



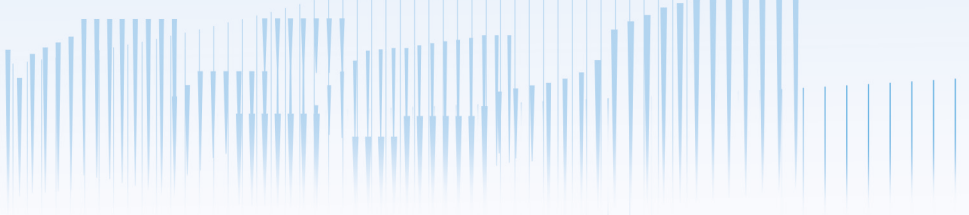
# 中信建投証券股份有限公司 CSC FINANCIAL CO., LTD.

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

Stock Code: 6066

## 2026

### INTERIM REPORT



## IMPORTANT NOTICE

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- I. **The Board of Directors, the Directors and the senior management of the Company warrant the truthfulness, accuracy and completeness of this interim report and that there is no misrepresentation on, misleading statement in, or material omission from this interim report, and will assume joint and several liabilities.**
- II. **This report was considered and approved at the 25th meeting of the third session of the Board of Directors of the Company. All the Directors of the Company attended the board meeting, and no Director raised any objection to this report.**
- III. **This interim report has not been audited. The Company has complied with the Chinese Accounting Standards for Business Enterprises and the International Financial Reporting Standards for preparing the 2026 interim financial statements, which have been reviewed by KPMG Huazhen LLP and KPMG respectively.**
- IV. **Mr. LIU Cheng (Chairman of the Company), Mr. JIN Jianhua (the General Manager and acting Chief Financial Officer of the Company) and Mr. ZHANG Hexin (head of the Accounting Department (Chief Accountant)) warrant that the financial statements set out in this interim report are true, accurate and complete.**
- V. **The plan for profit distribution for the Reporting Period has been resolved and approved by the Board of Directors**

The 2026 interim profit distribution plan of the Company is as follows: the Company proposes to distribute cash dividends of RMB2.90 (tax inclusive) for every 10 Shares to all Shareholders, based on the total share capital of 7,756,694,797 Shares as at June 30, 2026. The plan is subject to consideration by the General Meeting of the Company.

**VI. Risk statement for forward-looking statements**

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

- VII. **The Company's funds were not subject to any appropriation by its controlling shareholder(s) and other related parties for non-operating purposes.**
- VIII. **The Company did not have any guarantee provided to the external parties which violated the stipulated decision-making procedures.**
- IX. **The Company did not have any instance where more than half of the Directors were unable to guarantee the truthfulness, accuracy and completeness of the interim report disclosed by the Company.**
- X. **Material risk warning**

The major risks to which the Company may be exposed include market risk, credit risk, liquidity risk and compliance risk. Specifically, there are market risks brought by fluctuations in stock, bond, commodity and foreign exchange markets to the investment portfolio of the Company; credit risks brought to the Company by insufficient repayment capability of financiers in the financing business and counterparties in the OTC derivatives business or abnormal decline in the price of securities used as security (pledge or margin); liquidity risks brought to the Company by improper asset-liability allocation or cash flow management, inadequate financing channels or insufficient facilities, tight liquidity or soaring funding prices at a specific time point, financing operation errors or significant negative public opinions faced by the Company, in the expected context of overall accommodative capital supply; and compliance risks brought by internal control loopholes, violations of regulatory requirements, etc. to the Company. In addition, the Company may be exposed to other risks, such as strategic risk, operational risk, legal risk, technical risk and reputational risk. The combined effect of the above-mentioned risks will pose certain challenges to the operation of the Company.

The Company has described the relevant potential risks in this report in detail. Please refer to the contents of "Potential Risks" and "Risk Management" in Section 3 "Management Discussion and Analysis" of this report.

**XI. Others**

This report has been prepared in both English and Chinese. In the event of any discrepancies in interpretation between the English version and Chinese version of this report, the Chinese text shall prevail.

In this report, the amounts are denominated mainly in RMB or Hong Kong dollars. Unless it is specifically indicated, the amounts are denominated in RMB; any discrepancies between totals and sums of amounts are due to rounding.

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## SECTION 1 DEFINITIONS

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

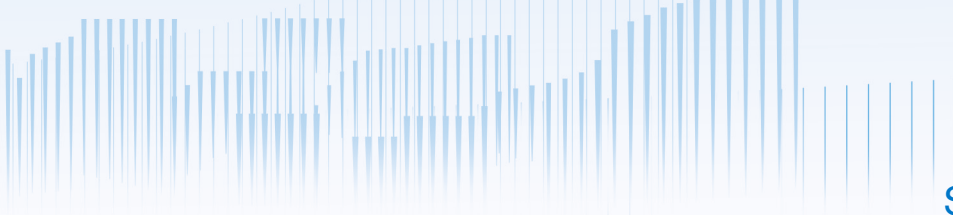
### Definition of frequently used terms

|                                                     |                                                                                                                         |
|-----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|
| “Group”                                             | CSC Financial Co., Ltd. and its subsidiaries                                                                            |
| “CSC”, “Company”, “our Company” or “parent company” | CSC Financial Co., Ltd. (中信建投証券股份有限公司)                                                                                  |
| “China Futures”                                     | China Futures Co., Ltd. (中信建投期貨有限公司)                                                                                    |
| “China Capital”                                     | China Capital Management Co., Ltd. (中信建投資本管理有限公司)                                                                       |
| “China Securities International”                    | China Securities (International) Finance Holding Company Limited (中信建投(國際)金融控股有限公司)                                     |
| “China Fund”                                        | China Fund Management Co., Ltd. (中信建投基金管理有限公司)                                                                          |
| “China Securities Investment”                       | China Securities Investment Co., Ltd. (中信建投投資有限公司)                                                                      |
| “Beijing Financial Holdings Group”                  | Beijing Financial Holdings Group Limited (北京金融控股集團有限公司)                                                                 |
| “CITIC Group”                                       | CITIC Group Corporation (中國中信集團有限公司)                                                                                    |
| “CITIC Financial Holdings”                          | CITIC Financial Holdings Co., Ltd. (中國中信金融控股有限公司)                                                                       |
| “Director(s)”                                       | the director(s) of our Company                                                                                          |
| “Board” or “Board of Directors”                     | the Board of Directors of our Company                                                                                   |
| “CSRC”                                              | China Securities Regulatory Commission (中國證券監督管理委員會)                                                                    |
| “Ministry of Finance”                               | Ministry of Finance of the People’s Republic of China                                                                   |
| “Beijing CSRC”                                      | Beijing Office of the China Securities Regulatory Commission                                                            |
| “Shanghai and Shenzhen Stock Exchanges”             | Shanghai Stock Exchange and Shenzhen Stock Exchange                                                                     |
| “SSE”                                               | Shanghai Stock Exchange                                                                                                 |
| “SSE Listing Rules”                                 | the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (as amended from time to time)                 |
| “Hong Kong” or “HK”                                 | the Hong Kong Special Administrative Region of the PRC                                                                  |
| “HKEX”                                              | Hong Kong Exchanges and Clearing Limited                                                                                |
| “SEHK”                                              | The Stock Exchange of Hong Kong Limited                                                                                 |
| “Hong Kong Listing Rules”                           | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time) |

## SECTION 1 DEFINITIONS

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|                                         |                                                                                                                                               |
|-----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|
| “SZSE”                                  | Shenzhen Stock Exchange                                                                                                                       |
| “BSE”                                   | Beijing Stock Exchange                                                                                                                        |
| “Articles of Association” or “Articles” | the articles of association of the Company                                                                                                    |
| “A Share(s)”                            | listed domestic shares in the share capital of our Company with a nominal value of RMB1.00 each, listed on the SSE and traded in RMB          |
| “H Share(s)”                            | overseas listed foreign shares in the share capital of our Company with a nominal value of RMB1.00 each, listed on the SEHK and traded in HKD |
| “IPO”                                   | Initial Public Offering                                                                                                                       |
| “NEEQ”                                  | the National Equities Exchange and Quotations                                                                                                 |
| “NEEQ Co. Ltd.”                         | National Equities Exchange and Quotations Corporation Limited (全國中小企業股份轉讓系統有限責任公司)                                                            |
| “related party transaction(s)”          | has the same meaning ascribed to it under the SSE Listing Rules                                                                               |
| “connected transaction(s)”              | has the same meaning ascribed to it under the Hong Kong Listing Rules                                                                         |
| “related party/connected transaction”   | related party transaction(s) and connected transaction(s)                                                                                     |
| “AI”                                    | artificial intelligence                                                                                                                       |
| “De-SPAC”                               | listing by way of a business combination with a Special Purpose Acquisition Company                                                           |
| “ETF”                                   | Exchange Traded Fund                                                                                                                          |
| “FICC”                                  | Fixed-income securities, currencies and commodities                                                                                           |
| “QFI”                                   | Qualified Foreign Investor                                                                                                                    |
| “WFOE”                                  | Wholly Foreign-Owned Enterprise(s)                                                                                                            |
| “Company Law”                           | Company Law of the People’s Republic of China                                                                                                 |
| “Securities Law”                        | Securities Law of the People’s Republic of China 《中華人民共和國證券法》                                                                                 |
| “Five Major Areas” in Finance           | technology finance, green finance, inclusive finance, pension finance and digital finance                                                     |
| “Shareholder(s)”                        | holder(s) of the Share(s)                                                                                                                     |



## SECTION 1 DEFINITIONS

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|                                                  |                                                                                                                            |
|--------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|
| “Share(s)”                                       | ordinary shares in the share capital of our Company with a nominal value of RMB1.00 each, comprising A Shares and H Shares |
| “Reporting Period”                               | the period from January 1, 2026 to June 30, 2026                                                                           |
| “the same period last year”                      | the period from January 1, 2025 to June 30, 2025                                                                           |
| “the end of the Reporting Period”                | June 30, 2026                                                                                                              |
| “Date of Disclosure of the Report”               | August 18, 2026                                                                                                            |
| “the end of 2025”/“the end of the previous year” | December 31, 2025                                                                                                          |
| “RMB” or “Renminbi”                              | Renminbi, the lawful currency of the PRC                                                                                   |
| “HK\$”                                           | Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region of the PRC                           |
| “US\$” or “USD”                                  | United States dollars, the lawful currency of the United States of America                                                 |
| “Wind Info”                                      | Wind Information Co., Ltd. (萬得信息技術股份有限公司)                                                                                  |

## SECTION 2 COMPANY PROFILE AND KEY FINANCIAL INDICATORS

### I. COMPANY INFORMATION

|                                     |                                                                                                                             |
|-------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| Name in Chinese                     | 中信建投證券股份有限公司                                                                                                                |
| Abbreviation in Chinese             | 中信建投證券                                                                                                                      |
| Name in English                     | China Securities Co., Ltd.<br>CSC Financial Co., Ltd. (carrying on business in Hong Kong with such registered English name) |
| Abbreviation in English             | CSC                                                                                                                         |
| Legal Representative                | LIU Cheng                                                                                                                   |
| General Manager                     | JIN Jianhua                                                                                                                 |
| Authorized Representatives          | LIU Cheng, JIN Jianhua                                                                                                      |
| Alternate Authorized Representative | LIU Naisheng                                                                                                                |
| Joint Company Secretaries           | LIU Naisheng, MAK Po Man Cherie                                                                                             |

#### Registered Capital and Net Capital of the Company

Unit: Yuan Currency: RMB

|                    | As at the end of<br>the Reporting Period<br>(June 30, 2026) | As at the end of<br>the previous year<br>(December 31, 2025) |
|--------------------|-------------------------------------------------------------|--------------------------------------------------------------|
| Registered Capital | 7,756,694,797.00                                            | 7,756,694,797.00                                             |
| Net Capital        | 83,322,384,184.68                                           | 79,598,680,087.45                                            |

#### The Business Scope and Qualifications for Each Individual Business of the Company

The Company has registered according to law. The business scope stipulated in the business license of the Company includes: securities business; foreign exchange settlement and sale business; foreign exchange business; securities investment consultancy; custodian services for securities investment funds; sale of publicly offered securities investment funds; provision of intermediary business to futures companies as a securities company; and sale of gold and silver products.

The License to Operate Securities and Futures Business (《經營證券期貨業務許可證》) obtained by the Company stipulates the scope of securities and futures business – securities brokerage, securities investment consultancy, financial advisory relating to securities trading and securities investment activities, securities underwriting and sponsoring, proprietary trading and investment of securities, securities asset management, sale of publicly offered securities investment funds, margin financing and securities lending, agency sale of financial products, market-making of stock options, custodian services for securities investment funds, and market-making trading business of listed securities.

## SECTION 2 COMPANY PROFILE AND KEY FINANCIAL INDICATORS

In addition, the Company possesses the qualifications for the following major individual businesses:

### **Qualifications for Business Approved by or Filed with CSRC and Local Offices of CSRC**

Qualification for direct investment, Stock Index Futures Trading License for Securities Companies, Collateralized Bond Repo Business Qualification, Qualification for Proprietary Interest Rate Swap Trading, qualification of contractual repurchase securities transaction business, Proprietary Trading License for Treasury Futures, Credit Risk Mitigation (CRM) Instruments Underwriting Qualification, qualification of agency business for precious metal spot contracts and proprietary business for spot gold contracts, qualification for qualified domestic institutional investor to conduct overseas securities investment and management business, Primary Market Maker for OTC Options, pilot qualification of cross-border business, Credit Derivatives Trading Qualification, qualification of market making business for stock index options, pilot qualification of fund investment advisory business, qualification of pilot business for optimizing account management function of securities companies, Treasury Futures Market-Making License, qualification for proprietary participation in carbon emissions trading business, Wealth Management Connect (WMC) Scheme Participation Qualification and qualification for swap facilities business

### **Qualifications for Business Approved by The People's Bank of China**

Interbank Lending Membership and Eligibility for "Southbound Trading"

### **Qualifications for Business Approved by or Filed with State Administration of Foreign Exchange**

Securities Business and Foreign Exchange Operating License (foreign currency negotiable securities brokerage, foreign currency negotiable securities underwriting), FX Settlement and Sale Pilot Business License, Client-based FX Trading Authorization and Non-Bank Financial Institutions for Client-based FX Settlement and Sale Pilot Business License

### **Qualifications for Business Approved by or Filed with Securities Association of China**

OTC Trading Membership, Financial Derivatives License: IRS/CDS & OTC Options Market Maker, Internet Securities Business Pilot

### **Qualifications for Business Filed with Asset Management Association of China**

Private fund business outsourcing service

### **Qualifications for Business Approved by or Filed with Stock Exchanges/Trading Centers**

Primary dealer of Integrated Electronic Platform of Fixed-income Securities of SSE, qualification of southbound trading business under the Shanghai-Hong Kong Stock Connect, participant for stock options trading of SSE, lead market maker of the listed fund on SSE, core dealer of credit protection contract on SSE, issuing institution of credit protection certificate on SSE, lead market maker for SSE 50ETF options, lead market maker of CSI 300ETF options, qualification for collateralized stock repurchase transaction business on the SSE and the SZSE, lead market maker for market making for bonds on the SSE and the SZSE, qualification of business for financing by exercising equity incentive of listed companies on the SZSE, qualification of southbound trading business under the Shenzhen-Hong Kong Stock Connect, core dealer of credit protection contract on SZSE, issuing institution of credit protection certificate on SZSE, qualification of stock options business on SZSE, qualification for inter-bank gold inquiry business from the Shanghai Gold Exchange, International Member of Shanghai Gold Exchange, Special Membership of Shanghai Gold Exchange, participant of the Chinese commercial paper trading system, qualification for market making of CSI 300 Index Options of China Financial Futures Exchange, lead market maker for treasury bond futures on China Financial Futures Exchange, qualification of member of Shanghai Environment and Energy Exchange, qualification of trading business in the National Inter-bank Bond Market, foreign currency lending membership of China Foreign Exchange Trade System, ADBC Standard Bond Forward Quoting Institution, "Northbound" quotation agency, member of the inter-bank foreign exchange market, member of inter-bank foreign currency market, member of the interest rate option market, interest rate option quotation agency, CFETS-SHCH-GTJA High-grade CDS index quotation institution, qualification of intermediary service institution of Beijing Equity Trading Center, qualification of institutional member of Guangzhou Carbon Emission Trading Centre, member of carbon financial services at Hubei Carbon Emission Exchange



## SECTION 2 COMPANY PROFILE AND KEY FINANCIAL INDICATORS

### Qualifications for Business Filed with National Equities Exchange and Quotations

Chief securities firm of National Equities Exchange and Quotations, qualification for market making business of National Equities Exchange and Quotations

### Qualifications for Business Approved by or Filed with Shanghai Clearing House

Clearing Member of Shanghai Clearing House, qualification for participating in the mutual swap and central clearing business of Renminbi interest rates, qualification for participating in the bond transaction net clearing business, qualification for participating in the forward centralized clearing business for standard bonds, Class A General Clearing Member, qualification for participating in the proprietary clearing business from central counterparties in shipping and commodity financial derivatives, qualification for participating in the business of central clearing for credit default swap

### Qualifications for Business Approved by or Filed with National Association of Financial Market Institutional Investors

Lead underwriter of debt financing instruments of non-financial enterprises, issuing institution of CRMW, core dealer of CRM instruments, issuing institution of credit-linked notes, trustee for debt financing instruments of non-financial enterprises, qualification for independently conducting the lead underwriting business of debt financing instruments of non-financial enterprises, cash bond market maker in Inter-bank Bond Market

### Qualifications for Business Approved by China Securities Finance Corporation Limited

Qualification of refinancing business (securities refinancing and margin refinancing), qualification for market-making securities lending business on the STAR Market

### Other Business Qualifications

Class B clearing participant of the China Securities Depository and Clearing Corporation Limited, qualification for investor securities registration business agency, qualification of H-share full circulation business, issuing institution for the qualification of collateralized repurchase business of credit protected bonds, qualification of securities account opening agency; clearing member of the China Central Depository & Clearing Co., Ltd., participant of quotation and service system for inter-institutional private equity products of China Securities Capital Market Development Monitoring Center; ChinaBond valuation partner of ChinaBond Pricing Center Co., Ltd., member of Renminbi financial bond underwriting and market-making syndicates of China Development Bank; member of book-entry treasury bond underwriting syndicates of the Ministry of Finance

## II. CONTACT PERSONS AND DETAILS

|           | Secretary to the Board                              | Representative for Securities Affairs               |
|-----------|-----------------------------------------------------|-----------------------------------------------------|
| Name      | LIU Naisheng                                        | DU Ningning                                         |
| Address   | No. 10 Guanghua Road,<br>Chaoyang District, Beijing | No. 10 Guanghua Road,<br>Chaoyang District, Beijing |
| Telephone | 010-56052830                                        | 010-56052830                                        |
| Facsimile | 010-56118200                                        | 010-56118200                                        |
| Email     | 601066@csc.com.cn                                   | 601066@csc.com.cn                                   |

## SECTION 2 COMPANY PROFILE AND KEY FINANCIAL INDICATORS

### III. BASIC INFORMATION

|                                                        |                                                          |
|--------------------------------------------------------|----------------------------------------------------------|
| Registered Address                                     | Unit 4, No. 66 Anli Road, Chaoyang District, Beijing     |
| Postal Code of Registered Address                      | 100101                                                   |
| Historical Changes in the Company's Registered Address | Not applicable                                           |
| Principal Office Address                               | No. 10 Guanghua Road, Chaoyang District, Beijing         |
| Postal Code of Principal Office Address                | 100020                                                   |
| Place of Business in Hong Kong                         | 18/F, Two Exchange Square, Central, Hong Kong            |
| Website                                                | <a href="http://www.csc108.com">www.csc108.com</a>       |
| Email                                                  | <a href="mailto:601066@csc.com.cn">601066@csc.com.cn</a> |
| National Customer Service Hotlines                     | 95587/4008888108                                         |
| Investor Contact Hotline                               | 010-56052830                                             |
| Facsimile Telephone                                    | 010-56118200                                             |
| Unified Social Credit Code                             | 91110000781703453H                                       |

### IV. INFORMATION DISCLOSURE AND AVAILABILITY PLACES

|                                                                                   |                                                                                                                                                                                                                                                                                                                |
|-----------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Media and website designated by the Company for the disclosure of interim reports | China Securities Journal ( <a href="http://www.cs.com.cn">www.cs.com.cn</a> )<br>Shanghai Securities News ( <a href="http://www.cnstock.com">www.cnstock.com</a> )<br>Securities Times ( <a href="http://www.stcn.com">www.stcn.com</a> )<br>Securities Daily ( <a href="http://www.zqrb.cn">www.zqrb.cn</a> ) |
| Websites for the publications of interim reports                                  | Website of SSE ( <a href="http://www.sse.com.cn">www.sse.com.cn</a> )<br>HKEXnews website of HKEX ( <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> )<br>Website of the Company ( <a href="http://www.csc108.com">www.csc108.com</a> )                                                                    |
| Places where interim reports of the Company are available                         | No. 10 Guanghua Road, Chaoyang District, Beijing<br>Unit 4, No. 66 Anli Road, Chaoyang District, Beijing<br>18/F, Two Exchange Square, Central, Hong Kong                                                                                                                                                      |

### V. BRIEF INFORMATION OF THE SHARES OF THE COMPANY

| Class of Shares | Stock Exchange of Listing | Stock Name | Stock Code |
|-----------------|---------------------------|------------|------------|
| A Shares        | SSE                       | CSC        | 601066     |
| H Shares        | SEHK                      | CSC        | 6066       |

### VI. OTHER RELEVANT INFORMATION

#### (I) Accounting firms engaged by the Company

Domestic: KPMG Huazhen LLP  
Overseas: KPMG

#### (II) Share Registrars

A Share Registrar: China Securities Depository and Clearing Corporation Limited  
H Share Registrar: Computershare Hong Kong Investor Services Limited

## SECTION 2 COMPANY PROFILE AND KEY FINANCIAL INDICATORS

### VII. FINANCIAL SUMMARY

#### KEY ACCOUNTING DATA

Unit: RMB million

| Items                                                       | January to<br>June 2026 | January to<br>June 2025 | Increase/decrease<br>as compared to<br>the same period<br>last year (%) |
|-------------------------------------------------------------|-------------------------|-------------------------|-------------------------------------------------------------------------|
| Total revenue and other income                              | <b>23,087</b>           | 16,280                  | 41.81                                                                   |
| Operating profit                                            | <b>9,816</b>            | 5,322                   | 84.44                                                                   |
| Profit before income tax                                    | <b>9,821</b>            | 5,324                   | 84.47                                                                   |
| Net profit attributable to equity holders of<br>the Company | <b>7,639</b>            | 4,509                   | 69.44                                                                   |
| Net cash flow from operating activities                     | <b>-22,402</b>          | 45,046                  | -149.73                                                                 |

Unit: RMB million

| Items                                                | June 30, 2026  | December 31,<br>2025 | Increase/decrease<br>as compared to<br>the end of<br>last year (%) |
|------------------------------------------------------|----------------|----------------------|--------------------------------------------------------------------|
| Total assets                                         | <b>860,451</b> | 676,816              | 27.13                                                              |
| Total liabilities                                    | <b>734,667</b> | 557,665              | 31.74                                                              |
| Equity attributable to equity holders of the Company | <b>125,742</b> | 119,102              | 5.57                                                               |
| Total share capital                                  | <b>7,757</b>   | 7,757                | –                                                                  |

#### KEY FINANCIAL INDICATORS

| Items                                       | January to<br>June 2026 | January to<br>June 2025 | Increase/decrease<br>as compared to<br>the same period<br>last year (%) |
|---------------------------------------------|-------------------------|-------------------------|-------------------------------------------------------------------------|
| Basic earnings per share (RMB Yuan/Share)   | <b>0.92</b>             | 0.52                    | 76.92                                                                   |
| Diluted earnings per share (RMB Yuan/Share) | <b>0.92</b>             | 0.52                    | 76.92                                                                   |
| Return on weighted average equity (%)       | <b>8.29</b>             | 5.11                    | Increased by 3.18<br>percentage points                                  |

*Note:* Return on weighted average equity above is calculated in accordance with the International Accounting Standards, and is different from that calculated in accordance with the relevant regulations stipulated under the Rules for the Compilation and Reporting of Information Disclosure by Companies Offering Securities to the Public No. 9 – Calculation and Disclosure of Return on Net Assets and Earnings per Share (2010 Revision) from the CSRC.

## SECTION 2 COMPANY PROFILE AND KEY FINANCIAL INDICATORS

| Items                                                                               | June 30,<br>2026 | December 31,<br>2025 | Increase/decrease<br>as compared to<br>the end of<br>last year (%) |
|-------------------------------------------------------------------------------------|------------------|----------------------|--------------------------------------------------------------------|
| Net assets per share attributable to equity holders of the Company (RMB Yuan/Share) | 16.21            | 15.35                | 5.60                                                               |
| Gearing ratio (%)                                                                   | 78.94            | 76.21                | Increased by 2.73 percentage points                                |

Notes: 1. The net assets per share attributable to equity holders of the Company shown in the table above included the perpetual subordinated bonds issued by the Company. After excluding such impact, the net assets per share attributable to ordinary equity holders of the Company as at the end of the Reporting Period was RMB11.29 (December 31, 2025: RMB10.69).

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

### NET CAPITAL AND RELEVANT RISK CONTROL INDICATORS OF THE COMPANY

| Items                                                                        | June 30, 2026 | December 31, 2025 |
|------------------------------------------------------------------------------|---------------|-------------------|
| Net capital (RMB million)                                                    | 83,322        | 79,599            |
| Net assets (RMB million)                                                     | 116,548       | 111,881           |
| Total risk capital reserves (RMB million)                                    | 40,343        | 33,658            |
| Risk coverage ratio (%)                                                      | 206.54        | 236.50            |
| Capital leverage ratio (%)                                                   | 14.17         | 15.46             |
| Liquidity coverage ratio (%)                                                 | 247.00        | 266.44            |
| Net stable funding ratio (%)                                                 | 186.66        | 190.75            |
| Net capital/net assets (%)                                                   | 71.49         | 71.15             |
| Net capital/liabilities (%)                                                  | 21.23         | 24.49             |
| Net assets/liabilities (%)                                                   | 29.70         | 34.42             |
| Proprietary equity securities and securities derivatives/net capital (%)     | 24.66         | 22.43             |
| Proprietary non-equity securities and securities derivatives/net capital (%) | 330.30        | 306.44            |

Note: During the Reporting Period, the Company's net capital and other risk control indicators were in compliance with the relevant requirements of the Administrative Measures for Risk Control Indicators of Securities Companies issued by the CSRC.

## SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

### I. DESCRIPTION OF THE INDUSTRY IN WHICH THE COMPANY OPERATES AND ITS PRINCIPAL BUSINESSES DURING THE REPORTING PERIOD

The Group operates in the securities industry, and its principal businesses comprise four segments: investment banking business segment, wealth management business segment, trading and institutional client services business segment, and asset management business segment. Please refer to “II. Discussion and Analysis on Operations” in this section for details.

During the Reporting Period, the Company did not have any newly added significant non-principal businesses.

### II. DISCUSSION AND ANALYSIS ON OPERATIONS

As of June 30, 2026, the total assets of the Group were RMB860,451 million, representing an increase of 27.13% as compared to December 31, 2025; equity attributable to equity holders of the Company was RMB125,742 million, representing an increase of 5.57% as compared to December 31, 2025; during the Reporting Period, total revenue and other income of the Group amounted to RMB23,087 million in aggregate, representing a year-on-year (“YoY”) increase of 41.81%; total expenses amounted to RMB13,270 million, representing a YoY increase of 21.10%; net profit attributable to equity holders of the Company amounted to RMB7,639 million, representing a YoY increase of 69.44%.

The principal businesses of the Group comprise four segments: investment banking business segment, wealth management business segment, trading and institutional client services business segment, and asset management business segment. During the Reporting Period, total revenue and other income of the investment banking business segment amounted to RMB1,179 million in aggregate, representing a YoY increase of 0.68%; total revenue and other income of the wealth management business segment amounted to RMB7,334 million in aggregate, representing a YoY increase of 29.53%; total revenue and other income of the trading and institutional client services business segment amounted to RMB13,016 million in aggregate, representing a YoY increase of 61.27%; total revenue and other income of the asset management business segment amounted to RMB913 million in aggregate, representing a YoY increase of 39.82%.

#### (I) Investment Banking Business Segment

The investment banking business segment of the Group mainly comprises equity financing business, debt financing business and financial advisory business.

##### 1. Equity Financing Business

In the first half of 2026, a total of 161 equity financing projects were issued in the primary market for domestic equity financing, representing a YoY increase of 54.81%, and the funds raised amounted to RMB243.458 billion, representing a YoY decrease of 62.17%. Among them, IPO projects amounted to 75, representing a YoY increase of 56.25%, and the funds raised amounted to RMB95.363 billion, representing a YoY increase of 150.94%; equity refinancing projects amounted to 86, representing a YoY increase of 53.57%, and the funds raised amounted to RMB148.095 billion, representing a YoY decrease of 75.54%. (Source: Wind Info, based on the statistics on the issuance date. IPO projects included listing projects on the BSE, and refinancing projects excluded asset-based issuance of shares to specific targets and convertible bonds)

## SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

In the first half of 2026, a total of 267 equity financing projects were issued in the Hong Kong market, representing a YoY increase of 39.79%, and the funds raised amounted to HK\$494.292 billion, representing a YoY increase of 43.52%. Among them, IPO projects amounted to 83<sup>1</sup>, representing a YoY increase of 97.62%, and the funds raised amounted to HK\$212.303 billion, representing a YoY increase of 94.06%. 184<sup>2</sup> refinancing projects were issued, representing a YoY increase of approximately 23.49%, and the funds raised amounted to HK\$281.989 billion, representing a YoY increase of 20.00%. (Source: Dealogic, IPO projects are counted based on the issuance date, refinancing projects are counted based on the pricing date)

In the first half of 2026, the Company remained among the top market players in terms of equity financing business. For domestic business, the Company completed 16 A-Share equity financing projects, with the lead underwriting amount of RMB27.748 billion during the Reporting Period, ranking No. 4 and No. 3 in the industry, respectively. The Company actively implemented national strategies and made every effort to serve national high-level technological self-reliance and self-improvement, successfully sponsoring the listing of CETC Lantian (電科藍天), a core domestic aerospace power supplier, on the STAR Market, and assisting hard technology companies, such as Piotech Inc. (拓荆科技), iSoftStone (軟通動力), iFLYTEK (科大訊飛) and KFMI (江豐電子) in completing the issuance of A-shares to specific targets; focusing closely on green development and low-carbon transition, the Company sponsored the financing projects of BAIC BLUEPARK (北汽藍谷), Hunan Yuneng (湖南裕能) and Lopal Tech (龍蟠科技), with the funds raised from such projects respectively invested in green energy-related fields such as the research and development of new energy vehicles and the production capacity expansion of new energy materials. In addition, the Company completed three convertible bond projects, with the lead underwriting amount of RMB4.289 billion, ranking 3rd and 2nd in the industry, respectively. As at the end of the Reporting Period, the Company had 38 IPO projects under review, ranking No. 3 in the industry; and 13 equity refinancing projects (including convertible bonds) under review, ranking No. 4 in the industry. (Sources: China Securities Regulatory Commission, Shanghai and Shenzhen Stock Exchanges, BSE, Wind Info and statistics of the Company)

In the first half of 2026, details of the equity financing business sponsored and underwritten by the Company in Shanghai and Shenzhen Stock Exchanges and BSE are set out below:

| Items                | First half of 2026                                    |                        | First half of 2025                                    |                        |
|----------------------|-------------------------------------------------------|------------------------|-------------------------------------------------------|------------------------|
|                      | Amount<br>of lead<br>underwriting<br>(RMB'00 million) | Number of<br>offerings | Amount<br>of lead<br>underwriting<br>(RMB'00 million) | Number of<br>offerings |
| IPO                  | 24.13                                                 | 3                      | 84.60                                                 | 4                      |
| Refinancing issuance | 253.35                                                | 13                     | 590.60                                                | 11                     |
| Total                | 277.48                                                | 16                     | 675.20                                                | 15                     |

Source: Statistics of the Company

**Note:** The statistical scope of refinancing issuance includes rights issue, public placement, financing-oriented private placement (inclusive of issuance of shares to specific targets, reorganization ancillary financing), preference shares, but excludes asset-based issuance of shares to specific targets.

<sup>1</sup> The statistical scope of IPO projects in the Hong Kong stock market only includes IPOs listed on the Hong Kong Main Board, excluding GEM transfers, listings by introduction or De-SPAC transactions, etc.

<sup>2</sup> The statistical scope of refinancing projects in the Hong Kong stock market includes equity financing (including further issues, rights issues, non-public issuances, etc.) and hybrid financing instruments (including convertible bonds and exchangeable bonds, etc.).

## SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

In the first half of 2026, the Company completed one private placement project for an enterprise listed on the NEEQ with total proceeds of RMB30.1567 million. As at the end of the Reporting Period, the Company had continuously supervised 72 innovative enterprises listed on the NEEQ. (Sources: NEEQ Co. Ltd. and Choice Financial Terminal)

For overseas business, in the first half of 2026, China Securities International participated in the completion of seven IPO sponsorship projects for Hong Kong stocks in the Hong Kong market, raising HK\$31.277 billion, and ranking fourth among Chinese securities firms in terms of fundraising size. During the Reporting Period, it completed a number of landmark projects with significant industry influence: sponsored Victory Giant Technology, a global leader in printed-circuit boards (PCB), in completing its Hong Kong IPO, raising HK\$23.135 billion, representing the largest Hong Kong IPO project in the first half of 2026; and provided services to China Hongqiao, a global aluminum industry leader, in completing its convertible bond refinancing, raising US\$1.5 billion, representing the largest RMB-linked convertible bond project in history. (Source: statistics of the Company and iFind Financial Terminal)

### ***Outlook for the second half of 2026***

In further comprehensively deepening the reform of the capital market, the Company will closely follow the direction of the “15th Five-Year Plan”, actively integrate into the overall national development, focus on serving new quality productive forces and the construction of a modern industrial system, deliver good performance in the “Five Major Areas” in Finance, promote the integrated development of technological innovation and industrial innovation, and facilitate the accelerated formation of new quality productive forces, so as to devote itself to the high-quality development of the capital market and the building of a financial powerhouse. Meanwhile, adhering to the customer-oriented principle, and with investment banking as the driving force, the Company will deepen the business synergy mechanism of the “four-in-one linkage” integrating investment research, investment, investment banking and investment advisory, continuously improve the matrix structure of “industry + region + product”, and speed up the establishment of a new customer-driven development model.

For international business, China Securities International will continue to promote the integration of investment banking in mainland China and Hong Kong, continue to expand its business scope in the Hong Kong market, realize the diversified development of different types of products, such as the return of China-concept stocks, privatization of Hong Kong stocks and cross-border acquisitions, and further enhance the capability to provide comprehensive services to clients.

### **2. Debt Financing Business**

In the first half of 2026, yield rate in the domestic debt market fluctuated in general. The issuance scale of credit bonds and local government bonds in the whole market amounted to RMB16.59 trillion, representing a YoY increase of 4.68%. In particular, the total underwriting scale by securities companies amounted to RMB8.62 trillion, representing a YoY increase of 14.65%. In terms of overseas bond market, the offshore bond issuance volume of Chinese-funded enterprises amounted to approximately US\$112.03 billion in the first half of 2026, remaining basically flat compared with the corresponding period of last year. (Sources: Wind Info, Bloomberg)

In the first half of 2026, the Company continued to maintain a good development momentum for its domestic bond financing business, and completed a total of 2,355 lead underwriting projects, with a lead underwriting amount of RMB834.217 billion, both ranking No. 3 in the industry. Among them, there were 838 corporate bond projects under the lead underwriting, with a lead underwriting amount of RMB300.539 billion, both ranking No. 3 in the industry. (Source: Wind Info)



## SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

In the first half of 2026, the Company continued to implement the strategic deployment of the “Five Major Areas” in Finance. During the Reporting Period, the total underwriting scale of the Company’s thematic bonds for the “Five Major Areas” amounted to RMB105.590 billion, ranking No. 3 in the industry. In particular, the Company ranked No. 2 and No. 3 in the industry in terms of the number and amount of the lead underwriting of Sci-Tech bonds, respectively, and ranked No. 4 and No. 2 in the industry in terms of the number and amount of the lead underwriting of green thematic bonds, respectively (Source: Wind Info). Focusing on product innovation, the Company launched a number of “first” and “first-batch” projects in the industry: it assisted Western Superconducting in launching the first “science and technology innovation + new materials industry” corporate bonds in China, promoting the accelerated development of new quality productive forces; assisted Wuxi Metro in completing the first approved carbon-neutral rail transit REITs project in China, continuing to implement the national “dual-carbon” strategic goal; assisted Jiangxi Copper Company Limited in issuing the first publicly offered exchangeable bond in the non-ferrous metals industry in China, facilitating the transformation and upgrading of traditional industries; and assisted SPIC Yellow River Company in issuing the first quasi-REITs project in the market to adopt a floating return mechanism for senior tranche securities, creating a new financing practice for green and low-carbon projects.

The domestic debt financing business of the Company in the first half of 2026 was shown in the table below:

| Items                      | First half of 2026                              |                                         |                     | First half of 2025                              |                                         |                     |
|----------------------------|-------------------------------------------------|-----------------------------------------|---------------------|-------------------------------------------------|-----------------------------------------|---------------------|
|                            | Amount of lead underwriting<br>(RMB'00 million) | Total project scale<br>(RMB'00 million) | Number of offerings | Amount of lead underwriting<br>(RMB'00 million) | Total project scale<br>(RMB'00 million) | Number of offerings |
| Corporate bonds            | 3,005.39                                        | 9,776.83                                | 838                 | 2,352.25                                        | 7,457.16                                | 680                 |
| Financial bonds            | 871.71                                          | 11,379.00                               | 67                  | 1,519.60                                        | 15,263.00                               | 137                 |
| Debt financing instruments | 839.24                                          | 1,938.32                                | 224                 | 841.08                                          | 3,336.53                                | 333                 |
| Asset-backed securities    | 781.65                                          | 1,940.27                                | 436                 | 533.18                                          | 1,548.73                                | 424                 |
| Local government bonds     | 2,754.18                                        | 40,747.86                               | 782                 | 2,480.43                                        | 36,300.94                               | 719                 |
| Others                     | 90.00                                           | 500.00                                  | 8                   | 70.00                                           | 400.00                                  | 8                   |
| Total                      | <b>8,342.17</b>                                 | <b>66,282.28</b>                        | <b>2,355</b>        | <b>7,796.53</b>                                 | <b>64,306.35</b>                        | <b>2,301</b>        |

Source: Wind Info

**Note:** To present the details of the debt financing business, the statistical categories for the Reporting Period have been adjusted based on the public information of Wind Info, and the information for the corresponding period of the previous year has been adjusted accordingly. Among the items in the above table, the “Financial bonds” category includes international agency bonds and no longer includes securities company bonds; the “Corporate bonds” category includes enterprise bonds, securities company bonds, convertible bonds and exchangeable bonds, and the “Others” category includes government-backed agency bonds.

For international business, in the first half of 2026, China Securities International participated in and completed 77 bond underwriting projects in the overseas markets with an underwriting amount of HK\$168.795 billion, among which were 35 projects as global coordinator with an underwriting amount of HK\$62.023 billion.

### Outlook for the second half of 2026

In the process of developing debt financing business, the Company will continue to deliver good performance in the “Five Major Areas” in Finance, actively integrate the development of its business into the overall layout of serving the real economy and empowering the development of new quality productive forces. The Company will adhere to high-quality development as its core direction, implement the business philosophy of “One CSC, One Client”, deepen the business synergy mechanism of the “four-in-one linkage” integrating investment research, investment, investment banking and investment advisory, leverage its comprehensive business system covering bonds, asset-backed securities, REITs and other areas, continue to strengthen project reserves, strictly control project admission standards, focus on enhancing overall project quality, precisely focus on industrial transformation and technological innovation, and facilitate the high-quality development of the real economy and asset revitalisation.



## SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

For international business, China Securities International will continue to leverage the resource advantage of domestic and overseas integrated strategic cooperation, take active steps to explore diversified debt financing products, and tap into and serve the overseas debt financing projects of Chinese-invested enterprises, so as to enhance its international development.

### 3. Financial Advisory Business

In the first half of 2026, A-share listed companies completed a total of 36 projects of acquisition of assets through issuance of shares and major asset restructuring, with a transaction amount of RMB397.608 billion. During the Reporting Period, the Company completed 3 projects of major asset restructuring for A-share listed companies, ranking No. 5 in the industry; the transaction amount was RMB39.699 billion, ranking No. 4 in the industry. During the Reporting Period, the Company proactively practiced national strategies and innovated M&A transactions. It provided services to Hongchuang Holdings (宏創控股) in completing the largest restructuring project of private enterprises in the history of A-share market, with a total project scale of RMB63.518 billion; and completed the absorption and merger of Hangzhou Steam Turbine B (杭汽輪 B) by Hailianxun (海聯訊) through share exchange, which was the first project in the market where an A-share listed company absorbed and merged a B-share listed company through share exchange and constituted a restructuring listing, with a transaction amount of RMB11.232 billion. (Sources: Wind Info and statistics of the Company)

For international business, China Securities International continued to expand its client network and business presence, and signed four financial advisory agreements during the Reporting Period.

#### ***Outlook for the second half of 2026***

In the second half of 2026, the Company will take mergers, acquisitions and restructurings as its key drivers to empower industrial upgrades, striving to build an “industry-integrating” investment bank. The Company will adhere to a client-centric approach and rely on the synergistic “four-in-one linkage” mechanism (integrating investment research, investment, investment banking, and investment advisory) to provide clients with professional M&A transaction services. This will assist enterprises in driving industrial upgrades, strengthening and complementing their supply chains, and creating a second growth curve. Meanwhile, remaining committed to serving national strategies, the Company will continuously increase its efforts in the M&A business for central and state-owned enterprises as well as private supply chain leading enterprises, guiding more resource elements to congregate towards new quality productive forces, thereby facilitating the high-quality development of enterprises. In terms of capacity building, the Company will accelerate the enhancement of transaction matching capabilities to promote the continuous growth of the market-oriented merger and acquisition business; vigorously develop the cross-border merger and acquisition business to serve the “going global” strategy of Chinese enterprises and the “bringing in” strategy of foreign capital; and continuously consolidate leadership advantages in the financial advisory field of bankruptcy restructuring of listed companies in order to achieve balanced development across various types of merger and acquisition businesses, thus continuously enhancing the market influence and brand awareness of the Company’s merger and acquisition business.

For international business, China Securities International will continue to proactively explore businesses such as cross-border acquisitions, pre-IPO strategic investment financing and privatization. By precisely targeting top-tier clients and continuously strengthening our project pipeline, we will fully drive the strategic transformation towards “systematic, scaled and branded development”.

## SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

### (II) Wealth Management Business Segment

The Group's wealth management business segment mainly comprises brokerage and wealth management business, margin financing and securities lending business and repurchase business.

#### 1. Brokerage and Wealth Management Business

In the first half of 2026, the A-share market overall fluctuated in an upward trend with significant structural market trends. The average daily trading volume of equity funds in the A-share market was approximately RMB3.25 trillion, representing a YoY increase of 98.55%. In terms of overseas market, the major indices in the Hong Kong stock market closed lower in the first half of 2026, and the average daily turnover in the market stood at approximately HK\$283 billion, representing an increase of approximately 17.8% as compared with the same period of last year. (Sources: Shanghai and Shenzhen Stock Exchanges, HKEX and Wind Info)

For the brokerage and wealth management business, in the first half of 2026, the Company actively integrated its resources to precisely provide a wide range of financial products and services, including stocks, funds, fixed-income products, margin financing and securities lending, investment advisors, futures, etc. to different customer bases, striving to build a comprehensive customer service platform and business ecosystem with complete business varieties. On the one hand, the Company continued to uphold a customer-centered philosophy, optimize its service matrix, and innovate service offerings and service tools, and promoted the high-quality development of brokerage business and wealth management in order to satisfy the multi-level and diversified wealth management and investment and financing needs of retail customers, high net worth customers, institutional customers and corporate customers. On the other hand, the Company has comprehensively deepened the layout of online channels featuring diversified channels and business models, effectively expanding its customer base and boosting user stickiness, with its internet-based traffic attraction standing among top market players in the industry. In the first half of 2026, the Company developed 2,026.50 thousand new customers for securities brokerage business, representing a YoY growth of 143.92%. Among them, the number of customers acquired online recorded a YoY growth of 231.39%, and the number of newly added high net worth clients recorded a YoY growth of 157.38%. As at the end of the Reporting Period, there were a cumulative of over 19 million customers in aggregate. The full-caliber scale of financial products exceeded RMB477.0 billion, and the scale of buyer customization business recorded a YoY growth of 266.94%. The market share of the scale of non-monetary ETFs recorded a YoY growth of 34.45%. A total of 321 public individual pension fund products were sold on an agency basis, with a coverage rate of 100%. The Company continuously optimized the customer experience in the mobile transaction client-side APP, "Qingting Dianjin", with average monthly active customers ranking No. 7 in the industry; accelerated the iterative upgrading of the "DeepTiming" AI smart data platform (信諦聽AI智數平台), with the cumulative number of contracted users exceeding 16,500. It continued to strengthen its leading advantage in the securities investment advisory service, with its fund investment advisory business progressing well, and during the Reporting Period, revenue from investment advisory recorded a YoY growth of 143.52%; and kept optimizing its financial product system to continuously uplift the supply of various products. The Company continued to consolidate the service system of the Entrepreneurs' Office (企業家辦公室), and executed 18 projects of strategic placement for employees during the Reporting Period, accounting for a market share of 17.48% and ranking No. 1 in the industry. (Sources: Shanghai and Shenzhen Stock Exchanges, Qianfan.tech, and statistics of the Company)

For futures brokerage business, in the first half of 2026, the cumulative trading volume of the futures markets in China was 5.105 billion lots, representing a YoY increase of 25.23%; the cumulative trading amount was RMB482.70 trillion, representing a YoY increase of 42.08%. As at the end of the Reporting Period, China Futures achieved an agency transaction amount of RMB20.13 trillion in total, representing a YoY increase of 39.66%. Among them, the agency transaction amount of commodity futures and options amounted to RMB13.95 trillion, representing a YoY increase of 61.08%; the agency transaction amount of financial futures and options amounted to RMB6.18 trillion, representing a YoY increase of 7.42%. During the Reporting Period, the market share of agency transaction amount of China Futures was 2.09%, and the number of new customers increased by 39,209; as at the end of the Reporting Period, there was a cumulative of 370,400 customers in aggregate. (Source: Statistics of the Company)

## SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

For international business, in the first half of 2026, the aggregate stock agency transaction amount of China Securities International was HK\$20.117 billion, and the product sales amount was HK\$1.362 billion, representing a YoY increase of 27.77%; as at the end of the Reporting Period, the total market value of the shares of customers under custody was HK\$15.677 billion, and the wealth management business in overseas markets achieved steady development.

### ***Outlook for the second half of 2026***

For securities brokerage and wealth management business, the Company will adhere to its original aspiration of serving the real economy and preserving and increasing the value of residents' wealth, proactively embrace industry changes, and deepen its wealth management transformation. We will give full play to the synergistic advantages of the "four-in-one linkage" (integrating investment research, investment, investment banking, and investment advisory) to build differentiated competitiveness in wealth management; continue to improve the full-life-cycle service system for financial products and investment advisory, and enhance asset allocation and service level of buy-side business; comprehensively promote the transformation of branch offices towards comprehensive operations, build our branch network into a solid base for comprehensive financial services; construct a closed-loop mechanism for refined customer operations featuring "capturing new customer additions, promoting customer activation, preventing customer loss, and strengthening services"; and accelerate digital and intelligent transformation, increase technological empowerment and scenario applications of core intelligent platforms such as "DeepTiming (信諦聽)", "Polaris (北極星)" and "AI Qingting Yida (AI蜻蜓翼答)", to create a new wealth management ecosystem with the characteristics of CSC (中信建投).

For futures brokerage services, China Futures will focus on the overall development goal of building a first-class investment bank in derivatives, accelerate the progress of digital and intelligent transformation, continuously improve its customer service system and optimize operational effectiveness and customer experience; actively deploy the wealth management business with futures features, strengthen buy-side business capacity and facilitate the mutual promotion between its wealth management business and brokerage business; deeply explore internal and external synergistic resources, to continuously improve its comprehensive ability of serving the real economy.

For international business, China Securities International will continue to improve clients' management and achieve win-win results for the appreciation of clients' assets and investors' long-term return in the same direction. It will steadily introduce high-quality investment products, build a comprehensive wealth management platform, and improve asset allocation service level. China Securities International will also take advantage of opportunities brought by mutual market access policies and leverage strengths on cross-border businesses to provide suitable asset allocation plans to clients and help clients achieve their wealth management goals.

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

In the first half of 2026, the scale of margin financing and securities lending business in the whole market continued to surge. As of the end of the Reporting Period, the balance of margin financing and securities lending in the whole domestic market was RMB3,020.396 billion, representing an increase of 18.88% as compared with the end of 2025.

During the Reporting Period, there were 12,500 net newly opened margin financing and securities lending accounts of the Company, representing a year-on-year increase of 40.94%. As of the end of the Reporting Period, the balance of margin financing and securities lending of the Company was RMB108.614 billion, representing an increase of 27.61% as compared with the end of 2025, with a market share of 3.60%; there were 229,000 margin financing and securities lending accounts, representing an increase of 5.76% as compared with the end of 2025; the margin financing and securities lending businesses achieved an overall maintenance margin ratio of 322.89%, the overall business risk of which was controllable. (Sources: Wind Info and statistics of the Company)

## SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

The Company continued to iteratively upgrade its intelligent investment research and risk control tool, the “Polaris Account Diagnosis Product”, to provide clients with comprehensive investment diagnosis services, covering early warnings for potential market risks, risk screening for individual stocks held in positions, and the identification and analysis of investors’ irrational trading behaviours. The product completed the brand-new upgrade of its phase III version, and simultaneously launched a multi-version omni-channel product system, effectively broadening the service coverage for clients. As at the end of the Reporting Period, the product had signed approximately 10,000 new margin financing and securities lending clients, bringing the cumulative number of signed margin financing and securities lending clients to nearly 40,000. The portfolio structure of risky underlying assets held by active clients of the product continued to be optimised, and their yield performance showed positive trends, effectively helping clients mitigate risks and increase relative returns.

For international business, as of the end of the Reporting Period, the balance of margin financing business of China Securities International was HK\$445 million.

### ***Outlook for the second half of 2026***

In the second half of 2026, the Company will stick to providing quality and efficient service to safeguard the development of its margin financing and securities lending business, striving to consolidate its business foundation and improve its service for clients. The Company will deepen its “investor-oriented” philosophy and create differentiated competitive advantages in margin financing and securities lending business through measures such as expanding business channels, widening the moat in financial technology, providing refined services combined with the requirements of the customer group, thereby enhancing its comprehensive service value.

For international business, China Securities International will constantly adhere to the principle of prioritizing risk control. The Company will concentrate on exploring the financing needs of transactional clients, steadily expanding the coverage of margin financing clients, and offering comprehensive investment and financing services to clients.

### **3. Repurchase Business**

In the first half of 2026, stock-pledged repurchase transaction business achieved a steady and healthy development in the whole market. The Company prudently carried out stock-pledged repurchase transaction business, in which the overall business risks were controllable. As of the end of the Reporting Period, the balance of principal of the Company’s stock-pledged repurchase transaction business was RMB4.913 billion, of which, the balance of the principal of investment (on-balance sheet) stock-pledged repurchase transaction business amounted to RMB1.948 billion, with an average collateral coverage ratio of 345.25%; the balance of principal of management (off-balance sheet) stock-pledged repurchase transaction business amounted to RMB2.965 billion. (Source: Statistics of the Company)

### ***Outlook for the second half of 2026***

In the second half of 2026, on the premise of ensuring that risks are measurable, controllable, and bearable, the Company will stably and prudently carry out collateralized stock-pledged repurchase transaction business. The Company will accelerate resource integration, and provide comprehensive financial services to strategic customers; strengthen risk identification on listed companies leveraging on its own investment research capability, and continuously prevent business risks; continuously improve asset quality of stock-pledged repurchase transaction business of the Company through internal refined management.

### **(III) Trading and Institutional Client Services Business Segment**

The trading and institutional client services business segment of the Group mainly comprises stock sales and trading businesses, fixed-income products sales and trading businesses, investment research business, prime brokerage business, QFI and WFOE businesses, and alternative investment business.



## SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

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### 1. Stock Sales and Trading Businesses

The stock sales and trading businesses of the Company mainly provide trading, advisory and research services, and sell stocks underwritten by the Company to institutional clients. The Company is also engaged in proprietary trading, market-making and over-the-counter derivatives businesses covering stocks, funds, ETFs, and financial derivatives including stock index futures, commodity futures, options and income swaps, among which over-the-counter derivatives business provides clients with customized options and income swaps products linked to various types of assets to meet the risk management and asset allocation demands of institutional clients.

With respect to the stock trading business, the Company always adhered to absolute return positioning, and closely analysed in detail and assessed domestic and overseas macroeconomic trends to dynamically optimize its position structure and position level, and actively explored market opportunities with risks under control. In terms of derivatives trading business, the Company steadily promoted OTC derivatives business such as OTC options and total income swaps. The Company steadily pursued product innovation and system development to offer a wide range of asset allocation services to both domestic and international investors. Meanwhile, the Company actively explored and practiced in its derivatives business centering around the “Five Major Areas”, and continued to perform its core function of assisting financial institutions in risk management. The Company continuously expanded the scope and scale of its market making business aiming to enhance its market competitiveness. The current market-making products include ETF funds, options, futures, stocks and other trading products, and the Company played an active role in providing market liquidity and facilitating price discovery. In addition, the Company also continued to implement its digital transformation strategy, promoted the system construction and upgrade of cross-border business, and provided customers with more convenient, comprehensive, multi-asset and one-stop trading experience.

In terms of stock sales business, the Company’s stock sales business continued to maintain its dominant position and market influence amid market volatility. In the first half of 2026, the Company completed the sales of 19 stock projects of A shares as a lead underwriter, including 3 IPO projects and 13 projects involving the issuance of shares to specific targets, and completed 3 convertible bond projects, with a cumulative sales amount of RMB32.037 billion. (Source: Statistics of the Company and Wind Info)

For international business, the institutional sales and trading businesses of China Securities International mainly provide trading, advisory and research services, and sell stocks underwritten by the Company to institutional clients. China Securities International has formed a cross-industry, cross-market and cross-asset-class research service matrix, constantly improving the service system for institutional clients, further enhancing its influence in the secondary stock market in Hong Kong and gradually establishing its brand awareness. As of the end of the Reporting Period, the cumulative number of clients for the institutional sales and trading businesses of China Securities International was 591, and the institutional clients’ cumulative stock trading volume realized in the first half of 2026 was HK\$128.983 billion.

#### ***Outlook for the second half of 2026***

In the second half of 2026, the Company will continue to adhere to the target of absolute returns, pay close attention to domestic and overseas macroeconomic trends and strengthen research on market strategies, closely track the changes in the industry, deeply explore individual stock opportunities, strictly control the risk of the portfolio, and proactively grasp periodic market trends. The Company will continue to expand the range of underlying assets and return structures for over-the-counter (OTC) derivatives in accordance with regulatory guidelines and market trends. It will also strengthen the development of cross-border businesses to meet the asset allocation and risk management needs of investors both at home and abroad, and enhance the market competitiveness of market-making business, as well as refine the self-owned fund investment system.

For international business, China Securities International will fully strengthen the support for overseas investment and research business for stock sales and trading businesses, continue to expand well-known buyer-side institutional clients and further solidify the client base.



## SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

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### 2. Fixed-Income Products Sales and Trading Businesses

The fixed-income products sales and trading business of the Company covers, among others, proprietary trading, market making, sales, investment advisory and related cross-border businesses in the FICC field, providing all-round, multi-level and one-stop comprehensive services for domestic and overseas customers, and the scope of service covers fields such as interest rates, credit, exchange rates, commodities, structured products and related derivatives, striving to become a reliable product supplier, strategy provider and transaction service provider for domestic and overseas customers.

In the first half of 2026, under the guidance of solidly advancing “Five Major Areas” in Finance, the Company coordinated and improved its domestic and overseas FICC business layout, fully supporting the high-quality development of capital markets. Rooted in the core mission of financial services serving the real economy, the Company actively engaged in the sales business of science and technology innovation bonds and green bonds, provided regular bilateral quotations for the two regional carbon markets in Shanghai and Hubei, and continuously strengthened market making capabilities for Sci-Tech Innovation Bond ETFs to improve product liquidity. Furthermore, the Company reinforced its investment capability construction, sharpened its market analysis and trading proficiency, and deeply explored investment opportunities in non-traditional fixed-income asset classes. International business achieved both quality and volume growth; despite a complex and volatile overseas market environment, the Company steadily expanded its foreign investment categories and, through China Securities International, became one of the first broker-class liquidity providers for USD/RMB foreign exchange futures on the Hong Kong Exchanges and Clearing Limited (HKEX). The Company also continuously perfected its full-chain, comprehensive FICC service system, with its bond sales volume firmly ranking among the top 3 in the market (Source: Wind Info). It iteratively upgraded investment advisory services, innovatively launching multiple “fixed income +” allocation strategies. By consistently enriching its domestic and overseas full-category FICC service toolkits, the Company precisely matched the diversified needs of domestic clients “going global” and “bringing in” high-quality international capital, and steadily enhanced its comprehensive client service capabilities.

For international business, during the Reporting Period, China Securities International achieved bond trading volume of HK\$70.305 billion, representing a YoY increase of 11.77%.

#### ***Outlook for the second half of 2026***

In the second half of 2026, the Company will continue to anchor its goal of building a first-class investment bank, and leverage its professional advantages in the FICC business to serve the high-quality development of the real economy. Adhering to the business philosophy of “professionalism, customer first, international vision and pursuit of excellence”, the Company will continue to strengthen its investment capability building, perfect the investment and research system, deepen market analysis, and strengthen strategy research and development to solidify its core competitiveness. The Company will accelerate its international layout, expand its global business footprint and enhance domestic and overseas collaborations to increase its global market visibility and influence. The Company will deepen its focus on the client market, make concrete efforts in strengthening its customer service system to diversify service scenarios for clients and enhance its client service capabilities across the chain.

### 3. Investment Research Business

The investment research business of the Company mainly provides domestic and foreign institutional clients with research consultation services covering macroeconomics, fixed income, economic and industrial policies, asset allocation, market strategy, financial engineering, and research on industry, companies and other fields. Major clients include public funds, insurance asset management institutions, private funds, National Social Security Fund, banks and bank wealth management subsidiaries, securities firms and asset management subsidiaries, trust companies and other domestic and foreign financial institutions.





## SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

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In the first half of 2026, the investment research business of the Company focused on enhancing its research capabilities and market influence in key areas of the national economy. We strengthened in-depth, collaborative research on coordination between the upstream and downstream segments of industrial chains, deepened the synergy between the primary and secondary markets, and continuously expanded our research coverage of listed companies, driving research upgrades and the deepening of services, ranking at the forefront in research among all types of institutional clients. We accelerated the expansion of our internationalized research business and further refined our industry-specific research framework. Our coverage of overseas targets, along with our specialized offshore field trips and roadshows, gained widespread recognition, effectively supporting the global asset allocation needs of both domestic and overseas clients. We advanced the development of our intelligent investment research platform continually, where the deployment of multiple AI research agents such as the “Multi-Asset Allocation Platform” and “Industry Analysis Skill” yielded initial success, boosting our research intelligence and client service efficiency. We have been continually upgrading our multi-platform, multi-dimensional client service system, and have successfully hosted many signature events, including the Commercial Aerospace, “Tech + Cyclical,” and Future Industries & Equity Investment Forums, earning full praise from all participants. Additionally, we are committed to building a top-tier securities think tank. To that end, we have set up the Future Industries Institute to deepen our research into macroeconomics, industrial policies, and frontier trends in future industries. Our aim is to provide professional research to support policy-making by government at all levels and our clients’ industrial investment decision-making, while driving the integrated, high-quality development of our investment research, investment, investment banking, and investment advisory businesses – what we call the “four-in-one linkage” synergy.

### ***Outlook for the second half of 2026***

In the second half of 2026, the Company will orient its efforts toward serving national strategies and contributing to the overall development of a financial powerhouse. The Company will improve and refine a research system featuring “two-way coordination and integrated empowerment” between the Research and Development Department and the the Future Industries Institute. Moving forward, the Company will continuously strengthen its core capabilities in both sell-side research and high-end think tank services. The Company plans to deepen and expand the application of AI technologies in the investment research, enrich its client service initiatives, and accelerate the development of a globalized, highly collaborative research service framework. The Company aims to forge a securities research brand with widespread global market influence, while building an industry-leading, “resource-integrating” high-end think tank. Furthermore, the Company will deeply support the development of the “four-in-one linkage” mechanism, with investment research serving as the brain, shifting from traditional securities research towards in-depth industry insights, strengthening research support across all internal business lines, and empowering the Company’s business to achieve high-quality development.

### **4. Prime Brokerage Business**

The Company provides market-leading full-chain prime brokerage services to institutional clients, including trading service, account service, product design and agency sales (including the introduction of public funds, private funds and quasi-fixed income products), institutional investment and financing service, asset custody service, product operating service, research service, financing solution and value-added services.



## SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

The Company's institutional business has built a multi-dimensional integrated trading service system for institutional clients encompassing Prime Brokerage (PB) services, institutional connect services, strategy algorithm bus services and institutional dedicated counter services. As one of the securities companies that possesses and undertakes the widest range of businesses, and supports most types of prime brokerage systems, the Company has currently supported markets and types of transactions including SSE, SZSE, BSE, margin financing and securities lending, stock index futures, commodity futures, stock options, Southbound Trading and over-the-counter mutual funds to offer its clients convenience and favorable experience in carrying out various businesses at the same time. The Company's proprietary algorithmic trading platform embedded in its prime brokerage system continues to deliver industry-leading algorithmic trading execution performance. New services such as algorithmic trading in commodity futures and options also meet clients' diversified trading needs. The Company's self-developed special counter for institutional transactions provides financial institutions with independent and richer functional trading channels, which is widely recognized by institutional clients. In the first half of 2026, trading volume of the Company's prime brokerage business continued to grow, algorithmic trading performance continued to improve, and the client base continued to diversify and expand. As of the end of the Reporting Period, the number of existing customers in the Prime Brokerage (PB) system of the Company was 26,969, representing a YoY increase of 30.20%; a total of 35 public fund management companies and 13 insurance asset management institutions used the Company's algorithmic trading services in live trading, and a total of 159 clients used the Company's agency trading services, covering a total of 198 trading instruments. In respect of product introduction, the Company has long maintained its industry-leading position, with the number of publicly offered fund products introduced ranking first in the industry for several consecutive years.

In respect of the custody business, during the Reporting Period, the Company added 24 new public funds under custody, ranking first in the industry. As at the end of the Reporting Period, the scale of public funds under custody amounted to RMB298.454 billion, ranking among the top three in the industry. The number of asset custody products was 5,808, and the number of operation service products was 6,705. (Source: Choice Financial Terminal, statistics of the Company)

### ***Outlook for the second half of 2026***

In the second half of 2026, with the aim to constantly satisfy professional and institutional investors' trading needs, the Company will continue to improve its various types of prime brokerage systems and special counter services for institutions. The embedded algorithmic trading platform will connect with a wider range of trading systems and provide clients with a broader range of algorithmic trading strategies. The Company will keep abreast of the changes in the market environment and regulatory policy to further build a diversified and personalized professional trading service system, so as to further meet the trading needs of various clients. For custody services, the Company will continuously strengthen internal synergy and promote the increase in both the number and scale of public and private funds under custody. In addition, the Company will proactively expand international businesses and actively explore the implementation of cross-border integrated fund administrator business. Furthermore, it will vigorously advance the digital and intelligent custody system development, boost operational efficiency and client service quality, and establish a distinctive brand for custody and operation services.

### **5. QFI and WFOE Businesses**

As a domestic broker of QFIs and WFOEs, the Company has accumulated many years of experience in serving foreign clients and has always been committed to providing a full range of one-stop financial services for foreign institutions such as QFIs and WFOEs. In the first half of 2026, the Company fully leveraged its advantages of cross-border integration, strengthened the synergy between domestic and overseas sales, and continuously explored business opportunities from QFIs, WFOEs and other foreign institutions. Relying on its top-tier securities research and corporate access services, the Company enhanced client stickiness, continuously upgraded and improved the trading system and trading algorithms, and optimized its operation processes to improve the investment and trading experience of foreign clients, successfully establishing multiple trading and settlement models capable of meeting different strategies, with the trading volume increasing significantly year-on-year. Currently, the Company has established a specialized investment and trading service system for foreign institutions, which features comprehensive securities research service, dual trading and operation centers in Beijing and Shanghai, an advanced trading system and intelligent trading algorithms.

## SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

### ***Outlook for the second half of 2026***

In the second half of 2026, the Company will proactively seize the opportunities in the development of QFI business, fully leverage the geographical advantages of China Securities International in Hong Kong, deepen its cross-border integrated layout, continue to build a diversified network for foreign clients, and particularly intensify coverage over leading foreign institutions. The Company will continue to consolidate its research service capabilities, with a particular emphasis on advancing the international expansion of its research business. The Company will continuously upgrade the functions of its trading system, optimize its trading links, and accelerate the digital transformation of its business, so as to better meet clients' needs for diversified trading strategies, providing industry-leading securities research and trading services to QFIs, WFOEs and other foreign clients. Meanwhile, the Company will integrate its advantageous resources to deliver high-level, all-round, diversified and differentiated comprehensive financial services to foreign institutional clients. With professional services as the core and the research business as the support, the Company will comprehensively enhance its service capabilities across a full spectrum of products, including derivatives, margin financing and securities lending, and block trades, to assist clients in maximizing their returns, further enhance the international influence of the Company, and promote the synergistic development of its domestic and overseas businesses.

### **6. Alternative Investment Business**

In the first half of 2026, benefiting from the rising investment enthusiasm in frontier sectors such as artificial intelligence and embodied intelligence, coupled with the continuous implementation of industrial support and favorable capital market policies at the national level, the domestic equity investment and financing market maintained an overall active momentum. China Securities Investment firmly anchored the core mainlines of technological innovation and developing new quality productive forces. It consistently solidified its investment and research capability construction in key areas of national strategy, precisely unearthed premium targets with high growth potential, and continuously expanded the layout breadth and investment intensity in strategic emerging industries and future industries. As a result, its operating performance steadily improved, and its asset scale became more optimized and robust. During the Reporting Period, China Securities Investment successfully executed 21 investment projects with a total investment amount of RMB770 million, with all new investments directed toward premium projects aligning with the development direction of new quality productive forces. Among the invested projects, 12 new IPO applications were filed.

### ***Outlook for the second half of 2026***

In the second half of 2026, China Securities Investment will firmly seize the development opportunities of scientific and technological innovation, focus its efforts on the layout of strategic emerging industries and future industries, and continuously increase its investments in new quality productive forces, thereby highlighting its functional positioning as a strategic investment platform. Furthermore, China Securities Investment will deepen multi-party synergy and promote the deep alignment of its investment business with the national innovation system, striving to achieve steady growth in asset scale and the continuous optimization of its asset structure.

## **(IV) Asset Management Business Segment**

The asset management business segment of the Group mainly includes asset management business of the securities companies, fund management business and private equity investment business.

### **1. Asset Management Business of the Securities Companies**

In the first half of 2026, the asset management industry of securities companies adhered to its functional positioning, actively assisting investors in optimising asset allocation to achieve steady wealth appreciation. With the continuous deepening of the transformation towards active management, the asset management institutions of securities firms continuously leveraged their professional advantages to serve the real economy, solidified their core competitiveness, effectively enhanced investors' sense of gain, striving to promote the high-quality development of the capital market.

## SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

During the Reporting Period, the Company's asset management business persisted in returning to the core mission of active management and actively cultivated differentiated competitive advantages. Centering on the "client-centric" and "product-centric" approaches, the Company built a customized product and service framework tailored to the full-lifecycle asset management needs of clients. It continuously solidified its active management capabilities and cross-business-chain synergistic efficiencies, effectively unlocking the business value chain cycle to comprehensively elevate its comprehensive financial service capabilities. Concurrently, the Company deepened its digital and intelligent transformation and systematically advanced its international layout, resulting in a steady upgrade of its cross-border integrated comprehensive service capabilities.

As of the end of the Reporting Period, the entrusted capital scale of the Company's customer asset management reached RMB625.575 billion, representing a YoY increase of 28.92%, including collective asset management business, single asset management business and specialized asset management business. The details are listed as follows:

Unit: RMB'00 million

| Category                              | Scale         |               |
|---------------------------------------|---------------|---------------|
|                                       | June 30, 2026 | June 30, 2025 |
| Collective asset management business  | 1,455.85      | 1,122.41      |
| Single asset management business      | 2,132.91      | 1,709.08      |
| Specialized asset management business | 2,666.99      | 2,020.89      |
| Total                                 | 6,255.75      | 4,852.38      |

Source: Securities Association of China

In terms of international business, in the first half of 2026, China Securities International successfully completed its first QFI transaction, marking a favorable beginning for overseas investors' participation in the domestic capital market. Furthermore, it optimized the notes investment advisory business model and guided domestic funds to participate in the overseas notes market through cross-border structured-deposit, effectively expanding the investment opportunities for domestic investors to participate in overseas markets. As of the end of the Reporting Period, the asset management business scale of China Securities International was approximately US\$1.581 billion, representing a significant YoY increase, of which the investment management scale of Bond Fund was approximately US\$214 million, the management scale of Balanced Fund was approximately US\$23 million, and the management scale of Discretionary Accounts was approximately US\$1.345 billion.

### Outlook for the second half of 2026

In the second half of 2026, the Company's asset management business will continue to firmly adhere to its primary responsibilities and core businesses, dedicate itself to long-term value creation, and comprehensively strengthen the construction of its investment and research system. It will enrich and perfect its matrix of characteristic strategies, satisfy clients' differentiated needs through diversified asset allocation, consistently boost digital and intelligent operational efficiencies, accelerate its international layout, and enhance its professional capabilities in overseas asset allocation, thereby continuously creating long-term, steady returns for investors.

### 2. Fund Management Business

Since the beginning of 2026, the public fund industry has sustained its expansion momentum, with its total scale continuing to climb amid market volatility. As of the end of the Reporting Period, the total scale of the industry reached RMB39.67 trillion, representing an increase of 5.20% from the beginning of the year. The industry is currently in a critical period of transitioning from quantitative expansion to qualitative improvement, with its development logic accelerating a transformation from "scale-oriented" to "return-oriented." (Source: Asset Management Association of China)



## SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

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In the first half of 2026, China Fund adhered to focusing on the interests of stakeholders, continued to strengthen the construction of investment research capabilities and improve its investment capabilities for absolute gains, while actively expanding into innovative businesses such as commercial real estate REITs and continuously enhancing the quality and efficiency of financial services for the real economy. During the Reporting Period, China Fund, acting as the fund manager, successfully launched the first batch of publicly offered commercial real estate REITs in the PRC, which was also the first of its kind in Beijing — the CSC SUNLON Commercial REIT. This project is a landmark project launched in Beijing following the expansion of the pilot program for publicly offered commercial real estate REITs. As of the end of the Reporting Period, the asset management scale of China Fund reached RMB172.696 billion, of which the management scale of public funds was RMB104.153 billion; the aggregate management scale of special account products of China Fund and the special account products of its fund subsidiaries was RMB68.543 billion. Among 65 funds participating in the market return ranking, 32 funds ranked in the top 50%. (Sources: Wind Info and statistics of the Company)

### ***Outlook for the second half of 2026***

In the second half of 2026, under the guidance of the regulatory policies, China Fund will thoroughly implement the requirements of the “15th Five-Year Plan” outline, continue to adhere to the core principle of prioritizing investor interests, vigorously promote the iterative upgrade of its investment and research system, strengthen industry trend analysis alongside deep individual stock picking, and consistently enhance investment performance as well as unitholders’ sense of gain. Regarding business layout, the Company will accelerate the pace of product innovation, further expand and enrich its product system, and elevate its asset allocation service capabilities. Meanwhile, the Company will persist in prudent operations and bottom-line thinking, safeguarding the steady and sustained progress of its business through high-quality corporate governance and operations, striving to contribute greater strength to the ecological optimization of the public fund industry and the healthy development of capital markets.

### **3. Private Equity Investment Business**

In the first half of 2026, China’s equity investment market accelerated its march towards high-quality development, with hard technology emerging as the absolute main theme of market investments.

During the Reporting Period, China Capital actively implemented the “four-in-one linkage” strategy, leveraging its comprehensive financial service system to deepen business synergy mechanisms. By combining equity investment with industrial capital, China Capital provided portfolio enterprises with value-added services such as project matchmaking, post-investment empowerment, and capital operations, helping hard technology enterprises broaden financing channels and optimize exit pathways. In terms of industry allocation, China Capital continued to focus on the hard technology field, with investments primarily concentrated in strategic emerging industries such as integrated circuits, advanced materials, information technology, and intelligent equipment, while continuously scaling up its investment layout in technologically innovative enterprises. In the first half of 2026, China Capital increased its fund management scale by RMB4.501 billion, ranking 4th among private equity subsidiaries of securities companies; and completed project investments of RMB1.913 billion, representing a YoY increase of 91.49%. The invested projects accurately focused on key areas, of which the investment in technology projects was RMB1.538 billion. As of the end of the Reporting Period, China Capital had 86 registered funds under management with a fund management scale exceeding RMB82.4 billion. (Source of data: Asset Management Association of China, statistics of the Company)

### ***Outlook for the second half of 2026***

In the second half of 2026, China Capital will continue to take investment as its core mission, empowerment as key lever, and synergy as the characteristic, to actively integrate into the national future industrial system. On the one hand, China Capital will focus on cultivating new quality productive forces, increase support for strategic emerging industries and key links in the industrial chain, strengthen the role of investment as a bridge, and promote a shift from pursuing short-term financial returns to cultivating patient capital; on the other hand, relying on the “four-in-one linkage” strategy, China Capital will continuously optimize its capabilities across the entire chain of “Fundraising, Investment, Management and Exit” (募投管退), actively broaden diversified exit paths, and contribute professional strength toward cultivating new quality productive forces and building a modern industrial system.

## SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

**Material changes in the Company's operational status during the Reporting Period, and events that occurred during the Reporting Period that have or are expected to have material impacts on the Company's operational status**

Not applicable.

### III. ANALYSIS ON CORE COMPETITIVENESS DURING THE REPORTING PERIOD

#### **(i) Comprehensive Financial Service Platform with Distinctive Investment Banking Advantages and Balanced Development of Various Businesses**

The Company is a large-scale comprehensive securities company with a full range of securities business licenses. Its investment banking business ranks among the top in the industry with excellent capabilities, and its equity and debt financing businesses have long maintained leading positions in the market. With a balanced business structure, the Company has formed a business ecosystem where investment banking is prominently competitive, featuring complete service chains and closed-loop value chains across all businesses, which provides clients with one-stop integrated financial services. Centering on the enterprise life cycle and individual life cycle, the Company has realized an integrated domestic and overseas service system to satisfy the one-stop solution needs for corporate and retail business, investments and investment banking, and asset management and wealth management, covering investment research, value identification, financing support, asset allocation, investment and trading, wealth management, risk hedging and a series of other services. Focusing on clients' needs, and practicing the philosophy of "One CSC, One Client", the Company strives for "Single-point access, all domain linkage", and takes characteristics into full consideration to provide customized models and solutions such as the "four-in-one linkage" of "investment research + investment + investment banking + investment advisory", the "three-financial service integration" of "wealth management + asset management + investment management", and the "two-way access" to "FICC + equity investment". The innovative and leading business models and the healthy and balanced business system enable the Company to help clients seize opportunities, resist fluctuations, and traverse cycles. The comprehensive, steady and balanced business development system has become the cornerstone for satisfying customer value and achieving its own high-quality development.

#### **(ii) Solid Client Base and Integrated Service Network with Mutually Facilitated Online and Offline Channels**

The Company has built a deep and solid base of high-quality clients, with its physical branches spanning 30 provinces, autonomous regions, and municipalities in the Chinese Mainland and Hong Kong. Headquartered in Beijing, with Shanghai and the Guangzhou-Shenzhen region as two regional centers and Hong Kong serving as its international business platform, the Company has an integrated service network that provides trading services across international mainstream markets such as A shares, Hong Kong equities, US equities and Japanese equities. The Company has strategically and extensively positioned itself in the Beijing-Tianjin-Hebei region, the Yangtze River Delta, the Guangdong-Hong Kong-Macao Greater Bay Area, and the Chengdu-Chongqing Economic Circle, so as to provide more convenient and higher-quality services for governments, enterprises, financial institutions, and individuals. By providing planning, industrial layout and financing services for various regions, as well as investment guidance and support, while providing integrated financial services for corporate and financial institutional clients, the Company has established long-term, mutually trusted partnerships with many local governments, numerous high-quality enterprises and financial institutions, becoming a strategic companion in regional development and corporate growth. Furthermore, the Company provides professional, inclusive, intelligent and convenient asset allocation and wealth management services for a vast number of investors. The service network, which coordinates headquarters with regional centers, interconnects between online and offline channels, and integrates domestic and overseas operations, has become the most effective foundation for the Company to expand client reach, enhance customer service, strengthen client recognition, and provide long-term client companionship.



## SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

### **(iii) Leading Technology Applications, Reflected in Technology System Emphasizing Both Hard Foundation of Technological Innovation and Soft Power of Business-Technology Integration**

The Company has built an independent, market-leading and controllable Fin-Tech capability system that prioritizes security, and is deeply integrated into the business. In strict compliance with national requirements for graded protection of cyber security, and based on ISO20000 and ISO27001 standards, the Company has built a comprehensive and in-depth protection mechanism covering network security, data security and personal information protection, effectively safeguarding the safe and stable operation of information systems. Under the premise of security and controllability, the Company actively embraces technological transformation, and systematically applies technologies such as artificial intelligence, cloud computing, and big data to various fields such as investment research, intelligent investment advisory, client service, risk management and operational management. With both its own business capabilities and its ability to serve clients empowered by technology, the Company is the proposer and firm practitioner of “Digital-Intelligent Investment Bank”. The Company has launched a group of intelligent benchmark products, including the “Qingting Dianjin” (蜻蜓點金) APP, the “Youwen” (優問) service platform, the “DeepTiming AI Intelligent Digital Platform (信諦聽 AI智數平台)”, the “OctoX – An Intellectual FICC Integration Platform” (八爪魚) and “Trident” (三叉戟) platforms, the institutional business “Institutional Connect” (機構通), the investment banking business “DCM Six Gates” (DCM六扇門) and “Gatekeeper” (看門人) platforms, the “intelligent research-intelligent digitalization-intelligent inquiry” systems in the research field, and the “Polaris” (北極星) system for securities finance. These constitute a digital product and service matrix covering front-end, middle-end, and back-end offices across multiple business lines. The Company has obtained the highest Level 5 (Optimising Level) certification under the National Data Management Capability Maturity Assessment Model (DCMM). The scenario-based, digital and intelligent technology applications empower client service, talent development, and management improvement, and are gradually becoming the main core competitiveness that supports the Company’s next stage of high-quality development.

### **(iv) Adhering to Long-termism and Continuously Building the Party’s Professional and Formidable Financial Team**

The Company is unswervingly dedicated to building the Party’s professional and formidable financial team with excellent political integrity, capability, conduct, and performance. Guided by the fundamental principles of valuing honesty and trustworthiness, earning profit through righteousness, acting with steadiness and prudence, upholding integrity in financial innovation and complying with laws and regulations, the Company adheres to the “three-do” work style of “taking responsibility, acting immediately, and handling well”, and vigorously advocates five kinds of new spirit of “pursuing excellence, seeking truth and being pragmatic, innovation, unity and collaboration, and hard work and plain living”. Supported by the Party’s professional and formidable financial team, the Company implements the Party Central Committee’s guidelines, principles and policies, fulfils regulatory requirements, and advances steadily on the broad road toward becoming a first-class investment bank. The Company follows market principles, balances the functional role of finance with profitability, pursuing a path of high-efficiency development. It strengthens risk control and compliance management to ensure secure and stable operations. Adhering to the guiding principle of seeking progress while maintaining stability, the Company advances high-quality development that is both efficient and sustainable. The Company’s leadership team combines forward-looking vision, extensive experience, and diverse professional expertise, with a well-balanced structure across senior, midcareer, and younger members, guiding the development toward a new stage during the “15th Five-Year Plan”. The Company broadens the channels for talent selection, strengthens employer brand building, carries out talent introduction in an orderly manner, and constantly absorbs and cultivates professional, international and technical talents. Persistently committed to “investing in people”, the Company provides employees with multi-dimensional development space and a broad development platform, while ensuring that the scale, quality and development strategy of the workforce are compatible. In adherence to the principle of keeping the nation’s fundamental interests in mind and upholding a long-termism business philosophy, the Company fosters an environment in which talent thrives, and this shapes a strong corporate mindset and ethos that empowers the Company to accompany a broad base of investors in understanding and navigating economic cycles and striving for sustained success across market cycles.



## SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

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### **(v) Adhering to Healthy Development with Industry-leading Compliance and Risk Control and Prudent and Steady Business Philosophy**

Being one of the first six pilots to consolidate supervisory undertakings and one of the first companies on the regulatory “whitelist” in the domestic securities industry, the Company has always placed compliance and risk control at the core of its operation and development, adhered to the principle of “substance over form”, and built an industry-leading comprehensive risk management system. It achieves effective oversight of subsidiaries at all levels and on and off-balance-sheet items, domestic and overseas operations, and local and foreign currency businesses, ensuring no risk blind spots. By coordinating development and security from a strategic perspective, the Company continues to promote the adoption and implementation of the core principle of “ensuring effective risk prevention while driving strong development” among all employees, upholds the strict rule of “no business without rules”, and builds a comprehensive risk management safeguard. The Company continuously refines its internal control mechanism, and conducts regular internal control audits and special inspections to ensure the effectiveness and adaptability of the internal control mechanism, strictly guarding the “entrance” of the capital market, and fulfilling its role as the “gatekeeper” of the capital market. The Company has built a relatively systematic risk control system for new businesses, effectively covering new risk types, new businesses, and new institutions. This has created an industry-leading example of unified risk management for the same business and the same client, while firmly safeguarding the bottom line to prevent systemic financial risks. Adhering to the business ideas of prudence, steadiness, and healthy development, the Company is committed to achieving a long-term dynamic balance among scale, efficiency, and risk, while prioritizing long-term value post risk adjustment. The steady and sound growth throughout the years has forged a highly recognized, prudent corporate image, serving as the fundamental guarantee for the Company’s sustainable, high-quality development.

### **(vi) Strong Shareholder Background Ensuring Scientific Corporate Governance and Possessing Both Strategic and Business Synergy Value**

The Company’s main contributors are Beijing Financial Holdings Group Limited, Central Huijin Investment Ltd., and CITIC Financial Holdings Co., Ltd. The strong state-owned shareholder base has fundamentally defined the Company as the Party’s state-owned financial enterprise and built a solid cornerstone for forming a modern corporate governance system characterized by “clear rights and responsibilities, smooth operations, effective checks and balances, and efficient synergy”. The composite shareholder base has endowed the Company with unique resource advantages. At the macro level, the shareholders’ foresight and profound grasp of national policies provide directional guidance for the Company, ensuring that the Company’s development resonates with national strategies. At the business level, the rich physical industrial ecosystem, integrated financial ecosystem, and resources of channels, clients, and partners within the shareholders’ systems provide abundant scenarios for the Company’s main securities business. As large state-owned enterprises with strong capital strength, mature experiences in capital operation, extensive market resources, and strong public recognition, the three main contributors are important implementers of national strategies and important pioneers in financial reform. The strong state-owned shareholder base will provide effective endorsement and substantial support for the Company to eventually become a first-class investment bank and investment institution.



## SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

### IV. MAJOR OPERATING RESULTS DURING THE REPORTING PERIOD

#### (I) Profitability Analysis

In the first half of 2026, the Group realised total revenue and other income of RMB23,087 million, representing a YoY increase of 41.81%, with the changes in key items as follows:

- fee and commission income amounted to RMB10,000 million, representing a YoY increase of 42.11%, which was mainly due to the YoY increase in fee and commission income from brokerage business in the first half of 2026;
- interest income amounted to RMB4,622 million, representing a YoY increase of 11.99%, which was mainly due to the YoY increase in interest income from margin financing and securities lending business in the first half of 2026;
- net investment gains amounted to RMB8,023 million, representing a YoY increase of 74.38%, which was mainly due to the YoY increase in net gains from financial assets at fair value through profit or loss in the first half of 2026.

In the first half of 2026, the total expenses of the Group amounted to RMB13,270 million, representing a YoY increase of 21.10%, with the changes in key items as follows:

- fee and commission expenses amounted to RMB2,645 million, representing a YoY increase of 60.30%, which was mainly due to the YoY increase in fee and commission expenses from brokerage business in the first half of 2026;
- interest expenses amounted to RMB4,216 million, representing a YoY increase of 8.38%, which was mainly due to the YoY increase in interest expenses on financing items such as short-term financing instruments payables and short-term borrowings in the first half of 2026;
- staff costs amounted to RMB3,944 million, representing a YoY increase of 19.33%, which was mainly due to the YoY increase in staff salaries in the first half of 2026.

In the first half of 2026, the Group realised net profit attributable to equity holders of the Company of RMB7,639 million, representing a YoY increase of 69.44%, and realised basic earnings per share of RMB0.92 per share, representing a YoY increase of 76.92%. The return on weighted average equity was 8.29%, representing a YoY increase of 3.18 percentage points.

## SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

### (II) Asset Structure and Asset Quality

During the Reporting Period, the Company recorded growth in both total assets and total liabilities.

As of June 30, 2026, the Group's total assets amounted to RMB860,451 million, representing an increase of RMB183,635 million, or 27.13%, as compared with that as at December 31, 2025. After deducting accounts payable to brokerage clients and accounts payable to underwriting clients, the Group's total assets amounted to RMB597,204 million, representing an increase of RMB96,324 million, or 19.23%, as compared with that as at December 31, 2025. In terms of structure, investment assets, mainly including investments in financial assets and investments in associates, accounted for 65.47%; margin accounts and financial assets held under resale agreements accounted for 19.29%; cash and bank balances accounted for 11.19%; and other assets accounted for 4.05% in aggregate.

As of June 30, 2026, the Group's total liabilities amounted to RMB734,667 million, representing an increase of RMB177,002 million, or 31.74%, as compared with that as at December 31, 2025. After deducting accounts payable to brokerage clients and accounts payable to underwriting clients, the Group's total liabilities amounted to RMB471,420 million, representing an increase of RMB89,690 million, or 23.50%, as compared with that as at December 31, 2025. In terms of structure, financial assets sold under repurchase agreements accounted for 32.85%; short-term borrowings, placements from banks and other financial institutions, short-term financing instruments payable and bonds in issue with maturity within one year accounted for 25.76%; bonds in issue accounted for 22.52%; financial liabilities at fair value through profit or loss and derivative financial liabilities accounted for 6.63%; and other liabilities accounted for 12.24% in aggregate.

As of June 30, 2026, the Group's equity attributable to equity holders of the Company amounted to RMB125,742 million, representing an increase of RMB6,640 million, or 5.57%, as compared with that as at December 31, 2025.

As of June 30, 2026, after deducting accounts payable to brokerage clients and accounts payable to underwriting clients, the gearing ratio of the Group was 78.94%, representing an increase of 2.73 percentage points as compared with that as at December 31, 2025.

### (III) Cash Flow Status

After deducting the impact of changes in accounts payable to brokerage clients, the Group's net increase in cash and cash equivalents was RMB12,082 million in the first half of 2026, representing a YoY increase of RMB8,772 million, which was mainly attributable to the net cash inflow from financing activities exceeding the net cash outflows from operating activities and investing activities.

Net cash outflow from operating activities in the first half of 2026 was RMB22,402 million, while net cash inflow was RMB45,046 million for the corresponding period of 2025, which was mainly attributable to the YoY increase in net cash outflow from operating activities as a result of the increase in financial assets at fair value through profit or loss.

Net cash outflow from investing activities in the first half of 2026 was RMB1,127 million, representing a YoY decrease of RMB32,832 million, which was mainly attributable to the YoY decrease in net cash outflow as a result of the changes in financial assets at fair value through other comprehensive income.

Net cash inflow from financing activities in the first half of 2026 was RMB35,610 million, while net cash outflow was RMB7,777 million for the corresponding period of 2025, which was mainly attributable to the YoY increase in cash inflows from issuing bonds and short-term financing instruments.

## SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

### (IV) Items Measured at Fair Value

Unit: RMB million

| Item                                                              | December 31,<br>2025 | June 30,<br>2026      | Changes<br>during<br>the period | Amount of<br>impact on<br>profit |
|-------------------------------------------------------------------|----------------------|-----------------------|---------------------------------|----------------------------------|
| Financial assets at fair value through profit or loss             | 186,665              | <b>241,059</b>        | 54,394                          | 12,112                           |
| Financial assets at fair value through other comprehensive income | 145,571              | <b>146,764</b>        | 1,193                           | 2,103                            |
| Derivative financial assets                                       | 2,282                | <b>3,082</b>          | 800                             | -4,536                           |
| Derivative financial liabilities                                  | 6,529                | <b>7,341</b>          | 812                             |                                  |
| Financial liabilities at fair value through profit or loss        | 11,610               | <b>23,906</b>         | 12,296                          | -411                             |
| Total                                                             | <u>352,657</u>       | <u><b>422,152</b></u> | <u>69,495</u>                   | <u>9,268</u>                     |

The Company's investments in various financial instruments, including securities, funds and derivatives, constitute one of the principal businesses of the Company and its subsidiaries, and are all measured at fair value. For details, please refer to Note 20 "Financial assets at fair value through profit or loss", Note 21 "Financial assets at fair value through other comprehensive income", Note 27 "Derivative financial instruments" and Note 34 "Financial liabilities at fair value through profit or loss" to the consolidated financial statements.

### (V) Status of Major Restricted Assets as of the End of the Reporting Period

As of June 30, 2026, please refer to Note 20 "Financial assets at fair value through profit or loss", Note 21 "Financial assets at fair value through other comprehensive income" and Note 30 "Cash and bank balances" to the Consolidated Financial Statements of this report for details of the major restricted assets.

## SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

### (VI) Analysis on Major Controlled Companies and Investee Companies

Unit: RMB'00 million

| Company name                   | Company type | Principal business                                                                                                                                                                                                                     | Registered capital                   | Total assets | Net assets | Total revenue and other income | Profit before income tax | Net profit |
|--------------------------------|--------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------|------------|--------------------------------|--------------------------|------------|
| China Futures                  | Subsidiary   | Commodity futures brokerage, financial futures brokerage, futures investment consultation, asset management and fund sales.                                                                                                            | 14.00                                | 628.88       | 49.27      | 24.08                          | 5.72                     | 2.86       |
| China Capital                  | Subsidiary   | Project investment, investment management, asset management and financial advisory (excluding intermediaries).                                                                                                                         | 35.00                                | 53.97        | 28.46      | 2.32                           | 1.67                     | 1.26       |
| China Securities International | Subsidiary   | Holding and investment, and its subsidiaries might engage in businesses including securities brokerage, asset management, corporate finance, investment consultation, futures trading, proprietary investment and insurance brokerage. | Paid up capital of HK\$5,500 million | 857.84       | 66.42      | 18.10                          | 6.79                     | 5.46       |
| China Fund                     | Subsidiary   | Fund raising, fund sales, specific customer asset management, asset management and other businesses approved by the CSRC.                                                                                                              | 4.50                                 | 12.10        | 9.90       | 2.45                           | 0.77                     | 0.57       |
| China Securities Investment    | Subsidiary   | Investment management, equity investment and management, investment consultation (excluding intermediaries) and project investment.                                                                                                    | 61.00                                | 94.95        | 68.69      | 17.84                          | 17.57                    | 13.17      |

Note: The relatively significant YoY increase in the operating results of China Securities Investment was mainly attributable to the impact of changes in the fair value of financial assets at fair value through profit or loss.

### Acquisition and disposal of subsidiaries during the Reporting Period

Not applicable.

## SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

### (VII) Information of Securities Branches

As of the end of the Reporting Period, the Company had a total of 45 securities branches, the details of which were as follows:

| No. | Branch                                | Date of establishment | Registered address                                                                                                                           | Contact number   |
|-----|---------------------------------------|-----------------------|----------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| 1   | Hubei Branch                          | February 6, 2012      | 3/F, Block A, Longyuan Building, 24 Zhongbei Road, Wuchang District, Wuhan City                                                              | 027-87890128     |
| 2   | Shanghai Branch                       | February 6, 2012      | Nos. 01, 02, 06, 07, 18/F, Block T2, No. 398 Huoshan Road, Yangpu District, Shanghai                                                         | 021-55137961     |
| 3   | Shenyang Branch                       | February 7, 2012      | No. 1, 12/F, 61 Beizhan Road, Shenhe District, Shenyang City                                                                                 | 024-22556761     |
| 4   | Jiangsu Branch                        | February 13, 2012     | 1/F and 2/F, Huanghe Building, 58 Longyuan West Road, Gulou District, Nanjing City                                                           | 025-83156571     |
| 5   | Hunan Branch                          | March 1, 2013         | No. 9, Furong Middle Road Section 2, Furong District, Changsha City                                                                          | 0731-82229568    |
| 6   | Fujian Branch                         | April 16, 2013        | 3/F, Wuyi Center, 33 East Street, Gulou District, Fuzhou City                                                                                | 0591-87612358    |
| 7   | Zhejiang Branch                       | April 18, 2013        | Room 604, 6/F, 225 Qing Chun Road, Shangcheng District, Hangzhou City, Zhejiang Province                                                     | 0571-87067245    |
| 8   | Northwest Branch                      | April 19, 2013        | No. 56 Nanda Street, Beilin District, Xi'an City, Shaanxi Province                                                                           | 029-87265999-202 |
| 9   | Guangdong Branch                      | April 24, 2013        | Rooms 6804 and 6805, No. 233 Tianhe North Road, Tianhe District, Guangzhou City                                                              | 020-38381917     |
| 10  | Chongqing Branch                      | April 14, 2014        | 2-2, Block 2, Yijing Fenghao, 195 Longshan Road, Longshan Subdistrict, Yubei District, Chongqing City                                        | 023-63624398     |
| 11  | Shenzhen Branch                       | April 21, 2014        | 35E, Radio and Television Financial Center, No. 9 Pengcheng No. 1 Road, Fuxin Community, Lianhua Subdistrict, Futian District, Shenzhen City | 0755-23953860    |
| 12  | Sichuan Branch                        | April 25, 2014        | No. 25, South Third Section, First Ring Road, Wuhou District, Chengdu City                                                                   | 028-85576963     |
| 13  | Shandong Branch                       | May 23, 2014          | 11/F, Block 4, 8 Long'ao North Road, Lixia District, Jinan City                                                                              | 0531-68655601    |
| 14  | Jiangxi Branch                        | May 28, 2014          | Unit 05, 30/F, Block 2#, Heping International Hotel, 69 Yanjiang North Road, Donghu District, Nanchang City, Jiangxi Province                | 0791-86700091    |
| 15  | Henan Branch                          | June 3, 2014          | Rooms 802, 803 and 804, 8/F, Building 1, No. 88 Jinshui East Road, Zhengzhou District (Zhengdong), Henan Pilot Free Trade Zone               | 0371-69092409    |
| 16  | Shanghai Pilot Free Trade Zone Branch | September 26, 2014    | Room 2206, North Building, 528 South Pudong Road, China (Shanghai) Free Trade Zone                                                           | 010-56050584     |
| 17  | Tianjin Branch                        | November 10, 2014     | 5-1-201, Tianhui Center, Junction of Nanshi Street and Fu'an Street, Nanshi Subdistrict, Heping District, Tianjin                            | 022-23660571     |

## SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

| No. | Branch                   | Date of establishment | Registered address                                                                                                                                      | Contact number |
|-----|--------------------------|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| 18  | Beijing Hongyi Branch    | March 19, 2019        | 801 and 802, 8/F, Inside 101, -5/F to 45/F, Building 1, Courtyard No. 16, Jinghui Street, Chaoyang District, Beijing                                    | 010-65726085   |
| 19  | Hainan Branch            | December 29, 2020     | 1/F and 2/F, Yindu Building, No. 38 Haifu Avenue, Haikou City                                                                                           | 0898-65357208  |
| 20  | Ningxia Branch           | December 30, 2020     | Room 101 (Maisonette), No. 25 Commercial Building, Zhongying Yujing Phase II, No. 515 Fenghuang North Street, Xingqing District, Yinchuan City, Ningxia | 0951-6737057   |
| 21  | Guizhou Branch           | December 31, 2020     | No. 2, 1-8/F, No. 13 Yan'an Middle Road, Yunyan District, Guiyang City, Guizhou Province                                                                | 0851-83879300  |
| 22  | Jilin Branch             | January 5, 2021       | 2/F, Podium Building, Zhengrong Building, No. 621 Changchun Street, Nangan District, Changchun City                                                     | 0431-81939388  |
| 23  | Shanxi Branch            | January 7, 2021       | Rooms 4001, 4009 and 4010, 40/F, Block B, Building 1, No. 8, Section 1 of Jinci Road, Wanbailin District, Taiyuan City, Shanxi Province                 | 0351-4073321   |
| 24  | Heilongjiang Branch      | January 8, 2021       | No. 99, Zhongyi Street, Daoli District, Harbin City, Heilongjiang Province                                                                              | 0451-87536666  |
| 25  | Xinjiang Branch          | January 12, 2021      | No. 446, Nanhu North Road, Shuimogou District, Urumqi City, Xinjiang                                                                                    | 0991-4165678   |
| 26  | Gansu Branch             | January 12, 2021      | Room 001, 2/F, Block B, Yongli Building, No. 58 Gaolan Road, Chengguan District, Lanzhou City, Gansu Province                                           | 0931-8826000   |
| 27  | Inner Mongolia Branch    | January 12, 2021      | Room 101, Building 105, Yuan Yi Xin Jia Yuan, Wulanchabu East Road, Saihan District, Hohhot City, Inner Mongolia Autonomous Region                      | 0471-6248166   |
| 28  | Guangxi Branch           | January 14, 2021      | Units 05, 06-01, 22/F, East Office Building, Nanning China Resources Center, No. 136-1 Minzu Avenue, Qingxiu District, Nanning                          | 0771-8022233   |
| 29  | Beijing Dongcheng Branch | January 15, 2021      | No. 6 Dongzhimen South Street, Dongcheng District, Beijing                                                                                              | 010-64156666   |



## SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

| No. | Branch                  | Date of establishment | Registered address                                                                                                                                | Contact number |
|-----|-------------------------|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| 30  | Anhui Branch            | January 15, 2021      | Rooms 3201, 3202, 3203, 3213 and 3214, Block A, Landmark Plaza, No. 288 Huaining Road, Shushan District, Hefei City, Anhui Province               | 0551-65501717  |
| 31  | Qinghai Branch          | January 18, 2021      | No. 26-2, Building 1, No. 126 Xiguan Street, Chengxi District, Xining City, Qinghai Province                                                      | 0971-8276771   |
| 32  | Beijing Chaoyang Branch | January 20, 2021      | Building 4, No. 66 Anli Road, Chaoyang District, Beijing                                                                                          | 010-56326080   |
| 33  | Beijing Haidian Branch  | January 20, 2021      | Room 108 on 1/F, and the entire second floor of No. 18 Danling Street, Haidian District, Beijing                                                  | 010-82666923   |
| 34  | Beijing Jingnan Branch  | January 26, 2021      | Meiyuan Market South Section, No. 15 Nanda Hongmen Road, Fengtai District, Beijing                                                                | 010-68759957   |
| 35  | Beijing Jingxi Branch   | January 29, 2021      | No. 39 Sanlihe Road, Haidian District, Beijing                                                                                                    | 010-58739666   |
| 36  | Yunnan Branch           | February 2, 2021      | 2/F, Hydropower Technology Building, No. 115 Renmin East Road, Panlong District, Kunming City, Yunnan Province                                    | 0871-63117584  |
| 37  | Hebei Branch            | February 9, 2021      | Room 601 and Shops 101 and 102, Office Building 1, Wufang Building, 88 West Street, Chang'an District, Shijiazhuang City                          | 0311-86682430  |
| 38  | Ningbo Branch           | October 9, 2021       | Room (3-1), No. 562 Zhenming Road, Haishu District, Ningbo City, Zhejiang Province                                                                | 0574-87705128  |
| 39  | Xiamen Branch           | June 8, 2022          | Units 01, 02, 03A, 8/F and Unit 03, 1/F, Xiamen Century Center, No. 50 Minzu Road, Siming District, Xiamen City                                   | 0592-2075995   |
| 40  | Suzhou Branch           | June 13, 2022         | Rooms 101 & 501, Xinghai International Business Plaza, No. 200 Xinghai Street, Suzhou Industrial Park                                             | 0512-67152188  |
| 41  | Qingdao Branch          | July 1, 2024          | No. 49 Nanjing Road, Shinan District, Qingdao                                                                                                     | 0532-82650714  |
| 42  | Changzhou Branch        | July 10, 2024         | Nos. 23, 25, 27 and 29, Yanling West Road, Changzhou                                                                                              | 0519-88854580  |
| 43  | Wuxi Branch             | July 10, 2024         | No. 88-1, Xinjiangnan Garden, Wuxi City                                                                                                           | 0510-81811155  |
| 44  | Quanzhou Branch         | July 12, 2024         | 1/F, West Podium, Huangxing Building, Middle Section of Fengze Street, Fengze District, Quanzhou                                                  | 0595-28391976  |
| 45  | Dalian Branch           | August 15, 2024       | No. 1-1, No. Yue 1-1-1 and Nos. 07 and 08, 6/F, Nova International Center, No. 20 Yide Street, Zhongshan District, Dalian City, Liaoning Province | 0411-82658669  |

*Note:* For the date of establishment of the above branches, the date of obtaining the “License to Operate Securities and Futures Business” (《經營證券期貨業務許可證》) shall prevail for any occurrence after January 1, 2020.

## SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

### (VIII) Explanation of Scope of Statement Consolidation

As of June 30, 2026, the Company had a total of 26 structured entities included in the first-level consolidation scope of the financial statements. There were 31 first-level entities included in the consolidation scope of the financial statements of the Company.

## V. OTHER DISCLOSURE MATTERS

### (I) Potential Risks

The major risks to which the Company may be exposed include market risk, credit risk, liquidity risk and compliance risk. Specifically, they include: market risk brought by fluctuations in stock, bond, commodity and foreign exchange markets to the investment portfolio of the Company; credit risk brought by insufficient repayment capability of financiers in financing business and counterparties in OTC derivatives business or abnormal decline in the price of securities used as security (pledge or margin) to the Company, and credit risk brought by default or declined creditworthiness of the bond issuer to the bond investment portfolio of the Company; liquidity risk brought by improper asset-liability allocation or cash flow management, inadequate financing channels or insufficient facilities, tight liquidity or soaring funding prices at a specific time point, financing operation errors or significant negative public opinion faced by the Company, etc. to the Company in the expected context of overall accommodative capital supply; and compliance risk brought by internal control loopholes, violations of regulatory requirements, etc. to the Company. In addition, the Company may be exposed to other risks including strategic risk, operational risk, legal risk, technical risk and reputational risk. The combined effect of the above risks will pose certain challenges to the operation of the Company.

### (II) Risk Management

#### 1. Overview

The Company attaches great importance to the formation of a risk management system all the time. The Company adheres to the strategic policy of healthy development and establishes the business philosophy of putting risk management in an important position and “risk management as priority, risk management by all”. The Company’s risk management is in line with the Company’s general operating strategic goal, ensures that the risks are measurable, controllable and bearable, and obtains reasonable risk returns to achieve “ensuring effective risk prevention while driving strong development”. The Company continues to enhance its comprehensive risk management system in accordance with the needs arising from its business development, market condition changes and the regulatory requirements, so as to enhance integrated risk management capability. During the Reporting Period, the Company’s comprehensive risk management mechanism remained sound and operated effectively, and the overall risk was within a measurable, controllable and bearable range.

#### 2. Structure of Risk Management

The Board of Directors is the Company’s ultimate decision-making body for risk management. The executive management is the executive body, while different units are responsible for directly managing the risks in their business or management. The Company has three dedicated risk control departments, namely the Risk Management Department, the Legal and Compliance Department and the Audit Department, which independently exercise risk control and supervision functions from pre-event to during-event and post-event, according to their respective roles and responsibilities.

The Board of Directors makes decisions with respect to, among others, strategies and policies on the Company’s risk management, basic risk management rules and procedures, internal control arrangements, and other significant risk management matters of the Company.



## SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

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The Risk Management Committee under the Board of Directors is responsible for supervising the overall risk management of the Company in general and keeping it under a reasonable control so as to ensure that the Company can carry out effective risk management for various risks related to its operating activities. The Risk Management Committee under the Board of Directors considers and advises on the overall objectives and basic policies of compliance management and risk management; clarifies the strategic arrangements and resource allocation for risk management and consolidated management, so that they are compatible with the risk management and consolidated management policies of the Company; formulates limits for major risks; and supervises and reviews the relevant risk management policies and makes recommendations to the Board.

The Audit Committee under the Board of Directors bears the supervision and evaluation responsibility of overall risk management of the Company, and is responsible for supervising and inspecting the performance of duties of the Board of Directors and Executive Committee of the Company in risk management, and urges rectification.

The Executive Committee reviews and makes decisions on the specific risk management events in its business management and makes decisions on, among others, rules and control measures on improving the Company's risk management and internal control in accordance with the risk management strategy and policies determined by the Board.

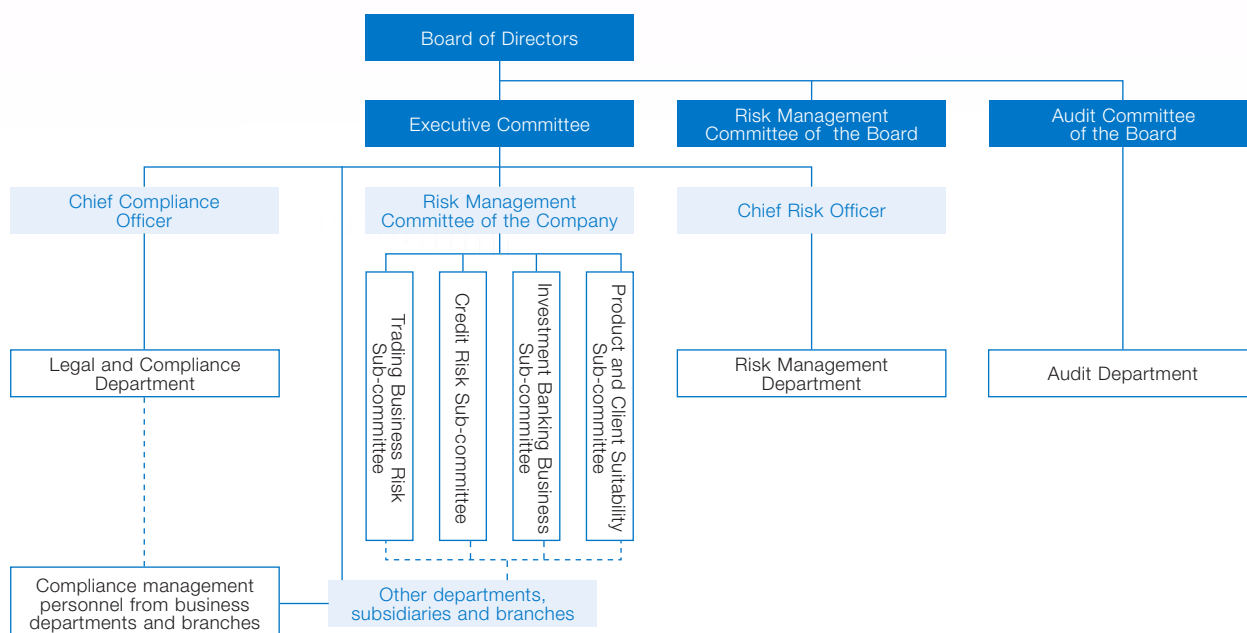
The Risk Management Committee under the Executive Committee is responsible for organizing the determination of the Company's risk appetite, risk tolerance level and overall risk limits; reviewing and approving the risk limits and risk control standards specific to each business line; formulating and promoting the implementation of the Company's risk management rules and procedures; reviewing new business and new products; conducting research on risk control strategies and plans for major business matters.

The Chief Risk Officer of the Company is responsible for leading the overall risk management work, organizing the formulation of risk management rules and procedures, risk appetite and other significant risk management policies, improving the Company's overall risk management systems, and guiding the Risk Management Department in the identification, evaluation, monitoring, reporting and other work of various risks.

Each and every department and branch of the Company, within their respective roles and responsibilities, is responsible for following the rules and procedures, and risk management and internal control policies of the Company, and implementing risk-control measures and engaging in direct risk control efforts in their business activities, and the person in charge is the primary person responsible for risk management of the unit; each employee of the Company is responsible for the effectiveness of risk management through diligence, prudence and timely reporting.

The Company has specifically established the Risk Management Department responsible for risk management, the Legal and Compliance Department responsible for legal affairs and compliance management, and the Audit Department responsible for internal audit activities. The aforementioned three departments are independent from other business departments and management departments, establish their own working systems, standardize the business processes, operate independently, and perform their respective risk management functions. Specifically, the Risk Management Department is responsible for risk management before and during the event through risk monitoring, risk assessment, risk reporting and other measures, and participates in risk disposal; the Legal and Compliance Department takes the lead in managing the legal and compliance risks of the Company; and the Audit Department is responsible for conducting independent, objective review and appraisal of the sufficiency and effectiveness of the overall risk management and urging rectification.

## SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS



In addition, the Company has set up the Investment Banking Internal Inspection Department. Through company-level review, the Company conducts exit management and terminal risk control of investment banking projects, performs ultimate approval and decision-making functions for the materials and documents submitted, reported, issued or disclosed in the name of the Company, and strengthens risk management for investment banking business.

### 3. Risk Management Mechanism

The Company's Risk Management Department works with business and management departments to identify major risks during the course of different business and management activities, specifies key control measures, issues and continues to improve the Risk Catalogue in light of business changes and monitoring findings.

The Company has established a before-the-event risk control mechanism. It focuses on each of the main business lines to formulate specific risk limits and risk control standards, and has explicit procedures of risk control; the Risk Management Department and the Legal and Compliance Department participate in the review of new business and new products, and participate in the pre-event review and evaluation of important projects and business systems, and express their opinions independently; important risk control parameters in the business system are directly under the management and control of the Risk Management Department, which conducts independent verification for valuation models of financial instruments before launch.

The Risk Management Department formulates the risk monitoring processes and monitoring indicators for key business and management. The Risk Management Department has established real-time monitoring and day-end monitoring mechanisms by using the risk management information technology systems to dynamically monitor the key risk indicators; independently and continuously monitors the risks in each business and management activity by using business tracking and on-site inspections. Main businesses of subsidiaries fall within the scope of monitoring.

The Company formulates operational process for risk assessment, and determines main assessment methods and risk assessment rating criteria for various types of risks. The Risk Management Department rates and assesses the risk matters on an ongoing basis, evaluates the control of major business risks on a regular basis, and conducts comprehensive year-end assessments for the risk control process, risk events and risk incidents, and the risk-adjusted income level of the departments and branches, with the assessment results as a key component of their performance assessment.

## SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

The Company has formulated guidelines for managing and controlling various types of risk, including market risk, credit risk, operational risk, liquidity risk, reputation risk and information technology risk, in order to guide and regulate the response to risks in various business lines. The Company has established crisis management mechanism and programs, formulated effective contingency measures and plans for various businesses, especially establishing an emergency response mechanism for key risks and emergencies such as liquidity crisis and failures on transaction system, and conducted regular and irregular drills.

The Company has built a risk information communication mechanism, and conducted risk information transmission, management and significant risk warning work. The Risk Management Department formulates operational procedures for risk information submission and risk warnings, and the departments and branches report or issue warnings on risks identified by themselves to the Risk Management Department, the head of each division and the Chief Risk Officer. The Risk Management Department then conducts a centralized analysis of the risk information it has monitored and of those reported by each department to produce various risk reports, and submits them in a given way within the given time. The Risk Management Department continuously monitors risks and the risk control status by following up on the implementation of risk control recommendations proposed by relevant departments on the risk reports.

The Legal and Compliance Department participates in the pre-event and during-event management for business lines, and controls legal and compliance risks through a series of compliance management methods, including compliance consultation, compliance review, compliance inspection, compliance supervision, compliance reporting, complaint and dispute handling, compliance accountability, information segregation wall and anti-money laundering, as well as contracts, litigation management and other methods.

The Audit Department detects material defects in key rules and procedures and processes or internal control weaknesses through audits, reports these issues to the Audit Committee of the Board, executive management, the Legal and Compliance Department and the Risk Management Department, and urges rectification.

During the Reporting Period, the Company, as a pilot securities firm for consolidated supervision, officially implemented the Guidelines for Consolidated Management of Securities Companies (Trial) 《證券公司併表管理指引(試行)》 with effect from April 2026. The Company vigorously implemented requirements for self-regulatory rules, including comprehensive risk management, consolidated management and market risk management; specifically carried out risk management work centering on the Company's strategies; and based on business developments and risk management, the Company further optimized and improved the multi-level risk management institutional system, and perfected the risk management system and consolidated management mechanism, promoted the implementation of consolidated management measures, strengthened risk appetite management, refined capital management and risk warnings, and improved risk response mechanism; and continued to optimize market risk management, reputational risk management, and risk management of new businesses and new products, resulting in further improvement of risk identification and management and control capabilities of the Company.

### 4. Details of the Major Risks and Management Associated with the Operation of the Company

The risks in the daily operating activities of the Company primarily include strategic risk, credit risk, liquidity risk, market risk, operational risk, information technology risk, legal risk and compliance risk, reputation risk and other risks. The Company has established corresponding policies and procedures to identify and analyse these risks, and set out appropriate risk limits and internal control processes, in order to effectively monitor and control risks above through sound control mechanisms and information technology systems. The major risks and risk management of the Company during the Reporting Period are as follows:

## SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

### ***(1) Strategic Risk Management***

Strategic risks refer to the risks that affect the Company's overall development direction, corporate culture, information and capability of survival or corporate effectiveness.

Based on serving the real economy and serving national strategies, the Company implements national financial policies, relies on the development environment of the capital market with Chinese characteristics, and takes the Company's core values, development vision and goals as the internal guidelines for formulating various strategic plans, practices the political and people-oriented nature of financial work, gives full play to its functions, practices and implements relevant requirements of the financial culture with Chinese characteristics and pursues high-quality development; the Company establishes rational organizational structure of strategic management, improves the strategic management mechanism, clarifies the procedures and methods for formulating and executing the strategic planning, clarifies the "Three ZHIs, One New and One Transformation" ("三 ZHI 一新一化") development strategy and promotes the implementation and execution of the strategy; the Company establishes assessment mechanism for strategic risk, pays close attention to the macroeconomic situation at home and abroad, the status of the industry, national industrial policies, scientific and technological progress, technological innovation, strategic partners, competitors and market demand, and identifies, analyses and evaluates strategic risks; based on the assessment on the implementation of strategic planning, the Company will make adjustments or take targeted measures to effectively prevent and control strategic risks when necessary.

### ***(2) Credit Risk Management***

Credit risks refer to the risks arising from the economic loss caused by failure of performing the obligations in the contract by counterparties, issuers of debt financing instruments (or financing parties).

The Company has established a relatively complete credit risk management system, improved management processes covering various aspects such as due diligence, credit rating, credit management, collateral management, follow-up management and asset classification, and strengthened the management of the same customer as well as the concentration control of industry, region and specific products.

Credit risks of the Company arising from securities financing business primarily include risks from customers' failure to repay debts in full in a timely manner due to insufficient repayment ability of counterparties, decline in value or insufficient liquidity of collateral provided by counterparties, involvement in legal disputes of collateral assets and other reasons, and credit risks arising from fraudulent credit data, violation of contracts and regulatory requirements in transaction actions and other reasons. Control of credit risk from securities financing business is realised primarily through risk education for customers, credit investigation and creditability verification on customers, credit management, risk assessment on collateralized (pledged) securities, reasonable setting of limit indicators, marking to market, customer risk warnings, forced position liquidation, legal recourse and other methods. In addition, for the financing of defaulting customers, customers with insufficient guaranteed securities and normal customers, the Company will make provisions for impairment by complying with the requirements of accounting standards, and actively recover debts from defaulting customers.

Credit risks related to bond investments primarily include risks such as defaults from bond financing instrument issuers or decline in the creditworthiness of issuers, and defaults of counterparty to bond trade. The Company conducts necessary due diligence for issuers and counterparties, establishes an internal rating system for implementing internal rating on issuers, debts and counterparties, and executes access control and limit management based on internal and external rating, so as to control credit risk of bond investment by periodic and non-periodic risk screening, post-investment tracking and other methods. During the Reporting Period, the Company continued to maintain relatively good credit quality of its investment portfolio, optimized and improved the issuer rating, credit granting and concentration management mechanisms, and strengthened the development of its risk early-warning system.



## SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

In order to control credit risks relating to over-the-counter derivative transactions, the Company has set counterparty ratings and credit systems, and controls the counterparty's trading limits and credit risk exposures before transactions can take place. The Company conducts daily monitoring and measurement on the credit risk exposures of counterparties. The Company has adopted valuation, mark-to-market and margin call practices for derivative transaction contracts and performance collateral, and established the forced position liquidation system to control the credit risk exposures of its customers within the credit limits.

In order to control the settlement risk arising from the brokerage and the custodian business, securities brokerage transactions in mainland China are all settled on a fully pledged basis, which enables settlement risks associated with brokerage business to be well under control. The Company strictly complies with relevant trading and settlement rules and procedures to eliminate non-compliant financing operations for clients and implement the classification management for repurchase financing clients at the same time, and prevents its clients from overdraft or negative balance through conducting due diligence for clients and establishing reasonable trading limits with customers, implementing the internal discount rate standard of equivalent securities, standardizing emergency response procedures and other measures. For option trading clients, the Company controls the credit risk of clients by implementing margin management, position limit system, forced position liquidation system and other measures.

Furthermore, the Risk Management Department monitors the credit risk and issues a risk alert, including tracking the changes in credit qualification of counterparties and bond issuers and giving risk alerts, monitoring coverage of collateral for securities financing business, requiring the business department to effectively fulfill its duty of post-investment management, as well as measuring and assessing the credit risk of major business lines through stress tests, sensitivity analysis and other methods.

### **(3) Liquidity Risk Management**

Liquidity risks refer to the risks that the Company is unable to acquire sufficient funds in a timely manner at a reasonable cost, in response to repay due debts, fulfill other payment obligations and meet the funding needs during normal course of business.

The Company has established the hierarchical decision-making and authority mechanism, along with centralized management by specialized departments and hierarchical control mechanism, and has clearly defined the duties and functions of the Board of Directors, executive management, Treasury Department and business departments in terms of liquidity risk management. The Company implements management on liquidity risk limits and establishes a liquidity risk limit indicator system covering three levels of the Company, business lines and products, as well as parent company and subsidiaries. The Company establishes a daily position analyses and monthly liquidity analyses mechanism to manage liquidity movements in a timely manner, and evaluates the impact of asset and liability allocation and adjustment on liquidity risk on a regular or irregular basis. The Company has established securities centralized management system in securities investment and securities financing business, and bond credit rating standards for fixed income securities investments, in order to effectively control the market liquidity risk of its securities. The Company has also established a liquidity reserve asset management system to cope with potential capital needs by holding sufficient high-quality liquidity assets that can be realized at any time; implemented internal funds transfer pricing (FTP) system to guide the rational allocation of assets and liabilities. In addition, the Company has optimized its daily liquidity risk management and control mechanism by implementing stress tests and emergency drill programs, continuously improving liquidity emergency plans and other methods.

During the Reporting Period, the Company, based on the external market environment and the Company's development strategy, rationally planned the scale of assets and liabilities, maintained a reasonable debt maturity structure, maintained adequate liquidity reserve, and improved the mechanism for providing liquidity support to overseas subsidiaries. The liquidity coverage ratio and the net stable funding ratio were within the compliant and stable range, and the liquidity risk was measurable and controllable.



## SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

### **(4) Market Risk Management**

Market risks refer to the risks of losses in the Company's on-and-off balance sheet business due to adverse changes in the market price (interest rate, exchange rate, securities price and commodity price).

The Company's investment structure primarily comprises equity securities, fixed income securities and their derivatives business, so the Company is mainly exposed to stock price risk and interest rate risk. The Company has established an integrated market risk management structure, implemented stage-by-stage authorization, clarified the duties and authorities of the Board of Directors, executive management and business department in market risk control, built risk management processes that enable coverage of activities before, during and after making investments, and fully implemented the risk limit management. The Company annually reviews and approves risk limits for the entire Company as well as each proprietary business line, including exposure limits, stop-loss limits, value-at-risk limits, limits of sensitive indicators and stress testing limits, with the Risk Management Department monitoring and supervising their implementation. The Company has established various financial instruments valuation methods, and valuation model verification and evaluation mechanisms, established daily mark-to-market practices, and implemented stop-loss procedures which are commensurate with its trading strategies. On a regular basis, the Company assesses the risk tolerance level of its proprietary business lines, the effectiveness of risk control and income level after risk adjustment, and includes the assessment results in the performance evaluation of these business lines. The Company is making ongoing efforts to improve its proprietary business management system, steadily realising front-end controls over relevant limit indicators. During the Reporting Period, while achieving reasonable investment returns, the Company effectively controlled its market risks within the various risk limit indicators.

The Company adopts value at risk (VaR) as a tool to measure the market risk of the Company's securities and derivatives investment portfolio. VaR is a method used to estimate, over a given period and within a given confidence interval, the maximum possible loss on positions resulting from movements in market prices such as interest rates or stock prices. As this method mainly relies on historical data and is subject to certain limitations, as a supplement, the Company also conducts daily and special stress tests to assess the impact of extreme adverse changes in risk factors on the Company's risk control indicators such as net capital, the profit or loss of proprietary portfolios and other aspects, proposes relevant recommendations and measures based on the assessment results, and formulates contingency plans.

The Company uses sensitivity analysis as a primary instrument to monitor the interest rate risk. Sensitivity analysis is used to measure the impact on the total income and shareholders' equity interests arising from fair value changes of various financial instruments held at the end of the period when there are reasonable and possible changes in interest rates, on the assumptions that other variables remain constant, overall market interest rates shift in a parallel manner, and risk management activities which may be taken by the Company to reduce interest rate risks are not taken into consideration.

With regard to foreign currency assets and assets of overseas subsidiaries, the Company established a foreign exchange risk management mechanism and managed its foreign exchange risk by, among others, limiting the size of assets and liabilities denominated in foreign currencies and general position management on foreign exchange settlement and sale, assigning stop-loss limits for proprietary investment and risk exposure limits for the Company, and making use of risk hedging instruments for foreign exchange derivatives. The majority of the Company's income-generating business activities under the current structure are conducted in RMB, while the assets and liabilities denominated in foreign currencies are primarily held by China Securities International, an overseas subsidiary, and the currencies of its assets and liabilities are broadly matched. The Company was of the view that the foreign exchange rate risk did not have a significant impact on the Company's current operations as a whole.

With regard to other investments such as gold, commodities and their derivatives trading, the Company assumes other price risks arising from the decrease in fair value of the Company's investment portfolio due to fluctuations in market prices other than stock prices, interest rates, and foreign exchange rates. During the Reporting Period, the Company primarily focused on providing liquidity services, arbitrage strategies and hedging transactions in this type of business, with small risk exposures. Accordingly, other price risks do not have a significant impact on the Company's current operations.

## SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

### ***(5) Operational Risk Management***

Operational risks refer to the risks of losses caused by incomplete or defective internal procedures, employees and IT systems and external events.

Concerning the potential operational risks in each business and management activity of the Company, the Company has carried out mutual segregation for different businesses, and established three lines of defense for each business line – a mechanism for segregated checks and balances with a front office, a middle office and a back office; put in place sound license management and accountability system, as well as the management system, procedures and risk control measures for each business; transferred and mitigated operational risks by way of personnel or operation outsourcing and purchase of insurance where necessary within the scope of authority of the Company; improved the mechanisms for information exchange, major events reporting and information feedback.

The Risk Management Department monitors and assesses the operational risks of the brokerage business and other businesses, and conducts regular risk control evaluation; examines the key risk points of various business and management lines, and establishes and implements key control measures in practical business procedures; develops and improves the internal control matrix; organizes business departments for conducting self-evaluation of risk and control to identify new material risks and take corresponding risk control measures; and performs statistical analysis on various types of operational risk events at least once on an annual basis to calculate the frequency of their occurrence and the level of losses, as well as to assess the changing trend and distribution of risks. During the Reporting Period, the Company continued to carry out various risk warnings and risk education, publicized and implemented the risk culture, further improved contingency plans and business continuity management, and actively responded to various emergencies and maintained stable business operation.

### ***(6) Information Technology Risk Management***

Information technology risks refer to the operational, legal and reputational risks incurred from natural factors, human factors, technical defects and management flaws in the course of application of information technology by the Company.

The IT Department of the Company is responsible for the management of planning, establishment, and operation and maintenance of the information technology system. The Company carries out centralized management and backup of the data in transaction system; implements mutual separation among the positions in charge of development, testing, and operation and maintenance of information technology system, as well as mutual separation among the positions in charge of operating data management and application system, and implements strict control of access authority and track records; controls the choice of relevant software, hardware and external suppliers in information technology system; enhances external system management; performs real-time and automatic monitoring of the connection of important communication network and operation of the significant business system. The Data Management Department of the Company took a leading role in the implementation of construction of data governance system, the promotion of execution and implementation of data-related standardized rules and the coordination of data management efforts to promote the improvement in the Company's data quality and the application effectiveness of information technology. Regarding the risks associated with artificial intelligence services and models, the Company continues to conduct safety assessments, including the legality of training data, the compliance of model architecture design, and the effectiveness of content filtering mechanisms. The Company also diligently fulfills procedures related to algorithm filing, modifications, and deregistration. In addition, the emergency management for business continuity of the Company is organized by the Risk Management Department, with the technical support provided by the IT Department and the involvement from all relevant business departments. During the Reporting Period, the Company continued to attach great importance to the safe and stable operation of its information systems, and there were no major information system network security incidents or material data security incidents.

## SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

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### ***(7) Legal Risk and Compliance Risk Management***

Legal risks refer to the risk arising from failure to perform contracts due to invalidity within the law, or improper entering into of the contracts and other reasons; compliance risks refer to the risk that the Company may be exposed to legal sanction or regulatory punishment, major financial loss or reputation loss as a result of its non-compliance with the laws and regulations, regulatory rules, self-regulatory rules as well as code of conduct applicable to the Company's own business activities.

The Legal and Compliance Department uniformly manages legal affairs of the Company and controls legal risks. The Legal and Compliance Department leads to review all agreements and contracts of the Company, provides legal opinions on major business matters of the Company, and uniformly manages and guides to handle litigations and arbitrations. Meanwhile, as a department responsible for compliance management, the Legal and Compliance Department is under the leadership of the Chief Compliance Officer to independently carry out the compliance management of the Company. The main compliance management responsibilities of the Legal and Compliance Department are: tracking, analysing and preaching laws and regulatory rules currently in effect; timely identifying, evaluating and managing compliance risk in business operation and business innovation of the Company through methods such as compliance consultation, compliance review, compliance inspection and compliance supervision. Specific or part-time compliance management officers are engaged by the Company in all functional departments, business lines and branches, and are responsible for daily compliance management in their own departments. The compliance management of the Company has permeated all aspects, such as decision-making, implementation, supervision and feedback, and has been included in the whole process of the operation management of the Company. The Company proactively cultivates a culture of compliance and improves the self-restraint mechanisms in order to ensure compliant operations and standardized development.

### ***(8) Reputation Risk Management***

Reputation risks refer to the risks of negative comments to the Company from stakeholders as a result of operations, management and other activities of the Company or external events. The Company has established the Brand Management Department under the Company Office for the centralized administration of reputational risk management work, and established a reputational risk management mechanism to clarify the framework, division of responsibilities and management requirements of reputational risk management. The Company follows the management principle of prevention first, attaches great importance to the relationship management of stakeholders such as customers and investors, and formulates relevant complaint handling mechanisms and measures. The Company standardizes the information release process and establishes a spokesperson system. The Company implements public opinion monitoring and hierarchical management to timely detect, and actively and prudently respond to various reputational risk incidents. During the Reporting Period, the Company made efforts to discover, identify, report and dispose of reputation risk at the early stage, effectively responded to public opinion, did not have any major reputational risk incidents and maintained a normal and good operating environment.



## SECTION 3 MANAGEMENT DISCUSSION AND ANALYSIS

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### **(III) Access to and Ability of Financing**

The Company has diversified financing channels and may conduct debt and equity financing in the domestic market in accordance with market conditions and its own demands through means approved by the competent authorities, including bond repurchases, inter-bank lending, short-term commercial papers, corporate bonds, financial bonds, subordinated bonds, perpetual subordinated bonds, placements and rights issues. At the same time, the Company can also raise offshore funds through the issuance of offshore bonds and other methods to support the development of its overseas business.

The Company's operating conditions are stable, with sound profitability and debt-servicing capacity. It has been granted ample credit lines by various financial institutions such as large state-owned banks and national joint-stock banks, providing strong support for the Company to raise the required funds in a timely manner. The Company will, in light of its business development needs, scientifically arrange the scale and structure of liabilities, and properly manage liabilities and liquidity.

### **(IV) Progress of the Special Action of “Improving Quality, Enhancing Efficiency and Focusing on Returns”**

Since 2024, the Company has continuously carried out the special action of “Improving Quality, Enhancing Efficiency and Focusing on Returns”. During the Reporting Period, the Company formulated the 2026 action plan for “Improving Quality, Enhancing Efficiency and Focusing on Returns” and achieved positive results in multiple aspects: actively serving national strategies and making solid progress in the “Five Major Areas” in Finance; strengthening strategic guidance and accelerating the development of a first-class investment bank and investment institution; continuously improving corporate governance and consolidating the foundation for prudent operations; strengthening the responsibilities of the “key minority” and enhancing their capabilities in performing duties; optimizing the dividend mechanism and effectively enhancing investor returns; and strengthening investor communication and continuously building market consensus on value. For details of the implementation and progress, please refer to the announcement on the semi-annual evaluation report of the 2026 action plan for “Improving Quality, Enhancing Efficiency and Focusing on Returns” disclosed by the Company on the website of the SSE and the HKEXnews website on the same date as this report.

### **(V) Other Disclosure Matters**

Save as disclosed in this report, from January 1, 2026 to June 30, 2026, there were no material changes affecting the Company's performance that need to be disclosed under paragraphs 32 and 40(2) of Appendix D2 to the Hong Kong Listing Rules.

## SECTION 4 CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

### I. CHANGES IN DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY

| Name        | Position                      | Changes   | Reason                    | Explanation for the change            |
|-------------|-------------------------------|-----------|---------------------------|---------------------------------------|
| Dong Hongfu | Non-executive Director        | Elected   | Supplementary appointment | Election by the shareholders          |
| Yan Xiaolei | Non-executive Director        | Resigned  | Work relocation           | Resignation due to work reasons       |
| Lin Xuan    | Member of Executive Committee | Appointed | New appointment           | Appointment by the Board of Directors |

#### Description of changes in Directors and senior management of the Company

On March 31, 2026, the Resolution on the Election of Mr. Dong Hongfu as a Non-executive Director of the Company was considered and approved at the 2026 first extraordinary general meeting of the Company, pursuant to which Mr. Dong Hongfu was elected as a Non-executive Director of the third session of the Board of the Company.

Due to work reasons, Mr. Yan Xiaolei ceased to serve as a Non-executive Director of the Company, a member of the Risk Management Committee of the Board, and a member of the Audit Committee of the Board, with effect from March 31, 2026.

On April 29, 2026, at the twenty-third meeting of the third session of the Board of the Company, Ms. Lin Xuan was appointed as a member of the Executive Committee of the Company.

#### Subsequent Events

Due to work arrangements, Mr. Yang Dong ceased to serve as a Non-executive Director of the Company, the chairman of the Risk Management Committee of the Board, and a member of the Remuneration and Nomination Committee of the Board with effect from July 24, 2026.

#### Major changes in personal information of Directors and chief executives

Mr. JIN Jianhua, a Director, has concurrently served as the chairman of China Capital Management Co., Ltd. since May 2026. Mr. WANG Hua, a Director, has been re-designated from a non-executive director to an executive director of CITIC Telecom International Holdings Limited (a company listed on the Hong Kong Stock Exchange) and appointed as its chief financial officer since August 2026. Mr. ZHANG Zheng, a Director, previously served as Professor and Deputy Dean of Guanghua School of Management of Peking University. Since April 2026, he has ceased to serve as Deputy Dean and continues to serve as Professor of Guanghua School of Management of Peking University.

As of the Date of Disclosure of the Report, save as disclosed in this report, there are no major changes relating to the Directors and chief executives of the Company that is required to be disclosed pursuant to Rule 13.51B(1) of the Hong Kong Listing Rules.

## SECTION 4 CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

### II. THE PLAN FOR PROFIT DISTRIBUTION OR CAPITAL RESERVE CAPITALIZATION

#### (i) Interim Proposed Profit Distribution Plan

|                                                              |      |
|--------------------------------------------------------------|------|
| Whether to make distribution or capitalization               | Yes  |
| Number of bonus shares for every 10 shares (shares)          | –    |
| Dividend for every 10 shares (RMB) (inclusive of tax)        | 2.90 |
| Number of capitalization shares for every 10 shares (shares) | –    |

#### Explanations on Profit Distribution Plan

Taking into account the long-term development of the Company and the interests of Shareholders, the 2026 interim profit distribution plan is proposed as follows: The Company proposes to distribute cash dividends based on the total share capital of 7,756,694,797 Shares as at 30 June 2026, with a cash dividend of RMB2.90 (tax inclusive) for every 10 Shares to all Shareholders, amounting to an aggregate cash dividend of RMB2,249,441,491.13 (tax inclusive), representing 31.67% of the net profit attributable to equity holders of the Company (excluding interest on perpetual subordinated bonds) in the consolidated statements for the first half of 2026. The remaining undistributed profit will be carried forward for distribution in subsequent periods.

The profit distribution plan has been considered and approved by the Audit Committee of the Board and the Board, and is still subject to consideration by the General Meeting. After the plan is considered and approved at the General Meeting, the Company will distribute cash dividends within two months after the date of convening the Shareholders' general meeting. The Company will make further announcements on the period for closure of the register of members, record date and dividend payment date in relation to the H Share dividend distribution, as well as the equity registration date, cash dividend payment date and other matters in relation to the A Share dividend distribution.

#### (II) Tax Relief

##### Tax Relief of A Shareholders

Pursuant to Notice on Relevant Issues Concerning Differential Individual Income Tax Policies on Dividends and Bonuses of Listed Companies (Cai Shui [2015] No. 101) (《關於上市公司股息紅利差別化個人所得稅政策有關問題的通知》(財稅[2015]101號)) and Notice on Relevant Issues Concerning the Implementation of Differential Individual Income Tax Policies on Dividends and Bonuses of Listed Companies (Cai Shui [2012] No. 85) (《關於實施上市公司股息紅利差別化個人所得稅政策有關問題的通知》(財稅[2012]85號)) issued by the Ministry of Finance, the State Administration of Taxation and CSRC, for the dividends and bonuses derived by individual investors from listed companies, from the date when individual investors obtain the Company's shares to the equity registration date, if the term of shareholding exceeds one year, individual income tax will be temporarily exempted; if the term of shareholding does not exceed one year (including one year), the listed company will not withhold individual income tax temporarily, and will make corresponding adjustments in accordance with the above notification requirements when individual investors transfer shares.

For shareholders of resident enterprises, the income tax for dividends and bonuses are calculated and paid by itself in accordance with regulations.

For qualified foreign institutional investors (QFII), pursuant to the provisions of Notice on Relevant Issues Concerning the Payment of Dividends, Bonuses and Interests and Withholding the Enterprise Income Tax by Chinese Resident Enterprises to Qualified Foreign Institutional Investors (Guo Shui Han [2009] No. 47) (《關於中國居民企業向QFII支付股息、紅利、利息代扣代繳企業所得稅有關問題的通知》(國稅函[2009]47號)) issued by the State Administration of Taxation, the listed company withholds enterprise income tax at a tax rate of 10%. If the income from dividends and bonuses derived by QFII shareholders require to enjoy the treatments in the tax treaties (arrangements), they may apply for tax refunds to the competent tax authorities after deriving the dividends and bonuses in accordance with the regulations.



## SECTION 4 CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

Pursuant to the provisions of Notice on Taxation Policies concerning the Pilot Program of an Interconnection Mechanism for Transactions in the Shanghai and Hong Kong Stock Markets (Cai Shui [2014] No. 81) 《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)) issued by the Ministry of Finance, the State Administration of Taxation and CSRC, for the income from dividends and bonuses derived by investors (including enterprises and individuals) in Hong Kong market by investing A shares listed on the SSE, before fulfilling the condition for providing detailed data such as identities of investors and period of shareholding to CSDC by Hong Kong Securities Clearing Company Limited, differential taxation collection policies are not implemented temporarily in accordance with the period of shareholding. Instead, the listed company withholds income tax at a tax rate of 10%, and handles the withholding declaration with its competent tax authorities. For Hong Kong investors who are tax residents of other countries and whose country of domicile is a country which has entered into a tax treaty with China stipulating a income tax rate for dividends and bonuses of lower than 10%, those enterprises and individuals may, on its own or entrusting a withholding agent, apply to the competent tax authorities of the listed company for the entitlement of the rate under such tax treaty. Upon approval by the competent tax authorities, the paid amount in excess of the tax payable by such enterprises and individuals based on the tax rate according to such tax treaty shall be refunded.

### Tax Relief of H Shareholders

Pursuant to the provisions of Notice on Issues Concerning Individual Income Tax Collection and Management after the Repeal of Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348) 《關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號)) issued by the State Administration of Taxation, the income from dividends and bonuses derived by overseas resident individual shareholders from the shares issued by domestic non-foreign invested enterprises in Hong Kong is subject to the individual income tax withheld by the withholding agents in accordance with laws according to the items of “interests, dividends and bonuses income”. Overseas resident individual shareholders who hold shares issued by domestic non-foreign invested enterprises in Hong Kong are entitled to relevant preferential tax treatments pursuant to the provisions in the tax treaties signed between the countries where they are residents and China, and the tax arrangements between the Mainland and Hong Kong (Macau). The applicable tax rate in treaties in relation to dividends and bonuses derived by individuals as required by the relevant tax treaties and tax arrangements is generally 10%, and for the purpose of simplifying tax collection and management, domestic non-foreign invested enterprises issuing shares in Hong Kong may, when distributing dividends and bonuses, generally withhold individual income tax at the tax rate of 10%, and are not obligated to file an application. In circumstances where the tax rate in treaties in relation to dividends and bonuses derived by individuals is not equal to 10%, the following provisions shall apply: (1) for citizens from countries falling under treaties subject to tax rates lower than 10%, the withholding agents may file applications on their behalf to seek entitlement to the preferential treatments in such treaties, and upon being reviewed and approved by the competent tax authorities, excessive withheld tax amounts will be refunded; (2) for citizens from countries falling under treaties subject to tax rates higher than 10% but lower than 20%, the withholding agents shall withhold individual income tax at the agreed effective tax rate upon distribution of dividends and bonuses, and are not obligated to obtain the approval on the application; (3) for citizens from countries without tax treaties or under other circumstances, the withholding agents shall withhold individual income tax at a tax rate of 20% upon distribution of dividends and bonuses.

Pursuant to the provisions of Circular Concerning Questions on Withholding and Payment of Enterprise Income Tax when PRC Resident Enterprises Distribute Dividends to Overseas Non-resident Corporate Shareholders of H Shares (Guo Shui Han [2008] No. 897) 《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號)) issued by the State Administration of Taxation, any PRC resident enterprises distributing dividends for the years from 2008 (inclusive) to overseas non-resident corporate shareholders shall withhold enterprise income tax at a uniform tax rate of 10%.



## SECTION 4 CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

Pursuant to the provisions of Notice on Taxation Policies concerning the Pilot Program of an Interconnection Mechanism for Transactions in the Shenzhen and Hong Kong Stock Markets (Cai Shui [2016] No. 127) 《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)), the Announcement on the Continued Implementation of Individual Income Tax Policy for Interconnection Mechanism for Transactions in the Shanghai and Hong Kong as well as Shenzhen and Hong Kong Stock Markets and Mutual Recognition of Funds between the Mainland and Hong Kong (MOF Announcement No. 93 in 2019) 《關於繼續執行滬港、深港股票市場交易互聯互通機制和內地與香港基金互認有關個人所得稅政策的公告》(財政部公告2019年第93號)) and the Notice on Taxation Policies concerning the Pilot Program of an Interconnection Mechanism for Transactions in the Shanghai and Hong Kong Stock Markets (Cai Shui [2014] No. 81) 《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)) issued by the Ministry of Finance, the State Administration of Taxation and CSRC, for dividends and bonuses derived by mainland individual investors from investing in H-shares listed on the SEHK through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect, H-share companies shall withhold individual income tax at a tax rate of 20%. For income from dividends and bonuses derived by mainland securities investment funds from investing in shares listed on the SEHK through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect, the individual income tax shall be calculated and paid in accordance with above provisions. Income from dividends and bonuses derived by mainland enterprise investors from investing in shares listed on the SEHK through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect shall be included in their total revenue, and the enterprise income tax thereon shall be calculated and paid according to laws. Among them, for income from dividends and bonuses derived by mainland resident enterprises where the relevant H shares have been continuously held for no less than 12 months, the enterprise income tax thereon may be exempt according to laws.

### III. EQUITY INCENTIVE PLANS, EMPLOYEE STOCK OWNERSHIP PLANS OR OTHER EMPLOYEE INCENTIVE MEASURES OF THE COMPANY AND THEIR IMPACT

During the Reporting Period, the Company did not implement any equity incentive plans, employee stock ownership plans or other employee incentive measures.

### IV. ENVIRONMENTAL INFORMATION OF LISTED COMPANIES AND THEIR MAJOR SUBSIDIARIES INCLUDED IN THE ENVIRONMENTAL INFORMATION DISCLOSURE LIST IN ACCORDANCE WITH THE LAW

Neither the Company nor its subsidiaries have been included in the list of enterprises required to disclose environmental information by law.

### V. CONSOLIDATING AND EXPANDING THE ACHIEVEMENTS OF POVERTY ALLEVIATION AND RURAL REVITALIZATION

During the Reporting Period, the Company acted as the lead underwriter for 9 issues of rural revitalization bonds, with an underwriting amount of RMB2.446 billion. (Data source: Wind Info) China Futures contributed approximately RMB629,000 in donation assistance funds and approximately RMB295,500 in consumption assistance funds, and organized 43 professional knowledge training sessions in the assisted areas, covering 1,174 person-times. Meanwhile, China Futures also carried out “insurance + futures” projects for underlying assets such as live hogs, corn, and eggs nationwide. The aggregate newly added notional principal of all “insurance + futures” projects and OTC agricultural product options businesses reached nearly RMB649 million, leveraging the professional expertise of the futures sector to facilitate rural revitalization.

## SECTION 4 CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

### VI. OTHER DISCLOSURE MATTERS

#### (I) Composition of the Board of Directors

The Company strictly complied with the requirements of the Articles of Association and the relevant rules in respect of the appointment of Directors. As of the end of the Reporting Period, the Board of the Company comprised 15 Directors, including two Executive Directors (Mr. Liu Cheng and Mr. Jin Jianhua), eight Non-executive Directors (Mr. Li Min, Mr. Zhu Yong, Mr. Dong Hongfu, Mr. Wang Guanglong, Mr. Yang Dong, Ms. Hua Shurui, Ms. Wang Hua and Mr. Dai Bo) and five Independent Non-executive Directors (Mr. Po Wai Kwong, Mr. Lai Guanrong, Mr. Zhang Zheng, Mr. Wu Xi and Mr. Zheng Wei). Mr. Liu Cheng is the Chairman of the Board and Mr. Li Min and Mr. Zhu Yong are the Vice Chairmen. Save as the above employment information and the publicly disclosed information, none of the Directors and members of the senior management is related to other Directors and members of the senior management of the Company.

#### (II) Special Committees under the Board of the Company

In accordance with the corporate governance practices prescribed in relevant PRC laws and regulations, the Articles of Association and the Hong Kong Listing Rules, the Company has established four special committees under the Board, namely the Development Strategy Committee, the Risk Management Committee, the Audit Committee and the Remuneration and Nomination Committee, to assist the Board to perform its duties in various aspects. As of the end of the Reporting Period, the composition of each special committee under the Board is listed as follows:

| Name of committee                     | Members of committee                                                                                            |
|---------------------------------------|-----------------------------------------------------------------------------------------------------------------|
| Development Strategy Committee        | Liu Cheng (Chairman), Li Min, Zhu Yong, Jin Jianhua, Wang Guanglong, Hua Shurui, Wang Hua, Dai Bo, Lai Guanrong |
| Risk Management Committee             | Yang Dong (Chairman), Jin Jianhua, Dong Hongfu, Hua Shurui, Wang Hua, Zhang Zheng, Zheng Wei                    |
| Audit Committee                       | Wu Xi (Chairman), Zhu Yong, Dong Hongfu, Po Wai Kwong, Zheng Wei                                                |
| Remuneration and Nomination Committee | Lai Guanrong (Chairman), Liu Cheng, Li Min, Yang Dong, Wang Hua, Po Wai Kwong, Zhang Zheng, Wu Xi, Zheng Wei    |

During the Reporting Period, all Directors faithfully and diligently performed their duties entitled by laws and regulations, and protected the overall interests of the Company and interests of its Shareholders, especially the legitimate interests of minority Shareholders. The Audit Committee of the Board of the Company has reviewed the accounting policies adopted by the Company and discussed matters such as financial reports and relevant internal control, including a comprehensive review of the consolidated interim financial information for the six months ended June 30, 2026 and the interim results announcement, and no disagreement has been proposed in respect of the accounting policies adopted by the Company and financial reports. The financial information set out in this interim report is unaudited. The external auditor of the Company has reviewed the interim financial information in accordance with the International Standard on Review Engagements 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

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

During the Reporting Period, the Company strictly complied with the Corporate Governance Code contained in Appendix C1 to the Hong Kong Listing Rules, followed all code provisions and met the requirements of part of the recommended best practices set out in the Corporate Governance Code.



## SECTION 4 CORPORATE GOVERNANCE, ENVIRONMENT AND SOCIETY

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### **(IV) Compliance with the Model Code**

The Company has adopted a code of conduct no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) contained in Appendix C3 to the Hong Kong Listing Rules in respect of the securities transactions entered into by the Directors. The Company has made specific inquiries to all Directors on any non-compliance with the Model Code, and all the Directors have confirmed that they have completely complied with the provisions and standards set out in the Model Code during the Reporting Period and up to the Date of Disclosure of the Report.

### **(V) Employees**

As of the end of the Reporting Period, the Group had 12,646 employees in total (including labor outsourcing personnel). During the Reporting Period, there was no material change in the remuneration policies and training program of the Company. For related information, please refer to “Employees of the Parent Company and Major Subsidiaries” in the 2025 annual report of the Company.

## SECTION 5 SIGNIFICANT EVENTS

### I. PERFORMANCE OF UNDERTAKINGS

Undertakings of obligors, including the de facto controller, shareholders, related parties and acquirer of the Company, and the Company, during or subsisting up to the Reporting Period

| Undertaking background                                           | Type of undertaking | Undertaking party                                           | Details of undertaking                                                                                                                 | Undertaking date  | Whether there is a deadline for performance | Undertaking term | Whether strictly performed in a timely manner | Specific reasons for failure to perform in a timely manner | Explanations on follow-up actions if undertakings are not performed in a timely manner |
|------------------------------------------------------------------|---------------------|-------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|-------------------|---------------------------------------------|------------------|-----------------------------------------------|------------------------------------------------------------|----------------------------------------------------------------------------------------|
| Undertakings in relation to the A Shares initial public offering | Other               | the Company                                                 | Undertakings that there were no false records, misleading statements or material omissions in the prospectus                           | June 5, 2018      | Yes                                         | Long term        | Yes                                           | Not applicable                                             | Not applicable                                                                         |
|                                                                  | Other               | the Company's Directors and the senior management           | Undertakings that there were no false records, misleading statements or material omissions in the prospectus                           | June 5, 2018      | Yes                                         | Long term        | Yes                                           | Not applicable                                             | Not applicable                                                                         |
|                                                                  | Other               | Joint sponsors, accountants, issuer's lawyers, underwriters | Undertakings that there were no false records, misleading statements or material omissions in the prospectus                           | June 5, 2018      | Yes                                         | Long term        | Yes                                           | Not applicable                                             | Not applicable                                                                         |
|                                                                  | Other               | the Company's Directors and the senior management           | Undertakings to take remedial measures against dilution of immediate returns                                                           | June 5, 2018      | Yes                                         | Long term        | Yes                                           | Not applicable                                             | Not applicable                                                                         |
| Undertakings in relation to the A Share refinancing              | Other               | the Company's Directors                                     | Undertaking in relation to the truthfulness, accuracy and completeness of the contents contained in the issuance application documents | December 29, 2020 | Yes                                         | Long term        | Yes                                           | Not applicable                                             | Not applicable                                                                         |
|                                                                  | Other               | the Company's Directors and the senior management           | Undertakings to take remedial measures against dilution of immediate returns                                                           | December 29, 2020 | Yes                                         | Long term        | Yes                                           | Not applicable                                             | Not applicable                                                                         |
| Undertakings in relation to change of shareholder                | Other               | Beijing Financial Holdings Group                            | Undertakings in relation to avoiding peer competition                                                                                  | December 1, 2020  | Yes                                         | Long term        | Yes                                           | Not applicable                                             | Not applicable                                                                         |
|                                                                  | Other               | Beijing Financial Holdings Group                            | Undertakings on regulating and reducing related party transactions                                                                     | December 1, 2020  | Yes                                         | Long term        | Yes                                           | Not applicable                                             | Not applicable                                                                         |
|                                                                  | Other               | Beijing Financial Holdings Group                            | Undertakings on guaranteeing the independence of listed companies                                                                      | December 1, 2020  | Yes                                         | Long term        | Yes                                           | Not applicable                                             | Not applicable                                                                         |
|                                                                  | Other               | Beijing Financial Holdings Group                            | Undertakings in relation to the intention of shareholding and reducing shareholding                                                    | December 1, 2020  | Yes                                         | Long term        | Yes                                           | Not applicable                                             | Not applicable                                                                         |

## SECTION 5 SIGNIFICANT EVENTS

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

During the Reporting Period, there was no appropriation of funds of the Company by the Controlling Shareholder(s) and other related parties for non-operating purposes.

### **III. NON-COMPLIANT GUARANTEES**

During the Reporting Period, the Company did not have any non-compliant guarantees.

### **IV. AUDIT OF INTERIM REPORT**

This interim report is unaudited. The 2026 interim financial statements of the Company, prepared in accordance with the China Accounting Standards for Business Enterprises and International Financial Reporting Standards, have been reviewed by KPMG Huazhen LLP and KPMG, respectively.

### **V. CHANGES AND HANDLING OF MATTERS INVOLVED IN NON-STANDARD AUDIT OPINIONS IN THE ANNUAL REPORT FOR THE PREVIOUS YEAR**

Not applicable. The annual report of the Company for the year 2025 does not contain any non-standard audit opinion.

### **VI. EVENTS IN RELATION TO BANKRUPTCY AND REORGANISATION**

During the Reporting Period, there were no matters relating to the bankruptcy or restructuring of the Company.

### **VII. MATERIAL LITIGATION AND ARBITRATION**

During the Reporting Period, the Group was not subject to any major litigation or arbitration which was required to be disclosed under the SSE Listing Rules.

### **VIII. SUSPECTED VIOLATIONS OF LAWS AND REGULATIONS, SANCTIONS AND RECTIFICATIONS IMPOSED ON THE LISTED COMPANY, AND ITS DIRECTORS, SENIOR MANAGEMENT, CONTROLLING SHAREHOLDERS AND DE FACTO CONTROLLERS**

During the Reporting Period, the Company was subject to the following administrative supervision measures:

On April 30, 2026, Beijing CSRC imposed an administrative supervision measure of regulatory interview on the Company, pointing out that in certain securities issuance sponsorship projects, there existed circumstances such as the Company's inadequate due diligence and its failure to prudently verify the contents requiring the issuance of professional opinions in certain documents.

In response to the penalty, the Company has actively implemented rectification measures by further improving the admission process for refinancing projects to enhance project quality from the source, continuously refining the due diligence requirements for refinancing projects, increasing investment in IT due diligence auxiliary systems, and continuously carrying out training on due diligence business.

## IX. EXPLANATION ON THE INTEGRITY STATUS OF THE COMPANY AND ITS CONTROLLING SHAREHOLDER AND DE FACTO CONTROLLER DURING THE REPORTING PERIOD

During the Reporting Period, the Company was not subject to any unfulfilled obligations determined by effective legal instruments of the courts, or any due and unpaid debts of a large amount.

## X. MATERIAL RELATED PARTY/CONNECTED TRANSACTIONS

The Company conducts related party/connected transactions in strict compliance with the Hong Kong Listing Rules, the SSE Listing Rules and the Policy on Management of Related Party Transactions of the Company 《公司關聯交易管理制度》. The Company's related party/connected transactions are conducted based on the principles of fairness, openness and impartiality, and the related party/connected transaction agreements are entered into based on the principles of equality, voluntariness, equivalence and compensation.

During the Reporting Period, the Company complied with the requirements relating to connected transactions under Chapter 14A of the Hong Kong Listing Rules. During the Reporting Period, the Company did not have any connected transaction which was required to be disclosed under such rules. For details of related party transactions disclosed in accordance with the SSE Listing Rules, please refer to the "Major Related Party Transactions" section under "Section 5 Significant Events" in the 2026 Interim Report of CSC Financial Co., Ltd. disclosed by the Company on the SSE on the same date as this report.

## XI. MATERIAL CONTRACTS AND EXECUTION

### (I) Material Guarantees

Unit: RMB'00 million

#### External guarantees provided by the Company (excluding guarantees provided to subsidiaries)

|                                                                                                                       |   |
|-----------------------------------------------------------------------------------------------------------------------|---|
| Total amount of guarantees provided during the Reporting Period (excluding guarantees provided to subsidiaries)       | 0 |
| Total balance of guarantees as at the end of the Reporting Period (A) (excluding guarantees provided to subsidiaries) | 0 |

#### Guarantees provided by the Company and its subsidiaries to subsidiaries

|                                                                                                |        |
|------------------------------------------------------------------------------------------------|--------|
| Total amount of guarantees provided to subsidiaries during the Reporting Period                | 363.93 |
| Total balance of guarantees provided to subsidiaries as at the end of the Reporting Period (B) | 531.57 |

#### Total amount of guarantees of the Company (including guarantees provided to subsidiaries)

|                                                                                                                               |        |
|-------------------------------------------------------------------------------------------------------------------------------|--------|
| Total amount of guarantees (A+B)                                                                                              | 531.57 |
| Percentage of total amount of guarantees to net assets of the Company (%)                                                     | 44.63  |
| Of which:                                                                                                                     |        |
| Amount of guarantees provided to shareholders, actual controllers and their related parties (C)                               | 0      |
| Amount of debt guarantees provided directly or indirectly to guaranteed parties with an asset-liability ratio of over 70% (D) | 361.18 |
| Portion of total amount of guarantees exceeding 50% of net assets (E)                                                         | 0      |
| Total amount of the above three guarantee items (C+D+E)                                                                       | 361.18 |
| Explanation on potential joint and several repayment liability for outstanding guarantees                                     | -      |

*Note:* Net assets in the above table refer to the amount of net assets attributable to equity holders of the Company in the latest audited consolidated financial statements of the Company. Where the amounts of guarantees involve foreign exchange rates, they are translated at the exchange rates as at June 30, 2026.

## SECTION 5 SIGNIFICANT EVENTS

### Explanation on guarantees

#### **1. Guarantees of the Company**

During the Reporting Period, the Company provided guarantees for the note issuance programmes of CSCIF Hong Kong Limited and CSCIF Asia Limited, the wholly-owned subsidiaries of China Securities International, all of which were provided to satisfy the course of ordinary business development needs of the above wholly-owned subsidiaries. As of the end of the Reporting Period, the balance of the above guarantees amounted to approximately RMB7.177 billion.

The aforementioned amount of debt guarantees provided directly or indirectly to guaranteed parties with an asset-liability ratio of over 70% amounted to approximately RMB7.177 billion, all of which were guarantees provided by the Company to the consolidated subsidiaries of China Securities International to satisfy their daily business development needs.

#### **2. Guarantees of controlling subsidiaries**

During the Reporting Period, among the controlling subsidiaries of the Company, China Securities International had guarantee matters, and the relevant guarantees were all provided by China Securities International to its consolidated subsidiaries to satisfy their course of ordinary business development needs, which mainly included guarantees for note issuance programmes, guarantees for bank credit facilities, etc. As of the end of the Reporting Period, the balance of the above guarantees amounted to approximately RMB45.980 billion. Among them, the guarantees provided by China Securities International for the International Swaps and Derivatives Association (ISDA) Master Agreement and Global Master Repurchase Agreement (GMRA) entered into by its consolidated subsidiaries were made in accordance with the common practices of the international banking industry and capital markets and in line with Hong Kong industry practices, to ensure the normal conduct of trading business between China Securities International and its subsidiaries and other financial institutions as counterparties. As of the end of the Reporting Period, the balance of such guarantees amounted to approximately RMB15.012 billion.

The aforementioned amount of debt guarantees provided directly or indirectly to guaranteed parties with an asset-liability ratio of over 70% amounted to approximately RMB28.941 billion, all of which were guarantees provided by China Securities International to the consolidated subsidiaries of China Securities International to satisfy their daily business development needs.

### **(II) Other Material Contracts**

During the Reporting Period, the Group was not subject to any entrustment, leasing, contracting or other material contracts which were required to be disclosed under the SSE Listing Rules.

## **XII. EXPLANATION ON THE PROGRESS IN THE USE OF PROCEEDS**

Not applicable.



## XIII. OTHER DISCLOSURE MATTERS

## (I) Change of Securities Branches

## 1. China Securities Co., Ltd.

During the Reporting Period, the Company completed the changes of registered addresses of its 6 securities business departments and 3 securities branches. The details are as follows:

| No. | Name                                                                                  | Previous registered address                                                                                                                                    | New registered address                                                                                                                                                     |
|-----|---------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1   | Chaozhou Avenue Securities Business Department (Chaozhou)                             | Shop 11 and North Side of 2/F (Self-numbered 2), Comprehensive Building, Huanghe Industry Co., Ltd., Northeast Side of A2 Plot, Chaozhou Avenue, Chaozhou City | Shops 11 and 12, North 2/F (Self-edited No. 2), Comprehensive Building, Huanghe Industry Co., Ltd., Northeast Side of A2 Block, Chaozhou Avenue, Chaozhou City             |
| 2   | Xi'an EVOC City Plaza Securities Business Department                                  | Room 10101, Xing She Building, No. 11, Wenjing North Road, Xi'an Economic and Technological Development Zone                                                   | Room A-2102, 21/F, Tower A, Xi'an EVOC City Plaza, Room 10000, Unit 1, Building 2, No. 56 Jinye 1st Road, High-Tech Zone, Xi'an City                                       |
| 3   | Sanming Liedong Street Securities Business Department                                 | Shop 5, 1/F, No. 350 Ganlong Xincun, Meilie District, Sanming City, Fujian Province                                                                            | Shop 5, 1/F, No. 56 Xushang Road, Sanyuan District, Sanming City, Fujian Province                                                                                          |
| 4   | Xiamen Branch                                                                         | Units 01, 02 and 03, 8/F, Xiamen Century Center, No. 50 Minzu Road, Siming District, Xiamen City                                                               | Units 01, 02, 03A, 8/F and Unit 03, 1/F, Xiamen Century Center, No. 50 Minzu Road, Siming District, Xiamen City                                                            |
| 5   | Changping Road Securities Business Department (Shantou)                               | Room 112, 113, 212, and 213, Building 2, Jiatai Yayuan, No. 29 Haibin Road, Jinping District, Shantou City                                                     | No. 172 Changping Road, No. 20 Huangshan Road, Room 107, 206, & 207, No. 172 Changping Road & Building 4 & 5, Chaohua Yaju Jinhui Community, Longhu District, Shantou City |
| 6   | Shanxi Branch                                                                         | 7/F, Crown Tower, 252 Xinjian Road, Xing Hua Ling District, Taiyuan City                                                                                       | No. 4001, 4009, 4010, 40/F, Block B, Building 1, No. 8, Section 1 of Jinci Road, Wanbailin District, Taiyuan City, Shanxi Province                                         |
| 7   | Jiujiang Changjiang Avenue Securities Business Department                             | 4/F, Building 3, East District, No. 2 Xunyang East Road, Bajiaoshi, Xunyang District, Jiujiang City, Jiangxi Province                                          | Room 101 (No Specific Unit), Building 3, Nanhai Building, No. 379 Changjiang Avenue, Economic Development Zone, Jiujiang City, Jiangxi Province                            |
| 8   | Anhui Branch                                                                          | Rooms 113 and 114, Buildings 1 and 2, Fenge Century Apartment, No. 499 Changjiang West Road, Shushan District, Hefei City, Anhui Province                      | Rooms 3201, 3202, 3203, 3213, 3214, Block A, Landmark Plaza, No. 288 Huaining Road, Shushan District, Hefei City, Anhui Province                                           |
| 9   | Zhongshan South Second Road Securities Business Department (Xuhui District, Shanghai) | Room D, 1/F and Rooms A, B and C, 7/F (nominal 8/F), Building 1, No. 440 Zhongshan South Second Road, Xuhui District, Shanghai                                 | Room D, 1/F and Room B, 20/F (nominal 23/F), Building 1, No. 440 Zhongshan South Second Road, Xuhui District, Shanghai                                                     |

## SECTION 5 SIGNIFICANT EVENTS

During the Reporting Period, the Company completed the change of name of 1 securities branch. The details are as follows:

| No. | Name                                                                    | Previous name                               | New name                                                                |
|-----|-------------------------------------------------------------------------|---------------------------------------------|-------------------------------------------------------------------------|
| 1   | Huoshan Road Securities Business Department (Yangpu District, Shanghai) | Huoshan Road Securities Business Department | Huoshan Road Securities Business Department (Yangpu District, Shanghai) |

### 2. China Futures

During the Reporting Period, China Futures completed the change of registered address for 2 Business Departments. The details are as follows:

| No. | Name                               | Previous address                                                                         | New address                                                                                                             |
|-----|------------------------------------|------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|
| 1   | Taiyuan Business Department        | Room 0902, 9/F, Tower A, Block 1, No. 103 Changzhi Road, Xiaodian District, Taiyuan City | No. 3203, 32/F, Block B, Building 1, No. 8, Section 1 of Jinci Road, Wanbailin District, Taiyuan City, Shanxi Province  |
| 2   | Beijing Guomao Business Department | Room A113, 1/F, Building 17, No. 8 Guanhua Road, Chaoyang District, Beijing              | Units 10B and 09A, 17/F, within Unit 501, 5-45/F, Building 3, Courtyard 20, Jinhe East Road, Chaoyang District, Beijing |

### (II) SIGNIFICANT INVESTMENTS

During the Reporting Period, the Group did not make any significant investment required to be disclosed under the Hong Kong Listing Rules (including any investment in an investee company representing 5% or more of the total assets of the Group as at 30 June 2026). As at 30 June 2026, the Group had no future plans for material investments or acquisitions of capital assets.

### (III) OTHER SIGNIFICANT EVENTS OR TRANSACTIONS

During the Reporting Period, the Company did not have material asset acquisition, disposal or swap, or business combinations, nor did it have any material off-balance sheet item or contingent liability which may have an impact on the financial condition and operating results, such as material mortgage and pledge.

### (IV) RELEVANT INFORMATION ON MAJOR ADMINISTRATIVE LICENSING MATTERS OF THE COMPANY

| No. | Name of Approval                                                                                                         | Approval Document No.             | Approving Authority                        |
|-----|--------------------------------------------------------------------------------------------------------------------------|-----------------------------------|--------------------------------------------|
| 1   | Certificate of Review and Registration of Foreign Debt Borrowing by Enterprises                                          | Fa Gai Ban Wai Zhai [2026] No. 75 | National Development and Reform Commission |
| 2   | Approval for Registration of the Public Issuance of Corporate Bonds to Professional Investors by CSC Financial Co., Ltd. | Zheng Jian Xu Ke [2026] No. 523   | China Securities Regulatory Commission     |

## SECTION 6 CHANGES IN SHARES AND INFORMATION ON SHAREHOLDERS

### I. CHANGES IN SHARE CAPITAL

As of the end of the Reporting Period, the total share capital of the Company was 7,756,694,797 Shares, including 6,495,671,035 A Shares and 1,261,023,762 H Shares.

During the Reporting Period and up to the disclosure date of this report, all shares issued by the Company were outstanding shares not subject to selling restrictions, and the total number of shares and share capital structure remained unchanged.

### II. SHAREHOLDERS

#### (I) Total Number of Shareholders

As of the end of the Reporting Period, the Company had a total of 136,377 holders of ordinary shares, consisting of 136,318 holders of A Shares and 59 registered holders of H Shares.

#### (II) Shareholding Table of the Top Ten Shareholders and the Top Ten Shareholders of Tradable Shares (or Shareholders of Shares Not Subject to Trading Moratoria) as of the End of the Reporting Period

Unit: share

| Shareholding of the Top Ten Shareholders (Excluding Shares Lent through Securities Lending and Refinancing)                                                                                  |                                                            |                                                         |                |                                                                |                                     |                     |                                       |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|---------------------------------------------------------|----------------|----------------------------------------------------------------|-------------------------------------|---------------------|---------------------------------------|
| Name of Shareholders                                                                                                                                                                         | Increase/<br>Decrease<br>During the<br>Reporting<br>Period | Number of<br>Shares Held at<br>the End of<br>the Period | Percentage (%) | Number of<br>Shares Held<br>Subject to<br>Trading<br>Moratoria | Pledged, Marked or<br>Frozen Status | Status<br>of shares | Type of shareholders                  |
| Beijing Financial Holdings Group Limited<br>(Note 1)                                                                                                                                         | 0                                                          | 2,777,389,017                                           | 35.81          | –                                                              | Nil                                 | –                   | State-owned legal person              |
| Central Huijin Investment Ltd.                                                                                                                                                               | 0                                                          | 2,386,052,459                                           | 30.76          | –                                                              | Nil                                 | –                   | State                                 |
| Other Shares held under the name of<br>HKSCC Nominees Limited (Note 2)                                                                                                                       | -1,100                                                     | 816,040,628                                             | 10.52          | –                                                              | Unknown                             | –                   | Overseas legal person                 |
| CITIC Securities Co., Ltd.                                                                                                                                                                   | 0                                                          | 382,849,268                                             | 4.94           | –                                                              | Pledged                             | 201,401,000         | State-owned legal person              |
| CITIC Financial Holdings Co., Ltd.                                                                                                                                                           | 0                                                          | 351,647,000                                             | 4.53           | –                                                              | Nil                                 | –                   | State-owned legal person              |
| Hong Kong Securities Clearing Company<br>Limited (Note 3)                                                                                                                                    | -2,947,793                                                 | 71,991,527                                              | 0.93           | –                                                              | Nil                                 | –                   | Overseas legal person                 |
| China Construction Bank Corporation –<br>Guotai CSI All Share Securities Company<br>Trading Index Securities Investment<br>Open-ended Fund (中國建設銀行股份有限<br>公司 – 國泰中證全指證券公司交易型開放<br>式指數證券投資基金) | 4,302,431                                                  | 40,011,912                                              | 0.52           | –                                                              | Nil                                 | –                   | Others                                |
| Century Jinyuan Investment Group Limited                                                                                                                                                     | -21,164,097                                                | 33,851,816                                              | 0.44           | –                                                              | Nil                                 | –                   | Domestic non-state-owned legal person |
| Fujian Gui'an Xintiandi Tourism Culture<br>Investment Co., Ltd.                                                                                                                              | -18,027,400                                                | 29,174,200                                              | 0.38           | –                                                              | Pledged                             | 22,000,000          | Domestic non-state-owned legal person |
| China Construction Bank Corporation –<br>Huabao CSI All Share Securities Company<br>Trading Index Securities Investment<br>Open-ended Fund (中國建設銀行股份有限<br>公司 – 華寶中證全指證券公司交易型開放<br>式指數證券投資基金) | 750,914                                                    | 25,626,179                                              | 0.33           | –                                                              | Nil                                 | –                   | Others                                |

## SECTION 6 CHANGES IN SHARES AND INFORMATION ON SHAREHOLDERS

*Note 1:* The “Number of Shares Held at the End of the Period” in this row includes 2,684,309,017 A Shares and 93,080,000 H Shares held by Beijing Financial Holdings Group.

*Note 2:* HKSCC Nominees Limited is the nominee holder of the H Shares held by non-registered shareholders, and the Shares listed in the above table are other H Shares held by HKSCC Nominees Limited other than Beijing Financial Holdings Group.

*Note 3:* The Shares held by Hong Kong Securities Clearing Company Limited are A shares held by non-registered shareholders under Shanghai-Hong Kong Stock Connect.

*Note 4:* The identification of the nature of shareholders is mainly based on the categories of holders as registered by China Securities Depository and Clearing Corporation Limited, Shanghai Branch, and by comprehensive reference to other publicly disclosed materials.

*Unit: share*

| Particulars of Shareholding of the top ten holders of shares not subject to trading moratorium<br>(excluding shares lent through securities lending and refinancing) |                                                                             |                                |                  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|--------------------------------|------------------|
| Name of shareholders                                                                                                                                                 | Number of tradable<br>shares held not<br>subject to selling<br>restrictions | Class and number of shares     |                  |
|                                                                                                                                                                      |                                                                             | Class of shares                | Number of shares |
| Beijing Financial Holdings Group Limited                                                                                                                             | 2,777,389,017                                                               | RMB ordinary shares            | 2,684,309,017    |
|                                                                                                                                                                      |                                                                             | Overseas-listed foreign shares | 93,080,000       |
| Central Huijin Investment Ltd.                                                                                                                                       | 2,386,052,459                                                               | RMB ordinary shares            | 2,386,052,459    |
| Other Shares held under the name of HKSCC Nominees Limited                                                                                                           | 816,040,628                                                                 | Overseas-listed foreign shares | 816,040,628      |
| CITIC Securities Co., Ltd.                                                                                                                                           | 382,849,268                                                                 | RMB ordinary shares            | 382,849,268      |
| CITIC Financial Holdings Co., Ltd.                                                                                                                                   | 351,647,000                                                                 | Overseas-listed foreign shares | 351,647,000      |
| Hong Kong Securities Clearing Company Limited                                                                                                                        | 71,991,527                                                                  | RMB ordinary shares            | 71,991,527       |
| China Construction Bank Corporation – Guotai CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund                                    | 40,011,912                                                                  | RMB ordinary shares            | 40,011,912       |
| Century Jinyuan Investment Group Limited                                                                                                                             | 33,851,816                                                                  | RMB ordinary shares            | 33,851,816       |
| Fujian Gui'an Xintiandi Tourism Culture Investment Co., Ltd.                                                                                                         | 29,174,200                                                                  | RMB ordinary shares            | 29,174,200       |
| China Construction Bank Corporation – Huabao CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund                                    | 25,626,179                                                                  | RMB ordinary shares            | 25,626,179       |

## SECTION 6 CHANGES IN SHARES AND INFORMATION ON SHAREHOLDERS

| Particulars of Shareholding of the top ten holders of shares not subject to trading moratorium<br>(excluding shares lent through securities lending and refinancing) |                                                                             |                                                                                                                                                                                                                                   |                  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| Name of shareholders                                                                                                                                                 | Number of tradable<br>shares held not<br>subject to selling<br>restrictions | Class and number of shares                                                                                                                                                                                                        |                  |
|                                                                                                                                                                      |                                                                             | Class of shares                                                                                                                                                                                                                   | Number of shares |
| <b>Explanation of the share repurchase special account among the top ten shareholders</b>                                                                            |                                                                             | –                                                                                                                                                                                                                                 |                  |
| <b>Explanation of the entrusted voting rights, authorized voting rights, and waived voting rights of the above-mentioned shareholders</b>                            |                                                                             | –                                                                                                                                                                                                                                 |                  |
| <b>Explanation on the connected relationship or acting in concert among the aforesaid shareholders</b>                                                               | 1.                                                                          | According to 2026 First Quarterly Report of CITIC Securities Co., Ltd., CITIC Financial Holdings Co., Ltd. holds more than 5% of the shares of CITIC Securities Co., Ltd., and there is a connected relationship between the two. |                  |
|                                                                                                                                                                      | 2.                                                                          | The Company learned from the shareholders that there was a connected relationship between Century Jinyuan Investment Group Limited and Fujian Gui'an Xintiandi Tourism Culture Investment Co., Ltd.                               |                  |

### Other Explanatory Matters

Shares lent through securities lending and refinancing by shareholders holding more than 5% of the shares, top ten shareholders and top ten shareholders not subject to selling restrictions

Not applicable.

Changes in the top ten shareholders and top ten shareholders not subject to selling restrictions compared with the previous period due to lending/returning of shares through securities lending and refinancing business

Not applicable.

Number of shares held by the top ten shareholders subject to selling restrictions and the selling restrictions

Not applicable.

Strategic investors or general legal persons becoming top ten shareholders due to placing of new shares

Not applicable.

## SECTION 6 CHANGES IN SHARES AND INFORMATION ON SHAREHOLDERS

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### III. DIRECTORS AND SENIOR MANAGEMENT

Current directors and senior management, as well as directors and senior management who resigned during the Reporting Period, did not hold any shares of the Company and derivatives thereof during the Reporting Period. During the Reporting Period, the Company did not implement any equity incentive plan, nor were the directors and senior management of the Company granted any equity incentives as a result.

### IV. CHANGES IN CONTROLLING SHAREHOLDER OR DE FACTO CONTROLLER

Not applicable. As of the end of the Reporting Period, the Company did not have a controlling shareholder or de facto controller as defined under the SSE Listing Rules.

### V. INFORMATION RELATED TO PREFERENCE SHARES

As at the end of the Reporting Period, the Company did not have any preference shares.

### VI. OTHER DISCLOSURE MATTERS

#### (I) Interests and short positions to be disclosed by the directors and chief executives

As of the end of the Reporting Period, no Directors or chief executives of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (as defined in Part XV of the Securities and Futures Ordinance), which were required, pursuant to Section 352 of the Securities and Futures Ordinance, to be recorded in the register to be kept by the Company, or required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) under Appendix C3 to the Hong Kong Listing Rules, to be notified to the Company and the Hong Kong Stock Exchange.

As of the end of the Reporting Period, no Directors or their respective spouses or children under 18 years of age had been granted the rights to gain benefits by way of purchasing Shares or debentures of the Company or exercise any aforesaid rights by themselves, nor had Directors or their respective spouses or children under 18 years of age been granted the aforesaid rights from any other corporate body due to the arrangement made by the Company or any of its subsidiaries.

#### (II) Interests and short positions to be disclosed by the substantial Shareholders

Pursuant to Section 336 of the Securities and Futures Ordinance, shareholders are required to disclose their interests when they hold 5% or more of the voting shares of the Company’s A shares or H shares, and are required to make further disclosure when the subsequent changes of their interest reached the prescribed threshold.

As of the end of the Reporting Period, to the knowledge of the Company and the Directors based on enquiries on the HKEx news website of HKEX, the following Shareholders (except Directors or chief executives) had interests or short positions in any Shares and underlying Shares of the Company required to be recorded in the register to be kept by the Company under Section 336 of the Securities and Futures Ordinance:

## SECTION 6 CHANGES IN SHARES AND INFORMATION ON SHAREHOLDERS

Unit: Share

| No. | Name of Shareholders                     | Capacity                           | Class of Shares | Nature of Interest                            | Number of Shares (Note 1) | Percentage of the Total Share Capital (%) | Percentage of the Relevant Class of Shares (%) |
|-----|------------------------------------------|------------------------------------|-----------------|-----------------------------------------------|---------------------------|-------------------------------------------|------------------------------------------------|
| 1   | Beijing Financial Holdings Group Limited | Beneficial owner                   | A Shares        | Long positions                                | 2,684,309,017             | 34.61                                     | 41.32                                          |
|     |                                          | Beneficial owner                   | H Shares        | Long positions                                | 89,249,500                | 1.15                                      | 7.08                                           |
| 2   | Central Huijin Investment Ltd.           | Beneficial owner                   | A Shares        | Long positions                                | 2,386,052,459             | 30.76                                     | 36.73                                          |
| 3   | CITIC Securities Co., Ltd.               | Beneficial owner                   | A Shares        | Long positions                                | 382,849,268               | 4.94                                      | 5.89                                           |
|     |                                          |                                    | A Shares        | Short positions                               | 250,000                   | Less than 0.01                            | Less than 0.01                                 |
|     |                                          | Approved lending agent             | A Shares        | Long positions (Shares available for lending) | 250,000                   | Less than 0.01                            | Less than 0.01                                 |
| 4   | CITIC Group Corporation (Note 2)         | Interest of controlled corporation | H Shares        | Long positions                                | 351,647,000               | 4.53                                      | 27.89                                          |
| 5   | E Fund Management Co., Ltd.              | Investment Manager                 | H Shares        | Long positions                                | 87,964,000                | 1.13                                      | 6.98                                           |

*Note 1:* As the changes in interest are only subject to disclosure when the whole percentage level is crossed, the number of shares shown in the table above may not accurately reflect the latest shareholding of the respective shareholders as at the end of the Reporting Period.

*Note 2:* As of 30 June 2026, CITIC Group indirectly held 351,647,000 H Shares of the Company through its subsidiary, CITIC Financial Holdings.

As of the end of the Reporting Period, save as disclosed in this report, to the knowledge of the Company, no other person had interests and short positions in the Shares, underlying Shares and debentures of the Company which were required, pursuant to Section 336 of the Securities and Futures Ordinance, to be recorded in the register to be kept by the Company referred to therein.

### (III) REPURCHASE, SALE OR REDEMPTION OF SECURITIES OF THE COMPANY

During the Reporting Period, “23 Xintou F2” issued by the Company on the SSE triggered the investor put option, the details of which are as follows:

“23 Xintou F2” of the Company is attached with the option for the issuer to adjust the coupon rate, under which the Company has the option to decide whether to adjust the coupon rate for the subsequent interest-accruing period at the end of the third year of the duration of “23 Xintou F2”; and attached with the redemption option to the investors, under which investors have the option to sell all or part of “23 Xintou F2” held by them back to the Company at the end of the third year of the duration of “23 Xintou F2”. In December 2025, the Company announced that it would adjust the coupon rate of “23 Xintou F2” to 1.55% on 17 January 2026. Investors chose to sell all “23 Xintou F2” back to the Company during the put registration period, with a put amount of RMB2.50 billion. The Company did not conduct any resale of the repurchased “23 Xintou F2”. On 19 January 2026, the Company completed the full redemption of “23 Xintou F2”.

During the Reporting Period, save as disclosed above, there was no repurchase, sale or redemption of securities (including treasury shares) of the Company made by the Company or its subsidiaries. As at the end of the Reporting Period, the Company and its subsidiaries did not hold any treasury shares.



# REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

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To the Board of Directors of CSC Financial Co., Ltd.  
(Established in the People's Republic of China with limited liability)

## INTRODUCTION

We have reviewed the interim financial information set out on pages 65 to 128, which comprises the interim condensed consolidated statement of financial position of CSC Financial Co., Ltd. (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2026 and the interim condensed consolidated income statement, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six-month period then ended, and notes, comprising significant accounting policies and other explanatory information. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and IAS 34 Interim Financial Reporting. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34 Interim Financial Reporting.

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

## SCOPE OF REVIEW

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

## CONCLUSION

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

### KPMG

*Certified Public Accountants*

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

18 August 2026

# INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(In RMB thousands, unless otherwise stated)

|                                                                                                                | Note | Six months ended 30 June<br>2026<br>(Unaudited) | 2025<br>(Unaudited) |
|----------------------------------------------------------------------------------------------------------------|------|-------------------------------------------------|---------------------|
| <b>Revenue</b>                                                                                                 |      |                                                 |                     |
| Fee and commission income                                                                                      | 6    | 10,000,472                                      | 7,037,122           |
| Interest income                                                                                                | 7    | 4,622,328                                       | 4,126,965           |
| Net investment gains                                                                                           | 8    | 8,023,354                                       | 4,600,550           |
|                                                                                                                |      | 22,646,154                                      | 15,764,637          |
| Other income                                                                                                   | 9    | 440,365                                         | 515,573             |
| <b>Total revenue and other income</b>                                                                          |      | <b>23,086,519</b>                               | <b>16,280,210</b>   |
| Fee and commission expenses                                                                                    | 10   | (2,645,102)                                     | (1,650,301)         |
| Interest expenses                                                                                              | 10   | (4,216,007)                                     | (3,889,524)         |
| Staff costs                                                                                                    | 10   | (3,944,033)                                     | (3,304,855)         |
| Tax and surcharges                                                                                             |      | (136,533)                                       | (61,636)            |
| Other operating expenses and costs                                                                             | 10   | (2,383,406)                                     | (1,953,666)         |
| Credit impairment losses reversals/(increases)                                                                 | 11   | 54,708                                          | (94,236)            |
| Impairment losses on other assets                                                                              |      | –                                               | (3,645)             |
| <b>Total expenses</b>                                                                                          |      | <b>(13,270,373)</b>                             | <b>(10,957,863)</b> |
| <b>Operating profit</b>                                                                                        |      | <b>9,816,146</b>                                | <b>5,322,347</b>    |
| Share of profits of associates                                                                                 |      | 5,023                                           | 1,662               |
| <b>Profit before income tax</b>                                                                                |      | <b>9,821,169</b>                                | <b>5,324,009</b>    |
| Income tax expense                                                                                             | 12   | (2,180,052)                                     | (807,937)           |
| <b>Profit for the period</b>                                                                                   |      | <b>7,641,117</b>                                | <b>4,516,072</b>    |
| Attributable to:                                                                                               |      |                                                 |                     |
| Equity holders of the Company                                                                                  |      | 7,639,129                                       | 4,508,536           |
| Non-controlling interests                                                                                      |      | 1,988                                           | 7,536               |
|                                                                                                                |      | <b>7,641,117</b>                                | <b>4,516,072</b>    |
| Earnings per share attributable to ordinary equity holders<br>of the Company (expressed in RMB yuan per share) |      |                                                 |                     |
| – Basic and diluted                                                                                            | 14   | 0.92                                            | 0.52                |

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

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(In RMB thousands, unless otherwise stated)

|                                                                                                                                                   | Six months ended 30 June |             |
|---------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|-------------|
|                                                                                                                                                   | 2026                     | 2025        |
|                                                                                                                                                   | (Unaudited)              | (Unaudited) |
| <b>Profit for the period</b>                                                                                                                      | <b>7,641,117</b>         | 4,516,072   |
| <b>Other comprehensive income</b>                                                                                                                 |                          |             |
| <b>Items that may be reclassified to profit or loss in subsequent period</b>                                                                      |                          |             |
| Net gains on investments in debt instruments measured at fair value through other comprehensive income                                            | 58,046                   | 303,741     |
| Net gains on investments in debt instruments measured at fair value through other comprehensive income reclassified to profit or loss on disposal | (111,784)                | (324,938)   |
| Income tax relating to these items                                                                                                                | 171                      | 11,481      |
|                                                                                                                                                   | (53,567)                 | (9,716)     |
| Share of other comprehensive income of associates                                                                                                 | –                        | 5           |
| Foreign currency translation differences                                                                                                          | (230,359)                | (67,467)    |
| <b>Items that will not be reclassified subsequently to profit or loss in subsequent period</b>                                                    |                          |             |
| Net (losses)/gains on investments in equity instruments designated as at fair value through other comprehensive income                            | (1,103,373)              | 748,217     |
| Income tax relating to these items                                                                                                                | 281,385                  | (186,526)   |
|                                                                                                                                                   | (821,988)                | 561,691     |
| <b>Other comprehensive (loss)/income for the period, net of tax</b>                                                                               | <b>(1,105,914)</b>       | 484,513     |
| <b>Total comprehensive income for the period</b>                                                                                                  | <b>6,535,203</b>         | 5,000,585   |
| Attributable to:                                                                                                                                  |                          |             |
| Equity holders of the Company                                                                                                                     | 6,533,215                | 4,993,049   |
| Non-controlling interests                                                                                                                         | 1,988                    | 7,536       |
|                                                                                                                                                   | <b>6,535,203</b>         | 5,000,585   |

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

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2026

(In RMB thousands, unless otherwise stated)

|                                                                   | Note | 30 June<br>2026<br>(Unaudited) | 31 December<br>2025<br>(Audited) |
|-------------------------------------------------------------------|------|--------------------------------|----------------------------------|
| <b>Non-current assets</b>                                         |      |                                |                                  |
| Property, plant and equipment                                     | 15   | 541,465                        | 595,080                          |
| Right-of-use assets                                               | 16   | 1,048,623                      | 880,281                          |
| Investment properties                                             |      | 39,539                         | 40,778                           |
| Intangible assets                                                 | 17   | 797,253                        | 867,269                          |
| Investments in associates                                         | 19   | 106,903                        | 102,588                          |
| Financial assets at fair value through profit or loss             | 20   | 12,401,566                     | 9,979,099                        |
| Financial assets at fair value through other comprehensive income | 21   | 69,144,499                     | 52,162,155                       |
| Refundable deposits                                               | 22   | 23,707,998                     | 20,552,895                       |
| Deferred tax assets                                               | 23   | 436,125                        | 557,083                          |
| Other non-current assets                                          | 24   | 157,472                        | 207,602                          |
| <b>Total non-current assets</b>                                   |      | <b>108,381,443</b>             | <b>85,944,830</b>                |
| <b>Current assets</b>                                             |      |                                |                                  |
| Margin accounts                                                   | 25   | 107,541,790                    | 84,384,373                       |
| Accounts receivable                                               | 26   | 13,640,094                     | 9,807,004                        |
| Financial assets at fair value through profit or loss             | 20   | 228,657,607                    | 176,685,752                      |
| Financial assets at fair value through other comprehensive income | 21   | 77,619,445                     | 93,408,671                       |
| Derivative financial assets                                       | 27   | 3,082,345                      | 2,282,312                        |
| Financial assets held under resale agreements                     | 28   | 7,639,301                      | 6,494,291                        |
| Cash held on behalf of clients                                    | 29   | 245,893,922                    | 162,630,325                      |
| Cash and bank balances                                            | 30   | 66,799,012                     | 54,686,344                       |
| Other current assets                                              | 31   | 1,196,271                      | 491,889                          |
| <b>Total current assets</b>                                       |      | <b>752,069,787</b>             | <b>590,870,961</b>               |
| <b>Total assets</b>                                               |      | <b>860,451,230</b>             | <b>676,815,791</b>               |
| <b>Current liabilities</b>                                        |      |                                |                                  |
| Accounts payable to brokerage clients                             | 32   | 262,899,677                    | 175,840,031                      |
| Lease liabilities                                                 | 33   | 395,135                        | 460,735                          |
| Derivative financial liabilities                                  | 27   | 7,341,211                      | 6,529,374                        |
| Financial liabilities at fair value through profit or loss        | 34   | 22,407,634                     | 10,438,273                       |
| Financial assets sold under repurchase agreements                 | 35   | 154,845,037                    | 135,495,884                      |
| Placements from banks and other financial institutions            | 36   | 6,241,098                      | 6,560,614                        |
| Taxes payable                                                     | 37   | 935,084                        | 1,499,753                        |
| Short-term borrowings                                             | 38   | 10,173,086                     | 7,978,408                        |
| Short-term financing instruments payable                          | 39   | 59,163,808                     | 53,860,415                       |
| Other current liabilities                                         | 40   | 101,418,021                    | 63,205,006                       |
| <b>Total current liabilities</b>                                  |      | <b>625,819,791</b>             | <b>461,868,493</b>               |

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

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 30 JUNE 2026

(In RMB thousands, unless otherwise stated)

|                                                            | Note | 30 June<br>2026<br>(Unaudited) | 31 December<br>2025<br>(Audited) |
|------------------------------------------------------------|------|--------------------------------|----------------------------------|
| <b>Net current assets</b>                                  |      | <b>126,249,996</b>             | 129,002,468                      |
| <b>Total assets less current liabilities</b>               |      | <b>234,631,439</b>             | 214,947,298                      |
| <b>Non-current liabilities</b>                             |      |                                |                                  |
| Financial liabilities at fair value through profit or loss | 34   | <b>1,498,168</b>               | 1,171,983                        |
| Bonds in issue                                             | 41   | <b>106,176,567</b>             | 94,043,200                       |
| Lease liabilities                                          | 33   | <b>626,749</b>                 | 435,668                          |
| Deferred tax liabilities                                   | 23   | <b>527,096</b>                 | 124,245                          |
| Other non-current liabilities                              |      | <b>18,964</b>                  | 21,891                           |
| <b>Total non-current liabilities</b>                       |      | <b>108,847,544</b>             | 95,796,987                       |
| <b>Net assets</b>                                          |      | <b>125,783,895</b>             | 119,150,311                      |
| <b>Equity</b>                                              |      |                                |                                  |
| Share capital                                              | 42   | <b>7,756,695</b>               | 7,756,695                        |
| Other equity instruments                                   | 43   | <b>38,169,028</b>              | 36,145,019                       |
| Reserves                                                   | 44   | <b>40,506,151</b>              | 41,628,897                       |
| Retained earnings                                          |      | <b>39,309,659</b>              | 33,571,045                       |
| Equity attributable to equity holders of the Company       |      | <b>125,741,533</b>             | 119,101,656                      |
| Non-controlling interests                                  |      | <b>42,362</b>                  | 48,655                           |
| <b>Total equity</b>                                        |      | <b>125,783,895</b>             | 119,150,311                      |

Approved and authorized for issue by the Board of Directors on 18 August 2026.

**Liu Cheng**

Chairman

**Jin Jianhua**

Executive Director, General Manager

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

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(In RMB thousands, unless otherwise stated)

|                                                               |    | Attributable to equity holders of the Company |                          |                 |                 |                 |                                |                                      |                   |             |                           |             |
|---------------------------------------------------------------|----|-----------------------------------------------|--------------------------|-----------------|-----------------|-----------------|--------------------------------|--------------------------------------|-------------------|-------------|---------------------------|-------------|
|                                                               |    | Reserves                                      |                          |                 |                 |                 |                                |                                      |                   |             |                           |             |
|                                                               |    | Share capital                                 | Other equity instruments | Capital reserve | Surplus reserve | General reserve | Investment revaluation reserve | Foreign currency translation reserve | Retained earnings | Subtotal    | Non-controlling interests | Total       |
| Note                                                          |    |                                               |                          |                 |                 |                 |                                |                                      |                   |             |                           |             |
| At 1 January 2026                                             |    | 7,756,695                                     | 36,145,019               | 12,328,254      | 8,766,879       | 18,581,790      | 1,587,305                      | 364,669                              | 33,571,045        | 119,101,656 | 48,655                    | 119,150,311 |
| Profit for the period                                         |    | -                                             | -                        | -               | -               | -               | -                              | -                                    | 7,639,129         | 7,639,129   | 1,988                     | 7,641,117   |
| Other comprehensive income for the period                     |    | -                                             | -                        | -               | -               | -               | (875,555)                      | (230,359)                            | -                 | (1,105,914) | -                         | (1,105,914) |
| Total comprehensive income for the period                     |    | -                                             | -                        | -               | -               | -               | (875,555)                      | (230,359)                            | 7,639,129         | 6,533,215   | 1,988                     | 6,535,203   |
| Capital injected/(reduced) by equity holders                  |    |                                               |                          |                 |                 |                 |                                |                                      |                   |             |                           |             |
| – Capital injected by other equity instrument holders         | 43 | -                                             | 2,024,009                | (24,257)        | -               | -               | -                              | -                                    | -                 | 1,999,752   | -                         | 1,999,752   |
| Appropriation to general reserve                              | 44 | -                                             | -                        | -               | -               | 33,825          | -                              | -                                    | (33,825)          | -           | -                         | -           |
| Dividends to equity holders                                   | 13 | -                                             | -                        | -               | -               | -               | -                              | -                                    | (1,357,422)       | (1,357,422) | -                         | (1,357,422) |
| Distribution to other equity instrument holders               | 13 | -                                             | -                        | -               | -               | -               | -                              | -                                    | (535,668)         | (535,668)   | -                         | (535,668)   |
| Dividends to non-controlling interests                        |    | -                                             | -                        | -               | -               | -               | -                              | -                                    | -                 | -           | (8,281)                   | (8,281)     |
| Transfers within the owners' equity                           |    |                                               |                          |                 |                 |                 |                                |                                      |                   |             |                           |             |
| – Other comprehensive income transferred to retained earnings |    | -                                             | -                        | -               | -               | -               | (26,400)                       | -                                    | 26,400            | -           | -                         | -           |
| At 30 June 2026 (Unaudited)                                   |    | 7,756,695                                     | 38,169,028               | 12,303,997      | 8,766,879       | 18,615,615      | 685,350                        | 134,310                              | 39,309,659        | 125,741,533 | 42,362                    | 125,783,895 |

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

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(In RMB thousands, unless otherwise stated)

|                                                               | Note | Attributable to equity holders of the Company |                          |                 |                 |                 |                                |                                      |                   | Non-controlling interests | Total    |             |
|---------------------------------------------------------------|------|-----------------------------------------------|--------------------------|-----------------|-----------------|-----------------|--------------------------------|--------------------------------------|-------------------|---------------------------|----------|-------------|
|                                                               |      | Share capital                                 | Other equity instruments | Reserves        |                 |                 |                                |                                      | Retained earnings |                           |          | Subtotal    |
|                                                               |      |                                               |                          | Capital reserve | Surplus reserve | General reserve | Investment revaluation reserve | Foreign currency translation reserve |                   |                           |          |             |
|                                                               |      |                                               |                          |                 |                 |                 |                                |                                      |                   |                           |          |             |
| At 1 January 2025                                             |      | 7,756,695                                     | 29,825,830               | 12,370,888      | 7,873,801       | 16,892,706      | 1,027,871                      | 481,953                              | 30,238,990        | 106,468,734               | 50,216   | 106,518,950 |
| Profit for the period                                         |      | –                                             | –                        | –               | –               | –               | –                              | –                                    | 4,508,536         | 4,508,536                 | 7,536    | 4,516,072   |
| Other comprehensive income for the period                     |      | –                                             | –                        | –               | –               | –               | 551,980                        | (67,467)                             | –                 | 484,513                   | –        | 484,513     |
| Total comprehensive income for the period                     |      | –                                             | –                        | –               | –               | –               | 551,980                        | (67,467)                             | 4,508,536         | 4,993,049                 | 7,536    | 5,000,585   |
| Capital injected/(reduced) by equity holders                  |      |                                               |                          |                 |                 |                 |                                |                                      |                   |                           |          |             |
| – Capital injected by other equity instrument holders         |      | –                                             | 119,189                  | (19,189)        | –               | –               | –                              | –                                    | –                 | 100,000                   | –        | 100,000     |
| Appropriation to general reserve                              | 44   | –                                             | –                        | –               | –               | 37,486          | –                              | –                                    | (37,486)          | –                         | –        | –           |
| Dividends to equity holders                                   | 13   | –                                             | –                        | –               | –               | –               | –                              | –                                    | (1,279,855)       | (1,279,855)               | –        | (1,279,855) |
| Distribution to other equity instrument holders               | 13   | –                                             | –                        | –               | –               | –               | –                              | –                                    | (486,725)         | (486,725)                 | –        | (486,725)   |
| Dividends to non-controlling interests                        |      | –                                             | –                        | –               | –               | –               | –                              | –                                    | –                 | –                         | (13,210) | (13,210)    |
| Transfers within the owners' equity                           |      |                                               |                          |                 |                 |                 |                                |                                      |                   |                           |          |             |
| – Other comprehensive income transferred to retained earnings |      | –                                             | –                        | –               | –               | –               | (7,343)                        | –                                    | 7,343             | –                         | –        | –           |
| At 30 June 2025 (Unaudited)                                   |      | 7,756,695                                     | 29,945,019               | 12,351,699      | 7,873,801       | 16,930,192      | 1,572,508                      | 414,486                              | 32,950,803        | 109,795,203               | 44,542   | 109,839,745 |

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



# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(In RMB thousands, unless otherwise stated)

|                                                                                                                 | Six months ended 30 June |                    |
|-----------------------------------------------------------------------------------------------------------------|--------------------------|--------------------|
|                                                                                                                 | 2026                     | 2025               |
|                                                                                                                 | (Unaudited)              | (Unaudited)        |
| <b>Cash flows from operating activities</b>                                                                     |                          |                    |
| Profit before income tax                                                                                        | 9,821,169                | 5,324,009          |
| Adjustments for:                                                                                                |                          |                    |
| Interest expenses on bonds in issue, short-term financing instruments payable, borrowings and lease liabilities | 2,540,138                | 2,336,477          |
| Dividend income and interest income from financial assets at fair value through other comprehensive income      | (1,854,312)              | (1,363,259)        |
| Net gains from disposal of financial assets at fair value through other comprehensive income                    | (101,180)                | (224,533)          |
| Share of profits from associates                                                                                | (5,023)                  | (1,662)            |
| Net gains on disposal of property, plant and equipment and other assets                                         | (39)                     | (831)              |
| Revaluation (gains)/losses on financial instruments at fair value through profit or loss                        | (4,574,633)              | 6,911              |
| Net foreign exchange gains                                                                                      | (147,052)                | (49,453)           |
| Depreciation and amortization                                                                                   | 602,804                  | 619,799            |
| Credit impairment losses (reversals)/increases                                                                  | (54,708)                 | 94,236             |
| Impairment losses on other assets                                                                               | —                        | 3,645              |
|                                                                                                                 | <b>6,227,164</b>         | <b>6,745,339</b>   |
| <b>Net changes in operating assets</b>                                                                          |                          |                    |
| Margin accounts                                                                                                 | (23,339,766)             | 1,906,795          |
| Financial assets at fair value through profit or loss                                                           | (50,853,171)             | 7,219,189          |
| Cash held on behalf of clients                                                                                  | (83,232,776)             | (15,079,568)       |
| Financial assets held under resale agreements                                                                   | (1,077,661)              | 5,495,365          |
| Other operating assets                                                                                          | (6,874,414)              | (5,310,572)        |
|                                                                                                                 | <b>(165,377,788)</b>     | <b>(5,768,791)</b> |
| <b>Net changes in operating liabilities</b>                                                                     |                          |                    |
| Accounts payable to brokerage clients                                                                           | 87,059,646               | 19,096,558         |
| Financial liabilities at fair value through profit or loss                                                      | 12,442,237               | (597,399)          |
| Financial assets sold under repurchase agreements                                                               | 19,308,328               | 21,125,094         |
| Placements from banks and other financial institutions                                                          | (320,000)                | 6,430,000          |
| Other operating liabilities                                                                                     | 21,023,434               | (880,931)          |
|                                                                                                                 | <b>139,513,645</b>       | <b>45,173,322</b>  |

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

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(In RMB thousands, unless otherwise stated)

|                                                                                                                     | Six months ended 30 June   |                     |
|---------------------------------------------------------------------------------------------------------------------|----------------------------|---------------------|
|                                                                                                                     | 2026<br>(Unaudited)        | 2025<br>(Unaudited) |
| <b>Net cash (outflow)/inflow from operating activities before tax</b>                                               | <b>(19,636,979)</b>        | 46,149,870          |
| Income tax paid                                                                                                     | <u>(2,764,531)</u>         | <u>(1,103,673)</u>  |
| <b>Net cash (outflow)/inflow from operating activities</b>                                                          | <b><u>(22,401,510)</u></b> | <u>45,046,197</u>   |
| <b>Cash flows from investing activities</b>                                                                         |                            |                     |
| Net cash flow from purchase or disposal of financial assets at fair value through other comprehensive income        | <b>(2,933,273)</b>         | (34,742,598)        |
| Dividend income and interest income received from financial assets at fair value through other comprehensive income | <b>1,984,269</b>           | 913,822             |
| Cash paid for purchase of property, plant and equipment and other assets                                            | <b>(178,379)</b>           | (130,787)           |
| Other cash flows from investing activities                                                                          | <u><b>657</b></u>          | <u>683</u>          |
| <b>Net cash outflow from investing activities</b>                                                                   | <b><u>(1,126,726)</u></b>  | <u>(33,958,880)</u> |
| <b>Cash flows from financing activities</b>                                                                         |                            |                     |
| Cash inflows from issuing perpetual bonds                                                                           | <b>7,000,000</b>           | 5,100,000           |
| Cash inflows from borrowing activities                                                                              | <b>49,230,000</b>          | 23,820,560          |
| Cash inflows from issuing bonds and short-term financing instruments                                                | <b>97,111,763</b>          | 27,854,700          |
| Other cash inflows from financing activities                                                                        | <b>125,085</b>             | –                   |
| Cash outflows from distribution to equity holders                                                                   | <b>(1,832,497)</b>         | (852,210)           |
| Repayments of debts                                                                                                 | <b>(108,729,067)</b>       | (56,743,520)        |
| Repayments of interest on debts                                                                                     | <b>(1,878,049)</b>         | (1,624,845)         |
| Repayments of perpetual bonds                                                                                       | <b>(5,000,000)</b>         | (5,000,000)         |
| Other cash outflows from financing activities                                                                       | <u><b>(416,950)</b></u>    | <u>(331,676)</u>    |
| <b>Net cash inflow/(outflow) from financing activities</b>                                                          | <b><u>35,610,285</u></b>   | <u>(7,776,991)</u>  |
| <b>Net change in cash and cash equivalents</b>                                                                      | <b>12,082,049</b>          | 3,310,326           |
| Cash and cash equivalents at the beginning of the period                                                            | <b>54,088,251</b>          | 45,751,205          |
| Effect of exchange rate changes on cash and cash equivalents                                                        | <u><b>(979)</b></u>        | <u>(113,181)</u>    |
| <b>Cash and cash equivalents at the end of the period (Note 45 (1))</b>                                             | <b><u>66,169,321</u></b>   | <u>48,948,350</u>   |

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

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026  
(In RMB thousands, unless otherwise stated)

## 1 GENERAL INFORMATION

CSC Financial Co., Ltd. (the “Company”) (formerly known as China Securities Finance Co., Ltd.) is the successor entity of China Securities Finance Limited Liability Company which was approved for establishment by the China Securities Regulatory Commission (the “CSRC”) on 2 November 2005. The original registered capital of the Company was RMB2,700,000,000. The registered address of the Company is Unit 4, No.66 Anli Road, Chaoyang District, Beijing, the People’s Republic of China (the “PRC”).

The Company received the approval of CSRC on 30 June 2011 to convert into a joint stock company, with registered capital increased to RMB6,100,000,000.

The Company completed its initial public offering (“IPO”) of overseas listed foreign shares (“H shares”) on The Stock Exchange of Hong Kong Limited on 9 December 2016. Under this offering, the Company issued a total of 1,076,470,000 new shares with a nominal value of RMB1 per share. On 5 January 2017, the Company issued an additional 69,915,238 H shares through partial exercise of the over-allotment option with a nominal value of RMB1 per share. The registered capital of the Company increased to RMB7,246,385,238 after such issuance. The Company completed the industrial and commercial registration for these changes on 5 June 2017, and obtained its new business license with the Unified Social Credit Code of 91110000781703453H on 9 June 2017.

The Company completed its IPO of domestic listed shares (“A shares”) on the Shanghai Stock Exchange on 20 June 2018. The Company issued a total of 400,000,000 shares with a nominal value of RMB1 per share. After the IPO and listing of A Shares, the share capital of the Company increased to RMB7,646,385,238. The Company completed the registration procedure for its non-public offering of A-shares in the Shanghai branch of China Securities Depository and Clearing Corporation Limited on 28 December 2020. The Company issued a total of 110,309,559 shares with a nominal value of RMB1 per share. After the non-public issuance, the share capital of the Company increased to RMB7,756,694,797. And the Company completed the registration procedures for the change of business license related to the registered capital on 25 June 2021.

The business scope of the Company mainly includes: Licensed projects: securities business; foreign exchange settlement and sale business; foreign exchange business; securities investment consultancy; custodian services for securities investment fund; public securities investment fund sales; provision of intermediary business to futures companies as a securities company. (for the projects requiring approval according to laws, the operating activities that can only be carried out upon approval from relevant authority (ies), and specific licensed projects that should be determined by approval documentations or licenses issued by relevant government agencies) General projects: sale of gold and silver products.

## 2 BASIS OF PREPARATION

The unaudited interim condensed consolidated financial statements for the six months ended 30 June 2026 have been prepared in accordance with IAS 34 Interim Financial Reporting, as well as with all applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The interim condensed consolidated financial statements do not include all financial information and data which annual consolidated financial statements are required to disclose, therefore, the interim condensed consolidated financial statements should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2025, which have been audited.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(In RMB thousands, unless otherwise stated)

## 3 SIGNIFICANT ACCOUNTING POLICIES

The unaudited interim condensed consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value. Except for those described below, the accounting policies used in preparing the interim condensed consolidated financial statements are the same as those adopted in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025.

### 3.1 Amendments to the accounting standards adopted by the Group

In the current interim period, the Group has adopted the following IFRS Accounting Standard and amendment issued by the International Accounting Standards Board ("IASB"), that is mandatorily effective for the current interim period. Description of the standard and amendment was disclosed in the Group's annual consolidated financial statements for the year ended 31 December 2025.

- |     |                                 |                                                         |
|-----|---------------------------------|---------------------------------------------------------|
| (1) | Amendments to IFRS 7 and IFRS 9 | Classification and Measurement of Financial Instruments |
|-----|---------------------------------|---------------------------------------------------------|

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

### 3.2 Standards and amendments relevant to the Group that are not yet effective and have not been adopted before their effective dates by the Group

The Group has not adopted the following new and amended standards that have been issued but are not yet effective.

|     |                                  | Effective for annual periods beginning on or after                                                                                                                                                                        |
|-----|----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (1) | Amendments to IFRS 10 and IAS 28 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture                                                                                                                                     |
|     |                                  | The amendments were originally intended to be effective for annual periods beginning on or after 1 January 2016. The effective date has now been deferred. Early application of the amendments continues to be permitted. |
| (2) | IFRS 18                          | Presentation and Disclosure in Financial Statements                                                                                                                                                                       |
| (3) | IFRS 19 and its amendments       | Subsidiaries without Public Accountability: Disclosures                                                                                                                                                                   |
| (4) | Amendments to ISA 21             | Effect of Exchange Rate Changes                                                                                                                                                                                           |
|     |                                  | 1 January 2027                                                                                                                                                                                                            |
|     |                                  | 1 January 2027                                                                                                                                                                                                            |
|     |                                  | 1 January 2027                                                                                                                                                                                                            |

Description of the above 3.2 standards and amendments was disclosed in the Group's consolidated financial statements for the year ended 31 December 2025. The Group does not expect that the adoption of these standards and amendments will have material impact on the Group's consolidated financial statements.

### 3.3 Significant accounting judgements and estimates

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

In preparing these interim condensed consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainties were the same as those that applied to the Group's consolidated financial statements for the year ended 31 December 2025.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2026  
(In RMB thousands, unless otherwise stated)

## 4 TAXATION

According to relevant PRC tax policies, the most significant categories of taxes to which the Group is currently subjected are as follows:

### (1) Income tax

From 1 January 2008, the “Enterprise Income Tax Law of the PRC” and the “Regulations on the Implementation of Enterprise Income Tax Law of the PRC” became effective for the Company. Income tax computation and payment are governed by the “Announcement of the State Administration of Taxation on Printing and Distributing Administrative Measures for Collection of Consolidated Payments of Enterprise Income Tax by Enterprises with Multi-Location Operations” (Public Notice of the State Administration of Taxation [2012] No. 57). The PRC Enterprise income tax rate applicable to the Company is 25%.

Subsidiaries shall be charged at the applicable tax rate based on their tax residency status and preferential tax policies.

### (2) Value added tax

Pursuant to the “Value-added Tax Law of the PRC”, the Group is subject to value-added taxes on its income from principal businesses at 6%.

In accordance with the “Announcement on the Connection of Preferential Policies for Value-added Tax after the Implementation of Value-added Tax Law” (Cai Shui [2026] No.10), the Group may elect to apply the simplified value-added tax calculation method, and pay value-added taxes at a rate of 3% for related asset management taxable activities undertaken from 1 January 2026 to 31 December 2027 as the manager of contractual asset management products.

(3) Urban maintenance and construction taxes, educational surcharges and local educational surcharges are charged at 7%/5%/1%, 3% and 2% of the actual payment of the turnover tax, respectively.

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

## 5 OPERATING SEGMENT INFORMATION

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

Investment banking segment: provides investment banking services, including financial advisory, sponsoring, underwriting of equity and debt securities.

Wealth management segment: serves as a brokerage agent for corporate and personal clients in the trading of equity stocks, funds, bonds and futures; and provides margin financing and securities lending services to these clients.

Trading and institutional client services segment: engages in trading of financial products; serves as a brokerage agent for institutional clients (financial institutions) in the trading of equity stocks, funds and bonds, and provides them with margin financing and securities lending; provides services in relation to sales of financial products to institutional clients, and provides specialized research and advisory services to assist their investment decision-making.

Asset management segment: develops asset management products, fund management products services, and private placement offerings, and provides related services through subsidiaries and consolidated structured entities.

Other segment: primarily commodity trading and the treasury function from the head office.

Management monitors the performance and results of these operating segments for considerations of resource allocation and operating decision-making.

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

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(In RMB thousands, unless otherwise stated)

## 5 OPERATING SEGMENT INFORMATION (CONTINUED)

|                                                   | For the six months ended 30 June 2026 |                      |                                                 |                     |            |              |
|---------------------------------------------------|---------------------------------------|----------------------|-------------------------------------------------|---------------------|------------|--------------|
|                                                   | Investment<br>banking                 | Wealth<br>management | Trading and<br>institutional<br>client services | Asset<br>management | Others     | Total        |
| Segment revenue and other income                  |                                       |                      |                                                 |                     |            |              |
| Fee and commission income                         | 1,179,468                             | 4,878,574            | 3,175,652                                       | 766,778             | -          | 10,000,472   |
| Interest income                                   | -                                     | 2,339,839            | 1,936,904                                       | 19                  | 345,566    | 4,622,328    |
| Net investment gains                              | -                                     | -                    | 7,912,182                                       | 131,481             | (20,309)   | 8,023,354    |
| Other income                                      | -                                     | 115,522              | (8,384)                                         | 15,178              | 318,049    | 440,365      |
| Total revenue and other income                    | 1,179,468                             | 7,333,935            | 13,016,354                                      | 913,456             | 643,306    | 23,086,519   |
| Segment expenses                                  | (965,675)                             | (5,226,438)          | (6,282,721)                                     | (342,018)           | (453,521)  | (13,270,373) |
| Including: Interest expenses                      | -                                     | (1,010,163)          | (3,092,265)                                     | (8,591)             | (104,988)  | (4,216,007)  |
| Credit impairment losses<br>reversals/(increases) | 69                                    | (64,721)             | 117,591                                         | -                   | 1,769      | 54,708       |
| Operating profit                                  | 213,793                               | 2,107,497            | 6,733,633                                       | 571,438             | 189,785    | 9,816,146    |
| Share of profits of associates                    | -                                     | -                    | -                                               | -                   | 5,023      | 5,023        |
| Profit before income tax                          | 213,793                               | 2,107,497            | 6,733,633                                       | 571,438             | 194,808    | 9,821,169    |
| Income tax expense                                |                                       |                      |                                                 |                     |            | (2,180,052)  |
| Profit for the period                             |                                       |                      |                                                 |                     |            | 7,641,117    |
| Segment assets                                    | 1,062,628                             | 255,653,526          | 523,312,179                                     | 6,542,698           | 73,444,074 | 860,015,105  |
| Deferred tax assets                               |                                       |                      |                                                 |                     |            | 436,125      |
| Total assets                                      |                                       |                      |                                                 |                     |            | 860,451,230  |
| Segment liabilities                               | 930,938                               | 218,065,893          | 483,369,447                                     | 3,474,674           | 28,299,287 | 734,140,239  |
| Deferred tax liabilities                          |                                       |                      |                                                 |                     |            | 527,096      |
| Total liabilities                                 |                                       |                      |                                                 |                     |            | 734,667,335  |
| Other segment information:                        |                                       |                      |                                                 |                     |            |              |
| Depreciation and amortization                     | 48,690                                | 207,215              | 298,622                                         | 27,193              | 21,084     | 602,804      |
| Capital expenditure                               | 13,088                                | 64,154               | 82,031                                          | 13,535              | 5,571      | 178,379      |

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(In RMB thousands, unless otherwise stated)

## 5 OPERATING SEGMENT INFORMATION (CONTINUED)

|                                                   | For the six months ended 30 June 2025 |                      |                                                 |                     |            | Total        |
|---------------------------------------------------|---------------------------------------|----------------------|-------------------------------------------------|---------------------|------------|--------------|
|                                                   | Investment<br>banking                 | Wealth<br>management | Trading and<br>institutional<br>client services | Asset<br>management | Others     |              |
| Segment revenue and other income                  |                                       |                      |                                                 |                     |            |              |
| Fee and commission income                         | 1,170,809                             | 3,417,790            | 1,787,094                                       | 661,429             | –          | 7,037,122    |
| Interest income                                   | –                                     | 2,185,071            | 1,655,196                                       | 28                  | 286,670    | 4,126,965    |
| Net investment gains                              | –                                     | –                    | 4,601,138                                       | (12,086)            | 11,498     | 4,600,550    |
| Other income                                      | 500                                   | 59,329               | 27,740                                          | 3,337               | 424,667    | 515,573      |
| Total revenue and other income                    | 1,171,309                             | 5,662,190            | 8,071,168                                       | 652,708             | 722,835    | 16,280,210   |
| Segment expenses                                  | (990,900)                             | (3,954,106)          | (5,245,177)                                     | (305,226)           | (462,454)  | (10,957,863) |
| Including: Interest expenses                      | –                                     | (820,900)            | (3,027,218)                                     | (11,188)            | (30,218)   | (3,889,524)  |
| Credit impairment losses<br>reversals/(increases) | (618)                                 | 43,530               | (139,952)                                       | –                   | 2,804      | (94,236)     |
| Impairment losses on<br>other assets              | –                                     | –                    | –                                               | –                   | (3,645)    | (3,645)      |
| Operating profit                                  | 180,409                               | 1,708,084            | 2,825,991                                       | 347,482             | 260,381    | 5,322,347    |
| Share of profits of associates                    | –                                     | –                    | –                                               | –                   | 1,662      | 1,662        |
| Profit before income tax                          | 180,409                               | 1,708,084            | 2,825,991                                       | 347,482             | 262,043    | 5,324,009    |
| Income tax expense                                |                                       |                      |                                                 |                     |            | (807,937)    |
| Profit for the period                             |                                       |                      |                                                 |                     |            | 4,516,072    |
| Segment assets                                    | 2,802,563                             | 158,440,565          | 394,733,483                                     | 5,329,336           | 50,879,904 | 612,185,851  |
| Deferred tax assets                               |                                       |                      |                                                 |                     |            | 178,168      |
| Total assets                                      |                                       |                      |                                                 |                     |            | 612,364,019  |
| Segment liabilities                               | 2,668,654                             | 139,129,748          | 336,925,263                                     | 2,567,593           | 21,093,378 | 502,384,636  |
| Deferred tax liabilities                          |                                       |                      |                                                 |                     |            | 139,638      |
| Total liabilities                                 |                                       |                      |                                                 |                     |            | 502,524,274  |
| Other segment information:                        |                                       |                      |                                                 |                     |            |              |
| Depreciation and amortization                     | 87,220                                | 265,541              | 235,072                                         | 15,442              | 16,524     | 619,799      |
| Capital expenditure                               | 15,320                                | 48,172               | 53,130                                          | 9,033               | 5,132      | 130,787      |



# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(In RMB thousands, unless otherwise stated)

## 6 FEE AND COMMISSION INCOME

|                                  | Six months ended 30 June |           |
|----------------------------------|--------------------------|-----------|
|                                  | 2026                     | 2025      |
| Brokerage services income        | 7,548,354                | 4,876,262 |
| Investment banking income        | 1,179,468                | 1,170,809 |
| Asset and fund management income | 766,778                  | 661,429   |
| Others                           | 505,872                  | 328,622   |
| Total                            | 10,000,472               | 7,037,122 |

## 7 INTEREST INCOME

|                                                                   | Six months ended 30 June |           |
|-------------------------------------------------------------------|--------------------------|-----------|
|                                                                   | 2026                     | 2025      |
| Margin financing and securities lending                           | 2,029,279                | 1,583,472 |
| Deposits in financial institutions                                | 1,350,840                | 1,298,520 |
| Financial assets at fair value through other comprehensive income | 1,084,269                | 1,120,723 |
| Financial assets held under resale agreements                     | 110,929                  | 111,165   |
| Others                                                            | 47,011                   | 13,085    |
| Total                                                             | 4,622,328                | 4,126,965 |

## 8 NET INVESTMENT GAINS

|                                                                                              | Six months ended 30 June |             |
|----------------------------------------------------------------------------------------------|--------------------------|-------------|
|                                                                                              | 2026                     | 2025        |
| Net gains from financial assets at fair value through profit or loss                         | 12,111,627               | 7,562,738   |
| Dividend income from financial assets at fair value through other comprehensive income       | 770,043                  | 242,537     |
| Net gains from disposal of financial assets at fair value through other comprehensive income | 101,180                  | 224,533     |
| Net losses from financial liabilities at fair value through profit or loss                   | (410,512)                | (718,785)   |
| Net losses from derivatives                                                                  | (4,536,098)              | (2,716,481) |
| Others                                                                                       | (12,886)                 | 6,008       |
| Total                                                                                        | 8,023,354                | 4,600,550   |

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2026  
(In RMB thousands, unless otherwise stated)

## 9 OTHER INCOME

|                                                    | Six months ended 30 June |         |
|----------------------------------------------------|--------------------------|---------|
|                                                    | 2026                     | 2025    |
| Government grants                                  | 75,774                   | 59,996  |
| Net gains on foreign exchange                      | 133,339                  | 59,101  |
| Rental income                                      | 7,937                    | 7,364   |
| Gains on disposal of property, plant and equipment | 39                       | 831     |
| Others                                             | 223,276                  | 388,281 |
| Total                                              | 440,365                  | 515,573 |

## 10 EXPENSES

|                                                                          | Six months ended 30 June |           |
|--------------------------------------------------------------------------|--------------------------|-----------|
|                                                                          | 2026                     | 2025      |
| <b>Fee and commission expenses</b>                                       |                          |           |
| Brokerage services expenses                                              | 2,507,920                | 1,532,305 |
| Investment banking expenses                                              | 66,023                   | 48,257    |
| Others                                                                   | 71,159                   | 69,739    |
| Total                                                                    | 2,645,102                | 1,650,301 |
| <b>Interest expenses</b>                                                 |                          |           |
| Bonds in issue                                                           | 1,795,714                | 1,790,885 |
| Financial assets sold under repurchase agreements                        | 1,262,416                | 1,274,744 |
| Short-term financing instruments payable                                 | 607,382                  | 465,288   |
| Accounts payable to brokerage clients                                    | 276,978                  | 204,482   |
| Short-term borrowings                                                    | 121,826                  | 62,535    |
| Placements from banks and other financial institutions                   | 76,784                   | 44,502    |
| Lease liabilities                                                        | 14,993                   | 17,769    |
| Others                                                                   | 59,914                   | 29,319    |
| Total                                                                    | 4,216,007                | 3,889,524 |
| <b>Staff costs (including directors' and supervisors' remuneration):</b> |                          |           |
| Staff salaries                                                           | 2,939,326                | 2,454,619 |
| Other social benefits                                                    | 388,381                  | 379,239   |
| Contributions to defined contribution schemes (i)                        | 433,774                  | 352,188   |
| Others                                                                   | 182,552                  | 118,809   |
| Total                                                                    | 3,944,033                | 3,304,855 |

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(In RMB thousands, unless otherwise stated)

## 10 EXPENSES (CONTINUED)

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

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

In addition, the Group participates in various defined contribution retirement schemes for its qualified employees in certain countries or regions outside of Chinese Mainland.

### Other operating expenses and costs:

|                                         | Six months ended 30 June |           |
|-----------------------------------------|--------------------------|-----------|
|                                         | 2026                     | 2025      |
| Depreciation of right-of-use assets     | 252,199                  | 268,438   |
| Electronic equipment operating expenses | 215,776                  | 166,301   |
| Membership fees of exchanges            | 195,865                  | 131,742   |
| Amortization of intangible assets       | 162,079                  | 152,659   |
| Depreciation expenses                   | 127,199                  | 132,268   |
| Business travel expenses                | 110,858                  | 96,021    |
| Non-operating expenses                  | 181,089                  | 13,316    |
| Auditors' remuneration                  | 3,148                    | 3,242     |
| Others                                  | 1,135,193                | 989,679   |
| Total                                   | 2,383,406                | 1,953,666 |

## 11 CREDIT IMPAIRMENT LOSSES (REVERSALS)/INCREASES

|                                                                   | Six months ended 30 June |          |
|-------------------------------------------------------------------|--------------------------|----------|
|                                                                   | 2026                     | 2025     |
| Financial assets at fair value through other comprehensive income | (147,753)                | 146,988  |
| Financial assets held under resale agreements                     | (58,272)                 | 31,561   |
| Margin accounts                                                   | 153,190                  | (82,030) |
| Others                                                            | (1,873)                  | (2,283)  |
| Total                                                             | (54,708)                 | 94,236   |

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2026  
(In RMB thousands, unless otherwise stated)

## 12 INCOME TAX EXPENSE

|                            | Six months ended 30 June |           |
|----------------------------|--------------------------|-----------|
|                            | 2026                     | 2025      |
| Current income tax         |                          |           |
| – Chinese Mainland         | 1,241,719                | 1,028,845 |
| – Outside Chinese Mainland | 132,242                  | 69,907    |
| Subtotal                   | 1,373,961                | 1,098,752 |
| Deferred income tax        | 806,091                  | (290,815) |
| Total                      | 2,180,052                | 807,937   |

The Group is subject to the global minimum top-up tax under Pillar Two tax legislation. The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred. The amount of current tax expense recognized by the Group in relation to Pillar Two tax legislation is insignificant.

## 13 DIVIDENDS

|                                                    | Six months ended 30 June |           |
|----------------------------------------------------|--------------------------|-----------|
|                                                    | 2026                     | 2025      |
| Dividends on ordinary shares proposed but not paid | 1,357,422                | 1,279,855 |
| Distribution to other equity instrument holders    | 535,668                  | 486,725   |

The 2025 profit distribution plan was approved at the 2025 Annual General Meeting held on 26 June 2026, the 2025 final profit distribution plan was RMB1.75 (tax inclusive) per 10 ordinary shares in the form of cash dividends, amounting to RMB1,357.42 million (tax inclusive) in total on the basis of 7,756,694,797 shares.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(In RMB thousands, unless otherwise stated)

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

Basic earnings per share was calculated by dividing profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding. The calculations of basic and diluted earnings per share are based on:

|                                                                             | Six months ended 30 June<br>2026 | 2025      |
|-----------------------------------------------------------------------------|----------------------------------|-----------|
| <b>Earnings:</b>                                                            |                                  |           |
| Profit attributable to equity holders of the Company                        | 7,639,129                        | 4,508,536 |
| Less: Profit attributable to other equity instrument holders of the Company | (535,668)                        | (486,725) |
| Profit attributable to ordinary equity holders of the Company               | 7,103,461                        | 4,021,811 |
| <b>Shares:</b>                                                              |                                  |           |
| Weighted average number of ordinary shares in issue (in thousands)          | 7,756,695                        | 7,756,695 |
| Basic and diluted earnings per share (in RMB yuan)                          | 0.92                             | 0.52      |

There were no dilutive shares during the six months ended 30 June 2026 and during the six months ended 30 June 2025. Therefore, diluted earnings per share is equal to basic earnings per share.

## 15 PROPERTY, PLANT AND EQUIPMENT

|                                          | Properties and buildings | Communication equipment | Office equipment | Transportation vehicles | Security equipment | Electronic devices | Others   | Total       |
|------------------------------------------|--------------------------|-------------------------|------------------|-------------------------|--------------------|--------------------|----------|-------------|
| <b>Cost</b>                              |                          |                         |                  |                         |                    |                    |          |             |
| 31 December 2025                         | 420,989                  | 3,952                   | 67,495           | 34,463                  | 12,513             | 1,607,835          | 24,447   | 2,171,694   |
| Increases                                | -                        | -                       | 695              | 298                     | 2,899              | 70,173             | 24       | 74,089      |
| Transfer of investment property          | 273                      | -                       | -                | -                       | -                  | -                  | -        | 273         |
| Decreases                                | -                        | (173)                   | (499)            | (645)                   | (94)               | (5,617)            | -        | (7,028)     |
| Foreign currency translation differences | -                        | -                       | (189)            | (27)                    | -                  | (697)              | -        | (913)       |
| 30 June 2026                             | 421,262                  | 3,779                   | 67,502           | 34,089                  | 15,318             | 1,671,694          | 24,471   | 2,238,115   |
| <b>Accumulated depreciation</b>          |                          |                         |                  |                         |                    |                    |          |             |
| 31 December 2025                         | (200,049)                | (2,929)                 | (52,058)         | (29,182)                | (7,974)            | (1,270,327)        | (14,095) | (1,576,614) |
| Increases                                | (5,717)                  | (177)                   | (3,974)          | (821)                   | (1,439)            | (113,711)          | (1,360)  | (127,199)   |
| Transfer of investment property          | (126)                    | -                       | -                | -                       | -                  | -                  | -        | (126)       |
| Decreases                                | -                        | 169                     | 497              | 626                     | 91                 | 5,141              | -        | 6,524       |
| Foreign currency translation differences | -                        | -                       | 175              | 1                       | -                  | 589                | -        | 765         |
| 30 June 2026                             | (205,892)                | (2,937)                 | (55,360)         | (29,376)                | (9,322)            | (1,378,308)        | (15,455) | (1,696,650) |
| <b>Net carrying amount</b>               |                          |                         |                  |                         |                    |                    |          |             |
| 30 June 2026                             | 215,370                  | 842                     | 12,142           | 4,713                   | 5,996              | 293,386            | 9,016    | 541,465     |
| 31 December 2025                         | 220,940                  | 1,023                   | 15,437           | 5,281                   | 4,539              | 337,508            | 10,352   | 595,080     |

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(In RMB thousands, unless otherwise stated)

## 16 RIGHT-OF-USE ASSETS

|                                          | Properties<br>and buildings | Others           | Total              |
|------------------------------------------|-----------------------------|------------------|--------------------|
| <b>Cost</b>                              |                             |                  |                    |
| 31 December 2025                         | 2,447,730                   | 329,967          | 2,777,697          |
| Increases                                | 141,228                     | 287,289          | 428,517            |
| Decreases                                | (125,740)                   | –                | (125,740)          |
| Foreign currency translation differences | (2,553)                     | –                | (2,553)            |
| 30 June 2026                             | <b>2,460,665</b>            | <b>617,256</b>   | <b>3,077,921</b>   |
| <b>Accumulated depreciation</b>          |                             |                  |                    |
| 31 December 2025                         | (1,575,183)                 | (322,233)        | (1,897,416)        |
| Increases                                | (224,894)                   | (27,305)         | (252,199)          |
| Decreases                                | 121,806                     | –                | 121,806            |
| Foreign currency translation differences | (1,489)                     | –                | (1,489)            |
| 30 June 2026                             | <b>(1,679,760)</b>          | <b>(349,538)</b> | <b>(2,029,298)</b> |
| <b>Net carrying amount</b>               |                             |                  |                    |
| 30 June 2026                             | <b>780,905</b>              | <b>267,718</b>   | <b>1,048,623</b>   |
| 31 December 2025                         | 872,547                     | 7,734            | 880,281            |

## 17 INTANGIBLE ASSETS

|                                          | Software           | Self-developed<br>data<br>resources | Trading seat<br>rights and<br>others | Total              |
|------------------------------------------|--------------------|-------------------------------------|--------------------------------------|--------------------|
| <b>Cost</b>                              |                    |                                     |                                      |                    |
| 31 December 2025                         | 2,165,331          | 2,765                               | 75,385                               | 2,243,481          |
| Increases                                | 92,488             | –                                   | –                                    | 92,488             |
| Decreases                                | (2,237)            | –                                   | (151)                                | (2,388)            |
| Foreign currency translation differences | (1,498)            | –                                   | (35)                                 | (1,533)            |
| 30 June 2026                             | <b>2,254,084</b>   | <b>2,765</b>                        | <b>75,199</b>                        | <b>2,332,048</b>   |
| <b>Accumulated amortization</b>          |                    |                                     |                                      |                    |
| 31 December 2025                         | (1,305,465)        | (1,147)                             | (69,600)                             | (1,376,212)        |
| Increases                                | (161,618)          | (461)                               | –                                    | (162,079)          |
| Decreases                                | 2,234              | –                                   | –                                    | 2,234              |
| Foreign currency translation differences | 1,262              | –                                   | –                                    | 1,262              |
| 30 June 2026                             | <b>(1,463,587)</b> | <b>(1,608)</b>                      | <b>(69,600)</b>                      | <b>(1,534,795)</b> |
| <b>Net carrying amount</b>               |                    |                                     |                                      |                    |
| 30 June 2026                             | <b>790,497</b>     | <b>1,157</b>                        | <b>5,599</b>                         | <b>797,253</b>     |
| 31 December 2025                         | 859,866            | 1,618                               | 5,785                                | 867,269            |

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(In RMB thousands, unless otherwise stated)

## 18 INVESTMENTS IN SUBSIDIARIES

|                             | 30 June<br>2026   | 31 December<br>2025 |
|-----------------------------|-------------------|---------------------|
| Investments in subsidiaries | <b>13,032,019</b> | 11,700,844          |

General information of the Company's principal subsidiaries are as follows:

| Name of subsidiaries                                                             | Principal<br>operating place | Place of registration | Registered<br>share capital | Proportion of equity interest/<br>voting right |                     | Directly/<br>Indirectly<br>hold | Principal activities                                                                               |
|----------------------------------------------------------------------------------|------------------------------|-----------------------|-----------------------------|------------------------------------------------|---------------------|---------------------------------|----------------------------------------------------------------------------------------------------|
|                                                                                  |                              |                       |                             | 30 June<br>2026                                | 31 December<br>2025 |                                 |                                                                                                    |
| China Futures Co., Ltd.                                                          | Chongqing                    | Chongqing             | RMB1,400 million            | 100%                                           | 100%                | Directly                        | Futures brokerage                                                                                  |
| China Capital Management Co., Ltd.                                               | Beijing                      | Beijing               | RMB3,500 million            | 100%                                           | 100%                | Directly                        | Project investment                                                                                 |
| China Securities (International) Finance Holding Company Limited <i>(i) (ii)</i> | Hong Kong                    | Hong Kong             | Not applicable              | 100%                                           | 100%                | Directly                        | Shareholding and investment                                                                        |
| China Fund Management Co., Ltd.                                                  | Beijing                      | Beijing               | RMB450 million              | 100%                                           | 100%                | Directly                        | Funds business, asset management                                                                   |
| China Securities Investment Co., Ltd.                                            | Beijing                      | Beijing               | RMB6,100 million            | 100%                                           | 100%                | Directly                        | Investment management, equity investment management, investment consultancy and project management |

(i) China Securities (International) Finance Holding Company Limited is registered as a limited company according to the laws of Hong Kong, China. Others are registered as limited liability companies according to the laws of the PRC.

(ii) In February 2026, the Company increased its investment of HKD1.5 billion in China Securities (International) Finance Holding Company Limited.



# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2026  
(In RMB thousands, unless otherwise stated)

## 19 INVESTMENTS IN ASSOCIATES

|                           | 30 June<br>2026 | 31 December<br>2025 |
|---------------------------|-----------------|---------------------|
| Investments in associates | <b>106,903</b>  | 102,588             |

The following table illustrates details of investments in associates:

| Name                                                                                 | 1 January<br>2026 | Increase | Decrease | Movement<br>using the<br>equity<br>method | Cash<br>dividends<br>or profits<br>declared | Loss<br>allowance for<br>the current<br>period | 30 June<br>2026 |
|--------------------------------------------------------------------------------------|-------------------|----------|----------|-------------------------------------------|---------------------------------------------|------------------------------------------------|-----------------|
| CITIC Urban Development Equity<br>Investment Fund Management<br>(Shenzhen) Co., Ltd. | 40,615            | -        | -        | 4,837                                     | -                                           | -                                              | 45,452          |
| Beijing Shunlong Zhiyuan<br>Enterprise Management<br>Consulting Co., Ltd.            | 33,697            | -        | -        | 153                                       | (319)                                       | -                                              | 33,531          |
| Beijing Equity Trading Center Co., Ltd.                                              | 28,276            | -        | -        | 33                                        | (389)                                       | -                                              | 27,920          |
| Total                                                                                | <b>102,588</b>    | <b>-</b> | <b>-</b> | <b>5,023</b>                              | <b>(708)</b>                                | <b>-</b>                                       | <b>106,903</b>  |

| Name                                                                                 | 1 January<br>2025 | Increase | Decrease | Movement<br>using the<br>equity<br>method | Cash<br>dividends<br>or profits<br>declared | Loss<br>allowance for<br>the current<br>year | 31 December<br>2025 |
|--------------------------------------------------------------------------------------|-------------------|----------|----------|-------------------------------------------|---------------------------------------------|----------------------------------------------|---------------------|
| CITIC Urban Development Equity<br>Investment Fund Management<br>(Shenzhen) Co., Ltd. | 63,546            | -        | -        | 269                                       | (23,200)                                    | -                                            | 40,615              |
| Beijing Shunlong Zhiyuan<br>Enterprise Management<br>Consulting Co., Ltd.            | 30,170            | -        | -        | 3,789                                     | (262)                                       | -                                            | 33,697              |
| Beijing Equity Trading Center Co., Ltd.                                              | 29,066            | -        | -        | (790)                                     | -                                           | -                                            | 28,276              |
| Total                                                                                | <b>122,782</b>    | <b>-</b> | <b>-</b> | <b>3,268</b>                              | <b>(23,462)</b>                             | <b>-</b>                                     | <b>102,588</b>      |

(1) As at 30 June 2026 and 31 December 2025, given there was no new sign of impairment on the Group's investments in associates, no further loss allowance was made.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(In RMB thousands, unless otherwise stated)

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

|                    | 30 June<br>2026 | 31 December<br>2025 |
|--------------------|-----------------|---------------------|
| <b>Non-current</b> |                 |                     |
| Debt instruments   | 13,159          | 19,504              |
| Equity investments | 11,568,223      | 9,128,140           |
| Fund investments   | 91,770          | 264,853             |
| Others             | 728,414         | 566,602             |
| Subtotal           | 12,401,566      | 9,979,099           |
| Analyzed into:     |                 |                     |
| Listed             | 2,211,324       | 730,654             |
| Unlisted           | 10,190,242      | 9,248,445           |
| Subtotal           | 12,401,566      | 9,979,099           |
| <b>Current</b>     |                 |                     |
| Debt instruments   | 90,759,510      | 65,319,225          |
| Equity investments | 18,000,361      | 13,385,728          |
| Fund investments   | 54,532,148      | 41,713,049          |
| Others             | 65,365,588      | 56,267,750          |
| Subtotal           | 228,657,607     | 176,685,752         |
| Analyzed into:     |                 |                     |
| Listed             | 153,025,885     | 121,883,040         |
| Unlisted           | 75,631,722      | 54,802,712          |
| Subtotal           | 228,657,607     | 176,685,752         |
| Total              | 241,059,173     | 186,664,851         |

As at 30 June 2026, the fair value of financial assets with commitment conditions held by the Group was RMB71,229.89 million (31 December 2025: RMB56,957.04 million).

As at 30 June 2026 and 31 December 2025, the financial assets at fair value through profit or loss held by the Group included the outstanding balance of the securities lent. For more details, please refer to Note 25.

As at 30 June 2026, the fair value of financial assets at fair value through profit or loss in restricted period held by the Group was RMB3,504.13 million (31 December 2025: RMB1,663.88 million).

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(In RMB thousands, unless otherwise stated)

## 21 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

|                    | 30 June<br>2026           | 31 December<br>2025       |
|--------------------|---------------------------|---------------------------|
| <b>Non-current</b> |                           |                           |
| Equity investments | <u>69,144,499</u>         | <u>52,162,155</u>         |
| Analyzed into:     |                           |                           |
| Listed             | <u>69,120,409</u>         | <u>51,980,755</u>         |
| Unlisted           | <u>24,090</u>             | <u>181,400</u>            |
| Subtotal           | <u>69,144,499</u>         | <u>52,162,155</u>         |
| <b>Current</b>     |                           |                           |
| Debt instruments   | <u>77,565,332</u>         | <u>93,348,017</u>         |
| Equity investments | <u>54,113</u>             | <u>60,654</u>             |
| Subtotal           | <u>77,619,445</u>         | <u>93,408,671</u>         |
| Analyzed into:     |                           |                           |
| Listed             | <u>77,519,445</u>         | <u>93,408,671</u>         |
| Unlisted           | <u>100,000</u>            | <u>–</u>                  |
| Subtotal           | <u>77,619,445</u>         | <u>93,408,671</u>         |
| Total              | <u><u>146,763,944</u></u> | <u><u>145,570,826</u></u> |

As at 30 June 2026, the fair value of financial assets with commitment conditions held by the Group was RMB104,658.89 million (31 December 2025: RMB101,976.14 million).

As at 30 June 2026, the financial assets at fair value through other comprehensive income held by the Group included the outstanding balance of the securities lent. For more details, please refer to Note 25 (31 December 2025: Nil).

As at 30 June 2026, the fair value of financial assets at fair value through other comprehensive income in restricted period held by the Group was RMB531.84 million (31 December 2025: RMB605.56 million).

## 22 REFUNDABLE DEPOSITS

|                      | 30 June<br>2026          | 31 December<br>2025      |
|----------------------|--------------------------|--------------------------|
| Performance deposits | <u>22,577,606</u>        | <u>19,851,255</u>        |
| Trading deposits     | <u>996,383</u>           | <u>595,500</u>           |
| Credit deposits      | <u>134,009</u>           | <u>106,140</u>           |
| Total                | <u><u>23,707,998</u></u> | <u><u>20,552,895</u></u> |

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(In RMB thousands, unless otherwise stated)

## 23 DEFERRED TAX ASSETS/LIABILITIES

Changes of deferred tax assets/liabilities before offset are as follows:

| Deferred tax assets                                     | Salaries, bonuses, and allowances payable | Fair value changes of financial instruments | Allowance for credit impairment losses | Lease liabilities | Others        | Total            |
|---------------------------------------------------------|-------------------------------------------|---------------------------------------------|----------------------------------------|-------------------|---------------|------------------|
| 1 January 2026                                          | 749,247                                   | 785,565                                     | 676,190                                | 214,941           | 75,913        | 2,501,856        |
| Credited/(debited) to the consolidated income statement | 122,152                                   | (441,184)                                   | (7,469)                                | 34,975            | (6,641)       | (298,167)        |
| Credited/(debited) to other comprehensive income        | –                                         | 160,060                                     | (128)                                  | (668)             | (326)         | 158,938          |
| 30 June 2026                                            | <u>871,399</u>                            | <u>504,441</u>                              | <u>668,593</u>                         | <u>249,248</u>    | <u>68,946</u> | <u>2,362,627</u> |

| Deferred tax assets                                     | Salaries, bonuses, and allowances payable | Fair value changes of financial instruments | Allowance for credit impairment losses | Lease liabilities | Others        | Total            |
|---------------------------------------------------------|-------------------------------------------|---------------------------------------------|----------------------------------------|-------------------|---------------|------------------|
| 1 January 2025                                          | 859,843                                   | 11,438                                      | 606,575                                | 308,086           | 64,357        | 1,850,299        |
| (Debited)/credited to the consolidated income statement | (110,596)                                 | 774,127                                     | 69,670                                 | (92,858)          | 11,822        | 652,165          |
| Debited to other comprehensive income                   | –                                         | –                                           | (55)                                   | (287)             | (266)         | (608)            |
| 31 December 2025                                        | <u>749,247</u>                            | <u>785,565</u>                              | <u>676,190</u>                         | <u>214,941</u>    | <u>75,913</u> | <u>2,501,856</u> |

| Deferred tax liabilities                                | Fair value changes of financial instruments | Right-of-use assets | Others     | Total            |
|---------------------------------------------------------|---------------------------------------------|---------------------|------------|------------------|
| 1 January 2026                                          | 1,857,019                                   | 210,806             | 1,193      | 2,069,018        |
| Debited/(credited) to the consolidated income statement | 461,365                                     | 46,767              | (208)      | 507,924          |
| Credited to other comprehensive income                  | (122,626)                                   | (674)               | (44)       | (123,344)        |
| 30 June 2026                                            | <u>2,195,758</u>                            | <u>256,899</u>      | <u>941</u> | <u>2,453,598</u> |

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(In RMB thousands, unless otherwise stated)

## 23 DEFERRED TAX ASSETS/LIABILITIES (CONTINUED)

| Deferred tax liabilities                                | Fair value changes of financial instruments | Right-of-use assets | Others | Total     |
|---------------------------------------------------------|---------------------------------------------|---------------------|--------|-----------|
| 1 January 2025                                          | 1,642,683                                   | 282,936             | 1,886  | 1,927,505 |
| Debited/(credited) to the consolidated income statement | 41,952                                      | (71,844)            | (656)  | (30,548)  |
| Debited/(credited) to other comprehensive income        | 172,384                                     | (286)               | (37)   | 172,061   |
| 31 December 2025                                        | 1,857,019                                   | 210,806             | 1,193  | 2,069,018 |

Net balances of deferred tax assets/liabilities after offset

| Item                     | 30 June 2026                                  |                                                           | 31 December 2025                              |                                                           |
|--------------------------|-----------------------------------------------|-----------------------------------------------------------|-----------------------------------------------|-----------------------------------------------------------|
|                          | Deferred tax assets/liabilities offset amount | Deferred tax assets/liabilities net balances after offset | Deferred tax assets/liabilities offset amount | Deferred tax assets/liabilities net balances after offset |
| Deferred tax assets      | (1,926,502)                                   | 436,125                                                   | (1,944,773)                                   | 557,083                                                   |
| Deferred tax liabilities | (1,926,502)                                   | 527,096                                                   | (1,944,773)                                   | 124,245                                                   |

## 24 OTHER NON-CURRENT ASSETS

As at 30 June 2026 and 31 December 2025, other non-current assets of the Group primarily represented long-term deferred expenses incurred on leasehold improvements of property, plant and equipment and network engineering projects.

## 25 MARGIN ACCOUNTS

|                 | 30 June 2026 | 31 December 2025 |
|-----------------|--------------|------------------|
| Margin accounts |              |                  |
| – Individuals   | 92,484,656   | 74,866,654       |
| – Institutions  | 17,114,022   | 11,426,196       |
|                 | 109,598,678  | 86,292,850       |
| Loss allowance  | (2,056,888)  | (1,908,477)      |
| Total           | 107,541,790  | 84,384,373       |

As at 30 June 2026, the fair value of securities lent was RMB690.16 million (31 December 2025: RMB456.15 million).

As at 30 June 2026, the Group received collateral with fair value amounted to RMB363,189.53 million (31 December 2025: RMB270,381.95 million), in connection with its margin financing and securities lending.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(In RMB thousands, unless otherwise stated)

## 26 ACCOUNTS RECEIVABLE

|                                          | 30 June<br>2026   | 31 December<br>2025 |
|------------------------------------------|-------------------|---------------------|
| Derivative business receivables          | 7,562,016         | 7,141,267           |
| Clearing funds receivable                | 4,173,351         | 1,157,063           |
| Asset and fund management fee receivable | 307,331           | 257,895             |
| Others                                   | 1,621,635         | 1,276,830           |
|                                          | <b>13,664,333</b> | 9,833,055           |
| Loss allowance (i)                       | (24,239)          | (26,051)            |
| Total                                    | <b>13,640,094</b> | 9,807,004           |

(i) ECL on accounts receivable arising from revenue recognized in accordance with IFRS 15 – Revenue from Contracts with Customers, is measured using simplified approach. ECL on the rest of accounts receivable is measured using the general approach and as at 30 June 2026, accounts receivable measured using general approach were classified under Stage 1 (31 December 2025: Stage 1).

(ii) Analyzed by aging

| Item                        | As at 30 June 2026       |                |                         |                |
|-----------------------------|--------------------------|----------------|-------------------------|----------------|
|                             | Carrying amount<br>Value | Percentage     | Loss allowance<br>Value | Percentage     |
| Loss allowance by portfolio |                          |                |                         |                |
| Less than 1 year            | 13,041,361               | 95.44%         | (887)                   | 3.66%          |
| 1 to 2 years                | 546,791                  | 4.00%          | (1,217)                 | 5.02%          |
| 2 to 3 years                | 26,701                   | 0.20%          | (2,329)                 | 9.61%          |
| More than 3 years           | 49,480                   | 0.36%          | (19,806)                | 81.71%         |
| Total                       | <b>13,664,333</b>        | <b>100.00%</b> | <b>(24,239)</b>         | <b>100.00%</b> |

| Item                        | As at 31 December 2025   |                |                         |                |
|-----------------------------|--------------------------|----------------|-------------------------|----------------|
|                             | Carrying amount<br>Value | Percentage     | Loss allowance<br>Value | Percentage     |
| Loss allowance by portfolio |                          |                |                         |                |
| Less than 1 year            | 9,187,602                | 93.44%         | (933)                   | 3.59%          |
| 1 to 2 years                | 574,531                  | 5.84%          | (2,004)                 | 7.69%          |
| 2 to 3 years                | 25,449                   | 0.26%          | (2,351)                 | 9.02%          |
| More than 3 years           | 45,473                   | 0.46%          | (20,763)                | 79.70%         |
| Total                       | <b>9,833,055</b>         | <b>100.00%</b> | <b>(26,051)</b>         | <b>100.00%</b> |

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(In RMB thousands, unless otherwise stated)

## 27 DERIVATIVE FINANCIAL INSTRUMENTS

|                           | As at 30 June 2026   |                  |                  |
|---------------------------|----------------------|------------------|------------------|
|                           | Nominal<br>value     | Fair value       |                  |
|                           |                      | Assets           | Liabilities      |
| Interest rate derivatives | 436,222,109          | 135,749          | 115,638          |
| Currency derivatives      | 412,499,272          | 195,710          | 730,466          |
| Equity derivatives        | 254,100,992          | 1,936,343        | 5,842,041        |
| Credit derivatives        | 139,000              | 36,015           | –                |
| Others                    | 133,224,186          | 778,528          | 653,066          |
| Total                     | <u>1,236,185,559</u> | <u>3,082,345</u> | <u>7,341,211</u> |

|                           | As at 31 December 2025 |                  |                  |
|---------------------------|------------------------|------------------|------------------|
|                           | Nominal<br>value       | Fair value       |                  |
|                           |                        | Assets           | Liabilities      |
| Interest rate derivatives | 611,453,282            | 25,097           | 29,567           |
| Currency derivatives      | 521,245,057            | 231,247          | 718,059          |
| Equity derivatives        | 192,238,363            | 1,077,027        | 4,977,309        |
| Credit derivatives        | 981,000                | 27,091           | 276              |
| Others                    | 85,908,277             | 921,850          | 804,163          |
| Total                     | <u>1,411,825,979</u>   | <u>2,282,312</u> | <u>6,529,374</u> |

Under the “Daily Mark-to-Market and Settlement Arrangement”, as at 30 June 2026 and 31 December 2025, some of the derivative financial instruments held by the Group and related temporary receipts and payments are presented at the net amount after offsetting.



# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(In RMB thousands, unless otherwise stated)

## 28 FINANCIAL ASSETS HELD UNDER RESALE AGREEMENTS

|                         | 30 June<br>2026  | 31 December<br>2025 |
|-------------------------|------------------|---------------------|
| <b>Current</b>          |                  |                     |
| Analyzed by collateral: |                  |                     |
| Debts                   | 5,933,897        | 4,896,566           |
| Stock                   | 1,949,813        | 1,900,406           |
|                         | <b>7,883,710</b> | 6,796,972           |
| Loss allowance          | (244,409)        | (302,681)           |
| Total                   | <b>7,639,301</b> | 6,494,291           |

The Group received securities as collateral in connection with financial assets under resale agreements, some of which are allowed to be re-pledged in the absence of default by counterparties. If the collateral received declines in value, the Group may, in certain circumstances, require additional collateral. The Group had an obligation to return the collateral to its counterparties at the maturity of the contracts.

The fair value of the collateral received in connection with financial assets under resale agreements, the collateral allowed to be re-pledged and the collateral re-pledged are as below:

|                                                | 30 June<br>2026 | 31 December<br>2025 |
|------------------------------------------------|-----------------|---------------------|
| Collateral received                            | 10,242,147      | 11,529,560          |
| Including: Collateral allowed to be re-pledged | 2,444,197       | 1,671,395           |
| Including: Collateral re-pledged               | 2,444,197       | 1,671,395           |

## 29 CASH HELD ON BEHALF OF CLIENTS

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 clients under current assets and the corresponding liabilities as accounts payable to brokerage clients (Note 32). In Chinese Mainland, the use of cash held on behalf of clients for securities trading and settlement is restricted and governed by relevant third-party custodian regulations issued by the CSRC. In Hong Kong, the "Securities and Futures (Client Money) Rules" under the Securities and Futures Ordinance have imposed similar restrictions.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2026  
(In RMB thousands, unless otherwise stated)

## 30 CASH AND BANK BALANCES

|                   | 30 June<br>2026   | 31 December<br>2025 |
|-------------------|-------------------|---------------------|
| Deposits in banks | <b>66,799,012</b> | 54,686,344          |

As at 30 June 2026, the Group had restricted deposits of RMB625.02 million (31 December 2025: RMB589.98 million).

## 31 OTHER CURRENT ASSETS

|                       | 30 June<br>2026  | 31 December<br>2025 |
|-----------------------|------------------|---------------------|
| Commodity inventories | <b>327,664</b>   | 126,868             |
| Interest receivable   | <b>12,089</b>    | 13,776              |
| Deferred expenses     | <b>4,644</b>     | 5,284               |
| Prepaid tax           | <b>347,791</b>   | 4,644               |
| Others                | <b>551,271</b>   | 388,900             |
|                       | <b>1,243,459</b> | 539,472             |
| Loss allowance        | <b>(47,188)</b>  | (47,583)            |
| Total                 | <b>1,196,271</b> | 491,889             |

## 32 ACCOUNTS PAYABLE TO BROKERAGE CLIENTS

|                                       | 30 June<br>2026    | 31 December<br>2025 |
|---------------------------------------|--------------------|---------------------|
| Accounts payable to brokerage clients | <b>262,899,677</b> | 175,840,031         |

Accounts payable to brokerage clients represents the amounts received from and repayable to clients arising from the ordinary course of the Group's securities brokerage business. For more details, please refer to Cash Held on Behalf of Clients (Note 29).

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(In RMB thousands, unless otherwise stated)

## 33 LEASE LIABILITIES

|                    | 30 June<br>2026 | 31 December<br>2025 |
|--------------------|-----------------|---------------------|
| <b>Current</b>     |                 |                     |
| Lease liabilities  | 395,135         | 460,735             |
| <b>Non-current</b> |                 |                     |
| Lease liabilities  | 626,749         | 435,668             |
| Total              | 1,021,884       | 896,403             |

As at 30 June 2026 and 31 December 2025, the expected future cash outflow of lease contracts signed by the Group but lease not yet commenced are insignificant.

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

|                                                                               | 30 June<br>2026 | 31 December<br>2025 |
|-------------------------------------------------------------------------------|-----------------|---------------------|
| <b>Current</b>                                                                |                 |                     |
| Financial liabilities at fair value through profit or loss (Held for trading) |                 |                     |
| – Debt instruments                                                            | 9,196,290       | 973,226             |
| Financial liabilities designated as at fair value through profit or loss      |                 |                     |
| – Beneficiary certificates (i)                                                | 11,841,228      | 7,626,192           |
| – Structured notes                                                            | 1,370,116       | 1,838,855           |
| Subtotal                                                                      | 22,407,634      | 10,438,273          |
| <b>Non-current</b>                                                            |                 |                     |
| Financial liabilities designated as at fair value through profit or loss      |                 |                     |
| – Beneficiary certificates (i)                                                | 1,498,168       | 1,171,983           |
| Subtotal                                                                      | 1,498,168       | 1,171,983           |
| Total                                                                         | 23,905,802      | 11,610,256          |

(i) As at 30 June 2026 and 31 December 2025, the beneficiary certificates held by the Group were mainly linked to equity indexes.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2026  
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## 35 FINANCIAL ASSETS SOLD UNDER REPURCHASE AGREEMENTS

|                         | 30 June<br>2026 | 31 December<br>2025 |
|-------------------------|-----------------|---------------------|
| <b>Current</b>          |                 |                     |
| Analyzed by collateral: |                 |                     |
| Debts                   | 135,398,412     | 120,890,283         |
| Others                  | 19,446,625      | 14,605,601          |
| Total                   | 154,845,037     | 135,495,884         |

## 36 PLACEMENTS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

|                       | 30 June<br>2026 | 31 December<br>2025 |
|-----------------------|-----------------|---------------------|
| <b>Current</b>        |                 |                     |
| Placements from banks | 6,241,098       | 6,560,614           |

## 37 TAXES PAYABLE

|                 | 30 June<br>2026 | 31 December<br>2025 |
|-----------------|-----------------|---------------------|
| <b>Current</b>  |                 |                     |
| Income tax      | 306,331         | 995,233             |
| Value added tax | 534,166         | 260,910             |
| Others          | 94,587          | 243,610             |
| Total           | 935,084         | 1,499,753           |

## 38 SHORT-TERM BORROWINGS

|                     | 30 June<br>2026 | 31 December<br>2025 |
|---------------------|-----------------|---------------------|
| <b>Current</b>      |                 |                     |
| Analyzed by nature: |                 |                     |
| Credit borrowings   | 10,173,086      | 7,978,408           |

As at 30 June 2026, the Group had short-term borrowings accrued interests at fixed annual rate or floating annual rates, of which the fixed annual interest rate ranges were 1.50% to 4.84%. As at 31 December 2025, the Group had short-term borrowings accrued interests at fixed annual rate, the fixed annual interest rate ranges were 1.80% to 4.78%.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(In RMB thousands, unless otherwise stated)

## 39 SHORT-TERM FINANCING INSTRUMENTS PAYABLE

|                                 | 30 June<br>2026 | 31 December<br>2025 |
|---------------------------------|-----------------|---------------------|
| Short-term commercial paper (i) | 38,286,697      | 27,144,255          |
| Beneficiary certificates (ii)   | 10,952,548      | 18,816,482          |
| Notes (iii)                     | 6,849,668       | 3,254,318           |
| Structured notes (iv)           | 3,074,895       | 4,645,360           |
| Total                           | 59,163,808      | 53,860,415          |

(i) The details of the short-term commercial paper outstanding as at 30 June 2026 are as follows:

| Name         | Notional value | Interest commencement date | Term     | Coupon rate |
|--------------|----------------|----------------------------|----------|-------------|
| 25 CSC CP013 | 3,000,000      | 29/12/2025                 | 200 days | 1.71%       |
| 26 CSC CP001 | 3,000,000      | 07/01/2026                 | 204 days | 1.69%       |
| 26 CSC CP002 | 3,000,000      | 15/01/2026                 | 204 days | 1.70%       |
| 26 CSC CP003 | 3,000,000      | 19/01/2026                 | 214 days | 1.70%       |
| 26 CSC CP004 | 2,000,000      | 20/01/2026                 | 234 days | 1.70%       |
| 26 CSC CP005 | 3,400,000      | 22/01/2026                 | 239 days | 1.68%       |
| 26 CSC CP006 | 3,000,000      | 04/02/2026                 | 261 days | 1.68%       |
| 26 CSC CP007 | 2,700,000      | 23/03/2026                 | 220 days | 1.57%       |
| 26 CSC CP008 | 3,000,000      | 13/05/2026                 | 182 days | 1.46%       |
| 26 CSC CP009 | 3,000,000      | 19/05/2026                 | 190 days | 1.45%       |
| 26 CSC CP010 | 3,000,000      | 21/05/2026                 | 204 days | 1.44%       |
| 26 CSC CP011 | 3,000,000      | 17/06/2026                 | 182 days | 1.53%       |
| 26 CSC CP012 | 3,000,000      | 25/06/2026                 | 204 days | 1.54%       |

(ii) As at 30 June 2026 and 31 December 2025, the Group had beneficiary certificates accrued interests at fixed annual rate or floating annual rates, of which the fixed annual interest rate ranges were 1.60% to 1.87% and 1.80% to 2.08%, respectively.

(iii) The details of the notes outstanding as at 30 June 2026 are as follows:

| Name  | Notional value           | Interest commencement date | Term     | Coupon rate |
|-------|--------------------------|----------------------------|----------|-------------|
| Notes | 500,000                  | 08/10/2025                 | 364 days | 1.96%       |
| Notes | 200,000 thousand dollars | 22/01/2026                 | 364 days | 4.00%       |
| Notes | 600,000                  | 26/01/2026                 | 361 days | 2.00%       |
| Notes | 120,000 thousand dollars | 28/01/2026                 | 181 days | 4.00%       |
| Notes | 374,000                  | 03/02/2026                 | 364 days | 2.05%       |
| Notes | 350,000                  | 05/02/2026                 | 358 days | 2.00%       |
| Notes | 800,000                  | 25/02/2026                 | 273 days | 0.00%       |
| Notes | 132,000 thousand dollars | 18/05/2026                 | 92 days  | 4.05%       |
| Notes | 60,000 thousand dollars  | 19/05/2026                 | 92 days  | 4.05%       |
| Notes | 100,000 thousand dollars | 19/05/2026                 | 184 days | 4.10%       |

(iv) As at 30 June 2026, the Group had structured notes accrued interests at fixed annual rate or floating annual rates, of which the fixed annual interest rate ranges were 2.72% to 4.25%. As at 31 December 2025, the Group had structured notes accrued interests at fixed annual rate, the fixed annual interest rate ranges were 1.78% to 4.75%.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2026  
(In RMB thousands, unless otherwise stated)

## 40 OTHER CURRENT LIABILITIES

|                                                                  | 30 June<br>2026 | 31 December<br>2025 |
|------------------------------------------------------------------|-----------------|---------------------|
| Bonds in issue with maturity within one year                     | 45,847,929      | 28,542,509          |
| Derivative business payables                                     | 35,832,257      | 20,420,634          |
| Salaries, bonuses and allowances payable                         | 4,460,537       | 3,872,962           |
| Settlement deposits payable                                      | 4,367,306       | 1,048,908           |
| Dividends payable                                                | 1,784,877       | 1,716,003           |
| Amounts due to other holders of consolidated structured entities | 1,726,587       | 1,491,258           |
| Futures risk reserve funds payable                               | 362,856         | 330,346             |
| Accounts payable to underwriting clients                         | 347,412         | 95,296              |
| Provision                                                        | 136,051         | 149,234             |
| Investor protection fund payable                                 | 58,649          | 53,807              |
| Funds payable to securities holders                              | 5,895           | 5,913               |
| Others                                                           | 6,487,665       | 5,478,136           |
| Total                                                            | 101,418,021     | 63,205,006          |

## 41 BONDS IN ISSUE

|                              | 30 June<br>2026 | 31 December<br>2025 |
|------------------------------|-----------------|---------------------|
| Corporate bonds (1)          | 90,080,342      | 73,834,861          |
| Subordinated bonds (2)       | –               | 5,146,705           |
| Financial bonds (3)          | 508,720         | 504,347             |
| Medium term notes (4)        | 10,906,290      | 12,288,608          |
| Beneficiary certificates (5) | 4,681,215       | 2,268,679           |
| Total                        | 106,176,567     | 94,043,200          |

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(In RMB thousands, unless otherwise stated)

## 41 BONDS IN ISSUE (CONTINUED)

(1) The details of corporate bonds outstanding as at 30 June 2026 are as follows:

| Name               | Notional value | Interest<br>commencement<br>date | Term      | Coupon rate |
|--------------------|----------------|----------------------------------|-----------|-------------|
| 22 Xintou F2       | 5,000,000      | 26/09/2022                       | 7 years   | 3.02%       |
| 22 Xintou F4       | 3,000,000      | 19/10/2022                       | 7 years   | 2.99%       |
| 22 Xintou G2       | 2,000,000      | 10/11/2022                       | 5 years   | 2.89%       |
| 22 Xintou G3       | 2,500,000      | 10/11/2022                       | 10 years  | 3.29%       |
| 22 Xintou G5       | 1,000,000      | 06/12/2022                       | 5 years   | 3.29%       |
| 22 Xintou G6       | 1,500,000      | 06/12/2022                       | 10 years  | 3.55%       |
| 23 Xintou F2 (i)   | 2,500,000      | 17/01/2023                       | 5 years   | 3.35%       |
| 23 Xintou G2       | 1,500,000      | 21/08/2023                       | 5 years   | 2.97%       |
| 23 Xintou G3       | 2,500,000      | 21/08/2023                       | 10 years  | 3.15%       |
| 23 Xintou G4 (ii)  | 1,000,000      | 16/10/2023                       | 3 years   | 2.91%       |
| 23 Xintou G5       | 1,000,000      | 16/10/2023                       | 5 years   | 3.10%       |
| 23 Xintou G6       | 1,000,000      | 16/10/2023                       | 10 years  | 3.34%       |
| 23 Xintou G7 (iii) | 500,000        | 27/10/2023                       | 3 years   | 2.94%       |
| 23 Xintou G8       | 500,000        | 27/10/2023                       | 5 years   | 3.13%       |
| 23 Xintou G9       | 1,500,000      | 27/10/2023                       | 10 years  | 3.35%       |
| 23 Xintou 10 (ii)  | 1,500,000      | 20/11/2023                       | 3 years   | 2.87%       |
| 23 Xintou 11       | 2,300,000      | 20/11/2023                       | 5 years   | 3.07%       |
| 23 Xintou 13 (ii)  | 1,500,000      | 07/12/2023                       | 3 years   | 2.95%       |
| 23 Xintou 14       | 2,500,000      | 07/12/2023                       | 5 years   | 3.15%       |
| 24 Xintou G1 (ii)  | 700,000        | 23/01/2024                       | 3 years   | 2.72%       |
| 24 Xintou G2       | 2,000,000      | 23/01/2024                       | 10 years  | 2.99%       |
| 24 Xintou F1 (ii)  | 4,000,000      | 01/02/2024                       | 3 years   | 2.80%       |
| 24 Xintou F2 (ii)  | 3,000,000      | 07/03/2024                       | 30 months | 2.58%       |
| 24 Xintou G4       | 1,000,000      | 27/03/2024                       | 10 years  | 2.78%       |
| 24 Xintou F3 (ii)  | 1,000,000      | 19/04/2024                       | 3 years   | 2.38%       |
| 24 Xintou F4       | 2,000,000      | 19/04/2024                       | 5 years   | 2.55%       |
| 24 Xintou G5       | 1,000,000      | 15/07/2024                       | 3 years   | 2.13%       |
| 24 Xintou G6       | 1,000,000      | 15/07/2024                       | 5 years   | 2.25%       |
| 24 Xintou F5 (ii)  | 2,600,000      | 16/10/2024                       | 2 years   | 2.21%       |
| 24 Xintou F6       | 3,300,000      | 16/10/2024                       | 3 years   | 2.23%       |
| 24 Xintou F7 (ii)  | 800,000        | 24/10/2024                       | 2 years   | 2.20%       |
| 24 Xintou F8       | 3,200,000      | 24/10/2024                       | 34 months | 2.23%       |
| 24 Xintou G8 (ii)  | 1,500,000      | 14/11/2024                       | 2 years   | 2.05%       |
| 24 Xintou G9       | 3,500,000      | 14/11/2024                       | 3 years   | 2.12%       |
| 24 Xintou 10 (ii)  | 2,000,000      | 05/12/2024                       | 2 years   | 1.91%       |
| 24 Xintou 11       | 3,000,000      | 05/12/2024                       | 5 years   | 2.10%       |
| 25 Xintou G1 (ii)  | 1,500,000      | 26/03/2025                       | 2 years   | 1.98%       |
| 25 Xintou G2       | 2,000,000      | 26/03/2025                       | 3 years   | 2.01%       |
| 25 Xintou K1       | 1,000,000      | 13/05/2025                       | 3 years   | 1.69%       |
| 25 Xintou F1       | 3,500,000      | 15/09/2025                       | 2 years   | 2.00%       |
| 25 Xintou F2       | 1,500,000      | 15/09/2025                       | 3 years   | 2.08%       |
| 25 Xintou F3       | 3,300,000      | 20/10/2025                       | 2 years   | 2.03%       |
| 25 Xintou F4       | 1,500,000      | 20/10/2025                       | 3 years   | 2.10%       |
| 25 Xintou F5       | 3,000,000      | 24/11/2025                       | 2 years   | 1.91%       |
| 26 Xintou F1       | 4,500,000      | 29/01/2026                       | 2 years   | 1.92%       |
| 26 Xintou F2       | 1,500,000      | 29/01/2026                       | 3 years   | 1.98%       |
| 26 Xintou K1       | 1,000,000      | 30/01/2026                       | 3 years   | 1.82%       |
| 26 Xintou G1       | 2,500,000      | 06/02/2026                       | 2 years   | 1.79%       |
| 26 Xintou F3       | 3,000,000      | 12/02/2026                       | 2 years   | 1.90%       |
| 26 Xintou F4       | 1,000,000      | 12/02/2026                       | 3 years   | 1.97%       |
| 26 Xintou F5       | 1,400,000      | 23/03/2026                       | 2 years   | 1.81%       |



# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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## 41 BONDS IN ISSUE (CONTINUED)

(1) The details of corporate bonds outstanding as at 30 June 2026 are as follows: (Continued)

| Name         | Notional value | Interest commencement date | Term    | Coupon rate |
|--------------|----------------|----------------------------|---------|-------------|
| 26 Xintou F6 | 1,100,000      | 23/03/2026                 | 3 years | 1.90%       |
| 26 Xintou G2 | 3,000,000      | 25/05/2026                 | 2 years | 1.59%       |
| 26 Xintou G3 | 1,000,000      | 25/05/2026                 | 3 years | 1.67%       |
| 26 Xintou K3 | 1,400,000      | 05/06/2026                 | 3 years | 1.58%       |
| 26 Xintou G4 | 2,500,000      | 15/06/2026                 | 2 years | 1.64%       |
| 26 Xintou G5 | 1,500,000      | 15/06/2026                 | 3 years | 1.69%       |

(2) The details of subordinated bonds outstanding as at 30 June 2026 are as follows:

| Name              | Notional value | Interest commencement date | Term    | Coupon rate |
|-------------------|----------------|----------------------------|---------|-------------|
| 22 Xintou C2 (ii) | 2,000,000      | 21/01/2022                 | 5 years | 3.45%       |
| 22 Xintou C4 (ii) | 2,000,000      | 22/02/2022                 | 5 years | 3.49%       |
| 22 Xintou C6 (ii) | 1,000,000      | 19/04/2022                 | 5 years | 3.57%       |
| 23 Xintou C4 (ii) | 1,500,000      | 10/07/2023                 | 3 years | 3.04%       |
| 23 Xintou C6 (ii) | 2,500,000      | 27/07/2023                 | 3 years | 2.95%       |
| 23 Xintou C8 (ii) | 2,500,000      | 15/08/2023                 | 3 years | 3.00%       |

(3) The details of financial bonds outstanding as at 30 June 2026 are as follows:

| Name                                                | Notional value | Interest commencement date | Term    | Coupon rate |
|-----------------------------------------------------|----------------|----------------------------|---------|-------------|
| 25 CSC Science and Technology<br>Innovation Bond 01 | 500,000        | 01/07/2025                 | 5 years | 1.76%       |

(4) The details of medium term notes outstanding as at 30 June 2026 are as follows:

| Name                   | Notional value           | Interest commencement date | Term    | Coupon rate  |
|------------------------|--------------------------|----------------------------|---------|--------------|
| Medium term notes (ii) | 500,000                  | 19/12/2023                 | 3 years | 3.45%        |
| Medium term notes (ii) | 710,000                  | 19/12/2023                 | 3 years | 3.45%        |
| Medium term notes (ii) | 790,000                  | 19/12/2023                 | 3 years | 3.45%        |
| Medium term notes (ii) | 500,000 thousand dollars | 31/05/2024                 | 3 years | SOFR + 0.67% |
| Medium term notes      | 150,000 thousand dollars | 27/09/2024                 | 3 years | SOFR + 0.68% |
| Medium term notes      | 100,000 thousand dollars | 13/11/2024                 | 3 years | SOFR + 0.70% |
| Medium term notes      | 110,000 thousand dollars | 04/03/2025                 | 3 years | SOFR + 0.70% |
| Medium term notes (ii) | 2,700,000                | 25/04/2025                 | 2 years | 2.48%        |
| Medium term notes      | 700,000                  | 28/07/2025                 | 3 years | 2.03%        |
| Medium term notes      | 400,000 thousand dollars | 31/07/2025                 | 3 years | SOFR + 0.60% |
| Medium term notes      | 2,000,000                | 22/04/2026                 | 3 years | 1.88%        |
| Medium term notes      | 1,610,700                | 22/05/2026                 | 2 years | 1.85%        |
| Medium term notes      | 1,000,000                | 02/06/2026                 | 2 years | 1.83%        |
| Medium term notes      | 400,000                  | 02/06/2026                 | 3 years | 1.88%        |

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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## 41 BONDS IN ISSUE (CONTINUED)

(5) The details of beneficiary certificates are as follows:

As at 30 June 2026 and 31 December 2025, the Company had beneficiary certificates accrued interests at fixed annual rate or fixed-floating rates, of which the fixed annual rate ranges and rate were 1.92% to 1.93% and 2.40%, respectively.

(i) According to the terms and obligations of the bond issuance, the Company chose to lower the nominal interest rate at the end of the third year of the bond terms and the investors chose to sell all bonds back to the Company. The Company has already repaid the principal and the corresponding interests.

(ii) As at 30 June 2026 and 31 December 2025, the outstanding balance of bonds in issue with maturity within one year are classified as other current liabilities.

## 42 SHARE CAPITAL

All shares issued by the Company are fully paid ordinary shares, with a notional value of RMB1 per share. The number of shares and nominal value of the Company's share capital are as follows:

|                                                                                        | 30 June<br>2026 | 31 December<br>2025 |
|----------------------------------------------------------------------------------------|-----------------|---------------------|
| Registered, issued and fully paid ordinary shares of RMB1 each ( <i>in thousands</i> ) |                 |                     |
| – A shares                                                                             | 6,495,671       | 6,495,671           |
| – H shares                                                                             | 1,261,024       | 1,261,024           |
| Total                                                                                  | 7,756,695       | 7,756,695           |

## 43 OTHER EQUITY INSTRUMENTS

|                 | 31 December<br>2025 | Increase  | Decrease    | 30 June 2026 |
|-----------------|---------------------|-----------|-------------|--------------|
| Perpetual bonds | 36,145,019          | 7,000,000 | (4,975,991) | 38,169,028   |

The details of other equity instruments outstanding as at 30 June 2026 are as follows:

|                                                       | Issue date    | Par value |
|-------------------------------------------------------|---------------|-----------|
| Perpetual Subordinated Bonds of 2022 (First Tranche)  | March 2022    | 4,500,000 |
| Perpetual Subordinated Bonds of 2022 (Second Tranche) | June 2022     | 3,500,000 |
| Perpetual Subordinated Bonds of 2022 (Third Tranche)  | August 2022   | 2,000,000 |
| Perpetual Subordinated Bonds of 2024 (First Tranche)  | January 2024  | 4,500,000 |
| Perpetual Subordinated Bonds of 2024 (Second Tranche) | August 2024   | 2,500,000 |
| Perpetual Subordinated Bonds of 2024 (Third Tranche)  | December 2024 | 2,900,000 |
| Perpetual Subordinated Bonds of 2025 (First Tranche)  | January 2025  | 2,100,000 |
| Perpetual Subordinated Bonds of 2025 (Second Tranche) | April 2025    | 1,400,000 |
| Perpetual Subordinated Bonds of 2025 (Third Tranche)  | May 2025      | 1,600,000 |
| Perpetual Subordinated Bonds of 2025 (Fourth Tranche) | July 2025     | 3,000,000 |
| Perpetual Subordinated Bonds of 2025 (Fifth Tranche)  | August 2025   | 1,000,000 |
| Perpetual Subordinated Bonds of 2025 (Sixth Tranche)  | November 2025 | 2,200,000 |
| Perpetual Subordinated Bonds of 2026 (First Tranche)  | March 2026    | 4,400,000 |
| Perpetual Subordinated Bonds of 2026 (Second Tranche) | May 2026      | 2,600,000 |

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2026  
(In RMB thousands, unless otherwise stated)

## 43 OTHER EQUITY INSTRUMENTS (CONTINUED)

The issuance terms related to the equity attributes of other equity instruments that existed at the end of the period mentioned above are as follows:

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

The perpetual subordinated bonds issued by the Company are classified as equity instruments, and recognized under equity in the consolidated statement of financial position.

## 44 RESERVES

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

### (1) Capital reserve

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

### (2) Surplus reserve

#### (i) Statutory surplus reserve

Pursuant to the Company Law of the PRC, the Company is required to appropriate 10% of its profit for the year for the statutory surplus reserve. When the cumulative amount of statutory surplus reserve exceeds 50% of the registered capital, the Company may no longer appropriate the statutory surplus reserve.

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

#### (ii) Discretionary surplus reserve

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

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(In RMB thousands, unless otherwise stated)

## 44 RESERVES (CONTINUED)

### (3) General reserve

Pursuant to the requirements of regulatory authorities, including the Ministry of Finance of the PRC and the CSRC, the Company is required to appropriate 10% of its profit for the year for the general risk reserve and 10% for the transaction risk reserve. Regulatory reserves that are established by subsidiaries and branches in certain countries or jurisdictions outside Chinese Mainland in accordance with the regulatory requirements in their respective territories are also included herein.

### (4) Investment revaluation reserve

The investment revaluation reserve represents the fair value changes of financial assets at fair value through other comprehensive income.

### (5) Foreign currency translation reserve

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

## 45 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

### (1) Cash and cash equivalents

|                                     | 30 June<br>2026   | 31 December<br>2025 |
|-------------------------------------|-------------------|---------------------|
| Cash and bank balances              | 66,799,012        | 54,686,344          |
| Less: Restricted deposits (Note 30) | (625,022)         | (589,978)           |
| Interest receivable                 | (4,669)           | (8,115)             |
| Cash and cash equivalents           | <u>66,169,321</u> | <u>54,088,251</u>   |

### (2) Changes in liabilities arising from financing activities

|                                      | Short-term<br>borrowings | Short-term<br>financing<br>instruments<br>payable | Bonds in issue<br>(including<br>bonds in<br>issue with<br>maturity<br>within<br>one year) | Total              |
|--------------------------------------|--------------------------|---------------------------------------------------|-------------------------------------------------------------------------------------------|--------------------|
| At 31 December 2025                  | 7,978,408                | 53,860,415                                        | 122,585,709                                                                               | 184,424,532        |
| Cash flows from financing activities | 2,409,700                | 5,027,731                                         | 28,296,920                                                                                | 35,734,351         |
| Non-cash changes                     |                          |                                                   |                                                                                           |                    |
| Interest expenses                    | 121,826                  | 607,382                                           | 1,795,714                                                                                 | 2,524,922          |
| Effect of exchange rate changes      | (336,848)                | (331,720)                                         | (654,083)                                                                                 | (1,322,651)        |
| Others                               | —                        | —                                                 | 236                                                                                       | 236                |
| At 30 June 2026                      | <u>10,173,086</u>        | <u>59,163,808</u>                                 | <u>152,024,496</u>                                                                        | <u>221,361,390</u> |

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2026  
(In RMB thousands, unless otherwise stated)

## 46 COMMITMENTS AND CONTINGENT LIABILITIES

### (1) Capital commitments

|                                  | 30 June<br>2026 | 31 December<br>2025 |
|----------------------------------|-----------------|---------------------|
| Contracted, but not provided for | <b>46,647</b>   | 17,112              |

The above-mentioned capital commitments are primarily in respect of purchase of equipment and decoration of properties by the Group.

### (2) Legal proceedings

The Company and its subsidiaries are subject to claims and are parties to legal and regulatory proceedings in their ordinary course of businesses. As at 30 June 2026 and 31 December 2025, management of the Group believes that the Group was not involved in any material legal, or arbitration proceedings that if adversely determined, would have material impact on its financial position or results of operations of the Group.

### (3) Others

Group has no material contingencies that need to be disclosed.

## 47 RELATED PARTY DISCLOSURES

### (1) Beijing Financial Holdings Group and companies under Beijing Financial Holdings Group

As at 30 June 2026 and 31 December 2025, Beijing Financial Holdings Group Limited ("Beijing Financial Holdings Group") owned 35.81% of the equity interest of the Company.

Beijing Financial Holdings Group was established by State-owned Assets Supervision and Administration Commission of the People's Government of Beijing Municipality, which is an integrated financial investment holding platform and managed as a municipal level I enterprise.

The transactions between Beijing Financial Holdings Group and its affiliated companies and the Group are in the ordinary course of business under normal commercial terms and conditions. Corresponding transactions and balances with this institution are as follows:

|                                    | Six months ended 30 June<br>2026 | 2025    |
|------------------------------------|----------------------------------|---------|
| Fee and commission income          | <b>1,090</b>                     | 458     |
| Interest income                    | <b>1</b>                         | 1       |
| Fee and commission expenses        | <b>(4,804)</b>                   | (95)    |
| Interest expenses                  | <b>(3,184)</b>                   | (1,135) |
| Other operating expenses and costs | <b>(49)</b>                      | (66)    |

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(In RMB thousands, unless otherwise stated)

## 47 RELATED PARTY DISCLOSURES (CONTINUED)

(1) Beijing Financial Holdings Group and companies under Beijing Financial Holdings Group  
(Continued)

|                                       | 30 June<br>2026 | 31 December<br>2025 |
|---------------------------------------|-----------------|---------------------|
| <b>Assets</b>                         |                 |                     |
| Cash and bank balances                | 1,364           | 3,433               |
| <b>Liabilities</b>                    |                 |                     |
| Accounts payable to brokerage clients | 13              | 109,372             |
| Other current liabilities             | 527             | 47                  |

(2) Central Huijin and companies under Central Huijin

As at 30 June 2026 and 31 December 2025, Central Huijin Investment Ltd. ("Central Huijin") owned 30.76% of the equity interest of the Company.

Central Huijin is a wholly-owned subsidiary of China Investment Corporation, which is incorporated in Beijing, the PRC. Central Huijin has equity interests in certain banks and non-banking financial institutions under the direction of the PRC government and does not engage in other commercial activities. Central Huijin exercises its legal rights and assumes obligations related to the Company on behalf of the PRC Government.

The Group enters into transactions with Central Huijin and its affiliated companies in the ordinary course of business under normal commercial terms. Corresponding transactions and balances with these banks and financial institutions are as follows:

|                                    | Six months ended 30 June<br>2026 | 2025     |
|------------------------------------|----------------------------------|----------|
| Fee and commission income          | 24,108                           | 25,637   |
| Interest income                    | 381,519                          | 245,695  |
| Other income                       | 23,919                           | –        |
| Fee and commission expenses        | (58,489)                         | (53,527) |
| Interest expenses                  | (52,653)                         | (45,404) |
| Other operating expenses and costs | (5,081)                          | (3,863)  |

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2026  
(In RMB thousands, unless otherwise stated)

## 47 RELATED PARTY DISCLOSURES (CONTINUED)

### (2) Central Huijin and companies under Central Huijin (Continued)

|                                                                      | 30 June<br>2026 | 31 December<br>2025 |
|----------------------------------------------------------------------|-----------------|---------------------|
| <b>Assets</b>                                                        |                 |                     |
| Right-of-use assets                                                  | 7,835           | 1,595               |
| Accounts receivable                                                  | 268,007         | 353,621             |
| Financial assets at fair value through profit or loss                | 8,285,468       | 7,223,570           |
| Financial assets at fair value through other<br>comprehensive income | 4,511,907       | 1,537,319           |
| Derivative financial assets                                          | 30,095          | 50,724              |
| Cash held on behalf of clients                                       | 69,649,419      | 34,924,303          |
| Cash and bank balances                                               | 14,647,907      | 7,684,195           |
| Other current assets                                                 | 34              | 34                  |
| <b>Liabilities</b>                                                   |                 |                     |
| Accounts payable to brokerage clients                                | 83,672          | 29,744              |
| Lease liabilities                                                    | 6,959           | 1,021               |
| Derivative financial liabilities                                     | 155,833         | 177,504             |
| Financial assets sold under repurchase agreements                    | 223,560         | 3,000,182           |
| Placements from banks and other financial institutions               | –               | 1,000,077           |
| Short-term borrowings                                                | 1,733,122       | 1,686,994           |
| Other current liabilities                                            | 165,900         | 217,303             |

### (3) Government related entities

According to the provisions of IAS 24 – Related Parties Disclosures, government entities controlled and jointly controlled by the PRC government and their subsidiaries (the “government related entities”) are also regarded as related parties of the Group.

Part of the Group’s transactions including securities and futures dealing and broking, underwriting of debt securities, purchase and sale of government bonds, and equity and debt securities issued by other government related entities are entered into with government related entities. These transactions are conducted in accordance with general commercial terms and conditions.

Directors of the Company consider that transactions with government related entities are activities conducted in the ordinary course of business under normal commercial terms and conditions, and that the dealings of the Group have not been significantly or unduly affected by the fact that the Group and those entities are government related. The Group has also established pricing policies for products and services and such pricing policies do not depend on whether or not the counterparties are government related entities.



# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(In RMB thousands, unless otherwise stated)

## 47 RELATED PARTY DISCLOSURES (CONTINUED)

### (4) Other major shareholders and its related parties

The Group's major transactions and balances with other major shareholders and its related parties are as follows:

|                                                                   | Six months ended 30 June |             |
|-------------------------------------------------------------------|--------------------------|-------------|
|                                                                   | 2026                     | 2025        |
| Fee and commission income                                         | 53,600                   | 43,578      |
| Interest income                                                   | 172,464                  | 113,845     |
| Other income                                                      | 16,205                   | 440         |
| Fee and commission expenses                                       | (9,636)                  | (11,536)    |
| Interest expenses                                                 | (35,878)                 | (27,467)    |
| Other operating expenses and costs                                | (33,765)                 | (27,842)    |
|                                                                   |                          |             |
|                                                                   | 30 June                  | 31 December |
|                                                                   | 2026                     | 2025        |
| <b>Assets</b>                                                     |                          |             |
| Right-of-use assets                                               | 134,724                  | 136,133     |
| Accounts receivable                                               | 31,241                   | 17,761      |
| Financial assets at fair value through profit or loss             | 3,668,271                | 3,651,386   |
| Financial assets at fair value through other comprehensive income | 600,165                  | 269,484     |
| Derivative financial assets                                       | 72,462                   | 10,862      |
| Cash held on behalf of clients                                    | 13,919,198               | 20,154,357  |
| Cash and bank balances                                            | 3,230,836                | 1,882,007   |
| Other current assets                                              | 54,814                   | 28,527      |
|                                                                   |                          |             |
| <b>Liabilities</b>                                                |                          |             |
| Accounts payable to brokerage clients                             | 50,545                   | 14,455      |
| Lease liabilities                                                 | 153,797                  | 194,060     |
| Derivative financial liabilities                                  | 37,074                   | 22,168      |
| Financial assets sold under repurchase agreements                 | 1,308,169                | 536,400     |
| Short-term financing instruments payable                          | –                        | 250,610     |
| Short-term borrowings                                             | 567,178                  | 588,022     |
| Other current liabilities                                         | 31,830                   | 4,307       |

### (5) The Group's associates

The Group entered into transactions with its associates at arm's length in the ordinary course of business. Management considers that transactions between the Group and its associates are not significant.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2026  
(In RMB thousands, unless otherwise stated)

## 48 FAIR VALUE AND FAIR VALUE HIERARCHY

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

Level 1: where the inputs are unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2: where the inputs are observable for the assets and liabilities, either directly or indirectly, other than quoted prices in Level 1.

Level 3: where the inputs are unobservable inputs for relevant assets or liabilities.

The Group uses valuation techniques or counterparty quotations to determine fair value when market prices are not available in active markets.

The major parameters used in valuation techniques include, among others, underlying securities prices, interest rates, foreign exchange rates, volatilities, which are all observable and available from an active market.

For certain unlisted equity securities (private equity securities), thinly traded equity securities, subordinated tranche of asset-backed securities, certain over-the-counter derivative contracts and trust plans, the management uses counterparty quotations or valuation techniques to determine their fair value.

For ongoing fair value measured assets and liabilities, the Group determines at the end of each reporting period whether there is a transition between the hierarchies by reassessing the classification (based on the lowest hierarchy input that has a material impact on the overall fair value measurement).

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(In RMB thousands, unless otherwise stated)

## 48 FAIR VALUE AND FAIR VALUE HIERARCHY (CONTINUED)

(1) Financial instruments recorded at fair value

|                                          | 30 June 2026 |             |            |             |
|------------------------------------------|--------------|-------------|------------|-------------|
|                                          | Level 1      | Level 2     | Level 3    | Total       |
| Financial assets at fair value           |              |             |            |             |
| through profit or loss                   |              |             |            |             |
| – Debt instruments                       | 5,105,255    | 85,661,185  | 6,229      | 90,772,669  |
| – Equity investments                     | 16,647,530   | 815,586     | 12,105,468 | 29,568,584  |
| – Fund investments                       | 22,676,383   | 31,264,024  | 683,511    | 54,623,918  |
| – Others                                 | 15,539       | 60,602,072  | 5,476,391  | 66,094,002  |
| Subtotal                                 | 44,444,707   | 178,342,867 | 18,271,599 | 241,059,173 |
| Financial assets at fair value           |              |             |            |             |
| through other                            |              |             |            |             |
| comprehensive income                     |              |             |            |             |
| – Debt instruments                       | –            | 77,565,332  | –          | 77,565,332  |
| – Equity investments                     | 10,034,217   | 59,162,995  | 1,400      | 69,198,612  |
| Subtotal                                 | 10,034,217   | 136,728,327 | 1,400      | 146,763,944 |
| Derivative financial assets              | 1,085,413    | 1,570,459   | 426,473    | 3,082,345   |
| Total assets                             | 55,564,337   | 316,641,653 | 18,699,472 | 390,905,462 |
| Financial liabilities at fair value      |              |             |            |             |
| through profit or loss                   |              |             |            |             |
| – Financial liabilities held for trading | –            | 9,196,290   | –          | 9,196,290   |
| – Financial liabilities designated       |              |             |            |             |
| as at fair value through profit          |              |             |            |             |
| or loss                                  | –            | 1,370,115   | 13,339,397 | 14,709,512  |
| Subtotal                                 | –            | 10,566,405  | 13,339,397 | 23,905,802  |
| Derivative financial liabilities         | 1,018,866    | 4,352,142   | 1,970,203  | 7,341,211   |
| Total liabilities                        | 1,018,866    | 14,918,547  | 15,309,600 | 31,247,013  |

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(In RMB thousands, unless otherwise stated)

## 48 FAIR VALUE AND FAIR VALUE HIERARCHY (CONTINUED)

(1) Financial instruments recorded at fair value (Continued)

|                                                                                  | 31 December 2025 |             |            |             |
|----------------------------------------------------------------------------------|------------------|-------------|------------|-------------|
|                                                                                  | Level 1          | Level 2     | Level 3    | Total       |
| Financial assets at fair value<br>through profit or loss                         |                  |             |            |             |
| – Debt instruments                                                               | 3,504,558        | 61,814,498  | 19,673     | 65,338,729  |
| – Equity investments                                                             | 12,333,820       | 827,014     | 9,353,034  | 22,513,868  |
| – Fund investments                                                               | 18,154,381       | 23,823,521  | –          | 41,977,902  |
| – Others                                                                         | 717,275          | 50,535,457  | 5,581,620  | 56,834,352  |
| Subtotal                                                                         | 34,710,034       | 137,000,490 | 14,954,327 | 186,664,851 |
| Financial assets at fair value<br>through other<br>comprehensive income          |                  |             |            |             |
| – Debt instruments                                                               | –                | 93,348,017  | –          | 93,348,017  |
| – Equity investments                                                             | 9,896,794        | 42,324,615  | 1,400      | 52,222,809  |
| Subtotal                                                                         | 9,896,794        | 135,672,632 | 1,400      | 145,570,826 |
| Derivative financial assets                                                      | 1,152,203        | 811,498     | 318,611    | 2,282,312   |
| Total assets                                                                     | 45,759,031       | 273,484,620 | 15,274,338 | 334,517,989 |
| Financial liabilities at fair value<br>through profit or loss                    |                  |             |            |             |
| – Financial liabilities held for trading                                         | –                | 973,226     | –          | 973,226     |
| – Financial liabilities designated<br>as at fair value through profit<br>or loss | –                | 1,838,856   | 8,798,174  | 10,637,030  |
| Subtotal                                                                         | –                | 2,812,082   | 8,798,174  | 11,610,256  |
| Derivative financial liabilities                                                 | 1,305,594        | 2,423,167   | 2,800,613  | 6,529,374   |
| Total liabilities                                                                | 1,305,594        | 5,235,249   | 11,598,787 | 18,139,630  |

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(In RMB thousands, unless otherwise stated)

## 48 FAIR VALUE AND FAIR VALUE HIERARCHY (CONTINUED)

(2) Movements in Level 3 Financial Instruments measured at fair value

Movements in Level 3 Financial Instruments measured at fair value in each period/year are as follows:

|                                                                                                                | Six months ended 30 June 2026                         |                                                                   |                             |                                                            |                                  |
|----------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|-------------------------------------------------------------------|-----------------------------|------------------------------------------------------------|----------------------------------|
|                                                                                                                | Financial assets at fair value through profit or loss | Financial assets at fair value through other comprehensive income | Derivative financial assets | Financial liabilities at fair value through profit or loss | Derivative financial liabilities |
| 1 January 2026                                                                                                 | 14,954,327                                            | 1,400                                                             | 318,611                     | 8,798,174                                                  | 2,800,613                        |
| Total gains or losses for the period                                                                           | 2,269,862                                             | -                                                                 | 491,290                     | 203,418                                                    | 8,039                            |
| Increases                                                                                                      | 5,188,957                                             | -                                                                 | 189,482                     | 8,163,150                                                  | 1,698,905                        |
| Decreases                                                                                                      | (4,141,547)                                           | -                                                                 | (572,910)                   | (3,825,345)                                                | (2,537,354)                      |
| 30 June 2026                                                                                                   | 18,271,599                                            | 1,400                                                             | 426,473                     | 13,339,397                                                 | 1,970,203                        |
| Gains or losses for the period included in profit or loss for assets/liabilities held at the end of the period | 2,269,862                                             | -                                                                 | 491,290                     | (203,418)                                                  | (8,039)                          |

|                                                                                                            | Year ended 31 December 2025                           |                                                                   |                             |                                                            |                                  |
|------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|-------------------------------------------------------------------|-----------------------------|------------------------------------------------------------|----------------------------------|
|                                                                                                            | Financial assets at fair value through profit or loss | Financial assets at fair value through other comprehensive income | Derivative financial assets | Financial liabilities at fair value through profit or loss | Derivative financial liabilities |
| 1 January 2025                                                                                             | 14,341,684                                            | 1,400                                                             | 1,161,920                   | 6,141,480                                                  | 2,230,728                        |
| Total gains or losses for the year                                                                         | 467,723                                               | -                                                                 | (1,638,316)                 | 652,789                                                    | 1,034,465                        |
| Increases                                                                                                  | 4,918,264                                             | -                                                                 | 789,847                     | 7,919,450                                                  | 3,203,148                        |
| Decreases                                                                                                  | (4,288,322)                                           | -                                                                 | 5,160                       | (5,915,545)                                                | (3,667,728)                      |
| Transfers to Level 1 from Level 3                                                                          | (485,022)                                             | -                                                                 | -                           | -                                                          | -                                |
| 31 December 2025                                                                                           | 14,954,327                                            | 1,400                                                             | 318,611                     | 8,798,174                                                  | 2,800,613                        |
| Gains or losses for the year included in profit or loss for assets/liabilities held at the end of the year | 467,723                                               | -                                                                 | (1,638,316)                 | (652,789)                                                  | (1,034,465)                      |

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2026  
(In RMB thousands, unless otherwise stated)

## 48 FAIR VALUE AND FAIR VALUE HIERARCHY (CONTINUED)

### (3) Important unobservable input value in fair value measurement of Level 3

The fair value of financial instruments under Level 3 is primarily determined by discounted cash flow model, option pricing model and comparable companies methods, etc. Determinations to classify fair value measures within Level 3 of the valuation hierarchy are primarily based on the significance of the unobservable inputs which mainly include liquidity discount, market multiples, volatility of underlying assets and others to the overall fair value measurement. As at 30 June 2026 and 31 December 2025, the fair value of the financial assets and financial liabilities classified under Level 3 is not significantly sensitive to a reasonable change in these unobservable inputs. The Group has implemented internal control procedures to monitor and control the Group's exposures to such financial instruments.

### (4) Transfers between Level 1 and Level 2

During the six months ended 30 June 2026, the amount of financial assets at fair value through profit and loss and financial assets at fair value through other comprehensive income from Level 2 to Level 1 were RMB828.81 million and RMB46.24 million.

During the year ended 31 December 2025, the amount of financial assets at fair value through profit and loss and financial assets at fair value through other comprehensive income from Level 2 to Level 1 were RMB493.50 million and RMB1,533.66 million, while the amount of financial assets at fair value through profit and loss from Level 1 to Level 2 were RMB32.97 million.

### (5) Financial assets and financial liabilities not measured at fair value

The information below summarizes the carrying amounts and fair values of those financial assets and liabilities not measured at fair value in the consolidated statement of financial position. Financial assets and financial liabilities for which the carrying amounts approximate fair value, including financial assets held under resale agreements, refundable deposits, margin accounts, accounts receivable, cash held on behalf of clients, cash and bank balances, lease liabilities, accounts payable to brokerage clients, financial assets sold under repurchase agreements, placements from banks and other financial institutions, short-term borrowings and short-term financing instruments payable are not listed in the table below.

As at 30 June 2026 and 31 December 2025, the carrying amounts and fair value of bonds in issue (including bonds in issue with maturity within one year) are summarized below:

|                                                                         | 30 June<br>2026 | 31 December<br>2025 |
|-------------------------------------------------------------------------|-----------------|---------------------|
| Bonds in issue (including bonds in issue with maturity within one year) |                 |                     |
| – Carrying amount ( <i>Notes 40 and 41</i> )                            | 152,024,496     | 122,585,709         |
| – Fair value                                                            | 153,856,761     | 124,584,291         |

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(In RMB thousands, unless otherwise stated)

## 49 FINANCIAL INSTRUMENTS RISK MANAGEMENT

The management considers effective risk management a critical element in ensuring the Group's successful operations. Therefore, the Group has established a set of comprehensive risk management and internal control systems to enable the Group to, evaluate, monitor and manage various financial risks in its business activities, including primarily credit risk, liquidity risk, market risk and operational risk, etc.

The Group's risk management and control system is not significantly changed compared to 31 December 2025.

### Structure of risk management

#### The Board

The Board of Directors is the Company's highest decision-making body in risk management, the executive management is the execution body, whilst different units are responsible for directly managing the risks they face in their business and operational activities. The Company has three dedicated risk control departments, namely the Risk Management Department, the Legal and Compliance Department and the Audit Department, which independently monitor and manage risks before the event, during the event and after the event, as per their respective roles and responsibilities.

The Board of Directors makes decisions with respect to the Group's overall risk management strategies and policies, basic risk management rules and procedures, internal control arrangements, and management matters.

The Risk Management Committee under the Board of Directors is responsible for overall supervising the overall risk management of the Group and ensuring the associated risks are adequately managed so that risk management activities can be effectively carried out through the Group's business and operating activities. The Board's Risk Management Committee under the Board of Directors also has the following responsibilities: deliberating overall objectives and basic policies of compliance management and risk management, and providing opinions, determining the strategic arrangements and resource allocation for risk management of the Group, so that they are aligned with the internal risk management and consolidation management policies; setting limits for major risks; and supervising and reviewing the risk management policies and making recommendations to the Board.

The Audit Committee under the Board of Directors supervises and evaluates the Company's comprehensive risk management framework, oversees and reviews the discharge of risk management responsibilities by the Board of Directors and the Company's Executive Committee, and ensures that corrective actions are taken where necessary.

#### The Operation Management

The Company's Executives Committee deliberates or makes overall decisions with specific risk management matters in operating activities and makes decisions on efforts to improve the internal control rules and procedures and control measures in accordance with the risk management strategies and policies adopted by the Board.



# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2026  
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## 49 FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONTINUED)

### The Operation Management (Continued)

The Company Risk Management Committee of the Executives Committee is responsible for organizing the formulation of the Group's risk preference and tolerance as well as overall risk limits, review and approval of specific risk limits and risk control criteria for each business lines; drafting and promoting the implementation of various risk management rules and measures; review and approval of new businesses and products; and formulating risk control strategies and plans for material business matters.

The Chief Risk Officer of the Company is responsible for leading overall risk management activities, including organizing the formulation of risk management policies of relevant risk management rules and risk preference, improving the Group's comprehensive risk management practices, and guiding the Risk Management Department in the identification, evaluation, monitoring and reporting of various risks.

### The Department, Branch and Subsidiary

Each and every department and branch/subsidiary of the Group, whose responsible person assumes primary responsibility for the risk management of the unit, within their respective roles and responsibilities, is responsible for following the decisions, rules and procedures, and risk management policies, and implementing risk-control measures and engaging in direct risk control efforts in their business activities. Every staff of the Group has the responsibility of diligence, prudent prevention and timely reporting on the effectiveness of risk management.

The Risk Management Department that is responsible for risk management of the Group, the Legal and Compliance Department that is responsible for legal affairs and compliance management, and the Audit Department that is responsible for the Group's internal audit activities are the three independent risk management functions that establish their own rules and procedures and operate independently to promote risk management of the Group. Specifically, the Risk Management Department is responsible for risk management before and during the event through risk monitoring, risk assessment, risk reporting and other measures, and participates in risk disposal. The Legal Compliance Department is responsible for taking the lead in managing the overall legal and compliance risks of the Group, and the Audit Department is responsible for independently and objectively reviewing and evaluating the sufficiency and effectiveness of comprehensive risk management, and supervising corrections and rectifications.

In addition, pursuant to the needs of risk management in investment banking business, aligned with the regulatory requirements, the Company has established the Internal Audit Department. Through such review at the company level, the Company conducts final risk control prior to the delivery of investment banking projects, and assumes the decision making responsibility of the ultimate approval of materials and documents to be submitted, reported, issued or disclosed in the name of the Company.

### Risk analysis and control

Financial risks in the Group's daily operating activities primarily include market risk, credit risk, liquidity risk and operational risk. The Group has established specific policies and procedures to identify and address these risks, set out appropriate risk limits and internal control processes to manage these risks, and built integrated control system and information technology systems to continuously monitor these risks.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(In RMB thousands, unless otherwise stated)

## 49 FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONTINUED)

### 49.1 Credit risk

Credit risks refer to the risks of an economic loss caused by the failure of customers, counterparties or issuers of debt financing instruments (also referred to as financiers) to perform their contractual obligations.

Credit risks of the Group relating to the securities financing business are primarily attributed to a decline in value, or insufficient liquidity of collateral provided by customers; customers' failure to repay debts in full in a timely manner due to legal disputes over collateral assets; and operational misconducts including fraudulent credit information, violation of contracts and regulatory requirements. Control over credit risks for the securities financing business is managed primarily through risk management education programs for customers, credit due diligence and verification of customers, risk assessment on collateralized (pledged) securities, setup of trading limits, daily mark to market of exposure, issuing risk notification to customers, margin calls, forced position liquidation and legal recourse. In addition, for financing of normal customers, customers with insufficient collateral securities and defaulting customers, the Group performs an assessment of the need for any loss allowance in accordance with the ECL model of the accounting standards of IFRS 9, and actively carries out debt recovery activities for defaulting customers.

Credit risk relating to bond investments is primarily due to the decline in the creditworthiness of credit issuer of the debt financing instruments or defaults, counterparty defaults. The Group carries out due diligence for issuers and counterparties, establishes internal ratings for issuers, debts and counterparties, manages the access and size of transactions according to the internal and external rating, and controls credit risk using other tools for subsequent monitoring and management. During the period ended 30 June 2026, the Group maintains good credit quality of its investment portfolio, optimizes the issuer rating and credit granting and concentration management mechanism, strengthens the development of risk early warning system.

The Group controls credit risks relating to over-the-counter derivative transactions by setting counterparty ratings and credit lines, enhancing the review of derivatives contract terms, and setting limits on the size of transactions and related credit risk exposures before transactions can take place. The Group monitors and measures credit risk exposures of counterparties on a daily basis. The Group monitors and controls credit risk exposure of counterparties within established limits by adopting mark-to-market and margin call practices of derivative transactions and related collateral as well as forced position liquidating procedures.

In order to manage the settlement risks in brokerage and custody business, securities brokerage transactions in Chinese Mainland are all settled on a fully pledged basis, which enables settlement risks to be well under control. The Group strictly complies with relevant trading and settlement rules and procedures to prevent non-compliant financing operations for clients. In addition, for bond-pledged repurchase agreement transaction, through due diligence, establishment of reasonable customer limits and haircut on collateral bonds, setting standards for minimum collateral level of qualified securities and leverage ratios, concentration limits for single securities used as collateral, standardizing emergency response processes and other measures, the Group prevents customer under-collateralisation. For option transactions, the Group takes measures including margin deposit management, limits setting and forced liquidation control to manage customers' credit risk.

Furthermore, the Company's Risk Management Department monitors and warning credit risk on an ongoing basis, including monitoring the total amount of credit transactions and credit exposures of the same customer, tracking the qualifying credit status of counterparties and bond issuers, monitoring the collateral coverage of securities and financial business, requiring the business department to fulfill its post-investment management duties, as well as using stress testing and sensitivity analysis, amongst other techniques, to measure the credit risk of major business lines.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2026  
(In RMB thousands, unless otherwise stated)

## 49 FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONTINUED)

### 49.1 Credit risk (Continued)

#### ***Expected credit loss measurement***

The measurement of the ECL allowance for the debt financial instruments measured at amortized cost and at fair value through other comprehensive income, is an area that requires the use of models and assumptions about the future economic conditions and credit behavior of the clients. Such as the likelihood of customers defaulting and the resulting losses.

The Group has applied a “three-stage” impairment model for ECL measurement based on changes in credit quality since the initial recognition of financial assets as summarized below:

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

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

For financial assets including securities financing business and debt securities investments applied ECL measurement and classified under Stages 1 and 2, management assesses credit loss allowances using the risk parameter modelling approach that incorporated key parameters, including probability of default (“PD”), loss given default (“LGD”) and exposure at default (“EAD”). For credit-impaired financial assets classified under Stage 3, management assessed the credit loss allowances by estimating the cash flows expected to arise from the financial assets after taking into consideration forward looking factors.

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

- Selection of the appropriate models and determination of relevant key measurement parameters;
- Criteria for determining whether or not there was a significant increase in credit risk, or a default or impairment loss was incurred;
- Determination of forward-looking measurements and weightings;
- The estimated future cash flows for the financial assets classified under Stage 3.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(In RMB thousands, unless otherwise stated)

## 49 FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONTINUED)

### 49.1 Credit risk (Continued)

#### ***Measuring ECL – models and parameters***

The ECL is measured on either a 12-month (12M) or Lifetime basis depending on whether a SICR has occurred since initial recognition or whether an asset is considered to be credit-impaired.

The Group fully considers forward-looking information when measuring ECL. ECL is the discounted product of the PD, LGD, and EAD after considering the forward-looking impact.

– PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation. For securities financing business, the Group determines the PD by borrower based on factors including the coverage ratio of underlying collateral value to margin loan (collateral to loan ratio) and the volatility of such collateral's valuation. For debt securities investments, internal credit rating is taken into consideration.

– LGD represents the Group's expectation of the extent of loss on a defaulted exposure. For securities financing business, the Group determines LGD, based on factors including the realizable value of collateral upon forced liquidation taking into consideration the estimated volatility over the realization period. For debt securities investments, LGD is determined based on assessed publicly available information from credit rating agencies, and type of securities.

– EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD).

#### ***The criteria of Significant increase in credit risk (SICR)***

The Group evaluates debt financial instruments to identify whether a SICR has occurred since initial recognition at each balance sheet date. An ECL allowance of financial assets is recognized according to the stage in which the assets are classified. This takes account of what reasonable information, including forward looking information, is available to identify whether a SICR had arisen. The Group considers a financial instrument to have experienced a SICR when one or more of the following quantitative, qualitative or backstop criteria have been met.

For securities financing business, the Group sets differentiated collateral to loan ratios as triggering margin calls and force liquidation thresholds (force liquidation thresholds generally no less than 130%) against different exposures related to these transactions, based on the obligors' credit quality, operation situation, contract maturity date, the volatility and liquidity of related collateral securities, and related performance information.

For securities financing business, the Group considers securities financing business to have experienced a SICR if collateral to loan ratios are lower than the force liquidation thresholds, which means a decline in collateral valuation or the quality of the third-party collateral is significantly reduced. As at 30 June 2026 and 31 December 2025, over 95% of the securities financing balances of the Group were covered by collateral value of over the force liquidation thresholds of related loan or repo amounts.

For debt securities investments, the Group makes use of its internal rating measurement system's results. The Group considers debt securities investments to have experienced a SICR if the latest internal ratings of the issuers of debt securities or the debt securities themselves underwent two notches of downward migration or more, compared with those ratings as at the acquisition date; and if the latest internal rating of issuers of debt securities or the debt securities themselves were under the predetermined grading. As at 30 June 2026 and 31 December 2025, majority of the debt securities investments of the Group were rated as investment grade or above and there was no SICR.

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

The Group has used the low credit risk exemption for financial instruments, such as cash and bank accounts, settlement reserve, refundable deposits, financial assets held under resale agreements collateralized by debt securities.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2026  
(In RMB thousands, unless otherwise stated)

## 49 FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONTINUED)

### 49.1 Credit risk (Continued)

#### ***Definition of default and credit impairment***

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

- The debtor is more than 90 days past due on its contractual payments;
- For securities financing business, forced liquidation of a client’s position is triggered based on a predetermined threshold of loan to collateral ratios; whereby the collateral valuation falls short of the related loan or repo amounts;
- The latest internal ratings of issuers of debt securities or debt securities themselves are in default grade;
- The debtor, issuer, or counterparty is in significant financial difficulty;
- An active market for that financial asset has disappeared because of debtor’s financial difficulties;
- Concessions have been made by the Group relating to the debtor, issuer, or counterparty’s financial difficulty;
- It is becoming probable that the debtor, issuer, or counterparty will enter bankruptcy or undertake a financial restructuring, etc.

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

In summary, the “three-stage” classification criteria for securities financing business is:

- Securities financing business with collateral to loan ratios more than the force liquidation thresholds and those past due for no more than 30 days are classified under Stage 1;
- Securities financing business with collateral to loan ratios no more than the pre-determined force liquidation thresholds but more than 100%; or those past due for more than 30 days but no more than 90 days are classified under Stage 2;
- Securities financing business with collateral to loan ratios no more than 100%; or those past due for more than 90 days are classified under Stage 3.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(In RMB thousands, unless otherwise stated)

## 49 FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONTINUED)

### 49.1 Credit risk (Continued)

#### *Forward-looking information*

The assessment of SICR and the calculation of ECL both incorporate forward-looking information. The Group has performed historical data analysis and identified the key economic variables impacting credit risk and ECL for each financial instrument portfolio. The Group uses these key economic variables as proxy variables to forecast under different economic scenarios and applies them in the measurement of ECL with Merton Model.

For all portfolios the Group concluded that three scenarios appropriately captured non-linearities of key economic variables. The scenario weightings are determined by a combination of statistical analysis and expert judgement, taking account of the range of possible outcomes each chosen scenario is representative of. The Group reassesses the quantity and characteristic of these scenarios at each balance sheet date. As at 30 June 2026 and 31 December 2025, the Group set three scenarios of optimism, base and pessimism for analysis of main product types, and the probability-weight of base scenario adopted by the Group was more than that of the other scenarios.

During the first half of 2026, the Group adopted the macroeconomic prosperity index leading index and the average guarantee ratio in the margin trading market as proxy variables for macroeconomic forward-looking forecasting, distinguished optimistic, benchmark, and pessimistic scenarios using the historical distribution of relative changes with different confidence levels.

The assessment of SICR is performed using the Lifetime PD under each of the base and other scenarios multiplied by the associated scenario weighting, as well as qualitative criteria, quantitative criteria and upper limit. The Group measures ECL as either a probability weighted 12-month ECL or a probability weighted lifetime ECL. These probability-weighted ECLs are determined by running each scenario through the relevant ECL model and multiplying it by the appropriate scenario weighting.

As at 30 June 2026, by taking current economy situation and international circumstances into comprehensive consideration, the Company updated the relevant economic indicators used for forward-looking measurement according to the latest economic forecast. As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Group considers these forecasts to represent its best estimate of the possible outcomes as at the financial statement date.

#### *Sensitivity analysis*

The allowance for credit losses is sensitive to the inputs used in internally developed models, macroeconomic variables in the forward-looking forecasts, weighting applied to economic scenarios and other factors considered when applying expert judgement. Changes in these inputs, assumptions and judgements are likely to have an impact on the measurement of ECLs.

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

Meanwhile, the Group also uses sensitivity analysis to monitor the impact of changes to the credit risk classification of financial assets on ECL. As at 30 June 2026 and 31 December 2025, assuming there was no SICR since initial recognition, and all the financial assets in Stage 2 were moved to Stage 1, the decremental impact on ECL allowance recognized in statement of financial position would be not significant.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2026  
(In RMB thousands, unless otherwise stated)

## 49 FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONTINUED)

### 49.1 Credit risk (Continued)

#### *Collateral and other credit enhancements*

The Group employed a range of policies and credit enhancements to mitigate credit risk exposure to an acceptable level. The most common of these is accepting collateral for funds advanced or guarantee. The Group determined the type and amount of collateral according to the credit risk evaluation of counterparties. The collateral under margin accounts and reverse repurchase agreements is primarily stocks, debt securities, funds etc. The management would test the market value of collateral periodically, and send margin calls according to related agreements, also monitor the market value fluctuation of collaterals when monitoring the measurement of the loss allowance.

#### *Impairment provision of securities financing business*

As at 30 June 2026, the percentage of impairment provision applied by the Group on securities financing business under the Stage 1, Stage 2 and Stage 3 were 0.81%, 4.55% and 100.00%, respectively (31 December 2025: 0.85%, 5.20% and 98.02%).

#### *Credit risk exposure analysis*

As at 30 June 2026 and 31 December 2025, the credit quality of the Group's financing exposures to customers was in good condition and over 95% of the securities financing business of the Group were with collateral to loan ratios no lower than the force liquidation thresholds. High threshold of margin loans to collateral ratios indicated that PD was low. For debt securities investments, the Group employed both open market credit ratings and internal credit ratings simultaneously as admittance criteria. The debt securities will be admitted only when the internal and external ratings criteria are met. Majority of the Group's debt securities investments were rated as investment grade (AA) or above externally.

The Group's maximum exposure to credit risk without taking into account of any collateral and other credit enhancements:

|                                                                      | 30 June<br>2026 | 31 December<br>2025 |
|----------------------------------------------------------------------|-----------------|---------------------|
| Financial assets at fair value through profit or loss                | 202,428,834     | 152,759,373         |
| Cash held on behalf of clients                                       | 245,893,922     | 162,630,325         |
| Financial assets at fair value through other<br>comprehensive income | 77,565,332      | 93,348,017          |
| Margin accounts                                                      | 107,541,790     | 84,384,373          |
| Cash and bank balances                                               | 66,799,012      | 54,686,344          |
| Refundable deposits                                                  | 23,707,998      | 20,552,895          |
| Financial assets held under resale agreements                        | 7,639,301       | 6,494,291           |
| Derivative financial assets                                          | 3,082,345       | 2,282,312           |
| Others                                                               | 14,062,593      | 10,152,818          |
| Total maximum credit risk exposure                                   | 748,721,127     | 587,290,748         |



# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(In RMB thousands, unless otherwise stated)

## 49 FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONTINUED)

### 49.1 Credit risk (Continued)

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

#### (i) Loss allowance for margin accounts

|                                      | Stage of ECL   |              |                                | Total            |
|--------------------------------------|----------------|--------------|--------------------------------|------------------|
|                                      | Stage 1        | Stage 2      | Stage 3                        |                  |
|                                      | 12-month ECL   | Lifetime ECL | Lifetime ECL (Credit-impaired) |                  |
| 1 January 2026                       | 719,363        | 114          | 1,189,000                      | 1,908,477        |
| Increases                            | 334,893        | 5,848        | 36                             | 340,777          |
| Reversals                            | (187,470)      | (117)        | –                              | (187,587)        |
| Transfer:                            |                |              |                                |                  |
| Stage 1 to Stage 2                   | (1,752)        | 1,752        | –                              | –                |
| Stage 1 to Stage 3                   | (1)            | –            | 1                              | –                |
| Stage 2 to Stage 1                   | 86             | (86)         | –                              | –                |
| Foreign exchange and other movements | (118)          | (3)          | (4,658)                        | (4,779)          |
| 30 June 2026                         | <u>865,001</u> | <u>7,508</u> | <u>1,184,379</u>               | <u>2,056,888</u> |
|                                      | Stage of ECL   |              |                                | Total            |
|                                      | Stage 1        | Stage 2      | Stage 3                        |                  |
|                                      | 12-month ECL   | Lifetime ECL | Lifetime ECL (Credit-impaired) |                  |
| 1 January 2025                       | 479,621        | 488          | 1,181,787                      | 1,661,896        |
| Increases                            | 380,649        | 93           | 82,690                         | 463,432          |
| Reversals                            | (141,205)      | (76)         | (72,415)                       | (213,696)        |
| Transfer:                            |                |              |                                |                  |
| Stage 1 to Stage 2                   | (21)           | 21           | –                              | –                |
| Stage 1 to Stage 3                   | (4)            | –            | 4                              | –                |
| Stage 2 to Stage 1                   | 412            | (412)        | –                              | –                |
| Foreign exchange and other movements | (89)           | –            | (3,066)                        | (3,155)          |
| 31 December 2025                     | <u>719,363</u> | <u>114</u>   | <u>1,189,000</u>               | <u>1,908,477</u> |

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2026

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## 49 FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONTINUED)

### 49.1 Credit risk (Continued)

#### (ii) Loss allowance for financial assets held under resale agreements

|                | Stage of ECL    |                 |                                          | Total          |
|----------------|-----------------|-----------------|------------------------------------------|----------------|
|                | Stage 1         | Stage 2         | Stage 3                                  |                |
|                | 12-month<br>ECL | Lifetime<br>ECL | Lifetime<br>ECL<br>(Credit-<br>impaired) |                |
| 1 January 2026 | 17,740          | –               | 284,941                                  | 302,681        |
| Increases      | 15,843          | –               | –                                        | 15,843         |
| Reversals      | (5,345)         | –               | (68,770)                                 | (74,115)       |
| 30 June 2026   | <u>28,238</u>   | <u>–</u>        | <u>216,171</u>                           | <u>244,409</u> |

|                    | Stage of ECL    |                 |                                          | Total          |
|--------------------|-----------------|-----------------|------------------------------------------|----------------|
|                    | Stage 1         | Stage 2         | Stage 3                                  |                |
|                    | 12-month<br>ECL | Lifetime<br>ECL | Lifetime<br>ECL<br>(Credit-<br>impaired) |                |
| 1 January 2025     | 8,109           | –               | 410,519                                  | 418,628        |
| Increases          | 15,489          | –               | 68,429                                   | 83,918         |
| Reversals          | (5,602)         | –               | (194,263)                                | (199,865)      |
| Transfer:          |                 |                 |                                          |                |
| Stage 1 to Stage 3 | (256)           | –               | 256                                      | –              |
| 31 December 2025   | <u>17,740</u>   | <u>–</u>        | <u>284,941</u>                           | <u>302,681</u> |

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(In RMB thousands, unless otherwise stated)

## 49 FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONTINUED)

### 49.1 Credit risk (Continued)

(iii) Loss allowance for financial assets at fair value through other comprehensive income (debt instruments)

|                                      | Stage of ECL   |               |                                | Total          |
|--------------------------------------|----------------|---------------|--------------------------------|----------------|
|                                      | Stage 1        | Stage 2       | Stage 3                        |                |
|                                      | 12-month ECL   | Lifetime ECL  | Lifetime ECL (Credit-impaired) |                |
| 1 January 2026                       | 529,385        | 39,633        | 13,362                         | 582,380        |
| Increases                            | 86,905         | –             | –                              | 86,905         |
| Reversals                            | (211,888)      | (22,770)      | –                              | (234,658)      |
| Foreign exchange and other movements | (1,326)        | –             | –                              | (1,326)        |
| 30 June 2026                         | <u>403,076</u> | <u>16,863</u> | <u>13,362</u>                  | <u>433,301</u> |

|                                      | Stage of ECL   |               |                                | Total          |
|--------------------------------------|----------------|---------------|--------------------------------|----------------|
|                                      | Stage 1        | Stage 2       | Stage 3                        |                |
|                                      | 12-month ECL   | Lifetime ECL  | Lifetime ECL (Credit-impaired) |                |
| 1 January 2025                       | 376,169        | 9,475         | 13,362                         | 399,006        |
| Increases                            | 370,608        | 35,996        | –                              | 406,604        |
| Reversals                            | (216,220)      | (6,798)       | –                              | (223,018)      |
| Transfer:                            |                |               |                                |                |
| Stage 1 to Stage 2                   | (960)          | 960           | –                              | –              |
| Foreign exchange and other movements | (212)          | –             | –                              | (212)          |
| 31 December 2025                     | <u>529,385</u> | <u>39,633</u> | <u>13,362</u>                  | <u>582,380</u> |

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(In RMB thousands, unless otherwise stated)

## 49 FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONTINUED)

### 49.2 Liquidity risk

Liquidity risks refer to the risks that the Group is unable to acquire sufficient funds in a timely manner at a reasonable cost, in response to repay due debts, fulfill other payment obligations and meet other funding needs during normal course of business.

The Group has established clear decision-making levels, authority delegation and risk control rules and procedures, and clearly defined the roles and responsibilities of the Board of Directors, executive management, the Treasury Department and business departments in liquidity risk control. The Asset and Liability Management Committee of the Executives Committee is responsible for organizing and managing the asset and liability allocation plan of the Group, reviewing and approving the internal valuation interest rate of capital and emergency plans for liquidity risk. The Group established the Treasury Department to initiate the management of the liquidity of its proprietary funds, accounting for expanding mid-term and long-term stable funding channels, reasonably adjusting the asset allocation among various business lines, and steadily optimizing its assets and liabilities structure. The Group implements liquidity risk limits management and conducts daily and monthly liquidity position analyzes to manage liquidity movements, and regularly and irregularly evaluates the impact of asset liability allocation and adjustments on liquidity risk. For effective management of market liquidity risk of its securities portfolios, the Group has implemented securities centralization management for securities investment and financing activities, and has adopted credit rating criteria for fixed-income securities investments. The Group has improved its daily practice for liquidity risk management and control mechanism with the assistance of liquidity reserve asset management system, refining internal funds transfer pricing (FTP) system, as well as establishing and optimizing liquidity emergency plans and stress tests. During the period ended 30 June 2026, the Company has appropriately planned and dynamically adjusted its scale and structure of assets and liabilities based on development strategy and market environment, maintained a reasonable debt maturity structure and sufficient liquidity reserve, and improved the mechanism for providing liquidity support to overseas subsidiaries. The regulatory liquidity coverage ratio and net stable funding ratio has been fully compliant and prudent, and with the liquidity risk closely monitored and controlled.

The maturity profile of the financial liabilities as at the end of the reporting period/year, based on their contractual undiscounted payments, is as follows:

|                                                            | 30 June 2026                       |                       |                       |                 |                      | Total       |
|------------------------------------------------------------|------------------------------------|-----------------------|-----------------------|-----------------|----------------------|-------------|
|                                                            | Overdue/<br>repayable on<br>demand | Less than<br>3 months | 3 months<br>to 1 year | 1 to 5<br>years | More than<br>5 years |             |
| Accounts payable to brokerage clients                      | 262,899,677                        | -                     | -                     | -               | -                    | 262,899,677 |
| Derivative financial liabilities                           | 6,710,104                          | 354,956               | 149,683               | 126,468         | -                    | 7,341,211   |
| Financial liabilities at fair value through profit or loss | 10,566,406                         | 3,326,701             | 8,514,527             | 1,458,539       | 39,629               | 23,905,802  |
| Financial assets sold under repurchase agreements          | 14,778,093                         | 138,554,328           | 1,544,616             | -               | -                    | 154,877,037 |
| Placements from banks and other financial institutions     | -                                  | 6,241,206             | -                     | -               | -                    | 6,241,206   |
| Short-term borrowings                                      | -                                  | 9,334,033             | 864,189               | -               | -                    | 10,198,222  |
| Short-term financing instruments payable                   | -                                  | 27,424,021            | 32,232,632            | -               | -                    | 59,656,653  |
| Bonds in issue                                             | -                                  | 557,353               | 4,632,349             | 97,893,360      | 13,021,000           | 116,104,062 |
| Lease liabilities                                          | -                                  | 146,235               | 270,607               | 634,894         | 13,451               | 1,065,187   |
| Others (i)                                                 | 48,532,213                         | 11,814,990            | 34,994,459            | 17,379          | 1,585                | 95,360,626  |
| Total                                                      | 343,486,493                        | 197,753,823           | 83,203,062            | 100,130,640     | 13,075,665           | 737,649,683 |

(i) Others mainly include bonds in issue with maturity within one year and derivative business payables.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(In RMB thousands, unless otherwise stated)

## 49 FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONTINUED)

### 49.2 Liquidity risk (Continued)

|                                                            | Overdue/<br>repayable<br>on demand | 31 December 2025      |                       |                 |                      | Total       |
|------------------------------------------------------------|------------------------------------|-----------------------|-----------------------|-----------------|----------------------|-------------|
|                                                            |                                    | Less than<br>3 months | 3 months to<br>1 year | 1 to 5<br>years | More than<br>5 years |             |
| Accounts payable to brokerage clients                      | 175,840,031                        | –                     | –                     | –               | –                    | 175,840,031 |
| Derivative financial liabilities                           | 6,095,067                          | 218,791               | 183,101               | 32,415          | –                    | 6,529,374   |
| Financial liabilities at fair value through profit or loss | 2,812,081                          | 1,015,235             | 6,610,957             | 1,078,463       | 93,520               | 11,610,256  |
| Financial assets sold under repurchase agreements          | 10,513,372                         | 124,603,006           | 411,548               | –               | –                    | 135,527,926 |
| Placements from banks and other financial institutions     | –                                  | 6,561,699             | –                     | –               | –                    | 6,561,699   |
| Short-term borrowings                                      | –                                  | 7,067,936             | 941,028               | –               | –                    | 8,008,964   |
| Short-term financing instruments payable                   | –                                  | 27,656,662            | 26,761,351            | –               | –                    | 54,418,013  |
| Bonds in issue                                             | –                                  | 607,729               | 1,931,667             | 86,249,962      | 13,108,600           | 101,897,958 |
| Lease liabilities                                          | –                                  | 150,553               | 326,621               | 428,820         | 17,707               | 923,701     |
| Others (i)                                                 | 28,778,856                         | 3,252,600             | 28,072,980            | 20,250          | 1,640                | 60,126,326  |
| Total                                                      | 224,039,407                        | 171,134,211           | 65,239,253            | 87,809,910      | 13,221,467           | 561,444,248 |

(i) Others mainly include bonds in issue with maturity within one year and derivative business payables.

The table below analyzes the Group's lease agreements, which were committed at balance sheet date but not commenced into the relevant maturity groupings based on their contractual maturities:

|                   | 30 June<br>2026 | 31 December<br>2025 |
|-------------------|-----------------|---------------------|
| Lease term        |                 |                     |
| Less than 1 year  | 6,501           | 1,566               |
| 1 to 2 years      | 5,793           | 1,671               |
| 2 to 5 years      | 3,928           | 4,556               |
| More than 5 years | –               | 992                 |
| Total             | 16,222          | 8,785               |

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(In RMB thousands, unless otherwise stated)

## 49 FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONTINUED)

### 49.3 Market risk

Market risk represents the risk of losses arising from adverse movements in market prices, including interest rates, exchange rates, securities prices and commodity prices, affecting the Company's on and off-balance-sheet activities risk.

For market risks, the Group has established a sound risk management organizational structure and built risk management processes that enables end-to-end coverage of investment activities before, during and after making the investments, with risk limits applied to every investment. The Group annually reviews and approves risk limits for the Group as well as each and every proprietary business lines, including exposure limits, stop-loss limits, VaR limits, sensitivity index limit and stress testing limits, and charges the Risk Management Department to monitor and supervise their implementation and compliance. The Group has adopted daily mark-to-market practices, and implemented stop-loss procedures commensurate with its trading strategies. On a regular basis, the Group assesses the risk tolerance of its proprietary business lines, the effectiveness of its risks control and the income level after risk adjustments, and includes the assessment results in the performance evaluation of these business lines. The Group makes on-going efforts to improve its proprietary business management system, including front-end controls over relevant limit indicators.

During the period ended 30 June 2026, the Group earns reasonable investment returns, market risks are effectively controlled within the scope of various risk limit indicators.

#### (1) Value at risk (VaR)

The Group adopts VaR as a tool to measure the market risk of its entire securities investment portfolio comprising different types and varieties of financial instruments. VaR is a method that estimates the maximum possible loss on the portfolio due to movements in market interest rates or securities prices over a specified time period and within a given confidence level.

The VaR of the Group's investment portfolio is calculated using the portfolio's historical data information. Although VaR analysis is a key instrument for measuring market risk, it has to rely on historical data and relevant information, and accordingly, it has certain inherent limitations so that it may not accurately predict the future changes of risk factors and in particular, cannot effectively reflect the risk under extreme market conditions. As a supplementary measure, the Group implements daily and specific stress tests to assess the impact on extreme adverse movements in risk indicators to the net capital of the Group and the profit and loss on proprietary portfolio and proposes emergency plans with relevant recommendations and measures accordingly.

Consistent with its internal risk management policy and comparable with peers, the Group's VaR was computed at a confidence level of 95% and with a holding period of 1 trading day. The Group's VaR analysis by risk categories is summarized as follows (in RMB thousands):

|                                               | 30 June<br>2026 | 31 December<br>2025 |
|-----------------------------------------------|-----------------|---------------------|
| Equity price-sensitive financial instruments  | 286,763         | 169,413             |
| Interest rate-sensitive financial instruments | 209,626         | 207,814             |

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(In RMB thousands, unless otherwise stated)

## 49 FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONTINUED)

### 49.3 Market risk (Continued)

#### (2) Interest rate risk

Interest rate risk represents the risk of losses to the fair values or future cash flows of financial instruments due to adverse movements in market interest rates. The Group's interest rate risk primarily comes from the interest rate-sensitive financial instruments whose fair values are subject to changes due to adverse movements in market interest rates.

The Group primarily uses interest rate sensitivity analysis to monitor its interest rate risk. Sensitivity analysis measures the impact of fair value changes of financial instruments held at the period-end on the Group's total revenue and total equity when reasonable and possible changes occur to interest rates, assuming all other variables remain the same and market interest rates shift in a parallel manner and not considering any risk management actions that the management may take to reduce its interest rate risk.

Interest rate sensitivity analysis of the Group are as follows (in RMB thousands):

| Sensitivity to revenue | 30 June<br>2026  | 31 December<br>2025 |
|------------------------|------------------|---------------------|
| Change in basis points |                  |                     |
| +25 basis points       | (1,154,578)      | (771,508)           |
| – 25 basis points      | <u>1,170,153</u> | <u>777,985</u>      |
| Sensitivity to equity  | 30 June<br>2026  | 31 December<br>2025 |
| Change in basis points |                  |                     |
| +25 basis points       | (598,404)        | (530,671)           |
| – 25 basis points      | <u>613,433</u>   | <u>536,779</u>      |

#### (3) Foreign currency rate risk

As at 30 June 2026, the foreign exchange exposure is approximately RMB18,829 million (31 December 2025: RMB6,755 million). The Group manages its foreign exchange rate risk by implementing integrated management of domestic and foreign Fixed-Income securities, Currencies and Commodities (FICC) and derivatives business, and manages its foreign exchange risk by limiting the scale of foreign-currency-denominated assets and liabilities and the comprehensive position of foreign exchange settlement and sales, setting the Company's self-operated investment stop-loss limit, risk exposure limit, using foreign exchange derivative risk hedging tools and reinforcing country risk management. The majority of its income-generating business activities under the current structure are conducted in RMB. During the period ended 30 June 2026, as the Group advanced its internationalization strategy, the scale of its overseas investments increased, and it completed a capital injection in its overseas subsidiary, China Securities (International) Finance Holding Company Limited. The foreign currency assets and liabilities of the Group are primarily held by its overseas subsidiary. The Group believes that its foreign exchange rate risk has an insignificant impact on its current operations.



# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2026  
(In RMB thousands, unless otherwise stated)

## 49 FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONTINUED)

### 49.3 Market risk (Continued)

#### (4) Other price risks

Other price risks refer to risks of fair value decline to the Group's investment portfolio due to fluctuations in market prices other than stock prices, interest rates, and foreign exchange rates, including primarily commodity prices. The Group's investment portfolio primarily comprises equity securities, fixed income businesses as well as their derivative instruments. Other market price-related businesses include gold trading and commodity derivatives trading where the Group primarily focuses on providing liquidity services, arbitrage strategies and hedging transactions trading with insignificant risk exposure. Accordingly, the Group believes that the other price risks do not have a significant impact on the Group's current operations.

### 49.4 Capital management

The Group's objectives of capital management are:

- To safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for equity holders and benefits for other stakeholders;
- To support the Group's stability and growth;
- To maintain a strong capital base to support the development of their business; and
- To comply with the capital requirements under the PRC regulations.

In accordance with Administrative Measures for Risk Control Indicators of Securities Companies (Revised 2020) by the CSRC in 2020 and Calculation Standards for Risk Control Indicators of Securities Companies (CSRC Announcement [2024] No.13) (implemented on 1 January 2025) issued by the CSRC in September 2024, the Company is required to meet the following standards for risk control indicators on a continual basis:

- The risk coverage ratio shall be no less than 100%;
- The capital leverage ratio shall be no less than 8%;
- The liquidity coverage ratio shall be no less than 100%;
- The net stable funding ratio shall be no less than 100%;

Of which:

Risk coverage ratio = net capital/sum of various risk capital provisions x 100%;

Capital leverage ratio = core net capital/total asset on-/off-balance-sheet x 100%;

Liquidity coverage ratio = high quality liquid assets/net cash outflow in 30 days x 100%;

Net stable funding ratio = available amount of stable funding/required amount of stable funding x 100%.

Core net capital refers to net assets minus risk adjustments on certain types of assets as defined in the Calculation Standards.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2026

(In RMB thousands, unless otherwise stated)

## 50 EVENTS AFTER THE REPORTING PERIOD

### **(1) Issuance of corporate bonds**

In July 2026, the Company publicly issued a corporate bond with a face value of RMB6.0 billion to professional investors. The “26 Xintou G6” has a face value of RMB3.0 billion, with a maturity of 2 years and a nominal rate of 1.60%; the “26 Xintou G7” has a face value of RMB3.0 billion, with a maturity of 3 years and a nominal rate of 1.66%. The bond accrues interest at fixed rate per annum, pays interest annually and is not guaranteed.

In August 2026, the Company publicly issued a technology innovation corporate bond (“26 Xintou K4”) with a face value of RMB1.4 billion, with a maturity of 3 years and a nominal rate of 1.64%, to professional investors. The bond accrues interest at fixed rate per annum, pays interest annually and is not guaranteed.

### **(2) Issuance of medium term notes**

Subsequent to 30 June 2026 and up to the issuance date of this report, CSCIF Hong Kong Limited, an indirect wholly-owned subsidiary of the Company, issued three tranches of medium term notes, with a total principal amount of RMB1,813 million. China Securities (International) Finance Holding Company Limited, a wholly-owned subsidiary of the Company, has committed to provide unconditional and irrevocable guarantee for the notes.

### **(3) Issuance of perpetual subordinated bonds**

In August 2026, the Company publicly issued a perpetual subordinated bond with a face value of RMB1.5 billion (“26 Xintou Y3”) to professional investors. The bond is repriced every 5 interest-accruing years and at the end of the repricing cycle, the Company has the option to extend the bond for another repricing cycle (another five years) or redeem it in full. The bond accrues interest at floating rate with an initial fixed annual interest rate of 1.92% in the first 5 interest-accruing years and will be repriced every 5 years from the sixth year. The bond pays interest annually in case of the Company not exercising the option to defer the interest payment and is not guaranteed.

### **(4) Issuance of short-term corporate bonds**

In July 2026, the Company publicly issued a 153-day fixed rate short-term corporate bond with a face value of RMB1.0 billion (“26 Xintou S1”) to professional investors. The bond pays the principal and interest at 1.48% per annum at maturity and is not guaranteed.

### **(5) Issuance of short-term commercial paper**

Subsequent to 30 June 2026 and up to the issuance date of this report, the Company issued one tranche of short-term commercial paper with a issuance amount of RMB3.0 billion and a nominal interest rate of 1.50%.

### **(6) Dividend**

On 18 August 2026, the Board of Directors proposes a cash dividend of RMB2.90 (tax inclusive) per 10 ordinary shares, amounting to RMB2,249.44 million (tax inclusive) in total based on 7,756,694,797 shares for the period end 30 June 2026. The proposal is subject to the approval by the General Meeting.



中信建投证券股份有限公司  
CSC FINANCIAL CO., LTD.