangements about shareholders		
Description on the relations or acting-in-concert arrangements among the Shareholders above	Shanghai State-owned Assets Management Co., Ltd. is a wholly owned subsidiary of Shanghai International Group Co., Ltd. HKSCC Nominees Limited and Hong Kong Securities Clearing Company Limited are both wholly owned subsidiaries of The Stock Exchange of Hong Kong Limited, holding H Shares and A Shares of the Company for H shares investors and Shanghai Connect investors. Save as disclosed herein, the Company is not aware of any other relations or acting-in-concert arrangements		
Description on the holders of preferred shares with voting rights restored and their shareholdings			Not applicable

Note 1: In the above table of top ten shareholders, the number of Shares held by Shanghai SA as at the end of the period merely represents the number of A Shares held by it. Another 152,000,000 H Shares were held by Shanghai SA through HKSCC Nominees Limited as the nominee.

Note 2: HKSCC Nominees Limited is the nominee holder of the Shares owned by the non-registered holders of the H Shares of the Company.

Note 3: In the above table of top ten shareholders, the number of Shares held by International Group as at the end of the period merely represents the number of A Shares held by it. Another 124,000,000 H Shares were held by International Group through HKSCC Nominees Limited as the nominee.

Note 4: In the above table of top ten shareholders, the number of Shares held by Shenzhen Investment Holdings as at the end of the period merely represents the number of A Shares held by it. Another 103,373,800 H Shares were held by Shenzhen Investment Holdings through HKSCC Nominees Limited as the nominee.

Note 5: Hong Kong Securities Clearing Company Limited is the nominee holder of Shanghai Connect investors holding A Shares of the Company.

Note 6: The Shares subject to selling restrictions and the Shareholders subject to selling restrictions as referred to herein are those as defined under the SSE Listing Rules.

### Number of shares held by top ten shareholders with selling restrictions and their selling restrictions

Applicable  Not applicable

## Section VII Changes in Shares and Particulars of Shareholders

Unit: share

No.	Names of shareholders holding shares subject to selling restrictions	Number of shares subject to selling restrictions held	Listing and trading of shares subject to selling restrictions		Selling restrictions
			The date on which shares becoming tradable	Increase in the number of tradable shares	
1	WANG Song	722,000	See note for details	-	See note for details
2	JIANG Yiming	650,000	See note for details	-	See note for details
3	CHEN Yutao	650,000	See note for details	-	See note for details
4	LI Junjie	599,686	See note for details	-	See note for details
5	XIE Lebin	595,000	See note for details	-	See note for details
6	LUO Dongyuan	595,000	See note for details	-	See note for details
7	JIANG Wei	595,000	See note for details	-	See note for details
8	YU Jian	595,000	See note for details	-	See note for details
9	ZHANG Zhihong	595,000	See note for details	-	See note for details
10	ZHANG Zhiming	595,000	See note for details	-	See note for details
11	ZHAO Hong	595,000	See note for details	-	See note for details
12	YU Feng	595,000	See note for details	-	See note for details
Description on the relations or acting-in-concert arrangements among the Shareholders above		The Company is not aware of any other relations or acting-in-concert arrangements			

Note: The above Shares subject to selling restrictions represent the Shares granted by the Company to the Incentive Participants due to the implementation of the Restricted Share Incentive Scheme of A Shares. Details on the listing and trading of the shares subject to selling restrictions and such selling restrictions are available in the Restricted Share Incentive Scheme of A Shares of Guotai Junan Securities Co., Ltd. disclosed by the Company on the website of the Hong Kong Stock Exchange (<http://www.hkex.com.hk>) on 12 August 2020.

### (III) Strategic investors or general legal persons becoming the top ten Shareholders by placing of new Shares

Applicable  Not applicable

## Section VII Changes in Shares and Particulars of Shareholders

### IV. DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

#### (I) Changes in the shareholdings of the current Directors, Supervisors and senior management of the Company and those who resigned during the Reporting Period

Applicable  Not applicable

#### (II) Share awards granted to the Directors, Supervisors and senior management of the Company during the Reporting Period

Applicable  Not applicable

#### (III) Other Information

Applicable  Not applicable

### V. CHANGES IN CONTROLLING SHAREHOLDERS OR DE FACTO CONTROLLERS

Applicable  Not applicable



## Section VII Changes in Shares and Particulars of Shareholders

### VI. INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN SHARES AND UNDERLYING SHARES

As of 30 June 2022, to the best knowledge of the Company, the following persons have interests or short positions in the shares or underlying shares of the Company which are required to be disclosed to the Company and the Hong Kong Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO, or are required to be recorded in the register that is required to be kept by the Company under Section 336 of the SFO, or own directly or indirectly 5% or more of the nominal value of any class of the share capital of the Company:

<i>Unit: share</i>					
Substantial Shareholders	Nature of Interest	Class	Number <sup>Note 1</sup> / Nature of Shares Directly or Indirectly Held	Approximate Percentage of Shareholding in the Relevant Class of Shares (%)	Approximate Percentage of Shareholding in the Total Issued Share Capital (%)
Shanghai International Group Co., Ltd.	Beneficial owner	A Shares	682,215,791/Long positions	9.08	7.66
	Beneficial owner	H Shares	124,000,000/Long positions	8.91	1.39
	Interest held by controlled corporation	A Shares	2,012,109,666/Long positions <sup>Note 2</sup>	26.78	22.59
	Interest held by controlled corporation	H Shares	152,000,000/Long positions <sup>Note 3</sup>	10.92	1.71
Shanghai State-owned Assets Management Co., Ltd.	Beneficial owner	A Shares	1,900,963,748/Long positions	25.30	21.34
	Beneficial owner	H Shares	152,000,000/Long positions	10.92	1.71
Shenzhen Investment Holdings Co., Ltd.	Beneficial owner	A Shares	609,428,357/Long positions	8.11	6.84
	Beneficial owner	H Shares	103,373,800/Long positions	7.43	1.16
New China Asset Management (Hong Kong) Limited	Beneficial owner	H Shares	258,388,000/Long positions	18.56	2.90
New China Asset Management Company Limited	Interest held by controlled corporation	H Shares	258,388,000/Long positions <sup>Note 4</sup>	18.56	2.90
New China Life Insurance Company Ltd.	Interest held by controlled corporation	H Shares	258,388,000/Long positions <sup>Note 4</sup>	18.56	2.90
Diamond Acquisition Co SARL	Beneficial owner	H Shares	190,333,000/Long positions <sup>Note 5</sup>	13.68	2.14

## Section VII Changes in Shares and Particulars of Shareholders

Substantial Shareholders	Nature of Interest	Class	Number <sup>Note 1/</sup> Nature of Shares Directly or Indirectly Held	Approximate Percentage of Shareholding in the Relevant Class of Shares (%)	Approximate Percentage of Shareholding in the Total Issued Share Capital (%)
A9 USD (Feeder) L.P.	Interest held by controlled corporation	H Shares	190,333,000/Long positions <sup>Note 5</sup>	13.68	2.14
Apax Guernsey (Holdco) PCC Limited	Interest held by controlled corporation	H Shares	190,333,000/Long positions <sup>Note 5</sup>	13.68	2.14
Apax IX GP Co. Limited	Interest held by controlled corporation	H Shares	190,333,000/Long positions <sup>Note 5</sup>	13.68	2.14
Apax IX USD GP L.P. Inc.	Interest held by controlled corporation	H Shares	190,333,000/Long positions <sup>Note 5</sup>	13.68	2.14
Apax IX USD L.P.	Interest held by controlled corporation	H Shares	190,333,000/Long positions <sup>Note 5</sup>	13.68	2.14
Diamond Holding SARL	Interest held by controlled corporation	H Shares	190,333,000/Long positions <sup>Note 5</sup>	13.68	2.14
Jacqueline Mary Le Maitre-Ward	Trustee of a trust	H Shares	190,333,000/Long positions <sup>Note 5</sup>	13.68	2.14
David Payne Staples	Trustee of a trust	H Shares	190,333,000/Long positions <sup>Note 5</sup>	13.68	2.14
Newton Industrial Limited	Beneficial owner	H Shares	100,000,000/Long positions	7.18	1.12
Shenzhen Energy Group Co., Ltd.	Interest held by controlled corporation	H Shares	100,000,000/Long positions <sup>Note 6</sup>	7.18	1.12
Shanghai Ningquan Asset Management Co., Ltd.	Beneficial owner	H Shares	97,702,600/Long positions	7.02	1.10

Note 1: Pursuant to Section 336 of the SFO, Shareholders shall submit forms to disclose their interests when certain conditions are met. As Shareholders are not required to inform the Company and the Hong Kong Stock Exchange of any changes in their shareholdings in the Company unless certain conditions are met, the latest shareholdings of substantial Shareholders in the Company may be inconsistent with the shareholdings reported to the Hong Kong Stock Exchange.

Note 2: As of 30 June 2022, Shanghai SA, Shanghai International Group Asset Management Co., Ltd., Shanghai International Group Asset Operation Co., Ltd. and Shanghai SITICO Asset Management Co., Ltd. were interested in 1,900,963,748, 34,732,152, 931,505 and 75,482,261 A Shares respectively. Shanghai SA, Shanghai International Group Asset Management Co., Ltd. and Shanghai International Group Asset Operation Co., Ltd. are wholly owned subsidiaries of International Group, and Shanghai SITICO Asset Management Co., Ltd. is a subsidiary in which International Group holds 80% equity interest. Therefore, International Group is deemed to be interested in the 2,012,109,666 A Shares held by Shanghai SA, Shanghai International Group Asset Management Co., Ltd., Shanghai International Group Asset Operation Co., Ltd. and Shanghai SITICO Asset Management Co., Ltd. for the purpose of the SFO.

## Section VII Changes in Shares and Particulars of Shareholders

Note 3: Shanghai SA is a wholly owned subsidiary of International Group. Therefore, International Group is deemed to be interested in the 152,000,000 H Shares held by Shanghai SA for the purpose of the SFO.

Note 4: New China Asset Management Company Limited holds 60% equity interest in New China Asset Management (Hong Kong) Limited, and New China Life Insurance Company Ltd. owns 99.4% equity interest in New China Asset Management Company Limited. Therefore, New China Life Insurance Company Ltd. and New China Asset Management Company Limited are deemed to be interested in the 258,388,000 H Shares held by New China Asset Management (Hong Kong) Limited for the purpose of the SFO.

Note 5: Diamond Acquisition Co SARL is wholly owned by Diamond Holding SARL. Apax IX USD L.P. is the beneficial owner of 73.8% of the equity interest in Diamond Holding SARL. A9 USD (Feeder) L.P. contributed 44.9% of the capital of Apax IX USD L.P.. Apax IX USD GP L.P. Inc. is the general partner of Apax IX USD L.P. and A9 USD (Feeder) L.P.. Apax IX GP Co. Limited is the general partner of Apax IX USD GP L.P. Inc.. Apax IX GP Co. Limited is wholly owned by Apax Guernsey (Holdco) PCC Limited. The equity interest in Apax Guernsey (Holdco) PCC Limited is held by Jacqueline Mary Le Maitre-Ward and David Payne Staples as trustees of the Hirzel IV Purpose Trust. Accordingly, each of Diamond Holding SARL, Apax IX USD L.P., Apax IX USD GP L.P. Inc., Apax IX GP Co. Limited, Apax Guernsey (Holdco) PCC Limited, A9 USD (Feeder) L.P., Jacqueline Mary Le MaitreWard and David Payne Staples are deemed to be interested in the 190,333,000 H Shares held by Diamond Acquisition Co SARL for the purpose of the SFO.

Note 6: Newton Industrial Limited is wholly owned by Shenzhen Energy Group Co., Ltd. Therefore, Shenzhen Energy Group Co., Ltd. is deemed to be interested in 100,000,000 H Shares held by Newton Industrial Limited for the purpose of the SFO.

Save as disclosed above, as at 30 June 2022, the Company was not aware of any other person (other than the directors, supervisors and chief executive of the Company) having any interests or short positions in the shares or underlying shares of the Company which are required to be recorded in the register under Section 336 of the SFO.

### VII. INTERESTS AND SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES IN THE SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY AND ASSOCIATED CORPORATIONS

As of the end of June 2022, details on restricted shares granted to certain Directors of the Company due to the Company's implementation of the Restricted Share Incentive Scheme of A Shares are as follows:

Name	Positions	Nature of Interest Class	Number/ Nature of Shares Directly or Indirectly Held	Approximate Percentage of Shareholding in the Relevant Class of Shares (%)	Approximate Percentage of Shareholding in the Total Issued Share Capital (%)
WANG Song	Vice chairman of the Board, Executive Director, President	Beneficial owner	A Shares 722,000/Long positions	0.0096	0.0081
YU Jian	Executive Director, Secretary of the Board	Beneficial owner	A Shares 595,000/Long positions	0.0079	0.0067

## Section VII Changes in Shares and Particulars of Shareholders

Save as disclosed above, the Company was not aware of any Directors, Supervisors and the chief executive of the Company who had any interests or short positions in the Shares, underlying shares or debentures of the Company or its associated corporations which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Hong Kong Stock Exchange.

### VIII. REPURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY AND ITS SUBSIDIARIES

#### 1. Repurchase and Cancellation of Certain Restricted A Shares

Please refer to “IV. The Equity Incentive Scheme, Employee Share Scheme or Other Employee Incentives of the Company and the Impact Thereof” in “Section IV Corporate Governance” of this Report.

#### 2. Repurchase of shares by Guotai Junan International

According to the general mandate of Guotai Junan International to repurchase shares granted at the general meeting, in the first half of 2022, Guotai Junan International repurchased 58,409,000 shares on the Hong Kong Stock Exchange with an amount of HK\$51,089,093.05 (including transaction costs), of which 31,239,000 shares were cancelled in June 2022, and the remaining shares were cancelled in July 2022.

Month	Number of repurchases (shares)	Highest transaction price (HKD/share)	Lowest transaction price (HKD/share)	Total amount (HKD, including transaction costs)
April 2022	1,180,000	0.84	0.80	976,415.36
May 2022	30,059,000	0.87	0.81	25,468,775.25
June 2022	27,170,000	0.97	0.85	24,643,902.44

Save as disclosed in this Interim Report, neither the Company nor any of its subsidiaries repurchase, sale or redeem any listed securities of the Company and its subsidiaries.

## Section VIII Preferred Shares

Applicable  Not applicable

## Section IX Corporate Bonds

### I. ENTERPRISE BONDS, CORPORATE BONDS, AND DEBT FINANCING INSTRUMENTS FOR NON-FINANCIAL BUSINESSES

Applicable  Not applicable

#### (I) Enterprise bonds

Applicable  Not applicable

#### (II) Corporate bonds

Applicable  Not applicable

## Section IX Corporate Bonds

### 1. Basic information of corporate bonds

Unit: yuan    Currency: RMB

Name of bond	Abbreviation	Bond code	Issue date	Interest commencement date	Maturity date	Outstanding amount	Interest Rate (%)	Method of repayment of principal and payment of interests	Place of trading	Arrangement to ensure the suitability of investors (if any)	Trading mechanism	Whether there is a risk of the listing and trading of bonds being terminated? (Y/N)
Public Offering of 2018 Corporate Bonds (Third Tranche) (Type II)	18 GUOJUN G4	143733	2018/7/12	2018/7/16	2023/7/16	300,000,000	4.64	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Bidding quotation, inquiry and agreement trading methods	N
Non-Public Offering of 2019 Perpetual Subordinated Bonds (First Tranche) <sup>Note 1</sup>	19 GUOJUN Y1	162167	2019/9/20	2019/9/23	-	5,000,000,000	4.20	Interest payable on annual basis provided that the issuer does not exercise the right to defer interest payment	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Quotation, inquiry and agreement trading methods	N
Public Offering of 2019 Corporate Bonds (Third Tranche)	19 GUOJUN G4	155771	2019/10/14	2019/10/16	2022/10/16	2,500,000,000	3.48	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Bidding quotation, inquiry and agreement trading methods	N

## Section IX Corporate Bonds

Name of bond	Abbreviation	Bond code	Issue date	Interest commencement date	Maturity date	Outstanding amount	Interest Rate (%)	Method of repayment of principal and payment of interests	Place of trading	Arrangement to ensure the suitability of investors (if any)	Trading mechanism	Whether there is a risk of the listing and trading of bonds being terminated? (Y/N)
Public Offering of 2020 Corporate Bonds (First Tranche)	20 GUOJUN G1	163105	2020/1/7	2020/3/19	2023/1/9	4,000,000,000	3.37	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Bidding quotation, inquiry and agreement trading methods	N
Non-Public Offering of 2020 Perpetual Subordinated Bonds (First Tranche) <sup>Notes</sup>	20 GUOJUN Y1	166204	2020/3/9	2020/3/11	-	5,000,000,000	3.05	Interest payable on annual basis provided that the issuer does not exercise the right to defer interest payment	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Quotation, inquiry and agreement trading methods	N
Public Offering of 2020 Corporate Bonds (Second Tranche) (Type I)	20 GUOJUN G2	163325	2020/3/19	2020/3/23	2023/3/23	4,000,000,000	3.05	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Bidding quotation, inquiry and agreement trading methods	N
Public Offering of 2020 Corporate Bonds (Third Tranche)	20 GUOJUN G4	163756	2020/7/20	2020/7/22	2023/7/22	5,000,000,000	3.55	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Bidding quotation, inquiry and agreement trading methods	N



## Section IX Corporate Bonds

Name of bond	Abbreviation	Bond code	Issue date	Interest		Outstanding amount	Interest Rate (%)	Method of repayment of principal and payment of interests	Place of trading	Arrangement to ensure the suitability of investors (if any)	Trading mechanism	Whether there is a risk of the listing and trading of bonds being terminated? (Y/N)
				commencement date	maturity date							
Public Offering of 2020 Corporate Bonds (Fourth Tranche)	20 GUOJUN G5	175089	2020/9/2	2020/9/4	2023/9/4	4,000,000,000	3.75	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Bidding quotation, inquiry and agreement trading methods	N
Public Offering of 2020 Corporate Bonds (Fifth Tranche) (Type I)	20 GUOJUN G6	175462	2020/11/19	2020/11/23	2022/11/23	3,900,000,000	3.80	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Bidding quotation, inquiry and agreement trading methods	N
Public Offering of 2020 Corporate Bonds (Fifth Tranche) (Type II)	20 GUOJUN G7	175463	2020/11/19	2020/11/23	2023/11/23	2,000,000,000	3.90	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Bidding quotation, inquiry and agreement trading methods	N
Public Offering of 2020 Corporate Bonds (Sixth Tranche) (Type II)	20 GUOJUN G9	175521	2020/12/3	2020/12/7	2023/12/7	2,900,000,000	3.77	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Bidding quotation, inquiry and agreement trading methods	N

## Section IX Corporate Bonds

Name of bond	Abbreviation	Bond code	Issue date	Interest commencement date	Maturity date	Outstanding amount	Interest Rate (%)	Method of repayment of principal and payment of interests	Place of trading	Arrangement to ensure the suitability of investors (if any)	Trading mechanism	Whether there is a risk of the listing and trading of bonds being terminated? (Y/N)
Public Offering of 2021 Subordinated Bonds (First Tranche)	21 GUOJUN C1	175684	2021/1/21	2021/1/25	2024/1/25	3,000,000,000	3.89	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Bidding quotation, inquiry and agreement trading methods	N
Public Offering of 2021 Corporate Bonds (First Tranche) (Type I)	21 GUOJUN G1	175987	2021/4/13	2021/4/15	2024/4/15	4,000,000,000	3.46	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Bidding quotation, inquiry and agreement trading methods	N
Public Offering of 2021 Corporate Bonds (First Tranche) (Type II)	21 GUOJUN G2	175988	2021/4/13	2021/4/15	2026/4/15	2,000,000,000	3.75	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Bidding quotation, inquiry and agreement trading methods	N
Public Offering of 2021 Corporate Bonds (Second Tranche) (Type I)	21 GUOJUN G3	188127	2021/5/19	2021/5/21	2024/5/21	3,000,000,000	3.31	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Bidding quotation, inquiry and agreement trading methods	N

## Section IX Corporate Bonds

Name of bond	Abbreviation	Bond code	Issue date	Interest		Outstanding amount	Interest Rate (%)	Method of repayment of principal and payment of interests	Place of trading	Arrangement to ensure the suitability of investors (if any)	Trading mechanism	Whether there is a risk of the listing and trading of bonds being terminated? (Y/N)
				commencement date	Maturity date							
Public Offering of 2021 Corporate Bonds (Second Tranche) (Type II)	21 GUOJUN G4	188128	2021/5/19	2021/5/21	2026/5/21	5,000,000,000	3.67	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Bidding, quotation, inquiry and agreement trading methods	N
Public Offering of 2021 Corporate Bonds (Third Tranche) (Type I)	21 GUOJUN G5	188215	2021/6/7	2021/6/9	2024/6/9	2,900,000,000	3.40	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Bidding, quotation, inquiry and agreement trading methods	N
Public Offering of 2021 Corporate Bonds (Fourth Tranche) (Type I)	21 GUOJUN G7	188431	2021/7/19	2021/7/21	2024/7/21	1,900,000,000	3.13	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Bidding, quotation, inquiry and agreement trading methods	N
Public Offering of 2021 Corporate Bonds (Fourth Tranche) (Type II)	21 GUOJUN G8	188432	2021/7/19	2021/7/21	2026/7/21	6,100,000,000	3.48	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Bidding, quotation, inquiry and agreement trading methods	N

## Section IX Corporate Bonds

Name of bond	Abbreviation	Bond code	Issue date	Interest commencement date	Maturity date	Outstanding amount	Interest Rate (%)	Method of repayment of principal and payment of interests	Place of trading	Arrangement to ensure the suitability of investors (if any)	Trading mechanism	Whether there is a risk of the listing and trading of bonds being terminated? (Y/N)
Public Offering of 2021 Corporate Bonds (Fifth Tranche) (Type I)	21 GUOJUN G9	188496	2021/8/2	2021/8/4	2024/8/4	2,800,000,000	3.01	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Bidding quotation, inquiry and agreement trading methods	N
Public Offering of 2021 Corporate Bonds (Fifth Tranche) (Type II)	21 GUOJUN I0	188497	2021/8/2	2021/8/4	2026/8/4	4,200,000,000	3.35	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Bidding quotation, inquiry and agreement trading methods	N
Public Offering of 2021 Corporate Bonds (Sixth Tranche)	21 GUOJUN I1	188557	2021/8/10	2021/8/12	2031/8/12	3,000,000,000	3.77	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Bidding quotation, inquiry and agreement trading methods	N
Public Offering of 2021 Corporate Bonds (Seventh Tranche) (Type I)	21 GUOJUN I2	188736	2021/9/9	2021/9/13	2024/10/17	4,400,000,000	3.09	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Bidding quotation, inquiry and agreement trading methods	N

## Section IX Corporate Bonds

Name of bond	Abbreviation	Bond code	Issue date	Interest		Outstanding amount	Interest Rate (%)	Method of repayment of principal and payment of interests	Place of trading	Arrangement to ensure the suitability of investors (if any)	Trading mechanism	Whether there is a risk of the listing and trading of bonds being terminated? (Y/N)
				commencement date	Maturity date							
Public Offering of 2021 Corporate Bonds (Seventh Tranche) (Type II)	21 GUOJUN 13	188737	2021/9/9	2021/9/13	2031/9/13	3,400,000,000	3.80	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Bidding quotation, inquiry and agreement trading methods	N
2021 Public Offering of Corporate Bonds to Professional Investors (Eighth Tranche) (Type I)	21 GUOJUN 14	188859	2021/10/12	2021/10/14	2024/11/17	3,300,000,000	3.29	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Bidding quotation, inquiry and agreement trading methods	N
2021 Public Offering of Corporate Bonds to Professional Investors (Eighth Tranche) (Type II)	21 GUOJUN 15	188860	2021/10/12	2021/10/14	2031/10/14	3,400,000,000	3.99	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Bidding quotation, inquiry and agreement trading methods	N

## Section IX Corporate Bonds

Name of bond	Abbreviation	Bond code	Issue date	Interest commencement date	Maturity date	Outstanding amount	Interest Rate (%)	Method of repayment of principal and payment of interests	Place of trading	Arrangement to ensure the suitability of investors (if any)	Trading mechanism	Whether there is a risk of the listing and trading of bonds being terminated? (Y/N)
2021 Public Offering of Short-term Corporate Bonds to Professional Investors (Fourth Tranche) (Type II)	21 GUOJUN S6	188883	2021/11/10	2021/11/12	2022/10/28	4,000,000,000	2.75	Principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Bidding quotation, inquiry and agreement trading methods	N
2021 Public Offering of Subordinated Bonds to Professional Investors (Second Tranche) (Type I)	21 GUOJUN C2	185112	2021/12/7	2021/12/9	2023/12/9	4,000,000,000	3.09	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Bidding quotation, inquiry and agreement trading methods	N
2021 Public Offering of Subordinated Bonds to Professional Investors (Second Tranche) (Type II)	21 GUOJUN C3	185108	2021/12/7	2021/12/9	2024/12/9	2,000,000,000	3.20	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Bidding quotation, inquiry and agreement trading methods	N

## Section IX Corporate Bonds

Name of bond	Abbreviation	Bond code	Issue date	Interest		Outstanding amount	Interest Rate (%)	Method of repayment of principal and payment of interests	Place of trading	Arrangement to ensure the suitability of investors (if any)	Trading mechanism	Whether there is a risk of the listing and trading of bonds being terminated? (Y/N)
				commencement date	Maturity date							
2022 Public Offering of Subordinated Bonds to Professional Investors (First Tranche) (Type I)	22 GUOJUN C1	185212	2022/1/10	2022/1/12	2024/1/12	2,500,000,000	3.00	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Bidding quotation, inquiry and agreement trading methods	N
2022 Public Offering of Subordinated Bonds to Professional Investors (First Tranche) (Type II)	22 GUOJUN C2	185222	2022/1/10	2022/1/12	2025/1/12	3,500,000,000	3.17	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Bidding quotation, inquiry and agreement trading methods	N
2022 Public Offering of Corporate Bonds to Professional Investors (First Tranche) (Type I)	22 GUOJUN G1	185550	2022/3/14	2022/3/16	2025/3/16	2,000,000,000	3.04	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Bidding quotation, inquiry and agreement trading methods	N

## Section IX Corporate Bonds

Name of bond	Abbreviation	Bond code	Issue date	Interest commencement date	Maturity date	Outstanding amount	Interest Rate (%)	Method of repayment of principal and payment of interests	Place of trading	Arrangement to ensure the suitability of investors (if any)	Trading mechanism	Whether there is a risk of the listing and trading of bonds being terminated? (Y/N)
2022 Public Offering of Corporate Bonds to Professional Investors (First Tranche) (Type II)	22 GUOJUN G2	185554	2022/3/14	2022/3/16	2032/3/16	1,400,000,000	3.74	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Bidding quotation, inquiry and agreement trading methods	N
2022 Public Offering of Corporate Bonds to Professional Investors (Second Tranche) (Type I)	22 GUOJUN G3	185711	2022/4/20	2022/4/22	2025/4/22	2,800,000,000	2.96	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Bidding quotation, inquiry and agreement trading methods	N
2022 Public Offering of Corporate Bonds to Professional Investors (Second Tranche) (Type I)	22 GUOJUN G4	185712	2022/4/20	2022/4/22	2032/4/22	2,500,000,000	3.70	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Bidding quotation, inquiry and agreement trading methods	N



## Section IX Corporate Bonds

Name of bond	Abbreviation	Bond code	Issue date	Interest		Outstanding amount	Interest Rate (%)	Method of repayment of principal and payment of interests	Place of trading	Arrangement to ensure the suitability of investors (if any)	Trading mechanism	Whether there is a risk of the listing and trading of bonds being terminated? (Y/N)
				commencement date	Maturity date							
2022 Public Offering of Corporate Bonds to Professional Investors (Third Tranche) (Type I)	22 GUOJUN G5	185814	2022/5/23	2022/5/25	2025/5/25	3,100,000,000	2.78	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Bidding quotation, inquiry and agreement trading methods	N
2022 Public Offering of Corporate Bonds to Professional Investors (Third Tranche) (Type II)	22 GUOJUN G6	185815	2022/5/23	2022/5/25	2032/5/25	2,400,000,000	3.58	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Bidding quotation, inquiry and agreement trading methods	N
2022 Public Offering of Corporate Bonds to Professional Investors (Fourth Tranche) (Type I)	22 GUOJUN G7	185973	2022/7/4	2022/7/6	2025/7/6	2,500,000,000	2.92	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Bidding quotation, inquiry and agreement trading methods	N

## Section IX Corporate Bonds

Name of bond	Abbreviation	Bond code	Issue date	Interest commencement date	Maturity date	Outstanding amount	Interest Rate (%)	Method of repayment of principal and payment of interests	Place of trading	Arrangement to ensure the suitability of investors (if any)	Trading mechanism	Whether there is a risk of the listing and trading of bonds being terminated? (Y/N)
2022 Public Offering of Corporate Bonds to Professional Investors (Fourth Tranche) (Type II)	22 GUOJUN G8	185974	2022/7/4	2022/7/6	2027/7/6	2,500,000,000	3.27	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Bidding quotation, inquiry and agreement trading methods	N
2022 Public Offering of Perpetual Subordinated Bonds to Professional Investors (First Tranche) <sup>50c1</sup>	22 GUOJUN Y1	137521	2022/7/11	2022/7/13	-	5,000,000,000	3.39	Interest payable on annual basis provided that the issuer does not exercise the right to defer interest payment	Fixed-income products platform of the Shanghai Stock Exchange	For professional investors	Bidding quotation, inquiry and agreement trading methods	N
Guotai Junan Financial Holdings Guaranteed MTN	GTJA HOLD N2604	40649hk	2021/4/14	2021/4/21	2026/4/21	USD500,000,000	2.00	Interest payable on semiannual basis and principal repayable and accrued interest payable upon maturity	Hong Kong Stock Exchange	For professional investors	Quotation, inquiry and agreement trading methods	N

## Section IX Corporate Bonds

Name of bond	Abbreviation	Bond code	Issue date	Interest commencement date	Maturity date	Outstanding amount	Interest Rate (%)	Method of repayment of principal and payment of interests	Place of trading	Arrangement to ensure the suitability of investors (if any)	Trading mechanism	Whether there is a risk of the listing and trading of bonds being terminated? (Y/N)
Guotai Junan Financial Holdings Guaranteed MTN	GTJA HOLD N2411	40857.hk	2021/11/17	2021/11/24	2024/11/24	USD300,000,000	1.60	Interest payable on semiannual basis and principal repayable and accrued interest payable upon maturity	Hong Kong Stock Exchange	For professional investors	Quotation, inquiry and agreement trading methods	N

Note 1: Please see "The triggering and implementation of the issuer or investor option terms and the investor protection terms".

## Section IX Corporate Bonds

### Measures adopted by the Company for the risk of the listing and trading of bonds being terminated

Applicable  Not applicable

### Overdue and outstanding bonds

Applicable  Not applicable

### Information of the overdue loan

Applicable  Not applicable

### Payment of matured bonds

Name of bond	Payment
2021 Short-term Corporate Bonds (First Tranche) (Type II)	the principal and interest were paid on time in January 2022
2019 Corporate Bonds (First Tranche) (Type I)	the principal and interest were paid on time in April 2022
2019 Corporate Bonds (Second Tranche)	the principal and interest were paid on time in May 2022
2021 Short-term Corporate Bonds (Fourth Tranche) (Type I)	the principal and interest were paid on time in May 2022
2021 Short-term Corporate Bonds (Second Tranche)	the principal and interest were paid on time in June 2022
2021 Short-term Corporate Bonds (Third Tranche)	the principal and interest were paid on time in July 2022
2017 Corporate Bonds (First Tranche) (Type II)	the principal and interest were paid on time in August 2022
Euro Floating Rate Bonds (GTJA SEC B2203)	the principal and interest were paid on time in March 2022
Guotai Junan Financial Holdings Guaranteed Bonds (GTJA HOLD B2203)	the principal and interest were paid on time in March 2022
GTJAI USD medium term note (5518.HK)	the principal and interest were paid on time in March 2022
GTJAI USD medium term note (5518.HK)	the principal and interest were paid on time in Jan 2022

## Section IX Corporate Bonds

2. The triggering and implementation of the issuer or investor option terms and the investor protection terms

Applicable  Not applicable

Issuer's right of redemption and (when specific conditions are met) issuer's option of redemption and right of deferring payment of interest are available for "19 GUOJUN Y1" and "20 GUOJUN Y1". On the fifth and every subsequent interest payment date of the bonds, the issuer shall have the right to redeem the bonds at the face value plus the interest payable.

Issuer's option of renewal and (when specific conditions are met) issuer's option of redemption and right of deferring payment of interest are available for "22 GUOJUN Y1". At the end of each repricing cycle of the bonds, the issuer has the right to choose to extend the maturity of the bonds for one repricing cycle, or to pay the principal in full.

As of the date on which this Interim Report is authorized for issue, "19 GUOJUN Y1", "20 GUOJUN Y1" and "22 GUOJUN Y1" have not triggered the issuer option as the exercise date has not yet reached. During the Reporting Period, the Company did not implement right of deferring payment of interest and paid the current interest of the bonds on time and in full.

3. Adjustment of credit ratings

Applicable  Not applicable

4. The implementation of Guarantees, debt repayment plan and other debt repayment guarantee measures, as well as such changes and effect thereof during the Reporting Period

Applicable  Not applicable

Current status	Execution	Whether there is any change	Status upon change	Reason for the change	Whether the change has been approved by the competent authority	Impact of the change on the rights and interests of bond investors
Guotai Junan Financial Holdings Guaranteed MTN (GTJA HOLD N2604)	Normal	N	-	-	-	-
Guotai Junan Financial Holdings Guaranteed MTN (GTJA HOLD N2411)	Normal	N	-	-	-	-

**Other Information**

None

## Section IX Corporate Bonds

5. Other information of the corporate bonds

Applicable  Not applicable

### (III) Debt financing instruments for non-financial businesses in the interbank bonds market

Applicable  Not applicable

### (IV) Losses recorded in the consolidated statements of the Company for the Reporting Period have exceeded more than 10% of the net assets at the end of the previous year

Applicable  Not applicable

### (V) Major accounting data and financial indicators

Applicable  Not applicable

Unit: yuan Currency: RMB

Major indicator	At the end of the Reporting Period	At the end of last year	Increase/decrease at the end of the Reporting Period as compared with the end of last year (%)	Reason for change
Current ratio (%)	145	144	Increased by 1 percentage point	/
Quick ratio (%)	145	144	Increased by 1 percentage point	/
Gearing ratio (%)	76.15	75.64	Increased by 0.51 percentage points	/

## Section IX Corporate Bonds

	<b>During the Reporting Period (January-June)</b>	<b>Corresponding period of last year</b>	<b>Increase/decrease for the Reporting Period as compared with the corresponding period of last year (%)</b>	<b>Reason for change</b>
Net profit after deducting non-recurring gains and losses attributable to equity holders of the Company	5,769,066,488	6,465,815,192	-10.78	/
Debt-to-EBITDA ratio	0.03	0.03	-	/
Interest coverage ratio	2.52	3.11	-18.97	/
Cash interest coverage ratio	7.52	-2.92	Not Applicable	Mainly due to the net cash inflow from operating activities for the current period and net outflow for the same period of last year.
EBITDA interest coverage ratio	2.64	3.24	-18.52	/
Loan repayment ratio (%)	100	100	-	/
Interest repayment ratio (%)	100	100	-	/

## II. CONVERTIBLE CORPORATE BONDS

Applicable    Not applicable

### (I) Issuance of Convertible Bonds

Applicable    Not applicable

## Section IX Corporate Bonds

### (II) Convertible Bond holders and guarantors during the Reporting Period

Name of convertible corporate bond	GTJA Bond
Number of Convertible Bond holders at the end of the period	5,976
Guarantors of Convertible Bonds	Not applicable
Material changes in profitability, assets and credit of the Guarantors	–

Top ten Convertible Bond holders are as below:

<b>Name of convertible corporate bond holders</b>	<b>Bonds held at the end of the period (RMB)</b>	<b>Percentage of bonds held (%)</b>
Specific accounts for bonds repurchase and pledge under the Registration and Settlement System (Industrial and Commercial Bank of China)	762,773,000	10.91
Specific accounts for bonds repurchase and pledge under the Registration and Settlement System (Bank of China)	430,412,000	6.16
Specific accounts for bonds repurchase and pledge under the Registration and Settlement System (Everbright Securities Co., Ltd)	334,449,000	4.78
Specific accounts for bonds repurchase and pledge under the Registration and Settlement System (Construction Bank of China)	232,660,000	3.33
Specific accounts for bonds repurchase and pledge under the Registration and Settlement System (Agricultural Bank of China)	160,710,000	2.30
Specific accounts for bonds repurchase and pledge under the Registration and Settlement System (Bank of Communications)	158,056,000	2.26
Dacheng Fund – Postal Savings Bank – Dacheng Fund – Postal Savings No.1 Collective Assets Management Plan	150,254,000	2.15
Specific accounts for bonds repurchase and pledge under the Registration and Settlement System (Shanghai Pudong Development Bank)	148,101,000	2.12
Bank of China Limited – GF Juxin Bond Securities Investment Fund	141,000,000	2.02
Specific accounts for bonds repurchase and pledge under the Registration and Settlement System (CSC Financial Co., Ltd.)	126,643,000	1.81



## Section IX Corporate Bonds

### (III) Change of Convertible Bonds during the Reporting Period

Unit: yuan Currency: RMB

Name of convertible corporate bonds	Before change	Increase/decrease Converted	After change
GTJA Bond	6,990,181,000	-5,000	6,990,176,000

### (IV) Aggregated conversion of convertible bonds during the Reporting Period

Name of convertible corporate bonds	GTJA Bond
Conversion amount during the Reporting Period (RMB)	5,000
Number of converted shares during the Reporting Period (shares)	270
Aggregated number of converted shares (shares)	515,993
Aggregated number of converted shares as a percentage of the total number of issued shares of the Company before conversion (%)	0.005921
Amount of convertible bonds not yet converted (RMB)	6,990,176,000
Number of convertible bonds not yet converted as a percentage of the total number of issued convertible bonds (%)	99.8597

## Section IX Corporate Bonds

### (V) Adjustments of the conversion prices

Unit: yuan Currency: RMB

Name of convertible corporate bonds			GTJA Bond	
Effective date of adjusted conversion price	Adjusted conversion price	Disclosure date	Media of disclosure	Reasons of adjustments
2018/6/29	RMB19.80 per share	2018/6/22	China Securities Journal, Shanghai Securities News, Security Times and Securities Daily	The Company distributed a dividend of RMB0.4 per share for the year of 2017
2019/4/19	RMB19.67 per share	2019/4/18	China Securities Journal, Shanghai Securities News, Security Times and Securities Daily	The Company placed 194,000,000 new H Shares in April 2019
2019/8/12	RMB19.40 per share	2019/8/5	China Securities Journal, Shanghai Securities News, Security Times and Securities Daily	The Company distributed a dividend of RMB0.275 per share for the year of 2018
2020/8/12	RMB19.01 per share	2020/8/5	China Securities Journal, Shanghai Securities News, Security Times and Securities Daily	The Company distributed a dividend of RMB0.39 per share for the year of 2019
2021/8/20	RMB18.45 per share	2021/8/12	China Securities Journal, Shanghai Securities News, Security Times and Securities Daily	The Company distributed a dividend of RMB0.56 per share for the year of 2020
2022/7/15	RMB17.77 per share	2022/7/7	China Securities Journal, Shanghai Securities News, Security Times and Securities Daily	The Company distributed a dividend of RMB0.68 per share for the year of 2021
Conversion price as of the end of the Reporting Period		RMB17.77 per share		

## Section IX Corporate Bonds

### (VI) Information on the Company's liability, credit changes and cash arrangement for debt repayment next year

As at the end of June 2022, the Group's total assets amounted to RMB831.397 billion, with a gearing ratio of 76.15%. Shanghai Brilliance Credit Rating & Investors Service Co., Ltd. issued the Report on the Updated Rating of the Public Issuance of A Share Convertible Corporate Bonds of Guotai Junan Securities Co., Ltd. (《國泰君安證券股份有限公司公開發行 A 股可轉換公司債券跟蹤評級報告》) in respect of the Company's issuance of the A Share Convertible Bonds on 17 May 2022, and maintained the credit rating of the Company as AAA and the credit rating of the Convertible Bonds as AAA with a stable outlook.

The major source of funds available for the Company to settle the principal and interests of the A Share Convertible Bonds in the future will be cash flow generated from operating activities of the Company. In the past three years, the Company's major businesses remain stable with strong financial conditions, and the Company has adequate cash flow generated from operating activities and relatively strong repayment capability.

### (VII) Other information on Convertible Bonds

Not applicable

# Section X Interim Condensed Consolidated Financial Statements

## REPORT ON REVIEW OF INTERIM FINANCIAL REPORT

**To the board of directors of Guotai Junan Securities Co., Ltd.**

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

### INTRODUCTION

We have reviewed the accompanying interim financial report set out on pages 138 to 223, which comprises the condensed consolidated statement of financial position of Guotai Junan Securities Co., Ltd. (the "Company") and its subsidiaries (collectively the "Group") as at 30 June 2022 and the related condensed consolidated income statement, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated cash flow statement for the six-month period ended at 30 June 2022 and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and International Accounting Standard 34, Interim Financial Reporting ("IAS 34"), issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of interim financial report in accordance with IAS 34.

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

### SCOPE OF REVIEW

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

### CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial report as at 30 June 2022 is not prepared, in all material respects, in accordance with IAS 34.

#### **KPMG**

*Certified Public Accountants*

8th Floor, Prince's Building

10 Chater Road

Central, Hong Kong

26 August 2022

## Section X Interim Condensed Consolidated Financial Statements

### UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2022

(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	Six months ended 30 June	
		2022 <i>(Unaudited)</i> RMB'000	2021 <i>(Unaudited)</i> RMB'000
<b>Revenue</b>			
Fee and commission income	5	<b>8,628,718</b>	8,435,470
Interest income	6	<b>7,862,272</b>	7,991,584
Net investment gains	7	<b>3,581,702</b>	5,550,003
<b>Total revenue</b>		<b>20,072,692</b>	21,977,057
Gain on losing control of a subsidiary	8	-	1,138,769
Other income and gains	9	<b>6,215,384</b>	4,655,767
<b>Total revenue and other income</b>		<b>26,288,076</b>	27,771,593
Fee and commission expenses	10	<b>(1,773,428)</b>	(1,240,707)
Interest expenses	11	<b>(5,339,635)</b>	(4,834,408)
Staff costs	12	<b>(4,506,046)</b>	(5,368,117)
Depreciation and amortization expenses	13	<b>(629,444)</b>	(629,473)
Tax and surcharges		<b>(119,037)</b>	(73,157)
Other operating expenses and costs	14	<b>(6,360,720)</b>	(5,209,536)
Provision for impairment losses		<b>(18,859)</b>	(16,347)
Reversal/(accrual) of credit loss expense	15	<b>202,364</b>	(429,748)
<b>Total expenses</b>		<b>(18,544,805)</b>	(17,801,493)

The accompanying notes form part of this interim financial report.

## Section X Interim Condensed Consolidated Financial Statements

	Note	Six months ended 30 June	
		2022 <i>(Unaudited)</i> RMB'000	2021 <i>(Unaudited)</i> RMB'000
<b>Operating profit</b>		<b>7,743,271</b>	9,970,100
Share of profits of associates and joint ventures		<b>386,285</b>	237,339
<b>Profit before income tax</b>		<b>8,129,556</b>	10,207,439
Income tax expense	16	<b>(1,718,847)</b>	(1,961,123)
<b>Profit for the period</b>		<b>6,410,709</b>	8,246,316
Attributable to:			
Equity holders of the Company		<b>6,372,794</b>	8,013,201
Non-controlling interests		<b>37,915</b>	233,115
<b>Total</b>		<b>6,410,709</b>	8,246,316
Earnings per share attributable to ordinary equity holders of the Company (expressed in Renminbi yuan per share)			
– Basic	18	<b>0.69</b>	0.89
– Diluted		<b>0.68</b>	0.87

The accompanying notes form part of this interim financial report.

## Section X Interim Condensed Consolidated Financial Statements

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2022

(Expressed in thousands of Renminbi, unless otherwise stated)

	Six months ended 30 June	
	2022	2021
	<i>(Unaudited)</i> <b>RMB'000</b>	<i>(Unaudited)</i> <b>RMB'000</b>
<b>Profit for the period</b>	<b>6,410,709</b>	8,246,316
<b>Other comprehensive income for the period</b>		
Other comprehensive income that may be reclassified to profit or loss:		
Debt instruments at fair value through other comprehensive income		
– Net changes in fair value	(12,037)	107,998
– Changes in allowance for expected credit losses	84,215	80,211
– Reclassified to profit or loss	(132,071)	(119,967)
– Income tax impact	(8,506)	(22,879)
Share of other comprehensive income of associates and joint ventures		
– Share of other comprehensive income	(9,444)	32,051
Exchange differences on translation of financial statements in foreign currencies	<u>559,991</u>	<u>(84,196)</u>
Total items that may be reclassified to profit or loss	<u>482,148</u>	<u>(6,782)</u>
Other comprehensive income that will not be reclassified to profit or loss:		
Equity instruments at fair value through other comprehensive income		
– Net changes in fair value	(204,036)	(485,884)
– Income tax impact	46,759	121,034
Share of other comprehensive income of associates and joint ventures		
– Share of other comprehensive income	(140,730)	187,814
– Income tax impact	<u>37,332</u>	<u>(45,431)</u>
Total items that will not be reclassified to profit or loss	<u>(260,675)</u>	<u>(222,467)</u>
<b>Other comprehensive income for the period, net of tax</b>	<u>221,473</u>	<u>(229,249)</u>
<b>Total comprehensive income for the period</b>	<u><b>6,632,182</b></u>	<u>8,017,067</u>
<b>Attributable to:</b>		
Equity holders of the Company	6,444,880	7,814,984
Non-controlling interests	<u>187,302</u>	<u>202,083</u>
<b>Total</b>	<u><b>6,632,182</b></u>	<u>8,017,067</u>

The accompanying notes form part of this interim financial report.

## Section X Interim Condensed Consolidated Financial Statements

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	As at 30 June 2022 (Unaudited) RMB'000	As at 31 December 2021 (Audited) RMB'000
<b>Non-current assets</b>			
Property and equipment	19	2,836,482	2,940,786
Investment property	20	962,263	973,275
Right-of-use assets	21	2,385,161	2,486,964
Goodwill	22	20,896	20,896
Other intangible assets	23	636,187	662,890
Investments in associates	25	10,251,506	7,434,717
Investments in joint ventures	25	4,912,457	5,492,824
Debt instruments at fair value through other comprehensive income	26	61,802,999	55,034,775
Equity instruments at fair value through other comprehensive income	27	2,555,434	2,480,358
Financial assets held under resale agreements	28	501,902	1,893,344
Financial assets at fair value through profit or loss	29	24,414,655	19,946,824
Refundable deposits	30	50,911,040	40,795,692
Deferred tax assets	31	1,068,257	1,845,465
Other non-current assets	32	130,480	103,751
<b>Total non-current assets</b>		<b>163,389,719</b>	<b>142,112,561</b>
<b>Current assets</b>			
Accounts receivable	33	12,166,331	9,312,022
Other current assets	34	2,700,058	2,911,292
Margin accounts receivable	35	96,373,701	109,287,307
Debt instruments at fair value through other comprehensive income	26	6,812,974	11,803,641
Financial assets held under resale agreements	28	65,171,508	57,689,409
Financial assets at fair value through profit or loss	29	278,786,703	264,438,237
Derivative financial assets	36	4,156,089	4,157,399
Clearing settlement funds	37	6,071,400	6,726,022
Cash held on behalf of brokerage customers	38	166,294,962	151,178,698
Cash and bank balances	39	29,473,064	31,656,227
<b>Total current assets</b>		<b>668,006,790</b>	<b>649,160,254</b>
<b>Total assets</b>		<b>831,396,509</b>	<b>791,272,815</b>

The accompanying notes form part of this interim financial report.



## Section X Interim Condensed Consolidated Financial Statements

		As at <b>30 June</b> <b>2022</b> <i>(Unaudited)</i> <b>RMB'000</b>	As at 31 December 2021 <i>(Audited)</i> <b>RMB'000</b>
	Note		
<b>Current liabilities</b>			
Loans and borrowings	40	5,229,343	4,340,789
Short-term debt instruments	41	32,013,616	46,021,302
Placements from other financial institutions	42	3,832,301	12,108,833
Accounts payable to brokerage customers	43	198,793,921	172,483,608
Employee benefits payable	44	7,377,512	8,424,175
Income tax payable		839,984	2,015,777
Financial assets sold under repurchase agreements	45	157,079,773	164,884,092
Financial liabilities at fair value through profit or loss	46	47,930,882	33,950,820
Derivative financial liabilities	36	9,189,962	9,752,873
Bonds payable	47	28,703,915	32,246,542
Contract liability	48	143,568	–
Lease liabilities	49	523,199	510,987
Other current liabilities	50	<u>60,497,828</u>	<u>43,915,745</u>
<b>Total current liabilities</b>		<u><b>552,155,804</b></u>	<u>530,655,543</u>
<b>Net current assets</b>		<u><b>115,850,986</b></u>	<u>118,504,711</u>
<b>Total assets less current liabilities</b>		<u><b>279,240,705</b></u>	<u>260,617,272</u>
<b>Non-current liabilities</b>			
Bonds payable	47	107,452,872	94,520,556
Lease liabilities	49	1,326,716	1,429,121
Deferred tax liabilities	31	104,804	111,309
Financial liabilities at fair value through profit or loss	46	19,070,175	13,538,712
Other non-current liabilities	51	<u>398,897</u>	<u>380,982</u>
<b>Total non-current liabilities</b>		<u><b>128,353,464</b></u>	<u>109,980,680</u>
<b>Net assets</b>		<u><u><b>150,887,241</b></u></u>	<u><u>150,636,592</u></u>

The accompanying notes form part of this interim financial report.

## Section X Interim Condensed Consolidated Financial Statements

	Note	As at 30 June 2022 <i>(Unaudited)</i> <i>RMB'000</i>	As at 31 December 2021 <i>(Audited)</i> <i>RMB'000</i>
<b>Equity</b>			
Share capital	52	<b>8,906,672</b>	8,908,450
Other equity instruments	53	<b>11,071,655</b>	11,071,656
Treasury Shares		<b>(626,231)</b>	(638,820)
Reserves	54	<b>73,883,042</b>	73,650,165
Retained profits	54	<b>54,015,837</b>	54,132,214
Equity attributable to equity holders of the Company		<b>147,250,975</b>	147,123,665
Non-controlling interests		<b>3,636,266</b>	3,512,927
<b>Total equity</b>		<b><u>150,887,241</u></b>	<b><u>150,636,592</u></b>

Approved and authorized for issue by the Board of Directors on 26 August 2022.

**He Qing** \_\_\_\_\_

*Chairman*

**Wang Song** \_\_\_\_\_

*Executive Director*

The accompanying notes form part of this interim financial report.

## Section X Interim Condensed Consolidated Financial Statements

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2022

(Expressed in thousands of Renminbi, unless otherwise stated)

	Attributable to equity holders of the Company (Unaudited)											
	Share capital <i>RMB'000</i>	Reserves									Non- controlling interests <i>RMB'000</i>	Total equity <i>RMB'000</i>
		Other equity instruments <i>RMB'000</i>	Capital reserve <i>RMB'000</i>	Investment revaluation <i>RMB'000</i>	Translation reserve <i>RMB'000</i>	Surplus reserve <i>RMB'000</i>	General reserve <i>RMB'000</i>	Treasury shares <i>RMB'000</i>	Retained profits <i>RMB'000</i>	Total <i>RMB'000</i>		
<b>Unaudited</b>												
At 31 December 2021	8,908,450	11,071,656	45,802,519	(344,632)	(515,131)	7,172,530	21,534,879	(638,820)	54,132,214	147,123,665	3,512,927	150,636,592
Profit for the period	—	—	—	—	—	—	—	—	6,372,794	6,372,794	37,915	6,410,709
Other comprehensive income for the period	—	—	—	(338,518)	410,604	—	—	—	—	72,086	149,387	221,473
Total comprehensive income for the period	—	—	—	(338,518)	410,604	—	—	—	6,372,794	6,444,880	187,302	6,632,182
Appropriation to general reserve	—	—	—	—	—	—	19,473	—	(19,473)	—	—	—
Dividends	—	—	—	—	—	—	—	—	(6,056,537)	(6,056,537)	—	(6,056,537)
Distribution to other equity instrument holders	—	—	—	—	—	—	—	—	(402,500)	(402,500)	—	(402,500)
Distribution to non-controlling shareholders and other equity instrument holders of subsidiaries	—	—	—	—	—	—	—	—	—	—	(21,082)	(21,082)
Other comprehensive income that has been reclassified to retained profits	—	—	—	10,661	—	—	—	—	(10,661)	—	—	—
Conversion of convertible bonds	1	(1)	5	—	—	—	—	—	—	5	—	5
Equity settled share-based transactions	—	—	140,790	—	—	—	—	—	—	140,790	—	140,790
Shares repurchased	—	—	—	—	—	—	—	—	—	—	(42,446)	(42,446)
Deregistration of treasury shares	(1,779)	—	(10,810)	—	—	—	—	12,589	—	—	—	—
Others	—	—	672	—	—	—	—	—	—	672	(435)	237
At 30 June 2022	<u>8,906,672</u>	<u>11,071,655</u>	<u>45,933,176</u>	<u>(672,489)</u>	<u>(104,527)</u>	<u>7,172,530</u>	<u>21,554,352</u>	<u>(626,231)</u>	<u>54,015,837</u>	<u>147,250,975</u>	<u>3,636,266</u>	<u>150,887,241</u>

The accompanying notes form part of this interim financial report.

## Section X Interim Condensed Consolidated Financial Statements

Attributable to equity holders of the Company (Unaudited)

	Reserves											Total equity
	Share capital	Other equity instruments	Capital reserve	Investment revaluation	Translation reserve	Surplus reserve	General reserve	Treasury shares	Retained profits	Total	Non-controlling interests	
<b>Unaudited</b>												
At 31 December 2020	8,908,448	11,071,661	45,571,238	(258,237)	(289,853)	7,172,530	19,449,920	(776,909)	46,504,462	137,353,260	8,884,558	146,237,818
Profit for the period	—	—	—	—	—	—	—	—	8,013,201	8,013,201	233,115	8,246,316
Other comprehensive income for the period	—	—	—	(137,267)	(60,950)	—	—	—	—	(198,217)	(31,032)	(229,249)
Total comprehensive income for the period	—	—	—	(137,267)	(60,950)	—	—	—	8,013,201	7,814,984	202,083	8,017,067
Appropriation to general reserve	—	—	—	—	—	—	25,669	—	(25,669)	—	—	—
Dividends	—	—	—	—	—	—	—	—	(4,988,731)	(4,988,731)	—	(4,988,731)
Distribution to other equity instrument holders	—	—	—	—	—	—	—	—	(402,500)	(402,500)	—	(402,500)
Distribution to non-controlling shareholders and other equity instrument holders of subsidiaries	—	—	—	—	—	—	—	—	—	—	(108,804)	(108,804)
Other comprehensive income that has been reclassified to retained profits	—	—	—	59,765	—	—	—	—	(59,765)	—	—	—
Conversion of convertible bonds	1	(1)	10	—	—	—	—	—	—	10	—	10
Equity settled share-based transactions	—	—	148,741	—	—	—	—	—	—	148,741	—	148,741
Equity transactions with non-controlling shareholders	—	—	—	—	—	—	—	—	(3,166)	(3,166)	10,471,186	10,468,020
Lost control of a subsidiary	—	—	—	—	—	—	(532,613)	—	532,613	—	(15,819,404)	(15,819,404)
Others	—	—	4,708	—	—	—	—	—	—	4,708	(763)	3,945
At 30 June 2021	<u>8,908,449</u>	<u>11,071,660</u>	<u>45,724,697</u>	<u>(335,739)</u>	<u>(350,803)</u>	<u>7,172,530</u>	<u>18,942,976</u>	<u>(776,909)</u>	<u>49,570,445</u>	<u>139,927,306</u>	<u>3,628,856</u>	<u>143,556,162</u>

The accompanying notes form part of this interim financial report.

## Section X Interim Condensed Consolidated Financial Statements

### UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2022

(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	Six months ended 30 June	
		2022	2021
		<i>(Unaudited)</i> <i>RMB'000</i>	<i>(Unaudited)</i> <i>RMB'000</i>
<b>Cash flows from operating activities:</b>			
Profit before income tax		<b>8,129,556</b>	10,207,439
<b>Adjustments for:</b>			
Interest expenses		<b>5,339,635</b>	4,834,408
Share of profits of associates and joint ventures		<b>(386,285)</b>	(237,339)
Depreciation and amortization		<b>629,444</b>	629,473
Provision for impairment losses		<b>18,859</b>	16,347
Credit loss expense		<b>(202,364)</b>	429,748
Net losses/(gains) on disposal of property and equipment		<b>667</b>	(29,847)
Foreign exchange (gains)/losses		<b>(58,392)</b>	62,483
Net realized gains from financial instruments		<b>(132,071)</b>	(106,274)
Gain on losing control of a subsidiary		—	(1,138,769)
Gain from the acquisition of associate's equity		<b>(95,501)</b>	—
Dividend and interest income from financial assets at fair value			
through other comprehensive income		<b>(1,085,176)</b>	(1,827,380)
Interest income from time deposits, loans and receivables		<b>(115,840)</b>	(437,093)
Unrealized fair value changes in financial instruments at fair value			
through profit or loss		<b>(1,201,554)</b>	(353,438)
Unrealized fair value changes in derivatives		<b>(1,002,071)</b>	(304,683)
		<b>9,838,907</b>	11,745,075

The accompanying notes form part of this interim financial report.

## Section X Interim Condensed Consolidated Financial Statements

	<b>Six months ended 30 June</b>	
Note	<b>2022</b>	2021
	<b>(Unaudited)</b>	<i>(Unaudited)</i>
	<b>RMB'000</b>	<i>RMB'000</i>
Increase in refundable deposits	<b>(10,116,128)</b>	(10,924,401)
Decrease/(Increase) in margin accounts receivable	<b>13,459,575</b>	(22,167,955)
Increase in accounts receivable, other current assets and other non-current assets	<b>(2,623,097)</b>	(9,398,182)
Increase in financial assets held under resale agreements	<b>(609,369)</b>	(1,307,732)
Decrease/(Increase) in financial instruments at fair value through profit or loss and derivative financial instruments	<b>3,817,530</b>	(21,213,091)
Increase in cash held on behalf of brokerage customers	<b>(15,116,264)</b>	(12,755,975)
Increase in accounts payable to brokerage customers	<b>25,649,248</b>	20,414,206
Increase in other liabilities	<b>11,454,597</b>	18,689,426
(Decrease)/Increase in employee benefits payable	<b>(1,046,663)</b>	189,844
(Decrease)/Increase in financial assets sold under repurchase agreements	<b>(7,814,443)</b>	14,030,835
Decrease in placements from other financial institutions	<b>(8,270,562)</b>	(6,585,652)
Cash generated/(used in) operations	<b>18,623,331</b>	(19,283,602)
Income taxes paid	<b>(2,049,757)</b>	(1,676,542)
Interest paid	<b>(2,492,967)</b>	(2,311,977)
Net cash generated/(used in) in operating activities	<b>14,080,607</b>	(23,272,121)

The accompanying notes form part of this interim financial report.

## Section X Interim Condensed Consolidated Financial Statements

	<b>Six months ended 30 June</b>	
	Note	2021
	<b>(Unaudited)</b> <b>RMB'000</b>	<i>(Unaudited)</i> <i>RMB'000</i>
<b>Cash flows from investing activities:</b>		
Proceeds from disposal of financial assets at fair value through other comprehensive income and other investments	<b>14,043,281</b>	57,964,442
Dividends and interest received from financial assets at fair value through other comprehensive income and other investments	<b>1,217,898</b>	2,160,966
Proceeds from disposal of property and equipment, other intangible assets and other non-current assets	<b>8,502</b>	79,035
Purchases of financial assets at fair value through other comprehensive income and other investments	<b>(17,639,501)</b>	(61,398,009)
Purchases of property and equipment, other intangible assets and other non-current assets	<b>(189,243)</b>	(429,576)
Lost control of a subsidiary	<u>-</u>	<u>(4,024,369)</u>
Net cash used in investing activities	<b><u>(2,559,063)</u></b>	<u>(5,647,511)</u>

The accompanying notes form part of this interim financial report.

## Section X Interim Condensed Consolidated Financial Statements

	Note	Six months ended 30 June	
		2022 <i>(Unaudited)</i> RMB'000	2021 <i>(Unaudited)</i> RMB'000
<b>Cash flows from financing activities:</b>			
Proceeds from issuance of bonds payable		<b>20,441,012</b>	25,749,964
Proceeds from issuance of short-term debt instruments		<b>15,044,497</b>	29,538,608
Proceeds from loans and borrowings		<b>14,371,965</b>	15,050,845
Proceeds from issuance of shares to non-controlling shareholders		-	10,468,020
Repayment of debt securities issued		<b>(41,628,068)</b>	(39,913,049)
Repayment of loans and borrowings		<b>(13,822,343)</b>	(9,784,978)
Interest paid		<b>(2,158,370)</b>	(1,774,134)
Dividends paid		<b>(213,582)</b>	(348,533)
Capital element of lease rentals paid		<b>(284,615)</b>	(259,687)
Interest element of lease rentals paid		<b>(35,269)</b>	(35,416)
Repurchase of shares		<b>(42,446)</b>	-
Cash used in other financing activities		<b>(27,943)</b>	(80,000)
Net cash (used in)/generated from financing activities		<b>(8,355,162)</b>	28,611,640
Net increase/(decrease) in cash and cash equivalents		<b>3,166,382</b>	(307,992)
Cash and cash equivalents at the beginning of the period		<b>68,644,484</b>	56,823,676
Effect of foreign exchange rate changes		<b>234,062</b>	(55,288)
Cash and cash equivalents at the end of the period	55	<b><u>72,044,928</u></b>	<b><u>56,460,396</u></b>

The accompanying notes form part of this interim financial report.



# Section X Interim Condensed Consolidated Financial Statements

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2022

(Expressed in thousands of Renminbi, unless otherwise stated)

### 1 CORPORATE INFORMATION

On 25 September 1992, with the approval of the People's Bank of China (the "PBOC"), Guotai Securities Co., Ltd. (國泰證券有限公司) was established in Shanghai, the People's Republic of China (the "PRC"). On 12 October 1992, with the approval of the PBOC, Junan Securities Co., Ltd. (君安證券有限責任公司) was established in Shenzhen, the PRC. On 20 May 1999, as approved by the China Securities Regulatory Commission (the "CSRC"), Guotai Securities Co., Ltd. merged with Junan Securities Co., Ltd. to set up a new company, Guotai Junan Securities Co., Ltd. (國泰君安證券股份有限公司) (the "Company") in Shanghai, the PRC. On 13 August 2001, the Company spun off its non-security business and related assets and liabilities to a newly established company, and continued to use the name of Guotai Junan Securities Co., Ltd. (國泰君安證券股份有限公司).

The Company publicly issued A shares and was listed on the Shanghai Stock Exchange on 26 June 2015, with the stock code 601211. On 11 April 2017, the Company issued H shares which are listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"), with the stock code 02611.

The registered office of the Company is located at No. 618 Shangcheng Road, China (Shanghai) Pilot Free-Trade Zone, Shanghai, PRC.

The Group is principally engaged in securities brokerage, securities proprietary trading, securities underwriting and sponsorship, securities investment consultation, the financial advisory business relating to securities trading and securities investment, margin financing and securities lending, the agency sale of securities investment funds, the agency sale of financial products, introducing brokerage for futures companies, asset management, commodity futures brokerage, financial futures brokerage, futures investment consulting, equity investment, venture capital, investment management, investment consultation and other business activities approved by the CSRC.

## Section X Interim Condensed Consolidated Financial Statements

### 2 BASIS OF ACCOUNTING

These interim financial statements for the six months ended 30 June 2022 have been prepared in accordance with *International Accounting Standard 34, Interim Financial Reporting* (“IAS 34”), and should be read in conjunction with the Group’s last annual consolidated financial statements as at and for the year ended 31 December 2021 (‘last annual financial statements’). They do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS Standards. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual financial statements.

The interim financial report has been prepared in accordance with the same accounting policies in the Group’s last annual financial statements.

The financial information relating to the financial year ended 31 December 2021 that is included in the interim financial statements as comparative information does not constitute the Company’s annual consolidated financial statements but is derived from those financial statements.

These interim financial statements were authorised for issue by the Company’s board of directors on 26 August 2022.

### 3 USE OF JUDGMENTS AND ESTIMATES

In preparing these interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

## Section X Interim Condensed Consolidated Financial Statements

### 4 SEGMENT REPORTING

The Group is organised into business units based on their products and services and has six reportable operating segments as follows.

- 1) The wealth management segment, which mainly provides securities and futures brokerage, financial products, investment advisory, stock pledging, margin financing and securities lending, agreed securities repurchase and other services to clients.
- 2) The investment banking segment, which primarily includes sponsorship, equity underwriting, debt underwriting, structured debt financing, M&A financial advisory services and diversified corporate solutions to corporate and government clients.
- 3) The institutional and trading segment, mainly consists of research, institutional brokerage, trading and investment and equity investment. Among which, institutional brokerage mainly provides prime brokers, seat leasing, custody outsourcing, QFII and other services to institutional clients; Our trading and investment business mainly includes investment transactions in stocks, fixed income, foreign exchange, large commodities and their derivative financial instruments, as well as providing integrated financial solutions for clients' investment, financing and risk management;
- 4) The investment management segment, which primarily includes asset management and fund management services to institutions and individuals.
- 5) The international segment conducts brokerage, corporate finance, asset management, loans and financing services, as well as financial products, market making and investment businesses mainly through Guotai Junan International in Hong Kong, and has expanded its business presence into the United States, Europe, Southeast Asia and other regions.
- 6) The other segment include government grant and other general operating expenses.

## Section X Interim Condensed Consolidated Financial Statements

### 4 SEGMENT REPORTING (continued)

#### (a) Operating segments

	Six months ended 30 June 2022						
	Wealth	Investment	Institutional	Investment	International	Other	Total
	management	banking	and trading	management	business		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Unaudited</b>							
Segment total revenue and other income							
Fee and commission income	4,570,611	2,029,821	1,105,627	583,318	339,341	—	8,628,718
Interest income	5,719,445	—	1,837,282	7,286	292,893	5,366	7,862,272
Net investment gains	—	—	3,220,183	(68,324)	429,843	—	3,581,702
Other income and gains	—	—	5,453,422	73,933	(58,796)	746,825	6,215,384
Total revenue and other income	<u>10,290,056</u>	<u>2,029,821</u>	<u>11,616,514</u>	<u>596,213</u>	<u>1,003,281</u>	<u>752,191</u>	<u>26,288,076</u>
Segment expenses	(6,808,783)	(1,024,719)	(8,627,618)	(331,028)	(928,668)	(823,989)	(18,544,805)
Including: Interest expenses	(2,537,143)	—	(2,504,447)	(3,881)	(266,650)	(27,514)	(5,339,635)
Credit loss expense	292,075	—	(28,313)	—	(61,398)	—	202,364
Segment operating profit	3,481,273	1,005,102	2,988,896	265,185	74,613	(71,798)	7,743,271
Share of profit of associates and joint ventures	—	—	72,676	313,609	—	—	386,285
Segment profit before income tax	3,481,273	1,005,102	3,061,572	578,794	74,613	(71,798)	8,129,556
Income tax expense	—	—	—	—	—	—	(1,718,847)
Segment profit for the period	<u>3,481,273</u>	<u>1,005,102</u>	<u>3,061,572</u>	<u>578,794</u>	<u>74,613</u>	<u>(71,798)</u>	<u>6,410,709</u>
As at 30 June 2022							
Segment total assets	<u>328,545,143</u>	<u>4,775,617</u>	<u>359,862,643</u>	<u>20,446,793</u>	<u>113,002,692</u>	<u>4,763,621</u>	<u>831,396,509</u>
Segment total liabilities	<u>269,076,571</u>	<u>3,416,204</u>	<u>310,326,407</u>	<u>1,673,169</u>	<u>94,955,577</u>	<u>1,061,340</u>	<u>680,509,268</u>
Six months ended 30 June 2022							
Other segment information:							
Depreciation and amortization expenses	272,129	3,956	298,069	16,936	34,409	3,945	629,444
Capital expenditure	<u>81,816</u>	<u>1,189</u>	<u>89,615</u>	<u>5,092</u>	<u>10,345</u>	<u>1,186</u>	<u>189,243</u>

## Section X Interim Condensed Consolidated Financial Statements

### 4 SEGMENT REPORTING (continued)

#### (a) Operating segments (continued)

	Six months ended 30 June 2021						
	Wealth management	Investment banking	Institutional and trading	Investment management	International business	Other	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Unaudited</b>							
Segment total revenue and other income							
Fee and commission income	4,228,298	1,438,660	1,043,481	961,015	764,016	—	8,435,470
Interest income	5,498,124	—	1,637,529	25,083	830,848	—	7,991,584
Net investment gains	—	—	4,618,419	43,061	888,523	—	5,550,003
Other income and gains	310	—	4,009,552	46,346	(4,127)	603,686	4,655,767
Gain on losing control of a subsidiary	—	—	1,138,769	—	—	—	1,138,769
Total revenue and other income	<u>9,726,732</u>	<u>1,438,660</u>	<u>12,447,750</u>	<u>1,075,505</u>	<u>2,479,260</u>	<u>603,686</u>	<u>27,771,593</u>
Segment expenses	(6,958,541)	(1,012,010)	(6,858,163)	(547,020)	(1,334,424)	(1,091,335)	(17,801,493)
Including: Interest expenses	(2,477,188)	(2,785)	(1,871,352)	(3,012)	(476,948)	(3,123)	(4,834,408)
Credit loss expense	(282,783)	—	(80,031)	—	(66,934)	—	(429,748)
Segment operating profit	2,768,191	426,650	5,589,587	528,485	1,144,836	(487,649)	9,970,100
Share of profit of associates and joint ventures	—	—	73,975	163,364	—	—	237,339
Segment profit before income tax	2,768,191	426,650	5,663,562	691,849	1,144,836	(487,649)	10,207,439
Income tax expense	—	—	—	—	—	—	(1,961,123)
Segment profit for the period	<u>2,768,191</u>	<u>426,650</u>	<u>5,663,562</u>	<u>691,849</u>	<u>1,144,836</u>	<u>(487,649)</u>	<u>8,246,316</u>
As at 31 December 2021							
Segment total assets	<u>310,688,258</u>	<u>4,111,935</u>	<u>352,454,893</u>	<u>16,694,846</u>	<u>104,159,858</u>	<u>3,163,025</u>	<u>791,272,815</u>
Segment total liabilities	<u>258,296,248</u>	<u>2,384,463</u>	<u>288,708,306</u>	<u>2,074,517</u>	<u>88,715,037</u>	<u>457,652</u>	<u>640,636,223</u>
Six months ended 30 June 2021							
Other segment information:							
Depreciation and amortization expenses	273,885	1,108	300,883	16,415	33,883	3,299	629,473
Capital expenditure	<u>186,909</u>	<u>757</u>	<u>205,334</u>	<u>11,202</u>	<u>23,123</u>	<u>2,251</u>	<u>429,576</u>

## Section X Interim Condensed Consolidated Financial Statements

### 4 SEGMENT REPORTING *(continued)*

#### (b) Geographical segments

	Six months ended 30 June	
	2022	2021
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue		
Mainland, China	<b>19,010,615</b>	19,493,670
Hong Kong, China and overseas	<b>1,062,077</b>	2,483,387
Total	<b>20,072,692</b>	21,977,057

The Group's non-current assets are mainly located in Mainland China (country of domicile).

#### (c) Information about a major customer

The Group has no single customer which contributed to 10 percent or more of the Group's revenue for the six months ended 30 June 2022 and 2021.

### 5 FEE AND COMMISSION INCOME

#### (a) Revenue streams

	Six months ended 30 June	
	2022	2021
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>RMB'000</i>	<i>RMB'000</i>
Brokerage and investment consulting business	<b>5,737,335</b>	5,517,824
Underwriting and sponsorship business	<b>2,070,393</b>	1,664,275
Asset management business	<b>594,293</b>	1,031,222
Custodian fee	<b>91,372</b>	104,667
Financial advisory business	<b>68,569</b>	81,748
Others	<b>66,756</b>	35,734
Total	<b>8,628,718</b>	8,435,470

Fee and commission income represented the Group's revenue from contracts with customers.

## Section X Interim Condensed Consolidated Financial Statements

### 5 FEE AND COMMISSION INCOME *(continued)*

#### (b) Disaggregation of revenue

In the following table, fee and commission income are disaggregated by timing of revenue recognition:

	Six months ended 30 June 2022		Six months ended 30 June 2021	
	At a point in time	Over time	At a point in time	Over time
	Brokerage and investment consulting business	5,737,335	—	5,517,824
Underwriting and sponsorship business	2,070,393	—	1,664,275	—
Asset management business	—	594,293	—	1,031,222
Custodian and outsourcing service	—	91,372	—	104,667
Financial advisory business	68,569	—	81,748	—
Others	66,756	—	35,734	—
Total	<u>7,943,053</u>	<u>685,665</u>	<u>7,299,581</u>	<u>1,135,889</u>

### 6 INTEREST INCOME

	Six months ended 30 June	
	2022	2021
	<i>(Unaudited)</i> RMB'000	<i>(Unaudited)</i> RMB'000
Margin financing and securities lending	3,271,053	3,478,094
Deposits in financial institutions	2,288,911	1,905,242
Debt instruments at fair value through other comprehensive income	1,061,580	1,018,692
Stock-pledged financing and securities repurchase	967,011	919,277
Other financial assets held under resale agreements	232,263	167,177
Term loan	10,577	58,921
Others	30,877	444,181
Total	<u>7,862,272</u>	<u>7,991,584</u>

## Section X Interim Condensed Consolidated Financial Statements

### 7 NET INVESTMENT GAINS

	Six months ended 30 June	
	2022 (Unaudited) RMB'000	2021 (Unaudited) RMB'000
Dividend and other income		
Financial instruments at fair value through profit or loss	3,127,038	2,411,844
Equity instruments at fair value through other comprehensive income	23,596	808,688
Net realized gains/(losses)		
Financial instruments at fair value through profit or loss	(3,142,650)	2,083,200
Debt instruments at fair value through other comprehensive income	132,071	106,274
Derivative financial instruments	1,237,974	(516,926)
Unrealized gains/(losses)		
Financial assets at fair value through profit or loss	656,761	72,465
Financial liabilities at fair value through profit or loss	544,793	280,973
Derivative financial instruments	1,002,071	304,683
Others	48	(1,198)
Total	<u>3,581,702</u>	<u>5,550,003</u>



## Section X Interim Condensed Consolidated Financial Statements

### 8 GAIN ON LOSING CONTROL OF A SUBSIDIARY

Following CSRC's approval on Bailian Group Co., Ltd. to become a major shareholder and controlling shareholder of Shanghai Securities Co., Ltd. ("Shanghai Securities") and the change of registered share capital of Shanghai Securities in December 2020, Shanghai Securities has completed the necessary procedures in relations to the capital increase including capital verification, registration of change in rights of state-owned assets and registration with industrial and commercial department of the increased registered share capital in accordance with the requirements stated in the approval of the CSRC and requirements of relevant administrative measures of state-owned assets.

Upon the completion of such procedures and as of the date 7 February 2021, the Company held approximately 24.99% of the equity interest in Shanghai Securities, and Shanghai Securities ceased to be a subsidiary of the Company.

Entity name	Shanghai Securities Co., Ltd.
Considerations received	—
Disposal method	Subsidiary's private placement of shares to third-party investors
Date of losing control	7 February 2021
Basis for determining date of losing control	Transfer of control
Proportion of remaining equity interest on the date of losing control	24.99%
Carrying amount of remaining equity interests on the date of losing control	4,004,515
Fair value of remaining equity interests on the date of losing control	5,129,330
Gain or loss from remeasurement of remaining equity interests to fair value	1,124,815
Method and key assumptions for determining the fair value of remaining equity interests	Independent valuation report from third party valuer
Net investment gains transferred from other comprehensive income related to previous equity investment in subsidiary	13,954

### 9 OTHER INCOME AND GAINS

	<b>Six months ended 30 June</b>	
	<b>2022</b>	2021
	<b>(Unaudited)</b>	(Unaudited)
	<b>RMB'000</b>	RMB'000
Income from bulk commodity trading	<b>5,334,592</b>	4,065,448
Government grants <sup>(1)</sup>	<b>675,605</b>	511,224
Foreign exchange gains/(losses)	<b>58,392</b>	(62,483)
Others	<b>146,795</b>	141,578
Total	<b><u>6,215,384</u></b>	<u>4,655,767</u>

(1) The government grants were received unconditionally by the Company and its subsidiaries from the local government where they reside.

## Section X Interim Condensed Consolidated Financial Statements

### 10 FEE AND COMMISSION EXPENSES

	Six months ended 30 June	
	2022 (Unaudited) RMB'000	2021 (Unaudited) RMB'000
Brokerage and investment consulting business	1,668,364	1,139,212
Underwriting and sponsorship business	65,096	53,440
Others	39,968	48,055
Total	<u>1,773,428</u>	<u>1,240,707</u>

### 11 INTEREST EXPENSES

	Six months ended 30 June	
	2022 (Unaudited) RMB'000	2021 (Unaudited) RMB'000
Bonds	2,317,335	1,846,662
Financial assets sold under repurchase agreements	1,592,213	1,392,358
Accounts payable to brokerage customers	527,245	371,578
Short-term debt instruments	467,267	531,595
Placements from other financial institutions	194,970	317,961
Securities lending	101,167	111,191
Loans and borrowings	45,986	127,038
Lease liabilities	35,269	35,416
Others	58,183	100,609
Total	<u>5,339,635</u>	<u>4,834,408</u>

### 12 STAFF COSTS

	Six months ended 30 June	
	2022 (Unaudited) RMB'000	2021 (Unaudited) RMB'000
Salaries, bonuses and allowances	3,969,665	4,760,591
Contributions to defined contribution schemes	211,912	293,135
Other social welfare	324,469	314,391
Total	<u>4,506,046</u>	<u>5,368,117</u>

## Section X Interim Condensed Consolidated Financial Statements

### 12 STAFF COSTS *(continued)*

The employees of the Group in Mainland China participate in state-managed retirement benefit schemes operated by the respective local governments in Mainland China.

The Group also operates a defined contribution Mandatory Provident Fund retirement benefit scheme under the Mandatory Provident Fund Schemes Ordinance for all of its qualified employees in Hong Kong.

Apart from participating in various defined contribution retirement benefit schemes organized by municipal and provincial governments in Mainland China, the Group is also required to make monthly contributions to annuity plans for the period.

The Group currently has no additional significant cost for the payment of retirement and other post-retirement benefits of employees other than the monthly contributions described above. The Group's contributions to these pension plans are charged to profit or loss in the period to which they relate.

### 13 DEPRECIATION AND AMORTIZATION EXPENSES

	<b>Six months ended 30 June</b>	
	<b>2022</b> <i>(Unaudited)</i> <b>RMB'000</b>	2021 <i>(Unaudited)</i> <b>RMB'000</b>
Depreciation of right-of-use assets	<b>295,692</b>	295,185
Depreciation of property and equipment	<b>215,701</b>	237,106
Amortization of other intangible assets	<b>98,980</b>	86,469
Amortization of long-term deferred expenses	<b>8,059</b>	10,713
Amortization of investment property	<b>11,012</b>	—
	<hr/>	<hr/>
Total	<b><u>629,444</u></b>	<u>629,473</u>

## Section X Interim Condensed Consolidated Financial Statements

### 14 OTHER OPERATING EXPENSES AND COSTS

	Six months ended 30 June	
	2022	2021
	(Unaudited) RMB'000	(Unaudited) RMB'000
Cost of bulk commodity trading	5,315,136	4,007,525
Stock exchange management fees	201,655	52,203
Information technology expenses	157,499	175,116
Consulting fees	88,783	92,859
Rental and property management expenses	76,029	91,623
Advertising expenses	65,159	65,733
Postal and communication expenses	60,663	73,595
Securities investor protection funds	59,887	66,935
Business travel expenses	35,207	86,605
Auditors' remuneration	6,748	4,559
Others	293,954	492,783
	<u>6,360,720</u>	<u>5,209,536</u>
Total	<u>6,360,720</u>	<u>5,209,536</u>

### 15 CREDIT LOSS EXPENSE

	Six months ended 30 June	
	2022	2021
	(Unaudited) RMB'000	(Unaudited) RMB'000
Margin accounts receivable	(228,901)	249,483
Financial assets held under resale agreements	(100,884)	(1,059)
Others	127,421	181,324
	<u>(202,364)</u>	<u>429,748</u>
Total	<u>(202,364)</u>	<u>429,748</u>

## Section X Interim Condensed Consolidated Financial Statements

### 16 INCOME TAX EXPENSE

	<b>Six months ended 30 June</b>	
	<b>2022</b>	2021
	<b>(Unaudited)</b>	<i>(Unaudited)</i>
	<b>RMB'000</b>	<i>RMB'000</i>
Current tax		
Mainland China income tax	<b>841,400</b>	1,670,083
Hong Kong profits tax	<b>34,289</b>	112,047
	<u>843,158</u>	<u>178,993</u>
Deferred tax		
	<b>843,158</b>	178,993
	<u>843,158</u>	<u>178,993</u>
Total tax charges for the period	<b>1,718,847</b>	1,961,123
	<u>1,718,847</u>	<u>1,961,123</u>

According to the PRC Corporate Income Tax ("CIT") Law that took effect on 1 January 2008, the Company and the Company's subsidiaries in Mainland China are subject to CIT at the statutory tax rate of 25%.

For the Company's subsidiaries in Hong Kong, Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits for the period.

### 17 DIVIDENDS

	<b>Six months ended 30 June</b>	
	<b>2022</b>	2021
	<b>(Unaudited)</b>	<i>(Unaudited)</i>
	<b>RMB'000</b>	<i>RMB'000</i>
Distribution to ordinary shares <sup>(1)</sup>	<b>6,056,537</b>	4,988,731
	<u>6,056,537</u>	<u>4,988,731</u>
Distribution to other equity instrument holders <sup>(2)</sup>	<b>402,500</b>	402,500
	<u>402,500</u>	<u>402,500</u>

(1) Pursuant to the resolution of the meeting of shareholders held on 31 May 2022, the Company distributed cash dividends of RMB6.8 for every 10 shares (tax included) for the year ended 31 December 2021.

Pursuant to the resolution of the meeting of shareholders held on 28 June 2021, the Company distributed cash dividends of RMB5.6 for every 10 shares (tax included) for the year ended 31 December 2020.

(2) The dividend distributions by the Company triggered the mandatory interest payment event for perpetual subordinated bonds. As at 30 June 2022, the Company has recognized the dividend payable to other equity instrument holders of RMB403 million (31 December 2021: RMB403 million).

## **Section X Interim Condensed Consolidated Financial Statements**

### **18 EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY**

The calculation of the basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the period. The newly issued shares are calculated in accordance with the conditions stated in the issuance agreement, starting from the consideration receivable date (usually the issuance date).

The numerator of the diluted earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the Company, adjusted to reflect (a) the interest of dilutive potential ordinary shares recognized in profit or loss, where applicable, (b) the income or expenses from the conversion of dilutive potential ordinary shares into ordinary shares, (c) the dilutive effect of subsidiaries' potential ordinary shares and (d) the tax impact of the above adjustments.

The denominator of the diluted earnings per share amount is the total number of (a) the weighted average number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, (b) the weighted average number of ordinary shares assumed to have been issued at consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares and (c) the weighted average number of restricted shares that could fulfil the vesting conditions.

When calculating the weighted average number of ordinary shares which are assumed to have been issued at consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares, dilutive potential ordinary shares issued in prior years are assumed to be converted at the beginning of the period and those issued in the period are assumed to be converted at the issuance date. The Company has convertible corporate bonds as dilutive potential ordinary shares.

## Section X Interim Condensed Consolidated Financial Statements

### 18 EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY *(continued)*

The calculations of basic and diluted earnings per share attributable to ordinary equity holders of the Company are as follows:

	<b>Six months ended 30 June</b>	
	<b>2022</b> <i>(Unaudited)</i> <b>RMB'000</b>	2021 <i>(Unaudited)</i> <b>RMB'000</b>
Earnings		
Profit attributable to equity holders of the Company	<b>6,372,794</b>	8,013,201
Less: Profit attributable to other equity holders of the Company	<b>(199,596)</b>	(199,596)
Profit attributable to ordinary equity holders of the Company	<b>6,173,198</b>	7,813,605
Add: Interest expense on convertible bonds, net of tax	<b>152,200</b>	149,664
Less: Dilutive effect of a subsidiary's potential ordinary shares	—	(367)
Adjusted profit attributable to ordinary equity holders of the Company	<b><u>6,325,398</u></b>	<u>7,962,902</u>
Shares (in thousand)		
Weighted average number of ordinary shares in issue during the period	<b>8,906,968</b>	8,819,448
Add: Weighted average number of ordinary shares assuming conversion of all dilutive shares	<b>378,872</b>	367,712
Add: Dilutive effect of share-based transactions	<b>22,216</b>	7,652
Adjusted weighted average number of ordinary shares in issue during the period	<b><u>9,308,056</u></b>	<u>9,194,812</u>
Earnings per share attributable to ordinary equity holders of the Company (RMB Yuan per share)		
– Basic	<b><u>0.69</u></b>	<u>0.89</u>
– Diluted	<b><u>0.68</u></b>	<u>0.87</u>

## Section X Interim Condensed Consolidated Financial Statements

### 19 PROPERTY AND EQUIPMENT

	Buildings	Leasehold improvements	Machinery	Electronic equipment	Communication equipment	Motor vehicles	CIP	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Unaudited</b>									
<b>Cost</b>									
As at 1 January 2022	2,781,776	686,724	50,323	1,801,551	19,546	139,321	219,683	167,980	5,866,904
Additions	26	20,440	308	60,193	136	6,312	42,207	815	130,437
Transfers during the year	—	6,999	170	4,411	—	—	(4,675)	94	6,999
Disposals	—	(6,538)	(1,426)	(16,942)	(33)	(2,819)	(37,468)	(645)	(65,871)
ex. Diff	22,816	—	—	6,305	—	457	—	370	29,948
As at 30 June 2022	2,804,618	707,625	49,375	1,855,518	19,649	143,271	219,747	168,614	5,968,417
<b>Accumulated depreciation</b>									
As at 1 January 2022	(980,316)	(491,114)	(2,026)	(1,133,018)	(13,230)	(110,506)	—	(103,655)	(2,833,865)
Depreciation charge	(34,891)	(35,277)	(3,868)	(127,043)	(1,076)	(6,303)	—	(7,243)	(215,701)
Disposals	—	6,048	1,327	13,171	32	2,656	—	607	23,841
ex. Diff	(7,527)	—	—	(5,714)	—	(359)	—	(357)	(13,957)
As at 30 June 2022	(1,022,734)	(520,343)	(4,567)	(1,252,604)	(14,274)	(114,512)	—	(110,648)	(3,039,682)
<b>Impairment</b>									
As at 1 January 2022 and 30 June 2022	(92,253)	—	—	—	—	—	—	—	(92,253)
<b>Net carrying amount</b>									
As at 30 June 2022	1,689,631	187,282	44,808	602,914	5,375	28,759	219,747	57,966	2,836,482



## Section X Interim Condensed Consolidated Financial Statements

### 19 PROPERTY AND EQUIPMENT (continued)

	Buildings	Leasehold improvements	Machinery	Electronic equipment	Communication equipment	Motor vehicles	CIP	Others	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Audited</b>									
<b>Cost</b>									
As at 1 January 2021	4,675,910	954,783	69,244	1,760,090	19,952	150,473	265,466	175,363	8,071,281
Additions	418	29,832	1,221	273,900	842	13,480	196,918	3,778	520,389
Transfers during the year	(1,009,459)	470	867	54,674	—	—	(59,224)	3,684	(1,008,988)
Disposals	(26,004)	(75,397)	(1,736)	(46,424)	(51)	(13,336)	(141,086)	(1,878)	(305,912)
Lost control of a subsidiary	(859,089)	(222,964)	(19,273)	(240,689)	(1,197)	(11,296)	(42,391)	(12,967)	(1,409,866)
As at 31 December 2021	<u>2,781,776</u>	<u>686,724</u>	<u>50,323</u>	<u>1,801,551</u>	<u>19,546</u>	<u>139,321</u>	<u>219,683</u>	<u>167,980</u>	<u>5,866,904</u>
<b>Accumulated depreciation</b>									
As at 1 January 2021	(978,904)	(609,142)	(12,673)	(1,125,042)	(12,066)	(116,962)	—	(99,932)	(2,954,721)
Depreciation charge	(76,420)	(114,077)	(7,785)	(231,755)	(2,344)	(13,263)	—	(15,342)	(460,986)
Transfer during the year	21,500	—	—	—	—	—	—	—	21,500
Disposals	4,077	48,900	1,613	45,259	43	11,922	—	1,466	113,280
Lost control of a subsidiary	49,431	183,205	16,819	178,520	1,137	7,797	—	10,153	447,062
As at 31 December 2021	<u>(980,316)</u>	<u>(491,114)</u>	<u>(2,026)</u>	<u>(1,133,018)</u>	<u>(13,230)</u>	<u>(110,506)</u>	<u>—</u>	<u>(103,655)</u>	<u>(2,833,865)</u>
<b>Impairment</b>									
As at 1 January 2021 and 31 December 2021	(92,253)	—	—	—	—	—	—	—	(92,253)
<b>Net carrying amount</b>									
As at 31 December 2021	<u>1,709,207</u>	<u>195,610</u>	<u>48,297</u>	<u>668,533</u>	<u>6,316</u>	<u>28,815</u>	<u>219,683</u>	<u>64,325</u>	<u>2,940,786</u>

As at 30 June 2022, the Group has not yet obtained the relevant building certificates for buildings with costs of RMB 70 million (31 December 2021: RMB 81 million).

## Section X Interim Condensed Consolidated Financial Statements

### 20 INVESTMENT PROPERTY

	<b>Properties and buildings RMB'000</b>
<b>Unaudited</b>	
<b>Cost</b>	
As at 31 December 2021	1,009,458
Transfer during the period	—
Decreases	—
	<hr/>
As at 30 June 2022	<u>1,009,458</u>
<b>Accumulated depreciation</b>	
As at 31 December 2021	(36,183)
Transfer during the period	—
Charge for the period	(11,012)
	<hr/>
As at 30 June 2022	<u>(47,195)</u>
<b>Impairment</b>	
As at 31 December 2021 and 30 June 2022	—
	<hr/>
<b>Net carrying amount</b>	
As at 30 June 2022	<u><u>962,263</u></u>

## Section X Interim Condensed Consolidated Financial Statements

### 20 INVESTMENT PROPERTY *(continued)*

	Properties and buildings <i>RMB'000</i>
<b>Audited</b>	
<b>Cost</b>	
As at 31 December 2020	—
Transfer during the year	1,009,458
Decreases	—
	—
As at 31 December 2021	1,009,458
<b>Accumulated depreciation</b>	
As at 31 December 2020	—
Transfer during the year	(21,500)
Charge for the year	(14,683)
	(36,183)
As at 31 December 2021	(36,183)
<b>Impairment</b>	
As at 31 December 2020 and 31 December 2021	—
	—
<b>Net carrying amount</b>	
As at 31 December 2021	973,275

## Section X Interim Condensed Consolidated Financial Statements

### 21 RIGHT-OF-USE ASSETS

	<b>Buildings</b> <i>RMB'000</i>	<b>Land-use right</b> <i>RMB'000</i>	<b>Total</b> <i>RMB'000</i>
<b>Unaudited</b>			
<b>Cost</b>			
As at 1 January 2022	2,661,301	875,925	3,537,226
Increases	194,789	—	194,789
Decreases	<u>(170,023)</u>	<u>—</u>	<u>(170,023)</u>
As at 30 June 2022	<u>2,686,067</u>	<u>875,925</u>	<u>3,561,992</u>
<b>Accumulated depreciation</b>			
As at 1 January 2022	(902,420)	(147,842)	(1,050,262)
Depreciation charge	(286,154)	(9,538)	(295,692)
Decreases	<u>169,123</u>	<u>—</u>	<u>169,123</u>
As at 30 June 2021	<u>(1,019,451)</u>	<u>(157,380)</u>	<u>(1,176,831)</u>
<b>Impairment</b>			
As at 1 January 2022 and at 30 June 2022	<u>—</u>	<u>—</u>	<u>—</u>
<b>Net carrying amount</b>			
As at 30 June 2022	<u><u>1,666,616</u></u>	<u><u>718,545</u></u>	<u><u>2,385,161</u></u>

## Section X Interim Condensed Consolidated Financial Statements

### 21 RIGHT-OF-USE ASSETS *(continued)*

	Buildings <i>RMB'000</i>	Land-use right <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Audited</b>			
<b>Cost</b>			
As at 1 January 2021	3,016,745	876,029	3,892,774
Increases	827,510	—	827,510
Decreases	(883,111)	—	(883,111)
Lost control of a subsidiary	(299,843)	(104)	(299,947)
As at 31 December 2021	<u>2,661,301</u>	<u>875,925</u>	<u>3,537,226</u>
<b>Accumulated depreciation</b>			
As at 1 January 2021	(1,251,110)	(128,869)	(1,379,979)
Depreciation charge	(572,965)	(19,076)	(592,041)
Decreases	756,980	—	756,980
Lost control of a subsidiary	164,675	103	164,778
As at 31 December 2021	<u>(902,420)</u>	<u>(147,842)</u>	<u>(1,050,262)</u>
<b>Impairment</b>			
As at 1 January 2021	(22,052)	—	(22,052)
Decreases	22,052	—	22,052
As at 31 December 2021	<u>—</u>	<u>—</u>	<u>—</u>
<b>Net carrying amount</b>			
As at 31 December 2021	<u>1,758,881</u>	<u>728,083</u>	<u>2,486,964</u>

## Section X Interim Condensed Consolidated Financial Statements

### 22 GOODWILL

	<b>As at 30 June 2022 (Unaudited) RMB'000</b>	As at 31 December 2021 (Audited) RMB'000
Cost	<b>20,896</b>	20,896
Less: Impairment losses	<u>—</u>	<u>—</u>
Carrying amount	<b><u>20,896</u></b>	<u>20,896</u>
Impairment testing on goodwill		
	<b>As at 30 June 2022 (Unaudited) RMB'000</b>	As at 31 December 2021 (Audited) RMB'000
Cost and carrying value		
Unit A – Guotai Junan Securities (Vietnam) Corporation	<b>18,405</b>	18,405
Unit B – Guotai Junan Futures Co., Ltd.	<b><u>2,491</u></b>	<u>2,491</u>
Total	<b><u>20,896</u></b>	<u>20,896</u>

Guotai Junan International Holdings Limited (“GJIHL”), a subsidiary of the Company, acquired 50.97% equity interests in Guotai Junan Securities (Vietnam) Corporation (former “Vietnam Investment Securities Company”) from a third party in December 2019. The Group recognized the excess of fair value of the consideration transferred over the fair value of the net identifiable assets acquired as the goodwill of the cash-generating unit (“CGU”) of Vietnam Investment Securities Company.

The Company acquired 100% of the equity interests in Guotai Junan Futures Co., Ltd. from a third party in 2007. The Group recognized the excess of fair value of the consideration transferred over the fair value of the net identifiable assets acquired as the goodwill of the CGU of Guotai Junan Futures Co., Ltd.

Goodwill were not tested for impairment because there were no impairment indicators as at 30 June 2022.

## Section X Interim Condensed Consolidated Financial Statements

### 23 OTHER INTANGIBLE ASSETS

	Software	Trading seats rights	Others	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Unaudited</b>				
<b>Cost</b>				
As at 1 January 2022	1,366,510	205,775	14,263	1,586,548
Additions	72,131	60	90	72,281
Disposal and others	—	(8)	—	(8)
	<u>1,438,641</u>	<u>205,827</u>	<u>14,353</u>	<u>1,658,821</u>
As at 30 June 2022	<u>1,438,641</u>	<u>205,827</u>	<u>14,353</u>	<u>1,658,821</u>
<b>Accumulated amortization</b>				
As at 1 January 2022	(779,825)	(126,259)	(2,172)	(908,256)
Amortization	(98,783)	(35)	(162)	(98,980)
Disposal and others	—	4	—	4
	<u>(878,608)</u>	<u>(126,290)</u>	<u>(2,334)</u>	<u>(1,007,232)</u>
As at 30 June 2022	<u>(878,608)</u>	<u>(126,290)</u>	<u>(2,334)</u>	<u>(1,007,232)</u>
<b>Impairment</b>				
As at 30 June 2022 and 1 January 2022	—	(4,927)	(10,475)	(15,402)
	<u>—</u>	<u>(4,927)</u>	<u>(10,475)</u>	<u>(15,402)</u>
<b>Net carrying amount</b>				
As at 30 June 2022	<u>560,033</u>	<u>74,610</u>	<u>1,544</u>	<u>636,187</u>

## Section X Interim Condensed Consolidated Financial Statements

### 23 OTHER INTANGIBLE ASSETS (continued)

	Software <i>RMB'000</i>	Trading seats rights <i>RMB'000</i>	Securities and futures brokerage qualification <sup>(1)</sup> <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Audited</b>					
<b>Cost</b>					
As at 1 January 2021	1,252,253	206,186	1,066,264	15,903	2,540,606
Additions	264,710	33	—	9	264,752
Disposal	—	(444)	—	—	(444)
Lost control of a subsidiary	(150,453)	—	(1,066,264)	(1,649)	(1,218,366)
As at 31 December 2021	<u>1,366,510</u>	<u>205,775</u>	<u>—</u>	<u>14,263</u>	<u>1,586,548</u>
<b>Accumulated amortization</b>					
As at 1 January 2021	(718,566)	(126,539)	—	(2,286)	(847,391)
Amortization	(179,556)	(19)	—	(691)	(180,266)
Disposal	—	299	—	—	299
Lost control of a subsidiary	118,297	—	—	805	119,102
As at 31 December 2021	<u>(779,825)</u>	<u>(126,259)</u>	<u>—</u>	<u>(2,172)</u>	<u>(908,256)</u>
<b>Impairment</b>					
As at 1 January 2021 and 31 December 2021	<u>—</u>	<u>(4,927)</u>	<u>—</u>	<u>(10,475)</u>	<u>(15,402)</u>
<b>Net carrying amount</b>					
As at 31 December 2021	<u>586,685</u>	<u>74,589</u>	<u>—</u>	<u>1,616</u>	<u>662,890</u>

The other intangible assets of securities and futures brokerage qualification were generated from the acquisition of Shanghai Securities, which ceased to be a subsidiary of the Company in February 2021 as stated in note 8.



## Section X Interim Condensed Consolidated Financial Statements

### 24 INTERESTS IN STRUCTURED ENTITIES

#### (a) Interests in consolidated structured entities

The Group has consolidated certain structured entities, including asset management schemes, trust schemes and limited partnerships. For those structured entities where the Group is involved as a manager, investment adviser or general partner, the Group assesses whether the combination of investments it held together with its remuneration creates an exposure to variability of returns from the activities of those structured entities that is of such significance that indicates that the Group is a principal.

Interests held by other investors in these consolidated structured entities were classified as financial liabilities at fair value through profit or loss, other current liabilities and other non-current liabilities in the consolidated statement of financial position.

#### (b) Interests in unconsolidated structured entities

The Group exercised the power over the structured entities including limited partnerships and asset management products by acting as a manager or general partner during the period. Except for the structured entities the Group has consolidated as stated in note 24(a), in management's opinion, the variable returns the Group exposed to over these structured entities that the Group has interests in are not significant. The Group therefore did not consolidate these structured entities.

The Group classified the investments in unconsolidated limited partnerships and asset management products managed by the Group as financial assets at fair value through profit or loss and investments in associates and joint ventures. As at 30 June 2022 and 31 December 2021, the carrying amounts of the Group's interests in unconsolidated structured entities were RMB7,815 million and RMB8,937 million, respectively. The management fee arising from these unconsolidated structured entities and in which there were no interests amounted to RMB329 million and RMB465 million for the six months ended 30 June 2022 and 2021, respectively.

The carrying amounts of interests in unconsolidated structured entities in the consolidated statement of financial position are approximately equal to the maximum exposure to the loss of interests held by the Group in the unconsolidated structured entities.

### 25 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

	<b>As at 30 June 2022 (Unaudited) RMB'000</b>	As at 31 December 2021 (Audited) RMB'000
Share of net assets		
– Associates	<b>10,251,506</b>	7,434,717
– Joint ventures	<b>4,912,457</b>	5,492,824
Total	<b><u>15,163,963</u></b>	<u>12,927,541</u>

## Section X Interim Condensed Consolidated Financial Statements

### 25 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (continued)

The Group had the following associates and joint ventures:

Name of associates and joint ventures	Place of incorporation or primary business	Registered capital/Capital commitment (Expressed in yuan)	Principal activities	Equity interest held as at 30 June 2022
Associates:				
Shenzhen GTJA Shenyi Phase I Investment Fund LLP	Shenzhen PRC	RMB400,000,000	Investment management and advisory	25%
Shenzhen GTJA Leading Junding Phase 1 Investment Fund LLP	Shenzhen PRC	RMB130,000,000	Investment management and advisory	38%
Shanghai Kechuang Center Equity Investment Fund Management Co., Ltd. <sup>(2)</sup>	Shanghai PRC	RMB100,000,000	Investment management and equity investment	13%
Huaan Fund Management Co., Ltd. ("Hua An Fund")	Shanghai PRC	RMB150,000,000	Fund management	43%
Shenzhen United Property and Share Rights Exchange <sup>(2)</sup>	Shenzhen PRC	RMB500,000,000	Provision of intermediary services and equity registration services for equity trading	10%
Shanghai Jizhi Consulting & Management Co., Ltd. <sup>(2)</sup>	Shanghai PRC	RMB10,000,000	Enterprise management consulting, lease of non-residential and residential real estate	15%
Shanghai Urban Renewal Guidance Private Fund LLP <sup>(2)</sup>	Shanghai PRC	RMB10,002,000,000	Investment management and equity investment	0.01%
Shanghai Securities Co., Ltd.	Shanghai PRC	RMB5,326,532,000	Securities brokerage Securities investment Underwriting and consulting	24.99%
Shanghai Lingang GTJA Technology Frontier Industry Private Fund LLP	Shanghai PRC	RMB8,020,000,000	Equity investment, Investment management and Asset management	25%
Joint ventures:				
Xiamen Junxin Equity Investment Company LLP <sup>(2)</sup>	Xiamen PRC	RMB200,100,000	Investment management and equity investment	10%
Shanghai Guojun Chuangtou Longxu Investment Management Centre LLP	Shanghai PRC	RMB100,000,000	Investment management and equity investment	25%
Shanghai Guojun Chuangtou Longsheng Investment Centre LLP	Shanghai PRC	RMB500,000,000	Investment management and equity investment	20%
Shanghai Guojun Chuangtou Longzhao Investment Management Centre LLP <sup>(1)</sup>	Shanghai PRC	RMB1,000,200,000	Investment management and equity investment	55%
Shanghai Junzheng Investment Management Co., Ltd. <sup>(1)</sup>	Shanghai PRC	RMB10,000,000	Investment management and advisory	61%
Shanghai Guojun Chuangtou Zhengjun No.2 Equity Investment LLP	Shanghai PRC	RMB100,010,000	Investment management and advisory	25%
Juntong Phase II Fund	Shanghai PRC	RMB401,000,000	Investment management and advisory	50%
Shanghai North Industries GTJA Investment Centre LLP <sup>(2)</sup>	Shanghai PRC	RMB652,000,000	Investment management and advisory	16%
Shanghai GTJA Chuangxin Equity Investment Master Fund Center LLP	Shanghai PRC	RMB8,008,000,000	Investment management and advisory	50%
Qingdao GTJA Xinxing No.1 Equity Investment Fund LLP	Qingdao PRC	RMB728,500,000	Equity investment, investment advisory	48%
Yancheng GTJA Zhiyuan No.1 Investment Centre LLP	Yancheng PRC	RMB500,000,000	Securities investment advisory and equity investment	20%

## Section X Interim Condensed Consolidated Financial Statements

### 25 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES *(continued)*

- (1) Although the Group's percentages of shareholdings in these investees are higher than 50%, they are accounted for as joint ventures as the Group only has joint control over these investees due to the relevant arrangements stipulated in the articles of association or other agreements.
- (2) Although the Group's percentages of shareholdings in these investees are lower than 20%, they are accounted for as associates or joint ventures as the Group has significant influence over these investees due to the relevant arrangements stipulated in the articles of association or other agreements.

The following table illustrates the aggregate financial information of the Group's associates and joint ventures that are not individually material:

	<b>Six months ended 30 June</b>	
	<b>2022</b>	2021
	<b>(Unaudited)</b>	<i>(Unaudited)</i>
	<b>RMB'000</b>	<i>RMB'000</i>
Share of associates' profit for the period	<b>289,832</b>	193,250
Share of joint ventures' profit for the period	<b>96,453</b>	44,089
	<b>289,832</b>	193,250
	<b>96,453</b>	44,089
	<b>386,285</b>	237,339

	<b>Six months ended 30 June</b>	
	<b>2022</b>	2021
	<b>(Unaudited)</b>	<i>(Unaudited)</i>
	<b>RMB'000</b>	<i>RMB'000</i>
Share of associates' total comprehensive income for the period	<b>288,985</b>	231,396
Share of joint ventures' total comprehensive income for the period	<b>(52,874)</b>	225,808
	<b>236,111</b>	457,204

	<b>As at</b>	As at
	<b>30 June</b>	31 December
	<b>2022</b>	2021
	<b>(Unaudited)</b>	<i>(Audited)</i>
	<b>RMB'000</b>	<i>RMB'000</i>
Aggregate carrying amount of the Group's investments in associates	<b>10,251,506</b>	7,434,717
Aggregate carrying amount of the Group's investments in joint ventures	<b>4,912,457</b>	5,492,824
	<b>15,163,963</b>	12,927,541

## Section X Interim Condensed Consolidated Financial Statements

### 26 DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at <b>30 June</b> <b>2022</b> <i>(Unaudited)</i> <b>RMB'000</b>	As at 31 December 2021 <i>(Audited)</i> <b>RMB'000</b>
<b>Non-current</b>		
Government bonds	<b>30,582,067</b>	32,110,210
Financial bonds	<b>15,000,807</b>	7,887,659
Corporate bonds	<b>9,324,083</b>	7,551,263
Other bonds	<b>6,896,042</b>	7,485,643
Total	<b>61,802,999</b>	55,034,775
Analysed as:		
Listed in Hong Kong	<b>587,779</b>	988,933
Listed outside Hong Kong	<b>25,259,589</b>	27,880,149
Unlisted	<b>35,955,631</b>	26,165,693
Total	<b>61,802,999</b>	55,034,775
<b>Current</b>		
Government bonds	<b>503,275</b>	354,607
Financial bonds	<b>1,696,143</b>	2,708,136
Corporate bonds	<b>1,712,872</b>	1,484,747
Other bonds	<b>2,900,684</b>	7,256,151
Total	<b>6,812,974</b>	11,803,641

## Section X Interim Condensed Consolidated Financial Statements

### 26 DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (continued)

	As at <b>30 June</b> <b>2022</b> <i>(Unaudited)</i> <b>RMB'000</b>	As at 31 December 2021 <i>(Audited)</i> <b>RMB'000</b>
<b>Current</b>		
Analysed as:		
Listed inside Hong Kong	<b>390,938</b>	—
Listed outside Hong Kong	<b>3,224,889</b>	4,157,506
Unlisted	<b>3,197,147</b>	7,646,135
	<u><b>6,812,974</b></u>	<u>11,803,641</u>
Total		

As at 30 June 2022, debt instruments at fair value through other comprehensive income of the Group included approximately RMB62,380,544 thousand of pledged, restricted or transferred assets (as at 31 December 2021: RMB63,820,807 thousand).

#### (a) Analysis of the movements of allowance for ECL:

	As at <b>30 June</b> <b>2022</b> <i>(Unaudited)</i> <b>RMB'000</b>	As at 31 December 2021 <i>(Audited)</i> <b>RMB'000</b>
At the beginning of the period/year	<b>151,325</b>	154,309
Charge for the period/year	<b>122,923</b>	114,265
Reverse during the period/year	<b>(38,708)</b>	—
Lost control of a subsidiary	—	(84,378)
Amounts written-off and others	<b>(29,746)</b>	(32,871)
	<u><b>205,794</b></u>	<u>151,325</u>
At the end of the period/year		

## Section X Interim Condensed Consolidated Financial Statements

### 26 DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (continued)

#### (b) Analysis of the stages of allowance for ECL:

	Stage 1 <i>RMB'000</i>	Stage 2 <i>RMB'000</i>	Stage 3 <i>RMB'000</i>	Total <i>RMB'000</i>
As at 30 June 2022	<u>74,014</u>	<u>129,492</u>	<u>2,288</u>	<u>205,794</u>
As at 31 December 2021	<u>80,933</u>	<u>62,044</u>	<u>8,348</u>	<u>151,325</u>

### 27 EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at 30 June 2022 <i>(Unaudited)</i> <i>RMB'000</i>	As at 31 December 2021 <i>(Audited)</i> <i>RMB'000</i>
<b>Non-current</b>		
Equity securities <sup>(1)(2)</sup>	<u>2,555,434</u>	<u>2,480,358</u>
Total	<u>2,555,434</u>	<u>2,480,358</u>
Analysed as:		
Listed outside Hong Kong	<u>2,233,113</u>	2,034,258
Unlisted	<u>322,321</u>	<u>446,100</u>
Total	<u>2,555,434</u>	<u>2,480,358</u>

- (1) The Group has designated those investments held for non-trading purposes as equity instruments at fair value through other comprehensive income. The dividend income related to equity instruments at fair value through other comprehensive income was disclosed in note 7.

For the six months ended 30 June 2022, the Group disposed of some of the equity instruments at fair value through other comprehensive income. The accumulated net realized loss and the dividend income of the equity instruments disposed of were RMB12,518 thousand and RMB0 thousand, respectively.

- (2) As at 30 June 2022, equity instruments at fair value through other comprehensive income of the Group included approximately RMB91,310 thousand of pledged, restricted or transferred shares (as at 31 December 2021: RMB100,236 thousand).

## Section X Interim Condensed Consolidated Financial Statements

### 28 FINANCIAL ASSETS HELD UNDER RESALE AGREEMENTS

(a) Analysed by collateral type:

	As at 30 June 2022 <i>(Unaudited)</i> <i>RMB'000</i>	As at 31 December 2021 <i>(Audited)</i> <i>RMB'000</i>
<b>Non-current</b>		
Equity securities	505,008	1,924,261
Less: Allowance for ECLs	<u>(3,106)</u>	<u>(30,917)</u>
Total	<u><b>501,902</b></u>	<u>1,893,344</u>
	As at 30 June 2022 <i>(Unaudited)</i> <i>RMB'000</i>	As at 31 December 2021 <i>(Audited)</i> <i>RMB'000</i>
<b>Current</b>		
Debt securities	38,558,842	33,015,545
Equity securities	28,058,998	26,681,539
Precious metals	825,293	337,009
Less: Allowance for ECLs	<u>(2,271,625)</u>	<u>(2,344,684)</u>
Total	<u><b>65,171,508</b></u>	<u>57,689,409</u>

## Section X Interim Condensed Consolidated Financial Statements

### 28 FINANCIAL ASSETS HELD UNDER RESALE AGREEMENTS *(continued)*

#### (b) Analysed by market:

	As at <b>30 June</b> <b>2022</b> <i>(Unaudited)</i> <b>RMB'000</b>	As at 31 December 2021 <i>(Audited)</i> <b>RMB'000</b>
<b>Non-current</b>		
Stock exchanges	<b>505,008</b>	1,924,261
Less: Allowance for ECLs	<u><b>(3,106)</b></u>	<u>(30,917)</u>
Total	<u><b>501,902</b></u>	<u>1,893,344</u>
	As at <b>30 June</b> <b>2022</b> <i>(Unaudited)</i> <b>RMB'000</b>	As at 31 December 2021 <i>(Audited)</i> <b>RMB'000</b>
<b>Current</b>		
Stock exchanges	<b>35,084,735</b>	38,585,325
Interbank market	<b>27,960,976</b>	17,477,967
Over the counter	<b>4,397,422</b>	3,970,801
Less: Allowance for ECLs	<u><b>(2,271,625)</b></u>	<u>(2,344,684)</u>
Total	<u><b>65,171,508</b></u>	<u>57,689,409</u>



## Section X Interim Condensed Consolidated Financial Statements

### 28 FINANCIAL ASSETS HELD UNDER RESALE AGREEMENTS *(continued)*

#### (c) Analysis of the movements of allowance for ECLs:

	<b>As at 30 June 2022 (Unaudited) RMB'000</b>	As at 31 December 2021 (Audited) RMB'000
At the beginning of the period/year	2,375,601	3,292,531
Lost control of a subsidiary	—	(320,064)
Reverse during the period/year	(100,884)	(596,813)
Amounts written-off and others	14	(53)
At the end of the period/year	<b>2,274,731</b>	2,375,601

#### (d) Analysis of the stages of allowance for ECL:

	<b>Stage 1 RMB'000</b>	<b>Stage 2 RMB'000</b>	<b>Stage 3 RMB'000</b>	<b>Total RMB'000</b>
<b>As at 30 June 2022</b>	<b>121,749</b>	<b>470</b>	<b>2,152,512</b>	<b>2,274,731</b>
As at 31 December 2021	108,922	918	2,265,761	2,375,601

The carrying amount of financial assets held under resale agreements, for which the loss allowance is measured at an amount equal to 12-month and lifetime expected credit losses, is RMB64,860,944 thousand and RMB812,466 thousand respectively (As at 31 December 2021: RMB58,598,895 thousand and RMB983,858 thousand respectively).

## Section X Interim Condensed Consolidated Financial Statements

### 28 FINANCIAL ASSETS HELD UNDER RESALE AGREEMENTS (continued)

#### (e) Analyzed by the stages of allowance for ECLs of stock-pledged financing:

	As at 30 June 2022			
	Stage 1	Stage 2	Stage 3	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Gross carrying amount	23,718,770	11,524	2,953,924	26,684,218
Allowance for ECLs	(112,439)	(470)	(2,152,511)	(2,265,420)
Fair value of collateral	<u>69,225,719</u>	<u>16,259</u>	<u>1,426,495</u>	<u>70,668,473</u>
	As at 31 December 2021			
	Stage 1	Stage 2	Stage 3	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Gross carrying amount	23,716,501	155,470	3,095,067	26,967,038
Allowance for ECLs	(98,452)	(918)	(2,265,761)	(2,365,131)
Fair value of collateral	<u>73,846,833</u>	<u>822,867</u>	<u>1,454,595</u>	<u>76,124,295</u>

#### (f) Fair value of collateral:

	As at 30 June 2022 (Unaudited) <i>RMB'000</i>	As at 31 December 2021 (Audited) <i>RMB'000</i>
Fair value	113,118,646	111,092,496
Including: Available for sale or pledge	456,598	1,734,623
Including: Sold or pledged	<u>—</u>	<u>—</u>

## Section X Interim Condensed Consolidated Financial Statements

### 29 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 30 June 2022 <i>(Unaudited)</i> RMB'000	As at 31 December 2021 <i>(Audited)</i> RMB'000
<b>Non-current</b>		
At fair value through profit or loss:		
Preferred stock/Perpetual bonds	10,605,007	7,069,743
Funds	6,841,700	6,094,904
Debt securities	4,479,736	4,489,079
Equity securities	2,488,212	2,293,098
<b>Total</b>	<b>24,414,655</b>	<b>19,946,824</b>
Analysed as:		
Listed in Hong Kong	7,973,085	3,481,517
Listed outside Hong Kong	2,405,243	1,931,102
Unlisted	14,036,327	14,534,205
<b>Total</b>	<b>24,414,655</b>	<b>19,946,824</b>
<b>Current</b>		
At fair value through profit or loss:		
Debt securities	127,621,170	127,265,477
Funds	88,858,417	76,982,953
Equity securities	31,059,304	32,806,547
Asset management schemes	15,345,207	11,244,267
Preferred stock/Perpetual bonds	10,713,547	12,531,362
Wealth management products	3,462,346	437,652
Other investments <sup>(1)</sup>	1,726,712	3,169,979
<b>Total</b>	<b>278,786,703</b>	<b>264,438,237</b>
Analysed as:		
Listed in Hong Kong	19,514,490	25,927,623
Listed outside Hong Kong	86,984,202	90,053,787
Unlisted	172,288,011	148,456,827
<b>Total</b>	<b>278,786,703</b>	<b>264,438,237</b>

(1) Other investments mainly represent investments in precious metals, etc.

As at 30 June 2022, financial assets at fair value through profit or loss of the Group included approximately RMB115,851,614 thousand of pledged, restricted or transferred assets (as at 31 December 2021: RMB127,098,355 thousand).

As at 30 June 2022, the Group held no significant investment with a value of 5 percent or more of the Group's total assets.

## Section X Interim Condensed Consolidated Financial Statements

### 30 REFUNDABLE DEPOSITS

	As at <b>30 June</b> <b>2022</b> <i>(Unaudited)</i> <b>RMB'000</b>	As at 31 December 2021 <i>(Audited)</i> <b>RMB'000</b>
Deposits with exchanges and other financial institutions:		
Future deposits	<b>40,350,023</b>	34,181,270
Trading deposits	<b>8,670,550</b>	4,373,517
Performance deposits	<b>838,703</b>	1,021,154
Credit deposits	<b>337,869</b>	614,583
Other deposits	<b>713,895</b>	605,168
Total	<b>50,911,040</b>	40,795,692

### 31 DEFERRED TAX

For the purpose of presentation in the Group's statement of financial position, certain deferred tax assets and liabilities have been offset. The following is an analysis of the deferred tax balances for financial reporting purposes:

	As at <b>30 June</b> <b>2022</b> <i>(Unaudited)</i> <b>RMB'000</b>	As at 31 December 2021 <i>(Audited)</i> <b>RMB'000</b>
Deferred tax assets	<b>1,068,257</b>	1,845,465
Deferred tax liabilities	<b>(104,804)</b>	(111,309)
Total	<b>963,453</b>	1,734,156

## Section X Interim Condensed Consolidated Financial Statements

### 31 DEFERRED TAX (continued)

The following are the major deferred tax assets and liabilities recognized and the movements therein during the year 2021 and the six months ended 30 June 2022:

Deferred tax arising from:	Allowance for ECLs/ impairment losses <i>RMB'000</i>	Employee benefits payable <i>RMB'000</i>	Changes in fair value of financial instruments <i>RMB'000</i>	Fair value revaluation on acquisition of subsidiaries <i>RMB'000</i>	Deductible tax losses <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
As at 1 January 2021	1,177,049	1,476,962	(762,454)	(424,319)	85,984	69,301	1,622,523
Recognized in profit or loss	34,279	220,479	(662,017)	778	68,579	135,686	(202,216)
Recognized in other comprehensive income	—	—	84,410	—	—	(66,968)	17,442
Transferred out	—	—	57,100	—	—	—	57,100
Lost control of a subsidiary	(142,087)	(77,877)	9,431	423,541	—	26,299	239,307
As at 31 December 2021	<u>1,069,241</u>	<u>1,619,564</u>	<u>(1,273,530)</u>	<u>—</u>	<u>154,563</u>	<u>164,318</u>	<u>1,734,156</u>
As at 1 January 2022	<b>1,069,241</b>	<b>1,619,564</b>	<b>(1,273,530)</b>	<b>—</b>	<b>154,563</b>	<b>164,318</b>	<b>1,734,156</b>
Recognized in profit or loss	<b>(71,941)</b>	<b>(191,593)</b>	<b>(698,025)</b>	<b>—</b>	<b>48,894</b>	<b>69,507</b>	<b>(843,158)</b>
Recognized in other comprehensive income	—	—	<b>38,253</b>	—	—	<b>37,332</b>	<b>75,585</b>
Transferred out	—	—	<b>(3,130)</b>	—	—	—	<b>(3,130)</b>
As at 30 June 2022	<u><b>997,300</b></u>	<u><b>1,427,971</b></u>	<u><b>(1,936,432)</b></u>	<u><b>—</b></u>	<u><b>203,457</b></u>	<u><b>271,157</b></u>	<u><b>963,453</b></u>

The Group did not have significant unrecognized deductible temporary differences and deductible losses.

## Section X Interim Condensed Consolidated Financial Statements

### 32 OTHER NON-CURRENT ASSETS

	As at 30 June 2022 <i>(Unaudited)</i> RMB'000	As at 31 December 2021 <i>(Audited)</i> RMB'000
Advances relating to lawsuits	256,037	256,037
Term loan	201,282	192,434
Deposit	74,537	53,931
Long-term deferred expenses	43,693	48,739
Others	816,241	764,098
Less: Allowance for ECLs	<u>(1,261,310)</u>	<u>(1,211,488)</u>
Total	<u>130,480</u>	<u>103,751</u>

#### (a) Analysis of the movements of allowance for ECLs:

	As at 30 June 2022 <i>(Unaudited)</i> RMB'000	As at 31 December 2021 <i>(Audited)</i> RMB'000
At the beginning of the period/year	1,211,488	933,664
Charge for the period/year	41,100	307,936
Transfer in	—	165,522
Reverse during the period/year	(125)	—
Lost control of a subsidiary	—	(193,199)
Amounts written-off and others	<u>8,847</u>	<u>(2,435)</u>
At the end of the period/year	<u>1,261,310</u>	<u>1,211,488</u>

#### (b) Analysed by the stages of allowance for ECLs:

	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Total RMB'000
As at 30 June 2022	<u>—</u>	<u>—</u>	<u>1,261,310</u>	<u>1,261,310</u>
As at 31 December 2021	<u>—</u>	<u>—</u>	<u>1,211,488</u>	<u>1,211,488</u>

## Section X Interim Condensed Consolidated Financial Statements

### 33 ACCOUNTS RECEIVABLE

**(a) Analysed by nature:**

	<b>As at 30 June 2022 (Unaudited) RMB'000</b>	<b>As at 31 December 2021 (Audited) RMB'000</b>
Accounts receivable from:		
– Brokers and dealers	6,224,978	4,807,568
– Settlement	4,650,066	3,121,941
– Fee and commission	1,186,846	1,348,864
– Cash and custodian clients	98,808	52,992
– Fund management fee	34,279	1,364
Less: Allowance for ECLs	<u>(28,646)</u>	<u>(20,707)</u>
Total	<u><b>12,166,331</b></u>	<u><b>9,312,022</b></u>

**(b) Analysed by aging:**

	<b>As at 30 June 2022 (Unaudited) RMB'000</b>	<b>As at 31 December 2021 (Audited) RMB'000</b>
Within 1 year	12,166,331	9,312,022
1 to 2 years	<u>—</u>	<u>—</u>
Total	<u><b>12,166,331</b></u>	<u><b>9,312,022</b></u>

## Section X Interim Condensed Consolidated Financial Statements

### 33 ACCOUNTS RECEIVABLE (continued)

#### (c) Analysis of the movements of allowance for ECLs:

	As at <b>30 June</b> <b>2022</b> <i>(Unaudited)</i> <b>RMB'000</b>	As at 31 December 2021 <i>(Audited)</i> <b>RMB'000</b>
At the beginning of the period/year	<b>20,707</b>	7,124
Charge for the period/year	<b>4,571</b>	15,214
Amounts written-off and others	<b>3,368</b>	(1,631)
At the end of the period/year	<b>28,646</b>	20,707

#### (d) Analysed by the stages of allowance for ECLs:

	<b>Stage 1</b> <b>RMB'000</b>	<b>Stage 2</b> <b>RMB'000</b>	<b>Stage 3</b> <b>RMB'000</b>	<b>Total</b> <b>RMB'000</b>
<b>As at 30 June 2022</b>	<b>28,646</b>	—	—	<b>28,646</b>
As at 31 December 2021	20,707	—	—	20,707



## Section X Interim Condensed Consolidated Financial Statements

### 34 OTHER CURRENT ASSETS

#### (a) Analysed by nature

	<b>As at 30 June 2022 (Unaudited) RMB'000</b>	<b>As at 31 December 2021 (Audited) RMB'000</b>
Bulk commodity trading inventories	514,222	706,018
Prepayments	344,345	87,130
Term loans	205,160	825,595
Dividends receivable	180,476	237,099
Deposit	52,669	182,956
Deferred expenses	32,897	31,090
Others	1,389,931	842,600
Less: Allowance for ECLs/impairment losses	<u>(19,642)</u>	<u>(1,196)</u>
Total	<u><b>2,700,058</b></u>	<u><b>2,911,292</b></u>

#### (b) Analysis of the movements of allowance for ECLs/impairment losses:

	<b>As at 30 June 2022 (Unaudited) RMB'000</b>	<b>As at 31 December 2021 (Audited) RMB'000</b>
At the beginning of the period/year	1,196	165,997
Charge for the period/year	43,080	721
Reversal	(24,221)	—
Transfer out	—	(165,522)
Amounts written-off and others	<u>(413)</u>	<u>—</u>
At the end of the period/year	<u><b>19,642</b></u>	<u><b>1,196</b></u>

## Section X Interim Condensed Consolidated Financial Statements

### 34 OTHER CURRENT ASSETS (continued)

#### (c) Analysed by the stages of allowance for ECLs:

	Stage 1 <i>RMB'000</i>	Stage 2 <i>RMB'000</i>	Stage 3 <i>RMB'000</i>	Total <i>RMB'000</i>
As at 30 June 2022	—	—	19,642	19,642
As at 31 December 2021	—	—	1,196	1,196

### 35 MARGIN ACCOUNTS RECEIVABLE

#### (a) Analysed by nature:

	As at 30 June 2022 <i>(Unaudited)</i> <i>RMB'000</i>	As at 31 December 2021 <i>(Audited)</i> <i>RMB'000</i>
Individuals	70,957,245	79,503,522
Institutions	27,530,629	32,059,135
Less: Allowance for ECLs	<u>(2,114,173)</u>	<u>(2,275,350)</u>
Total	<u>96,373,701</u>	<u>109,287,307</u>

#### (b) Analysis of the movements of allowance for ECLs:

	As at 30 June 2022 <i>(Unaudited)</i> <i>RMB'000</i>	As at 31 December 2021 <i>(Audited)</i> <i>RMB'000</i>
At the beginning of the period/year	2,275,350	1,832,821
Charge for the period/year	3,717	502,666
Reverse during the period/year	(232,618)	—
Lost control of a subsidiary	—	(18,451)
Amounts written-off and others	<u>67,724</u>	<u>(41,686)</u>
At the end of the period/year	<u>2,114,173</u>	<u>2,275,350</u>

## Section X Interim Condensed Consolidated Financial Statements

### 35 MARGIN ACCOUNTS RECEIVABLE *(continued)*

**(c) Analysed by the stages of allowance for ECLs:**

	<b>Stage 1</b> <i>RMB'000</i>	<b>Stage 2</b> <i>RMB'000</i>	<b>Stage 3</b> <i>RMB'000</i>	<b>Total</b> <i>RMB'000</i>
<b>As at 30 June 2022</b>	<u><b>101,764</b></u>	<u><b>208</b></u>	<u><b>2,012,201</b></u>	<u><b>2,114,173</b></u>
As at 31 December 2021	<u>111,462</u>	<u>4,133</u>	<u>2,159,755</u>	<u>2,275,350</u>

The carrying amount of margin accounts receivable, for which the loss allowance is measured at an amount equal to 12-month and lifetime expected credit losses, is RMB95,579,698 thousand and RMB794,003 thousand respectively (2021: RMB108,776,218 thousand and RMB511,089 thousand respectively).

**(d) The fair value of collateral for the margin financing and securities lending business is analysed as follows:**

	<b>As at</b> <b>30 June</b> <b>2022</b> <i>(Unaudited)</i> <i>RMB'000</i>	<b>As at</b> 31 December 2021 <i>(Audited)</i> <i>RMB'000</i>
Fair value of collateral:		
– Stocks	<b>327,457,669</b>	373,439,969
– Cash	<b>14,287,979</b>	18,352,879
– Funds	<b>8,807,570</b>	10,248,942
– Bonds	<u><b>613,292</b></u>	<u>670,575</u>
Total	<u><b>351,166,510</b></u>	<u>402,712,365</u>

## Section X Interim Condensed Consolidated Financial Statements

### 36 DERIVATIVE FINANCIAL INSTRUMENTS

	As at 30 June 2022		
	Nominal amount	Fair value	
		Assets (Unaudited)	Liabilities (Unaudited)
	RMB'000	RMB'000	RMB'000
Interest rate derivatives	1,916,219,494	449,252	(108,478)
Equity derivatives	261,054,532	2,882,729	(5,810,412)
Currency derivatives	185,141,966	216,422	(2,834,546)
Other derivatives	76,183,346	855,381	(730,223)
Less: Cash (received)/paid as settlement		(247,695)	293,697
Total		4,156,089	(9,189,962)

	As at 31 December 2021		
	Nominal amount	Fair value	
		Assets (Audited)	Liabilities (Audited)
	RMB'000	RMB'000	RMB'000
Interest rate derivatives	1,992,437,532	136,123	(506,361)
Equity derivatives	227,163,890	3,547,316	(6,889,040)
Currency derivatives	139,486,067	252,616	(1,741,585)
Other derivatives	63,672,413	484,503	(742,700)
Less: Cash (received)/paid as settlement		(263,159)	126,813
Total		4,157,399	(9,752,873)

## Section X Interim Condensed Consolidated Financial Statements

### 37 CLEARING SETTLEMENT FUNDS

	<b>As at 30 June 2022 (Unaudited) RMB'000</b>	<b>As at 31 December 2021 (Audited) RMB'000</b>
Deposits with stock exchanges		
– China Securities Depository and Clearing Corporation Limited	6,042,804	6,701,098
– Others	28,596	24,924
Total	<b>6,071,400</b>	<b>6,726,022</b>

### 38 CASH HELD ON BEHALF OF BROKERAGE CUSTOMERS

The Group maintains segregated deposit accounts with banks and authorized institutions to hold cash on behalf of customers arising from its normal course of business. The Group has recorded the related amounts as cash held on behalf of customers and the corresponding liabilities as accounts payable to brokerage customers on the grounds that it is liable for any loss or misappropriation of its brokerage clients' monies. In Mainland China, the use of cash held on behalf of customers for security and the settlement of their transactions are restricted and governed by relevant third-party deposit regulations issued by the CSRC. In Hong Kong, the "Securities and Futures (Customer Money) Rules" implementing the related provisions of the Securities and Futures Ordinance impose similar restrictions.

### 39 CASH AND BANK BALANCES

	<b>As at 30 June 2022 (Unaudited) RMB'000</b>	<b>As at 31 December 2021 (Audited) RMB'000</b>
Cash on hand	379	411
Bank balances	29,472,685	31,655,816
Total	<b>29,473,064</b>	<b>31,656,227</b>

As at 30 June 2022 and 31 December 2021, the Group's bank balances of RMB346,702 thousand and RMB305,412 thousand, respectively, were restricted.

As at 30 June 2022, the ECL allowance for cash and cash balances amounted to RMB8,850 thousand (31 December 2021: RMB11,116 thousand).

## Section X Interim Condensed Consolidated Financial Statements

### 40 LOANS AND BORROWINGS

<b>Current</b>	<b>As at 30 June 2022 (Unaudited) RMB'000</b>	<b>As at 31 December 2021 (Audited) RMB'000</b>
Unsecured loans and borrowings <sup>(1)</sup>	<b><u>5,229,343</u></b>	<b><u>4,340,789</u></b>

(1) As at 30 June 2022, the current unsecured loans and borrowings of the Group were repayable within one year, bearing interest at rates ranging from 0.85% to 3.10% per annum.

### 41 SHORT-TERM DEBT INSTRUMENTS

<b>Unaudited</b>	<b>Nominal interest rate</b>	<b>As at 1 January 2022 RMB'000</b>	<b>Increase RMB'000</b>	<b>Decrease RMB'000</b>	<b>As at 30 June 2022 RMB'000</b>
Short-term financing bills payable	1.87% - 2.75%	10,052,164	6,144,399	5,068,025	11,128,538
Short-term corporate bonds	2.67% - 2.97%	22,065,741	234,526	13,323,157	8,977,110
Medium-term notes	0.00% - 1.30%	9,874,593	4,809,703	6,564,273	8,120,023
Structured notes	0.00% - 3.29%	4,028,804	4,297,047	4,537,906	3,787,945
Total		<b><u>46,021,302</u></b>	<b><u>15,485,675</u></b>	<b><u>29,493,361</u></b>	<b><u>32,013,616</u></b>

<b>Audited</b>	<b>Nominal interest rate</b>	<b>As at 1 January 2021 RMB'000</b>	<b>Increase RMB'000</b>	<b>Decrease RMB'000</b>	<b>As at 31 December 2021 RMB'000</b>
Short-term financing bills payable	2.10% - 3.35%	9,041,957	19,121,497	18,111,290	10,052,164
Short-term corporate bonds	2.67% - 3.40%	18,023,232	26,544,095	22,501,586	22,065,741
Medium-term notes	0.00% - 3.00%	9,785,475	16,511,629	16,422,511	9,874,593
Structured notes	0.00% - 4.50%	11,873,704	8,784,388	16,629,288	4,028,804
Total		<b><u>48,724,368</u></b>	<b><u>70,961,609</u></b>	<b><u>73,664,675</u></b>	<b><u>46,021,302</u></b>

## Section X Interim Condensed Consolidated Financial Statements

### 42 PLACEMENTS FROM OTHER FINANCIAL INSTITUTIONS

	As at <b>30 June</b> <b>2022</b> <i>(Unaudited)</i> <b>RMB'000</b>	As at 31 December 2021 <i>(Audited)</i> <b>RMB'000</b>
Placements from banks	3,832,301	9,106,616
Placements from CSFC <sup>(1)</sup>	—	3,002,217
Total	<u><b>3,832,301</b></u>	<u><b>12,108,833</b></u>

(1) As at 31 December 2021, placements from CSFC were repayable within one year, and borne interest at annual interest rates of 2.80%.

### 43 ACCOUNTS PAYABLE TO BROKERAGE CUSTOMERS

	As at <b>30 June</b> <b>2022</b> <i>(Unaudited)</i> <b>RMB'000</b>	As at 31 December 2021 <i>(Audited)</i> <b>RMB'000</b>
Margin financing and securities lending deposits	19,475,114	18,352,879
Other brokerage business deposits	<u><b>179,318,807</b></u>	<u>154,130,729</u>
Total	<u><b>198,793,921</b></u>	<u><b>172,483,608</b></u>

Accounts payable to brokerage customers mainly include money held on behalf of customers in banks and clearing houses, and bear interest at the prevailing market interest rates.

The majority of the accounts payable balances are repayable on demand except where certain accounts payable to brokerage customers represent monies received from customers for their margin financing and future trading activities under the normal course of business. Only amounts in excess of the required deposits and cash collateral stipulated are repayable on demand.

No aging analysis is disclosed as in the opinion of the directors of the Company, the aging analysis does not provide additional value in view of the nature of these businesses.

## Section X Interim Condensed Consolidated Financial Statements

### 44 EMPLOYEE BENEFITS PAYABLE

	As at 30 June 2022 <i>(Unaudited)</i> RMB'000	As at 31 December 2021 <i>(Audited)</i> RMB'000
Salaries, bonuses and allowances	7,111,089	8,176,606
Social welfare and others	248,454	231,284
Contributions to a defined contribution scheme	17,969	16,285
Total	<u>7,377,512</u>	<u>8,424,175</u>

### 45 FINANCIAL ASSETS SOLD UNDER REPURCHASE AGREEMENTS

#### (a) Analysed by collateral type:

	As at 30 June 2022 <i>(Unaudited)</i> RMB'000	As at 31 December 2021 <i>(Audited)</i> RMB'000
Bonds	128,094,486	140,937,997
Funds	20,133,811	14,915,827
Precious metals	8,851,476	9,030,268
Total	<u>157,079,773</u>	<u>164,884,092</u>

#### (b) Analysed by market:

	As at 30 June 2022 <i>(Unaudited)</i> RMB'000	As at 31 December 2021 <i>(Audited)</i> RMB'000
Interbank market	76,911,335	84,991,495
Stock exchanges	71,316,962	70,862,329
Over the counter	8,851,476	9,030,268
Total	<u>157,079,773</u>	<u>164,884,092</u>



## Section X Interim Condensed Consolidated Financial Statements

### 46 FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at <b>30 June</b> <b>2022</b> <i>(Unaudited)</i> <b>RMB'000</b>	As at 31 December 2021 <i>(Audited)</i> <b>RMB'000</b>
<b>Current</b>		
At fair value through profit or loss <sup>(1)</sup>		
– Debt securities	5,784,959	5,692,128
– Gold	1,371,531	582,421
– Equity securities	299,549	156,886
Designated as at fair value through profit or loss		
– Debt securities <sup>(2)</sup>	39,582,400	26,916,228
– Interest attributable to other holders of consolidated structured entities <sup>(3)</sup>	892,443	603,157
Total	47,930,882	33,950,820
<b>Non-current</b>		
Designated as at fair value through profit or loss		
– Debt securities <sup>(2)</sup>	18,922,096	13,146,702
– Interest attributable to other holders of consolidated structured entities <sup>(3)</sup>	148,079	392,010
Total	19,070,175	13,538,712

(1) As at 30 June 2022 and 31 December 2021, included in the Group's financial liabilities through profit or loss were equity securities, bonds and gold borrowed by the Group.

(2) As at 30 June 2022 and 31 December 2021, included in the Group's financial liabilities designated as at fair value through profit or loss were structured notes generally in the form of notes or certificates with the underlying investments related to listed and unlisted equity investments, listed debt investments and unlisted fund investments.

(3) As at 30 June 2022 and 31 December 2021, the financial liabilities arising from the consolidation of structured entities were designated as at fair value through profit or loss by the Group, as the Group has the obligation to pay other investors or limited partners upon the maturity dates of the structured entities based on the net asset value and related terms of those consolidated structured entities.

## Section X Interim Condensed Consolidated Financial Statements

### 47 BONDS PAYABLE

	As at <b>30 June</b> <b>2022</b> <i>(Unaudited)</i> <b>RMB'000</b>	As at 31 December 2021 <i>(Audited)</i> <b>RMB'000</b>
<b>Current</b>		
Corporate bonds <sup>(1)</sup>	<b>25,083,611</b>	27,487,916
Structured notes	<b>3,378,650</b>	3,337,489
Subordinated bonds <sup>(1)</sup>	<b>241,654</b>	120,848
Medium-term notes	—	1,300,289
Total	<b><u>28,703,915</u></b>	<b><u>32,246,542</u></b>
<b>Non-current</b>		
Corporate bonds <sup>(1)</sup>	<b>84,411,993</b>	78,146,335
Subordinated bonds <sup>(1)</sup>	<b>14,966,760</b>	8,981,532
Medium-term notes	<b>8,074,119</b>	7,392,689
Total	<b><u>107,452,872</u></b>	<b><u>94,520,556</u></b>

## Section X Interim Condensed Consolidated Financial Statements

### 47 BONDS PAYABLE (continued)

(1) The details of the outstanding corporate bonds and subordinated bonds payable are as follows:

**As at 30 June 2022**

Name	Par value	Issue date	Maturity date	Coupon rate
<b>Current</b>				
Corporate bonds				
17 GUOJUN G2	600,000	2017.08	2022.08	4.70%
19 GUOJUN G4	2,500,000	2019.10	2022.10	3.48%
19 GTJA Financial Bond 01	8,000,000	2019.08	2022.08	3.48%
20 GUOJUN G1	4,000,000	2020.01	2023.01	3.37%
20 GUOJUN G2	4,000,000	2020.03	2023.03	3.05%
20 GUOJUN G6	3,900,000	2020.11	2022.11	3.80%
<b>Non-current</b>				
Corporate bonds				
18 GUOJUN G4	300,000	2018.07	2023.07	4.64%
20 GUOJUN G4	5,000,000	2020.07	2023.07	3.55%
20 GUOJUN G5	4,000,000	2020.09	2023.09	3.75%
20 GUOJUN G7	2,000,000	2020.11	2023.11	3.90%
20 GUOJUN G9	2,900,000	2020.12	2023.12	3.77%
21 GUOJUN G1	4,000,000	2021.04	2024.04	3.46%
21 GUOJUN G2	2,000,000	2021.04	2026.04	3.75%
21 GUOJUN G3	3,000,000	2021.05	2024.05	3.31%
21 GUOJUN G4	5,000,000	2021.05	2026.05	3.67%
21 GUOJUN G5	2,900,000	2021.06	2024.06	3.40%
21 GUOJUN G7	1,900,000	2021.07	2024.07	3.13%
21 GUOJUN G8	6,100,000	2021.07	2026.07	3.48%
21 GUOJUN G9	2,800,000	2021.08	2024.08	3.01%
21 GUOJUN 10	4,200,000	2021.08	2026.08	3.35%
21 GUOJUN 11	3,000,000	2021.08	2031.08	3.77%
21 GUOJUN 12	4,400,000	2021.09	2024.10	3.09%
21 GUOJUN 13	3,400,000	2021.09	2031.09	3.80%
21 GUOJUN 14	3,300,000	2021.10	2024.11	3.29%
21 GUOJUN 15	3,400,000	2021.10	2031.10	3.99%
22 GUOJUN G1	2,000,000	2022.03	2025.03	3.04%
22 GUOJUN G2	1,400,000	2022.03	2032.03	3.74%
22 GUOJUN G3	2,800,000	2022.04	2025.04	2.96%
22 GUOJUN G4	2,500,000	2022.04	2032.04	3.70%
22 GUOJUN G5	3,100,000	2022.05	2025.05	2.78%
22 GUOJUN G6	2,400,000	2022.05	2032.05	3.58%
GUOJUN Convertible bonds <sup>(iii)</sup>	7,000,000	2017.07	2023.07	1.80%
<b>Non-current</b>				
Subordinated bonds				
21 GUOJUN C1	3,000,000	2021.01	2024.01	3.89%
21 GUOJUN C2	4,000,000	2021.12	2023.12	3.09%
21 GUOJUN C3	2,000,000	2021.12	2024.12	3.20%
22 GUOJUN C1	2,500,000	2022.01	2024.01	3.00%
22 GUOJUN C2	3,500,000	2022.01	2025.01	3.17%

## Section X Interim Condensed Consolidated Financial Statements

### 47 BONDS PAYABLE (continued)

(1) The details of the outstanding corporate bonds and subordinated bonds payable are as follows: (continued)

As at 31 December 2021

Name	Par value	Issue date	Maturity date	Coupon rate
<b>Current</b>				
Corporate bonds				
17 GUOJUN G2	600,000	2017.08	2022.08	4.70%
19 GUOJUN G1	3,000,000	2019.04	2022.04	3.90%
19 GUOJUN G3	2,900,000	2019.05	2022.05	3.73%
19 GUOJUN G4	2,500,000	2019.10	2022.10	3.48%
20 GUOJUN G6	3,900,000	2020.11	2022.11	3.80%
GTJA HOLD B2203 <sup>(i)</sup>	3,437,271	2019.03	2022.03	3.875%
GTJA SEC B2203 <sup>(ii)</sup>	1,993,335	2019.03	2022.03	0.562%
19 GTJA Financial Bond 01	8,000,000	2019.08	2022.08	3.48%
<b>Non-current</b>				
Corporate bonds				
18 GUOJUN G4	300,000	2018.07	2023.07	4.64%
20 GUOJUN G1	4,000,000	2020.01	2023.01	3.37%
20 GUOJUN G2	4,000,000	2020.03	2023.03	3.05%
20 GUOJUN G4	5,000,000	2020.07	2023.07	3.55%
20 GUOJUN G5	4,000,000	2020.09	2023.09	3.75%
20 GUOJUN G7	2,000,000	2020.11	2023.11	3.90%
20 GUOJUN G9	2,900,000	2020.12	2023.12	3.77%
21 GUOJUN G1	4,000,000	2021.04	2024.04	3.46%
21 GUOJUN G2	2,000,000	2021.04	2026.04	3.75%
21 GUOJUN G3	3,000,000	2021.05	2024.05	3.31%
21 GUOJUN G4	5,000,000	2021.05	2026.05	3.67%
21 GUOJUN G5	2,900,000	2021.06	2024.06	3.40%
21 GUOJUN G7	1,900,000	2021.07	2024.07	3.13%
21 GUOJUN G8	6,100,000	2021.07	2026.07	3.48%
21 GUOJUN G9	2,800,000	2021.08	2024.08	3.01%
21 GUOJUN 10	4,200,000	2021.08	2026.08	3.35%
21 GUOJUN 11	3,000,000	2021.08	2031.08	3.77%
21 GUOJUN 12	4,400,000	2021.09	2024.10	3.09%
21 GUOJUN 13	3,400,000	2021.09	2031.09	3.80%
21 GUOJUN 14	3,300,000	2021.10	2024.11	3.29%
21 GUOJUN 15	3,400,000	2021.10	2031.10	3.99%
GUOJUN Convertible bonds (iii)	7,000,000	2017.07	2023.07	1.80%
<b>Non-current</b>				
Subordinated bond				
21 GUOJUN C1	3,000,000	2021.01	2024.01	3.89%
21 GUOJUN C2	4,000,000	2021.12	2023.12	3.09%
21 GUOJUN C3	2,000,000	2021.12	2024.12	3.20%

## Section X Interim Condensed Consolidated Financial Statements

### 47 BONDS PAYABLE (continued)

- (1) The details of the outstanding corporate bonds and subordinated bonds payable are as follows: (continued)
- (i) In March 2019, Guotai Junan Holdings Limited (BVI) issued 3-year corporate bonds with a par value of USD500 million. The bonds are listed on the Hong Kong Stock Exchange with the bond code of 5853 and bear a fixed annual interest rate of 3.875% payable on a semi-annual basis. The bonds matured in March 2022, and were prepaid.
  - (ii) In March 2019, the Company issued 3-year corporate bonds with a par value of EUR255 million. The bonds are listed on the Hong Kong Stock Exchange with the bond code of 5883 and bear a floating annual interest rate with an initial coupon rate of 0.832% payable on a quarterly basis. The bonds matured in March 2022, and were prepaid.
  - (iii) In July 2017, as approved by the CSRC, the Company issued 6-year A-share convertible bonds with par value of RMB7 billion. The convertible bonds bear a fixed annual interest rate of 0.20% for the first year, 0.50% for the second year, 1.00% for the third year, 1.50% for the fourth year, 1.80% for the fifth year and 2.00% for the sixth year. The initial conversion price is RMB20.20 per share. The convertible bonds holders may exercise their rights to convert the convertible bonds into the Company's A shares at the stipulated conversion price during the period ("Conversion Period") beginning six months after the date of issuance until the maturity date. Within 5 trading days after maturity, the Company shall redeem the outstanding convertible bonds at 105% of the par value, inclusive of interest for the sixth year.

During the Conversion Period, if the closing price of the Company's A Shares is not less than or equal to 130% of the prevailing conversion price for at least 15 trading days out of any 30 consecutive trading days, or if the total outstanding amount is less than RMB30 million, the Company has the right to redeem all or part of the outstanding convertible bonds at par value plus accrued interest.

The convertible corporate bonds issued have been split into the liability and equity components. After considering direct transaction costs, the Company recognized the equity part of the convertible corporate bonds as other equity instruments amounting to RMB1,129,841 thousand.

As at 30 June 2022, the amount of convertible bonds of the Company that have not been converted into shares is RMB6,990,176 thousand, accounting for 99.86% of the total amount of convertible bonds issued.

### 48 CONTRACT LIABILITY

Current	As at 30 June 2022 (Unaudited) RMB'000	As at 31 December 2021 (Audited) RMB'000
Payments in advance	<u>143,568</u>	<u>—</u>

### 49 LEASE LIABILITIES

Current	As at 30 June 2022 (Unaudited) RMB'000	As at 31 December 2021 (Audited) RMB'000
With 1 year	<u>523,199</u>	<u>510,987</u>
After 1 year but within 5 years	<u>1,304,751</u>	<u>1,418,703</u>
After 5 years	<u>21,965</u>	<u>10,418</u>
	<u>1,326,716</u>	<u>1,429,121</u>
Total	<u>1,849,915</u>	<u>1,940,108</u>

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### 50 OTHER CURRENT LIABILITIES

	As at 30 June 2022 <i>(Unaudited)</i> RMB'000	As at 31 December 2021 <i>(Audited)</i> RMB'000
Accounts payable arising from derivative transactions	38,863,232	28,297,282
Settlement payables to clearing house and customers	7,689,333	5,898,881
Dividends payable	6,491,106	224,570
Accounts payable to brokers	1,824,270	2,784,978
Accounts payable arising from warehouse receipt pledge	1,043,300	2,068,864
Bank's acceptance bill payable	687,860	838,000
Accounts payable arising from equity incentives	626,232	626,232
Dividend received on behalf of customers	528,582	123,207
Other tax payable	406,996	545,860
Advance received from issuance of financial products	386,536	240,485
Underwriting fee payable in relation to IPO	90,173	118,169
Service fee and commission payable	80,543	122,090
Interest payable	52,628	75,382
Proceeds from underwriting securities received on behalf of customers	52,587	471,147
Payables for the securities investor protection fund	43,428	73,165
Gold borrowing expenses payable	25,916	29,528
Others	1,605,106	1,377,905
Total	<u>60,497,828</u>	<u>43,915,745</u>

### 51 OTHER NON-CURRENT LIABILITIES

	As at 30 June 2022 <i>(Unaudited)</i> RMB'000	As at 31 December 2021 <i>(Audited)</i> RMB'000
Provisions	235,739	225,676
Risk reserve for the futures brokerage business	163,158	155,306
Total	<u>398,897</u>	<u>380,982</u>

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### 52 SHARE CAPITAL

All shares issued by the Company are fully paid ordinary shares. The par value per share is RMB1 yuan. The Company's number of shares issued and their nominal value are as follows:

	<b>As at 30 June 2022 (Unaudited) RMB'000</b>	As at 31 December 2021 (Audited) RMB'000
At the beginning of the period/year	<b>8,908,450</b>	8,908,448
The conversion of convertible bonds into ordinary shares	<b>1</b>	2
Deregistration of treasury shares	<b>(1,779)</b>	—
At the end of the period/year	<b><u>8,906,672</u></b>	<u>8,908,450</u>

### 53 OTHER EQUITY INSTRUMENTS

	<b>As at 30 June 2022 (Unaudited) RMB'000</b>	As at 31 December 2021 (Audited) RMB'000
Perpetual subordinated bonds <sup>(1)</sup>	<b>9,943,396</b>	9,943,396
Equity component of convertible bonds <sup>(2)</sup>	<b>1,128,259</b>	1,128,260
Total	<b><u>11,071,655</u></b>	<u>11,071,656</u>

- (1) As approved by the CSRC, the Company issued two batches of perpetual subordinated bonds ("19 Guojun Y1" and "20 Guojun Y1") amounting to RMB5 billion and RMB5 billion with an initial interest rate of 4.20% and 3.85% in September 2019 and March 2020. The perpetual subordinated bonds have no fixed maturity dates and the Company has an option to redeem the bonds at principal amounts plus any accrued interest on the fifth interest payment date or any interest payment date afterwards.

The interest rate for perpetual subordinated bonds is fixed in the first 5 years and will be repriced every 5 years. The repriced interest rate is determined as the sum of the current base rate and the initial spread plus 300bp. The current base rate is defined as the average yield of 5 years treasury from the interbank fixed rate bond yield curve published on China Bond webpage 5 working days before the adjustment.

The issuer has the option to defer interest payment, except in the event of mandatory interest payments, so that at each interest payment date, the issuer may choose to defer the interest payment to the next payment date for the current period as well as all interest and accreted interest already deferred, without being subject to any limitation with respect to the number of deferrals. Of which, mandatory interest payment events are limited to dividend distributions to ordinary equity holders and reductions of registered capital.

The perpetual subordinated bonds issued by the Company are classified as equity instruments and presented under equity in the Group's statement of financial position.

As at 30 June 2022 and 31 December 2021, the Company recognized dividends payable to holders of the perpetual subordinated bonds amounting to approximately RMB403 million and RMB403 million (note 17), respectively.

- (2) Refer to note 47 for the issuance of convertible bonds.

## Section X Interim Condensed Consolidated Financial Statements

### 54 RESERVES AND RETAINED PROFITS

#### (a) Capital reserve

Capital reserve mainly includes share premium arising from the issuance of new shares at prices in excess of face value and the difference between the considerations of the acquisition of equity interests from non-controlling shareholders and the carrying amount of the proportionate net assets.

#### (b) Investment revaluation reserve

Investment revaluation reserve mainly represents the fair value changes of debt instruments at fair value through other comprehensive income and equity instruments at fair value through other comprehensive income.

#### (c) Translation reserve

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group at the rate of exchange prevailing at the end of the reporting period, and the income and expenses are translated at the average exchange rates or at the approximate exchange rates for the period. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in the translation reserve.

#### (d) Surplus reserve

The surplus reserve includes the statutory surplus reserve and discretionary surplus reserve.

Pursuant to the "Company Law of the People's Republic of China", the articles of association of the Company and the decision of the Board, the Company is required to set aside 10% of its net profit (after offsetting the accumulated losses incurred in previous years) to the statutory surplus reserve until the balance reaches 50% of the respective registered capital. Subject to the approval of the shareholders, the statutory surplus reserve may be used to offset accumulated losses, and may also be converted into capital of the Company, provided that the balance of the statutory surplus reserve after such capitalization is not less than 25% of the registered capital immediately before capitalization.



## Section X Interim Condensed Consolidated Financial Statements

### 54 RESERVES AND RETAINED PROFITS *(continued)*

#### (e) General reserve

The general reserve includes the general risk reserve and the transaction risk reserve.

In accordance with the requirements of the CSRC Circular regarding the Annual Reporting of Securities Companies in 2007 (Zhengjian Jigou Zi [2007] No. 320) issued on 18 December 2007, the Company appropriates 10% of its annual net profit to the general risk reserve. The Company's PRC subsidiaries are also subject to the statutory requirements to appropriate their earnings to general reserves.

In accordance with the requirements of the CSRC Circular regarding the Annual Reporting of Securities Companies in 2007 (Zhengjian Jigou Zi [2007] No. 320) issued on 18 December 2007 and in compliance with the Securities Law, for the purpose of covering securities trading losses, the Company appropriates 10% of its annual net profit to the transaction risk reserve.

#### (f) Retained profits

The movements in retained profits are set out below:

	<b>As at 30 June 2022 (Unaudited) RMB'000</b>	As at 31 December 2021 (Audited) RMB'000
At the end of last year	<u>54,132,214</u>	<u>46,504,462</u>
At the beginning of the period/year	54,132,214	46,504,462
Profit for the period/year	6,372,794	15,013,480
Appropriation to general reserve	(19,473)	(2,617,572)
Dividends	(6,056,537)	(4,983,132)
Distribution to other equity instrument holders	(402,500)	(402,500)
Lost control of a subsidiary	—	432,122
Others	<u>(10,661)</u>	<u>185,354</u>
At end of the period/year	<u><u>54,015,837</u></u>	<u><u>54,132,214</u></u>

## Section X Interim Condensed Consolidated Financial Statements

### 55 CASH AND CASH EQUIVALENTS

	Six months ended 30 June	
	2022 (Unaudited) RMB'000	2021 (Unaudited) RMB'000
Cash on hand	379	399
Bank balances	29,472,685	27,023,866
Clearing settlement funds	6,071,400	4,668,195
Financial assets held under resale agreements with original maturity of less than three months	37,608,350	26,807,346
Financial assets at fair value through profit or loss with original maturity of less than three months	309,036	200,000
Less: bank deposits with original maturity of more than three months, risk reserve deposits, restricted bank balances and clearing settlement funds	<u>(1,416,922)</u>	<u>(2,239,410)</u>
Total	<u><u>72,044,928</u></u>	<u><u>56,460,396</u></u>

### 56 TRANSFERRED FINANCIAL ASSETS

In the normal course of business, the Group enters into certain transactions in which it transfers recognized financial assets to third parties or customers. If these transfers qualify for derecognition, the Group derecognizes all or part of the financial assets where appropriate. If the Group has retained substantially all the risks and rewards of these assets, the Group continues to recognize these assets.

#### (a) Repurchase agreements

Transferred financial assets that do not qualify for derecognition include debt securities held by counterparties as collateral under repurchase agreements. The Group transfers the contractual rights to receive the cash flows of these securities, but has an obligation to repurchase them at the agreed date and price. The Group has determined that it retains substantially all the risks and rewards of these securities and therefore has not derecognized them. In addition, they are recognized as financial assets sold under repurchase agreements.

## Section X Interim Condensed Consolidated Financial Statements

### 56 TRANSFERRED FINANCIAL ASSETS (continued)

#### (b) Securities lending

Transferred financial assets that do not qualify for derecognition include securities lent to customers for the securities lending business, for which the customers provide the Group with collateral that could fully cover the credit risk exposure of the securities lent. The customers have an obligation to return the securities according to the contracts. The Group has determined that it retains substantially all the risks and rewards of these securities and therefore has not derecognized the securities lent.

#### (c) Margin financing borrowing

Transferred financial assets that do not qualify for derecognition include securities transferred to CSFC. When CSFC exercises the rights attached to the securities, it shall follow the instructions of the Group. The Group has determined that it retains substantially all the risks and rewards of these securities and therefore has not derecognized the securities transferred.

The following tables provide a summary of the carrying amounts related to transferred financial assets that are not derecognized in their entirety and the associated liabilities:

	<b>Repurchase agreements RMB'000</b>	<b>Securities lending RMB'000</b>	<b>Margin financing borrowing RMB'000</b>
<b>30 June 2022</b>			
Carrying amount of transferred assets	<u>3,501,593</u>	<u>4,180,867</u>	<u>1,086,258</u>
Carrying amount of related liabilities	<u>5,512,644</u>	<u>N/A</u>	<u>N/A</u>
<b>31 December 2021</b>			
Carrying amount of transferred assets	<u>2,271,856</u>	<u>3,943,409</u>	<u>1,937,621</u>
Carrying amount of related liabilities	<u>4,749,974</u>	<u>N/A</u>	<u>N/A</u>

## Section X Interim Condensed Consolidated Financial Statements

### 57 COMMITMENTS

#### (a) Capital commitments

As at 30 June 2022, there is no significant capital commitment.

### 58 CONTINGENCIES

As at 30 June 2022 and 31 December 2021, the contingent liabilities due to pending litigations amounted to RMB971,471 thousand and RMB735,188 thousand, respectively.

### 59 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

#### (a) Relationship of related parties

##### (1) Major shareholders

Name of the shareholder	Place of registration and operations	Principal activities	Registered share capital	Percentage of equity interest	Voting rights	Controlling Shareholders
Shanghai State-owned Assets Management Co., Ltd. (Shanghai SA)	Shanghai	Practical investment, capital operation, asset acquisition, etc	RMB55 million	21.34%	21.34%	Controlling shareholder
Shanghai International Group Co., Ltd. (SIG)	Shanghai	Investment, capital operation and asset management in the financial sector and supplemented with non-financial sectors	RMB300 million	7.66%	7.66%	Ultimate controller

##### (2) Associates and joint ventures of the Group

The detailed information of the Group's associates and joint ventures is set out in note 25.

## Section X Interim Condensed Consolidated Financial Statements

### 59 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

#### (a) Relationship of related parties *(continued)*

(3) Other related parties of the Group

<b>Name of the related parties</b>	<b>Relationship of the related parties</b>
Shanghai Rural Commercial Bank	The director of the Company acts as a director of the entity
Shanghai Pudong Development Bank Co., Ltd.	The director of the Company acts as a director of the entity
Great Wall Securities Co., Ltd.	The supervisor of the Company acts as the vice chairman of the entity
Shanghai International Group Asset Management Co., Ltd.	SIG controls the Company
Shanghai Pudong Development Bank Financial Leasing Co., Ltd.	The senior management of Shanghai SA acts as a director of the entity
Guoxin Investment Development Co., Ltd.	Shanghai SA controls the entity
Shanghai Chengtou Group Co., Ltd.	The director of the Company acts as the senior management of the entity
China Three Gorges Co., Ltd.	The director of the Company acts as the external director of the entity
Shanghai Guosheng Capital Management Co., Ltd.	The director of the Company acts as a director of the entity
New China Capital Management Co., Ltd.	The director of the Company acts as the director and CEO of the entity
China Foreign Economy and Trade Trust Co., Ltd.	The trustee of a trust in favor of Shanghai SA
China Jinmao Holdings Group Co., Ltd.	The director of the Company acts as a director of the entity
Shanghai Lingang Economic Development (Group) Co., Ltd.	The director of the Company acted as a director of the entity
Shanghai Sitico Assets Management Co., Ltd.	SIG controls the entity
Guotai Junan Financial Holding Investment (Shanghai) Co., Ltd.	Subsidiary of a company in which Shanghai SA holds more than 30% of the shares

## Section X Interim Condensed Consolidated Financial Statements

### 59 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

#### (b) Transactions between the Group and other related parties

(1) Fee and commission income from related parties

Related parties	Six months ended 30 June	
	2022	2021
	(Unaudited) RMB'000	(Unaudited) RMB'000
Associates and joint ventures	94,500	—
Other major related parties	12,220	14,446
Major shareholders and their subsidiaries	2,260	1,671

(2) Fee and commission expense to related parties

Related parties	Six months ended 30 June	
	2022	2021
	(Unaudited) RMB'000	(Unaudited) RMB'000
Other major related parties	1	2,250

(3) Interest received from related parties

Related parties	Six months ended 30 June	
	2022	2021
	(Unaudited) RMB'000	(Unaudited) RMB'000
Other major related parties	85,561	138,371
Associates and joint ventures	112	—

## Section X Interim Condensed Consolidated Financial Statements

### 59 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

#### (b) Transactions between the Group and other related parties *(continued)*

- (4) Interest paid to related parties

<b>Related parties</b>	<b>Six months ended 30 June</b>	
	<b>2022</b>	2021
	<b>(Unaudited)</b>	<i>(Unaudited)</i>
	<b>RMB'000</b>	<i>RMB'000</i>
Other major related parties	<b>24,493</b>	23,817
Associates and joint ventures	<b>16,733</b>	—
Major shareholders and their subsidiaries	<b>25</b>	215

- (5) Operating expenses and costs paid to related parties

<b>Related parties</b>	<b>Six months ended 30 June</b>	
	<b>2022</b>	2021
	<b>(Unaudited)</b>	<i>(Unaudited)</i>
	<b>RMB'000</b>	<i>RMB'000</i>
Other major related parties	<b>1,732</b>	6,793
Associates and joint ventures	<b>10</b>	—

- (6) Lease fees paid as lessee

<b>Related parties</b>	<b>Six months ended 30 June</b>	
	<b>2022</b>	2021
	<b>(Unaudited)</b>	<i>(Unaudited)</i>
	<b>RMB'000</b>	<i>RMB'000</i>
Associates and joint ventures	<b>3,012</b>	—

- (7) Acquisition of equity interests

The Company has completed the acquisition of 15% equity interests in Huaan Funds from Shanghai Sitico Assets management Co., Ltd. with a consideration of RMB1,812 million.

## Section X Interim Condensed Consolidated Financial Statements

### 59 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

#### (c) Balances of related party transactions between the Group and its related parties

(1) Deposits with related parties

	As at 30 June 2022 <i>(Unaudited)</i> <i>RMB'000</i>	As at 31 December 2021 <i>(Audited)</i> <i>RMB'000</i>
<b>Related parties</b>		
Other major related parties	<b>2,242,843</b>	6,238,215

(2) Accounts receivable

	As at 30 June 2022 <i>(Unaudited)</i> <i>RMB'000</i>	As at 31 December 2021 <i>(Audited)</i> <i>RMB'000</i>
<b>Related parties</b>		
Associates and joint ventures	<b>97,417</b>	110,148
Other major related parties	<b>5,942</b>	4,984

(3) Financial assets held under resale agreements

	As at 30 June 2022 <i>(Unaudited)</i> <i>RMB'000</i>	As at 31 December 2021 <i>(Audited)</i> <i>RMB'000</i>
<b>Related parties</b>		
Other major related parties	<b>800,090</b>	—

(4) Accounts payable

	As at 30 June 2022 <i>(Unaudited)</i> <i>RMB'000</i>	As at 31 December 2021 <i>(Audited)</i> <i>RMB'000</i>
<b>Related parties</b>		
Other major related parties	<b>10,314</b>	14,898
Associates and joint ventures	<b>9</b>	30



## Section X Interim Condensed Consolidated Financial Statements

### 59 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

#### (c) Balances of related party transactions between the Group and its related parties *(continued)*

- (5) Financial assets sold under repurchase agreements

	<b>As at 30 June 2022 (Unaudited) RMB'000</b>	<b>As at 31 December 2021 (Audited) RMB'000</b>
<b>Related parties</b>		
Other major related parties	<b>1,114,775</b>	300,483

- (6) Bonds issued by the Company subscribed by related parties

	<b>As at 30 June 2022 (Unaudited) RMB'000</b>	<b>As at 31 December 2021 (Audited) RMB'000</b>
<b>Related parties</b>		
Other major related parties	<b>1,898,806</b>	2,638,500

- (7) Bonds held by the Company

	<b>As at 30 June 2022 (Unaudited) RMB'000</b>	<b>As at 31 December 2021 (Audited) RMB'000</b>
<b>Related parties</b>		
Other major related parties	<b>3,225,652</b>	2,340,135
Associates and joint ventures	<b>30,388</b>	—

- (8) Loans and borrowings with related parties

	<b>As at 30 June 2022 (Unaudited) RMB'000</b>	<b>As at 31 December 2021 (Audited) RMB'000</b>
<b>Related parties</b>		
Other major related parties	<b>214,096</b>	—

## Section X Interim Condensed Consolidated Financial Statements

### 59 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

#### (c) Balances of related party transactions between the Group and its related parties *(continued)*

(9) Leasing from related parties

<b>Related parties</b>	<b>As at 30 June 2022 (Unaudited) RMB'000</b>	<b>As at 31 December 2021 (Audited) RMB'000</b>
Right-of-use assets Associates and joint ventures	<b>22,764</b>	—
Lease liabilities Associates and joint ventures	<b>23,210</b>	—

(10) Guarantees for related parties

<b>Name of related parties</b>	<b>As at 30 June 2022 (Unaudited) RMB'000</b>	<b>Starting date</b>	<b>Expiry date</b>
Guotai Junan Holdings Limited	<b>3,664,424</b>	04/2021	04/2026
Guotai Junan Holdings Limited	<b>2,116,776</b>	11/2021	11/2024

#### (d) Remuneration of senior (key) management personnel

Remuneration of senior (key) management personnel of the Group is as follows:

	<b>Six months ended 30 June</b>	
	<b>2022 (Unaudited) RMB'000</b>	<b>2021 (Unaudited) RMB'000</b>
Salaries, allowances and benefits	<b>4,250</b>	3,385
Discretionary bonuses	<b>14,430</b>	9,717
Pension scheme contributions and other social welfare	<b>583</b>	381
Restricted share incentive scheme	<b>7,017</b>	6,707
Total	<b>26,280</b>	20,190

The increase in remuneration of senior (key) management personnel was mainly due to the 4 appointment and 2 resignation of senior (key) management personnel in 2021 H2.

## Section X Interim Condensed Consolidated Financial Statements

### 60 FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or a liability could be settled, between knowledgeable and willing parties in an arm's length transaction. Methods and assumptions below are used to estimate the fair value.

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

- (a) Fair value is based on quoted prices (unadjusted) in active markets for identical assets or liabilities ("Level 1");
- (b) Fair value is based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) ("Level 2"); and
- (c) Fair value is based on inputs for the asset or liability that are not based on observable market data (unobservable inputs) ("Level 3").

**(a) Fair values of the financial assets and financial liabilities that are measured at fair value on a recurring basis:**

<b>Unaudited</b>				
<b>30 June 2022</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
Financial assets at fair value				
through profit or loss				
At fair value through profit or loss				
– Debt securities	814,198	129,986,483	1,300,225	132,100,906
– Funds	37,200,619	51,810,777	6,688,721	95,700,117
– Equity securities	20,343,232	11,685,231	1,519,053	33,547,516
– Other investments	2,016,949	34,209,415	5,626,455	41,852,819
Debt instruments at fair value				
through other comprehensive income				
– Debt securities	211,244	68,404,729	—	68,615,973
Equity instrument at fair value				
through other comprehensive income				
– Equity securities	2,145,599	119,424	290,411	2,555,434
Derivative financial assets	384,927	3,771,162	—	4,156,089
Total	<u>63,116,768</u>	<u>299,987,221</u>	<u>15,424,865</u>	<u>378,528,854</u>

## Section X Interim Condensed Consolidated Financial Statements

### 60 FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

#### (a) Fair values of the financial assets and financial liabilities that are measured at fair value on a recurring basis: (continued)

<b>Unaudited</b>				
<b>30 June 2022</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Financial liabilities at fair value through profit or loss				
At fair value through profit or loss				
– Equity securities	299,549	—	—	299,549
– Debt securities	—	5,784,959	—	5,784,959
– Gold	1,023,137	348,394	—	1,371,531
Designated as at fair value through profit or loss				
– Debt securities	—	51,786,725	6,717,771	58,504,496
– Others	—	453,822	586,700	1,040,522
Derivative financial liabilities	120,530	9,069,432	—	9,189,962
<b>Total</b>	<b>1,443,216</b>	<b>67,443,332</b>	<b>7,304,471</b>	<b>76,191,019</b>
<b>Audited</b>				
<b>31 December 2021</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Financial assets at fair value through profit or loss				
At fair value through profit or loss				
– Debt securities	1,649,948	128,624,806	1,479,802	131,754,556
– Funds	28,881,448	48,466,933	5,729,476	83,077,857
– Equity securities	21,641,328	11,674,952	1,783,365	35,099,645
– Other investments	1,108,986	29,076,185	4,267,832	34,453,003
Debt instruments at fair value through other comprehensive income				
– Debt securities	1,617,647	65,220,769	—	66,838,416
Equity Instruments at fair value through other comprehensive income				
– Equity securities	2,033,181	139,456	307,721	2,480,358
Derivative financial assets	739,654	3,417,745	—	4,157,399
<b>Total</b>	<b>57,672,192</b>	<b>286,620,846</b>	<b>13,568,196</b>	<b>357,861,234</b>

## Section X Interim Condensed Consolidated Financial Statements

### 60 FAIR VALUES OF FINANCIAL INSTRUMENTS *(continued)*

#### (a) Fair values of the financial assets and financial liabilities that are measured at fair value on a recurring basis: *(continued)*

##### Audited

31 December 2021	Level 1	Level 2	Level 3	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Financial liabilities at fair value through profit or loss				
At fair value through profit or loss				
– Equity securities	156,886	—	—	156,886
– Debt securities	—	5,692,128	—	5,692,128
– Others	322,971	259,450	—	582,421
Designated as at fair value through profit or loss				
– Debt securities	—	34,872,666	5,190,264	40,062,930
– Others	—	367,358	627,809	995,167
Derivative financial liabilities	175,062	9,577,811	—	9,752,873
<b>Total</b>	<b><u>654,919</u></b>	<b><u>50,769,413</u></b>	<b><u>5,818,073</u></b>	<b><u>57,242,405</u></b>

During the period/year mentioned above, there were no significant transfers of fair value measurements between Level 1 and Level 2.

#### (b) Valuation process and methods for specific investments

As at the end of the reporting period, the Group's valuation methods and assumptions are as follows:

##### Level 1

Fair value of financial investment is based on quoted prices (unadjusted) reflected in active markets for identical assets or liabilities.

##### Level 2

Fair value of financial investment is based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly.

During the period, the Group held no changes on the valuation techniques for level 2.

##### Level 3

Fair value of financial investment is based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. For certain unlisted equity securities and debt securities, the Group adopts the valuation techniques and quotation from counterparties' quotations or valuation techniques to determine the fair value. Valuation techniques include a discounted cash flow analysis, the market comparison approach, etc. The fair value measurement of these financial instruments may involve unobservable inputs such as credit spread, price to book ratio, price to earnings ratio, liquidity discount, etc. Fair value change resulting from changes in the unobservable inputs was not significant. The Finance Department periodically reviews all significant unobservable inputs and valuation adjustments used to measure the fair values of financial instruments in Level 3.

## Section X Interim Condensed Consolidated Financial Statements

### 60 FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

#### (c) Movements in Level 3 financial instruments measured at fair value:

	Period ended 30 June 2022		
	Financial assets at fair value through profit or loss <i>RMB'000</i>	Equity instruments at fair value through other comprehensive income <i>RMB'000</i>	Financial liabilities at fair value through profit or loss <i>RMB'000</i>
<b>Unaudited</b>			
As at 1 January 2022	13,260,475	307,721	(5,818,073)
Gains/(losses) for the period	944,426	—	(592,931)
Changes in fair value recognized in other comprehensive income	—	(17,310)	—
Purchases	945,478	—	—
Issues	—	—	(935,776)
Transfers in	749,013	—	—
Transfers out	(649,596)	—	—
Disposal and settlements	(115,342)	—	42,309
As at 30 June 2022	<u>15,134,454</u>	<u>290,411</u>	<u>(7,304,471)</u>

	Year ended 31 December 2021		
	Financial assets at fair value through profit or loss <i>RMB'000</i>	Equity instruments at fair value through other comprehensive income <i>RMB'000</i>	Financial liabilities at fair value through profit or loss <i>RMB'000</i>
<b>Audited</b>			
As at 1 January 2021	14,905,879	366,383	(8,674,818)
Gains/(losses) for the year	489,997	—	(500,939)
Changes in fair value recognized in other comprehensive income	—	(59,673)	—
Purchases	2,903,444	—	—
Issues	—	—	—
Transfers in	1,678,501	1,011	—
Transfers out	(3,286,089)	—	—
Disposal and settlements	(2,949,444)	—	3,357,684
Lost control of a subsidiary	(481,813)	—	—
As at 31 December 2021	<u>13,260,475</u>	<u>307,721</u>	<u>(5,818,073)</u>

## Section X Interim Condensed Consolidated Financial Statements

### 60 FAIR VALUES OF FINANCIAL INSTRUMENTS *(continued)*

#### (d) Important unobservable input value in fair value measurement of Level 3

For financial instruments in Level 3, prices are determined using valuation techniques such as discounted cash flow models and other similar techniques. Categorization of fair value measured within Level 3 of the valuation hierarchy is generally based on the significance of the unobservable inputs to the overall fair value measurement. The following table presents the valuation techniques and inputs of major financial instruments in Level 3.

Financial assets/liabilities	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable input(s) to fair value
Stocks/unlisted equity investments	Level 3	Market comparable model	Discount for lack of marketability	The higher the volatility, the lower the fair value
Stocks/unlisted equity investments	Level 3	Recent transaction price	N/A	N/A
Stocks/unlisted equity investments	Level 3	Discounted cash flow model	Risk adjusted discount rate	The higher the risk adjusted discounted rate, the lower the fair value
Debt investments	Level 3	Market comparable model	N/A	N/A
Debt investments	Level 3	Discounted cash flow model	Collateral Value	N/A
Unlisted funds	Level 3	Net Asset Value	N/A	N/A
Unlisted funds	Level 3	Market comparable model	Discount for lack of marketability	The higher the volatility, the lower the fair value
Unlisted funds	Level 3	Recent transaction price	N/A	N/A
Other investments	Level 3	Net Asset Value	N/A	N/A
Financial liabilities	Level 3	Market comparable model	Discount for lack of marketability	The higher the volatility, the lower the fair value
Financial liabilities	Level 3	Recent transaction price	N/A	N/A

The fair value of the financial instruments in level 3 is not significantly sensitive to a reasonable change in these unobservable inputs.

## Section X Interim Condensed Consolidated Financial Statements

### 60 FAIR VALUES OF FINANCIAL INSTRUMENTS *(continued)*

#### (e) Financial assets and liabilities not measured at fair value

As at 30 June 2022 and 31 December 2021, the carrying amounts of the Group's financial instruments carried at cost or amortized cost approximated to their fair values, except for bonds payable, whose carrying amounts and fair values are summarized below:

	<b>As at 30 June 2022 (Unaudited) RMB'000</b>	As at 31 December 2021 (Audited) RMB'000
<b>Bonds payable</b>		
Carrying amounts	<b><u>136,156,787</u></b>	<u>126,767,098</u>
Fair values		
– Level 1	<b>7,952,000</b>	14,978,140
– Level 2	<b>127,025,220</b>	111,411,490
– Level 3	<b><u>3,378,650</u></b>	<u>3,337,489</u>
Total	<b><u>138,355,870</u></b>	<u>129,727,119</u>

### 61 SHARE-BASED PAYMENTS

#### (a) Share-based payments of the Company

The Company carried out a restricted share incentive scheme of A shares whereby the Company grant restricted A shares to the Incentive Participants in return for their services. As of 30 June 2022, a total of 88,999,990 shares have been granted, a total of 1,778,000 restricted shares have expired due to the resignation of incentive participants. The Company has repurchased these restricted shares and went through the cancellation procedures uniformly.

As at 30 June 2022, cumulative amount of RMB528,575 thousand was recognized within the capital reserve of the Company (31 December 2021: RMB387,785 thousand). The total expenses booked for the six months ended 30 June 2022 was RMB140,790 thousand (six months ended 30 June 2021: RMB148,741 thousand).

The fair value of services received in return for restricted share Incentive scheme is measured by reference to the fair value of shares. The estimate of the fair value of restricted shares granted is measured based on the closing price of shares at grant date.



## Section X Interim Condensed Consolidated Financial Statements

### 61 SHARE-BASED PAYMENTS *(continued)*

#### (b) Share-based payments of a subsidiary

GJIHL, a subsidiary of the Company, operated two equity-settled share-based compensation schemes including a share option scheme (the “Share Option Scheme”) and a share award scheme (the “Share Award Scheme”) for the purpose of motivating and rewarding staff who contributed to GJIHL’s operations. During the six months ended 30 June 2022, the total equity-settled share-based compensation expense of RMB236 thousand was recognized in profit or loss (six months ended 30 June 2021: RMB2,561 thousand).

### 62 EVENTS AFTER THE REPORTING PERIOD

Other than those already disclosed elsewhere in the consolidated financial statements, significant events after the reporting period included the following events:

#### (a) Issuance of bonds

On 6 July 2022, the Company issued its 4th batch of corporate bonds to qualified investors. These bonds included (1) Category I corporate bonds with tenure of 1096 days and total nominal amount of RMB2.5 billion, bearing interest at 2.92% per annum and (2) Category II corporate bonds with tenure of 1826 days and total nominal amount of RMB2.5 billion, bearing interest at 3.27% per annum.

On 13 July 2022, the Company has publicly issued 1st batch of Perpetual subordinated bonds of RMB5 billion to qualified investors, bearing interest at 3.59% per annum.

### 63 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP

Except as described below, the accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2021.

The change in accounting policy will also be reflected in the Group’s consolidated financial statements as at and for the year ending 31 December 2022.

The Group has adopted Onerous Contracts – Costs of Fulfilling a Contract (Amendments to IAS 37) from 1 January 2022. This resulted in a change in accounting policy for performing an onerous contracts assessment. Previously, the Group included only incremental costs to fulfil a contract when determining whether that contract was onerous. The revised policy is to include both incremental costs and an allocation of other direct costs.

The Group has analysed all contracts existing at 1 January 2022 and determined that none of them would be identified as onerous applying the revised accounting policy – i.e. there is no impact on the opening equity balances as at 1 January 2022 as a result of the change.

## **Section X Interim Condensed Consolidated Financial Statements**

### **64 APPROVAL OF THE FINANCIAL STATEMENTS**

The financial statements were approved and authorized for issue by the board of directors on 26 August 2022.

### **65 STANDARDS ISSUED BUT NOT YET EFFECTIVE**

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2022 and earlier application is permitted. The Group has not early adopted any of the forthcoming new or amended standards in preparing these condensed consolidated interim financial statements.

## Section XI Information Disclosure of Securities Company

### I. RELEVANT INFORMATION ABOUT SIGNIFICANT ADMINISTRATIVE PERMISSIONS FOR THE COMPANY

Applicable  Not applicable

No.	Date of Approval (yyyy/mm/dd)	Headings of approval	No. of approval
1	2022/1/6	Reply of the China Securities Regulatory Commission on Approving the Registration of the Public Offering of Corporate Bonds by Guotai Junan Securities Co., Ltd. to Professional Investors (中國證券監督管理委員會關於同意國泰君安證券股份有限公司向專業投資者公開發行公司債券註冊的批覆)	Zheng Jian Xu Ke [2022] No. 33
2	2022/6/13	Reply of the China Securities Regulatory Commission on Approving the Registration of the Public Offering of Perpetual Subordinated Corporate Bonds by Guotai Junan Securities Co., Ltd. to Professional Investors (中國證券監督管理委員會關於同意國泰君安證券股份有限公司向專業投資者公開發行永續次級公司債券註冊的批覆)	Zheng Jian Xu Ke [2022] No. 1217
3	2022/6/27	Reply of the China Securities Regulatory Commission on the Establishment of a Subsidiary in Macau by Guotai Junan Securities Co., Ltd. (中國證券監督管理委員會關於國泰君安證券股份有限公司設立澳門子公司的覆函)	Ji Gou Bu Han [2022] No. 1155

### II. RESULT OF CLASSIFICATION OF THE COMPANY BY REGULATORY AUTHORITY

Applicable  Not applicable